Little to Large: Critical Success Factors & Implications for SME’s in Kerry and Rural Ireland.

Retrospective on charting past success behind the growth of what once were starting SME’s to now large corporations around Kerry and Rural Ireland – Critical Success Factors and implications for emerging SME’s with high growth potential.

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Declaration:

“Little to Large: Critical Success Factors & Implications for SME’s in Kerry & Rural Ireland”. This project, under the supervision of Dr. Clare Rigg, is presented to the Institute of Technology Tralee in fulfilment of the requirements for the Master of Business by Research. It is entirely my own work and has not been submitted to any other university or higher education institution, or for any other academic award in this institute. Where use has been made of work of other people it has been fully acknowledged and fully referenced.

Noelle Foley
September 2009
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Abstract

This research is unique in that it profiles the growth trajectories of three global knowledge based companies in rural Ireland. The chosen companies were start-up small businesses that became international global leaders in their selected fields. The selected companies range from different industries but share similar growth trajectories and factors which have enabled high growth. There was a gap in research regarding the growth factors which have allowed small to medium-sized enterprises develop into large corporations. This study took an in-depth look at how each company has managed the vital factors in their growth transition in the hope of applying lessons to be learnt to small businesses with high growth potential.

After a comprehensive literature review, a realist paradigm was chosen as the main basis for the research. The approach used was that of three case studies, with methods including sampling, qualitative and qualitative data, primary & secondary research along with tools including documentary analysis, in-depth interviews and observations. These tools allowed me to generate new theory from one setting to another, identifying patterns, concepts and possible new theories. In-depth interviews were carried out with key players who had witnesses the growth of each company first hand. Participants consisted of the Entrepreneurs, the company founders along with members of management and staff, these included Directors, personal assistants and senior managers.

The results yielded some interesting facts with regards to small business growth and factors promoting growth such as finance, knowledge, entrepreneurship, marketing, risk and people. Each company followed a similar growth trajectory. Knowledge is seen as an important contributor to the growth of each company, while people and loyalty were seen as the vital ingredient to facilitate growth. Questions have been raised with regards to formal marketing and entrepreneurial marketing. In this study all three entrepreneurs display similar characteristics, and their vision has contributed to the overall growth of the company. The conclusion outlined in chapter 5, discovered as accurately as possible, the truth behind the growth of each company.
Chapter 1:
Introduction
1. The Research

1.1. Context Analysis

Entrepreneurship, history of entrepreneurship and Small to Medium Enterprises

What is Entrepreneurship?

According to Burke (1995) unnecessary ambiguity and debate have been generated by a lack of rigour in defining enterprise in far too many instances of economic research. According to Casson (1982:1) ‘most studies of the entrepreneur make no attempt at definition. They rely instead on a stereotype, that of the swashbuckling business adventurer. Anybody who conforms loosely to this stereotype is dubbed an entrepreneur’.

Llewellyn and Wilson (2003:341) define entrepreneurship as ‘a construct that is seen by some people to relate to a set of personal characteristics (especially risk taking, creativity and ambition), a set of behaviours by others (e.g. starting a business), and a combination of both of these possibilities by yet another group’. Olson (1986) believes entrepreneurs are opportunistic decisions maker who are able to spot opportunities through innovation, profitable venture identification, effectiveness and non-programmed or ambiguous situations. The Collins English Dictionary defines an entrepreneur as ‘the owner or manager of a business enterprise who, by risk and initiative, attempts to make profits.’

The term entrepreneurship is somewhat vague and definitions vary between authors. This research hopes to identify clearly what is entrepreneurship and the personality traits associated with entrepreneurs.

History of Entrepreneurship

“...neoclassical value theory did not develop a theory of enterprise. .....The new paradigm took ends as given, explained allocation of scarce resources to meet these given ends, and focused attention on equilibrium results rather than adjustment processes.
It therefore left no room for entrepreneurial action; the entrepreneur became a mere automation, a passive onlooker...”

(Herbert and Link: 1982-52)

Hawkes (1982:13) believed that some of the most important constraints on economic development and growth are home-grown to Irish society including the servile way of natural thinking in Irish culture, born of a colonial past and perpetuated in the controlling tradition of Church and State; and in the flawed comparing of entrepreneurship with narrow materialism. Hawkes (1981: 56) also argued that the Church, the educational system (largely controlled by the Church) and the family has conveyed a cultural ethos characterised by authoritarianism, inducing conformity, stifling initiative, enterprise and risk-taking.

According to O'Gorman & Cunningham (2007) Ireland has seen significant growth in the number and profile on entrepreneurs in recent years. This can be attributed to the rapid growth of Ireland in the last 10 years. O'Gorman & Cunningham (2007) further identify a number of other important trends: the first is the role that small businesses have played in job creation in the US and in Europe since the 1980’s. The Irish government have begun to recognise the role that entrepreneurs play in wealth creation and job creation. The second important trend is the increasing importance of the service sector with many opportunities for small companies and self employment.

The ‘Celtic Tiger’ had undoubtedly transformed the social infrastructure of Ireland; inward corporate investment, our countries tax regime and EU funding were quite significant to Ireland’s economic development. The so called ‘boom’ had altered people’s lives by creating jobs, educating thousands of more young people that was ever seen in this country before. With the boom well set on the horizon, Ireland is crying out for something drastic to help rebuild the blocks of economic prosperity. The key to regained success lies among our own domestic start-ups. Ireland has seen many domestic companies transform into some of the worlds most successful global leaders; going forward, these domestic start-ups are vital for Ireland’s rural sustainability and economic prosperity.
Small to Medium Sized Business

Small to medium sized businesses (SME’s) are companies that employ less than 250 people.

According to the European Commission (2003a:5) “The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro”.

<table>
<thead>
<tr>
<th>Enterprise category</th>
<th>Headcount</th>
<th>Turnover</th>
<th>Or</th>
<th>Balance sheet total</th>
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<tr>
<td>Medium-sized</td>
<td>&lt; 250</td>
<td>≤ € 50 million</td>
<td>≤ € 43 million</td>
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<tr>
<td>Small</td>
<td>&lt; 50</td>
<td>≤ € 10 million</td>
<td>≤ € 10 million</td>
<td></td>
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<tr>
<td>Micro</td>
<td>&lt; 10</td>
<td>≤ € 2 million</td>
<td>≤ € 2 million</td>
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Figure 1A: Small to Medium Sized Businesses Explained

(Source: European Commission, 2003a:1)

“Micro, small and medium-sized enterprises (SMEs) are the engine of the European economy. They are an essential source of jobs, create entrepreneurial spirit and innovation in the EU and are thus crucial for fostering competitiveness and employment. The new SME definition, which entered into force on 1 January 2005, represents a major step towards an improved business environment for SMEs and aims at promoting entrepreneurship, investments and growth. This definition has been elaborated after broad consultations with the stakeholders involved which proves that listening to SMEs is a key towards the successful implementation of the Lisbon goals”.

(European Commission, 2003b:3)

The uniqueness of this proposal lies with its focus on the critical success factors that have contributed to the successful growth of knowledge based SME’s in rural Ireland. There is
a gap in research regarding the growth trajectories which have allowed small to medium-sized enterprises develop into large corporations. This study will take an in-depth look at how each company has managed these vital factors in their growth transition to become some of today's most internationally renowned companies in their field. It will conclude with identifying pitfalls to avoid and lessons to be learnt for SME's with high growth potential, presenting a model to guide SME's through their transition into a large scale enterprise.

1.2. Rationale for Study

Coming from an entrepreneurial family and having witnessed first hand the hard work and dedication that is put into running a small business, I thought, wouldn't it be good to have a handbook that would tell you what to do, what not to do, how to grow and pitfalls to avoid. Having worked in an entrepreneurial company from an early age, I have seen the everyday crises linked to a small business, in particular the importance of finance and resources. The key to small business growth seemed to lie within a successful lifecycle transition, avoiding any hazards that lie ahead. As the literature review will show, little empirical research has been done on how exactly companies make the transition from start-up to international players.

In these tough economic times, my project hoped to investigate problems faced by larger corporation in their growth transition, providing a framework for SME's with high growth potential to help them through their critical growth transitions, not making the same mistakes as their large scale counterparts.

1.3. Statement of Aims & Objectives

The overall aim of this study is to explore how successful knowledge based companies in Kerry and Rural Ireland have managed the challenges in making the transition from an SME to become a successful large corporation and global player, including the critical success factors and implications for up and coming small businesses with high growth potential.
In order to achieve my aim, the research is designed with specific objectives outlined below:

- To identify critical factors that have led to the successful growth from SME to international corporation of enterprises in Kerry and Rural Ireland
- To identify pitfalls to avoid and lessons to be learnt for SME's with high growth potential
- To present a model on findings to guide rural Irish small to medium-sized through their transition into a large scale enterprise.

1.5. The Companies

Three companies, all located in Rural Kerry, kindly agreed to participate in this study. The companies represent three knowledge based companies, trading in different industries. Company 1 is a global financial company located in Mid-Kerry; Company 2 is a global agricultural company operating its headquarters from rural North Kerry, while Company 3 trades in the photographic & hospitality industry operating from North Kerry.

Chapter 2 of the thesis will outline the literature studied to help me better understand the phenomena. Chapter three will present the methodology section; this chapter will explain the methodological approaches used in this study and outline the research design. Chapter 4 will introduce key findings which have emerged from the research. The final chapter will present recommendations for small businesses with high-growth potential; following this I will present a model to help guide SME's with high growth potential through their growth cycle on board the results of this study.
Chapter 2

Literature Review
2.0. Introduction

"Typically, the literature review forms an important chapter in the thesis, where its purpose is to provide the background to and justification for the research undertaken" (Bruce, 1994:218)

The field of entrepreneurship is recognised as an important area of research. The basis of my literature review is to gain a complete understanding of the area around entrepreneurship and small business development, and also to get a better knowledge of the growth factors enabling SME growth and the pitfalls to avoid.

Murray (2006) says literature reviewing is a way of learning from other, expanding views and becoming familiar with theoretical perspectives and developments. All literature studied has been of great help with understanding the topic I am researching and will be drawn from throughout the thesis. The purpose of this chapter is to provide a foundation on various factors that promote or indeed hinder the growth of small businesses. Information has been collected through journal articles, books, news articles, the internet, libraries, public records, directorate of industries and commerce, and websites of government and non-government organizations.

To help understand the topic better, I broke down my literature review into 5 themes that help shed light on small business growth. I came to choose these themes from initial reading which suggested they were important factors in the growth of small businesses: -

- Growth Trajectories
  - The paths of growth small businesses take; is there a similar pattern among small businesses?

- Finance
  - How finance impacts on small business growth, and what types of finance is needed?

- Entrepreneurship
  - The skills entrepreneurs display in the promotion of growth.

- Knowledge
o What role knowledge plays in small business growth
  • Marketing
    o How important is marketing in the growth of small businesses.

As my research focuses on small business in Kerry and rural Ireland, the next section will discuss rural Ireland and the explosion of growth in these areas, as well as the importance of developing these areas for economic sustainability.

Rural Ireland

‘With all our talk about how the economy has changed and how Ireland is unrecognisable, we forget that certain things are permanent. Not only is the rural economy permanent but it has strengthened in recent years’ (McWilliams, 2007). According to the Goodbody Report (2002) ‘community-based entrepreneurship is seen to be an important factor in the growth of the Irish economy, particularly in disadvantaged and rural areas. Such entrepreneurship can act as a catalyst for local and community development—both economic and social. It is important to ensure that such sources of entrepreneurship have access to relevant education, training and development’.

According to the Rural Ireland 2025 Foresight Perspective (2005) ‘population and employment trends, as well as the location of economic activity in general, show clear and growing differences between urban and rural areas, and between the economies of different regions’. The rural economy can be envisaged as comprising the following main categories: (i) periurban areas with a high level of commuting to urban-based jobs; (ii) economically diversified areas relying on building construction, manufacturing and other non-farming employment; (iii) commercially strong farming areas; and (iv) economically weak areas highly dependent upon poor but heavily subsidised farming. (Rural Ireland 2005 Foresight Perspective, 2005). The report adds employment growth in rural areas has been quite widespread during the years 1991 to 2002, even though this is not reflected in increases in population. Much of this growth was due to expansion in construction, and in commercial and retail services, both of which are dependent on the vitality of the macro economy. Associated with employment growth were considerable increases in commuting and the spread of single dwelling houses in the commuting and high amenity zones.
According Mary Harney, former Minister of Trade & Employment (Pre-recession, January 2000) “The performance of Ireland’s economy in recent years has been huge. Never in the relatively short period since the political independence of this country was achieved have we had so many people living in this country, so many people in gainful employment and so many people enjoying a standard of living which is among the highest in the world” (Forfás 2000). Commins et al (2005) believe there has been widespread growth in rural employment during the 1990s. The number obtaining work more than offset the labour declines in agriculture in the great majority of rural census districts. The increase in employment in Rural Ireland was mainly due to unprecedented building and construction, commercial and retail services and, to a lesser degree, to manufacturing. Commis et al (2005) further add the higher percentage of females at work is clearly related to access to urban centres, while rural employment growth is a positive trend from a rural development standpoint, its longer-term sustainability cannot be deemed to be ensured. It is underpinned by a period of exceptional progress in the building industry; there is poor or static growth generally in the manufacturing sector; and employment on farms -though in decline- owes much to the heavy subsidization of farm-incomes. However according to the Goodbody Report (2002) problems facing rural Ireland was seen to be poor infrastructure, difficulties accessing the market or accessing up to date technology, smaller population, high exit of graduates, weak infrastructure, culture of a ‘getting a good job’ still there. According to Sinn Fein ‘Say No to the Lisbon Treaty Campaign’ (2008) ‘rural Ireland is suffering death by a thousand cuts’. They add that EU Policy has lead to the closure of the sugar beet industry, and this policy according to the party is actively undermining the provision of vital services to rural communities. They add EU Policy has become synonymous with red tape and bureaucracy and claim rural Ireland is suffering as a result.

The ensuing sections consider each of these themes in turn before pulling them together into an overall conceptual framework for the research.
2.1. Growth Trajectories

Introduction

Small to medium sized businesses (SME's)\(^1\) present the key to Ireland's future economic performance. According to O’Gorman (2003) growth is a word that excites most entrepreneurs and panics more. Gray (2000) believes that the intentions of the owner-manager and the way in which they interpret their economic and social worlds play a pivotal role in the growth orientation of small businesses.

Growth is defined as a change in size over any given time period (Dobbs & Hamilton: 2007) While high growth can be achieved by firms with a variety of characteristics, one of the most important factors is the commitment of the firm’s controller to achieving growth (Heinonen et al., 2004; Smallbone et al., 1995). According to Knight & Cavusgil (1996) with the advent of new technologies and business systems, this has seen some businesses to be “born global”, i.e. progress from start-up to being a global business in a very short space of time.

This section will seek to identify two interesting questions provoked by O’Gorman (2002), how does unplanned, ad hoc, reactive start-up growth transform itself into planned, organised, managed growth business? And what strategies, if any, are associated with growth and development of a new venture?

Gibb & Dyson (1984) claim that much SME growth is ‘topsy-turvy’, and is reactive rather than pro-active, to the extent that SME’s are and must be managed in a holistic manner. According to Gibb & Scott (1985, 1986) strategic awareness in owner-managers is a key factor in successful growth and development of such concerns Research suggests that small firms that have achieved high growth have also been pursuing a strategy of differentiation (North and Smallbone, 2000; Pena, 2002). Further support for this proposition comes from the understanding that smaller firms rarely have the same economies of scale as larger firms and as a result their competition must be based

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\(^1\) "The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro”, (European Commission, 2003a)
primarily on innovation rather than price (Holm and Poulfelt, 2002; O’Gorman, 2001). Active engagement of small firms in the management of products and markets is therefore particularly important for achieving growth over an extended period (Calantone et al., 1995; Smallbone et al., 1995).

Business Growth Models

Research by Storey (1994) (O’Gorman, 2002:204) suggested that the vast majority of new businesses do not grow. His research showed that nearly all new ventures stay small, of those that survive the start-up period, the majority will employ few, if any, employees 10 years later. His research suggested that as few as 4% of all start-ups achieve high levels of growth as measured by the number of employees. According to Cannon (1991) organizations evolve over time, see figure 2A. There are contrasting views on business growth, from those that argue there is no growth for the majority of small businesses (e.g. Storey, 1994) to others who suggest that organisations evolve over time (Cannon, 1991) Cannon believes ‘the broad pattern can be related to the lifecycle as it shifts from the individual or entrepreneurial to the corporate organization’. He adds the entrepreneurial phase is when the enterprise is shaped by the drive and commitment of one person or a group. This is discussed further in the entrepreneurship theme three below. Cannon adds that growth poses problems, mainly arising from issues outside entrepreneur’s competencies, he adds in order to survive new recruits and new skills have to be sought.
Small business growth is categorized by a number of predictable, discrete and consistent stages (Churchill and Lewis, 1983; Hanks et al., 1994; Kazanjian, 1988; Scott and Bruce, 1987; Steinmetz, 1969). Quinn and Cameron (1983) believe these stages are seen to be sequential in nature and occur as a hierarchical progression but easily reversed.

According to Cope (2003) life cycle models prove useful in beginning to conceptualise the dynamic, interactive and reciprocal relationship between the entrepreneur and the small business, primarily because according to Gibb and Davies (1990: 16-7) they attempt to characterize the way the 'small organization' develops and influences, and is influenced by the owner manager'. Cope (2003) further add that there is a link between the small business owners motivations and the performance and success of their business. Cope further claims a key assumption behind life cycle theorizing is that the owner manager must adapt their perceptions in a view facilitating growth. According to Steinmetz (1969: 36) ‘the minute he [the entrepreneur] commits himself, he is on the treadmill of forced growth, growth that requires his ability to change from an autocratic to a professional manager’. Similarly Scott and Bruce (1987) believe that the entrepreneur has to become more adept at delegating or co-ordinating from a distance.
Quinn and Cameron (1983) echo these views in saying when new stages of growth occur, past growth strategies and behaviours become unsuitable and obsolete. Burns and Harrison (1989) recognize individuals often take a long time to develop the necessary skills and abilities to successfully manage organizational growth.

The majority of growth models are conceptual rather than inductive (Gibb and Davies, 1990; Miller and Friesen, 1984). Quinn and Cameron (1983) suggest that while some organizations do follow roughly the developmental patterns portrayed in the literature, it is clear that a good deal of exception exists (Miller and Friesen, 1984) Theories of small business life cycle have been criticized in recent years for being reductionist and hypothetically normative, relying on formalistic, deductive approaches rather than inductive heuristic methods (Gibb and Davies, 1990). Merz et al (1994: 49) says it is 'the deterministic assumption that all firms grow through a series of predictable series of preordained stages that make such theories problematic'.

**Growth Models Explained**

Some of the more popular growth models are now reviewed:

Published first in the Harvard Business Review in 1972, the best known business model is L.E. Greiner’s five stage model (Hendricks: 1997), Grenier’s model shows how a company progresses through developmental phases, each evolutionary period creating its own revolution. The reaction of each revolutionary period determines whether the company will move into the next stage; each stage or ‘phase’ is both an effect of the previous phase and a cause of the next (Greiner, 1972). Greiner (1972) adds that the conquering of each phase of evolution and revolution ‘results in certain strengths and learning experience in the organization that will be essential for success in subsequent phases’. According to Autio & Garnsey (1997) the main problem associated with this growth model is in its design; they believe this model is intended for larger organizations.
The Grenier model adapts five stages as outlined below:

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<th>Growth through Creativity</th>
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<td>■ This stage shows the entrepreneur having to accept delegation and accept his/her new team</td>
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<th>Growth through Direction</th>
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<td>■ This represents the crisis of autonomy. This stage sees management systems being flexible, the entrepreneur should encourage product champions through motivation and an organic style of leadership</td>
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<th>Growth through Delegation</th>
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<th>Growth through co-ordination</th>
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<th>Growth through collaboration</th>
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<td>■ The above 3 stages are where the entrepreneur has to learn to delegate in order to grow; staff will have to be trained to work in harmony with each other through informal networks. Again, like phase 2, product championing should be encouraged – this in turn will lead to new, robust and innovative product/services. Dilemma’s may perhaps arise during this period if the entrepreneur is over empowering, he/she may embrace a ‘tight/loose’ style of management where they do empower but still wants the need to ‘hold the ring’. (Johnson &amp; Scholes, 2002:463/464). The entrepreneur must take a back seat and let others help him, for the benefit of the company. (Autio &amp; Garmsey, 1997; Hendricks, 1997; Johnson &amp; Scholes, 2003: 463/464)</td>
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Churchill & Lewis (1983) developed a growth strategy, suggesting that growth is not a natural process and that most typical growth and development patterns consist of:

- Existence
- Survival
- Success-disengagement
- Takeoff
- Maturity.

Hendricks (1997) believes this model is preferred by small businesses as the model, being based on Greiner’s model, pays special attention to small businesses. According to
Churchill & Lewis (1983), this model has the ability to predict what is going to happen tomorrow, next week, next month, and next year - and the ability afterwards to explain why it didn't happen. Autio and Garnsey (1997) believe the Churchill and Lewis model is not considered to be the only alternative available for the firm, as the model also recognises stages of non-growth and stability. In this model, non-growth can be either caused by small size of the industry segment or by the lack of growth motivation in the entrepreneur. This model according to O’Gorman (2002) highlights how the organisation structure of the new business will become more formal and hierarchical as the business develops. He adds many entrepreneurs are only marginally financially viable, but continue to exist because the entrepreneur has no alternative, or values the non-financial benefits of being self employed.

An alternative is the Mardon 2000 (2009) model which represents 5 phases growth as outlined below:

- From the garage to entrepreneur phase
- “I don’t know everything”, hire experts phase
- From Entrepreneurship to Organisation phase
- From Empowerment to Management leadership phase
- From Systems to Teams phase

Another model is that of Scott and Bruce (1987). This model is an elaboration of the Churchill and Lewis (1983) model; however it takes a broader look at each growth stage, extending the discussions by considering managerial and industry issues in addition to the organisational issues considered by Churchill and Lewis. Like Greiner (1972) Scott and Bruce identify crisis points between different growth stages, during which the firm is more likely to fail. Recently Eggers, Leahy and Churchill (1994) have revised the original Churchill and Lewis model (Autio and Garnsey: 1997) to allow for stability of the organisation as a third stage, therefore no longer taking growth aspiration as granted. As a result the possible number of stages is expanded to size. The model also recognises that a firm may skip one of more stages during its growth. They also identify situations of growth reversal, in which the firm may slip back to a previous stage. As a result according to Autio and Garnsey (1997), the stages of growth should be considered as
constituting configurations of the firm rather than as a predetermined sequence that all companies have to go through.

In summary, all of the above models are linear stage models, showing a firm's growth as a sequence of stages. Autio & Garnsey (1997) have developed a set of common features among each growth model:

- They are stage models, each identifying stages of growth and transition periods between these stages.

- They each emphasize the fit between the design of the organisation and growth stage. The models also indicate the need for metamorphosis as the organisational configuration of the firm needs to be changed for each stage.

- Growth orientation itself is seldom questioned in the earlier models, later models have started to recognise that not all new firms are growth oriented and the linearity of the models has been relaxed.

- The models acknowledge the importance of external conditions but do not incorporate these as theoretical components of the conceptual scheme; they rather refer to environmental contingencies as external conditions to which the firm must adapt.

Although there has been much academic speculation about the dual process of individual and organizational growth in small businesses (Cope, 2003; Gibb and Davies, 1990), According to Greiner (1972) there is still much to learn about the processes of development in organisations. Gibbs and Davies (1990) argue that the narrow look at growth models can conceal many real issues in small business growth triggers.

From the literature review, the author has compared each of the above outlined models in Figure 2C below:
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<td>Delegation &amp; Control</td>
<td>Survival</td>
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<td>Product Championing</td>
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<td>Direction</td>
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**Figure 2C: Growth Model Comparisons. Source and adapted L.E. Grenier (1972), Churchill & Lewis (1983), Mardon (2000), Scott & Bruce (1987), Eggers, Leahy & Churchill (1994).**

**Stochastic Models**

"Stochastic models of firm growth, developed mainly in the field of economies, which suggest that 'many factors affect growth and therefore there is no dominant theory'."

*(O'Farrell & Hitchens, 1998: 1370).*
O’Gorman 2002 points out that individual growth stages cannot be defined clearly in terms of sales, employee numbers or number of years of existence, as in Greiner’s model. He believes business development is different depending on the particular industry. Stochastic models of growth suggest that many factors affect growth; therefore there is no dominant theory (O’Farrell & Hitchens: 1988, p.1370). They also cite practical evidence that the variability of growth rate decreases with increasing enterprise size.

".... The recurring quality of organization existence. Organizations are born, grow and decline. Sometimes they reawaken, and sometimes they disappear"  
(Kimberley & Miles, 1980, p.ix)

Fombrun & Wally (1989) make the point that growth...may neither be orderly nor sequential; it may occur in surges.

**Limitations on Growth**

Penrose (1956) (O’Gorman, 2002: 208) argue that a firm’s ability to grow is limited by the combined effect of three factors:

- What she termed the ‘productive opportunity’ of the firm (The extent to which a firm is able to see opportunities for expansion, is willing to act on them, or is able to respond to them)
- The firm’s resources and capabilities
- The ability of the firm’s management and organisation structure to match these two elements profitably.

Donovan (1999) says rapid growth often has ill effects on five areas that do not respond well to fast growth:

- Cash Flow
- Price Stability
- Quality Control
- Distribution & Delivery
- Management Decision Making
According to Donovan (1999) if not discussed, any of the above mentioned can constrain growth.

**Conclusion**

Growth models represent a ‘plan ahead’ strategy for many small businesses, this section has outlined various growth models, most of which are conceptual rather than inductive (Gibb and Davies, 1990; Miller and Friesen, 1984). However growth models can prove problematic as they assume all firms grow through a series of predictable inevitable stages (Merz et al, 1994). Each of the models identified through the literature review identify stages of growth and transition periods between each growth phase, each models sees growth as been sequential. They also indicate the need for change as the organisations make-up needs to be changed for each stage. The models also acknowledge the importance of external conditions such as environmental contingencies which the firms must adapt to. The Churchill & Lewis model (1983) recognises stages of non-growth and stability, along with the Mardon 2000 model (2009) which shows that a lack of motivation of the part of the owner/manager could hinder growth. The Eggers, Leahy and Churchill model (1994) is also suited to small business growth, as like Churchill and Lewis, they allow for stability, this model also recognises that a company can skip a growth stage or growth reversal can occur.

High growth can be increased in small businesses through a strategy of differentiation (North and Smallbone, 2000; Pena, 2002). Growth can also be hindered through the perceptions and attitudes of the small business owner, in order to survive delegation has to take place. As we can seen from the Grenier and Mardon model, the traits of the entrepreneur is also thought to be a distinctive factor in small business growth, where the owner manager must adapt their perceptions and actions to increase growth (Cope, 2003) Merz (1994) believes growth models are tricky; as firms are assumed to grow through a series of predictable series of prolonged stages, this makes them problematic. In conclusion, in the words of Greiner (1972) ‘there is still much to learn about the process of development in organisations’
To summarise, Figure 2D presents the key themes related to small business growth trajectories, which I devised from the literature review.

Figure 2D: Growth Summary
2.2. Finance

Finance is the heart-beat of any organisation, be it a start-up or a global leader. With adequate finances, companies can grow from a mere seed to reaching their full global potential; it can enable prosperity which points the way to another success story of modern day. However, without finance, companies can not reach their full attainment in terms of growth. According to the Government Small Business Service (2004) small and medium sized business sector is diverse both in terms of its composition and financing requirements, ranging from small start-up to sole traders with relatively simple financing needs all the way through to fast growth high technology businesses with the need for significant equity finance.

This section will seek to identify how finance and growth connect, what finance is available to small businesses and the importance of financial planning.

Finance is defined as the management of money, money resources, and funding capital. (Harper Collins: 1993) It can also be defined as (the management of) supply of money or to provide money needed for something to happen. (Cambridge: 2006)

Foley outlines (2002:175) there are three key financial issues for any new venture:

- How much finance is needed to establish and maintain the venture?
- What types of finance will be used in the venture (this will also determine the sources of the finance)
- The management of the finances.

It takes money to make money; Baumberg (1985:370) outlines that nothing can be performed without finance; Mason and Harrison (2004) say there is increasing evidence of the need to improve SME’s investment readiness, to increase their chances of identifying and securing the right external finance.
Finance and Growth

According to the Government Small Business Service (2004) the implications of not identifying finance early may result in growth opportunities being lost, inappropriate finance being sought or higher than necessary financing costs. Further research carried out by the Government Small Business Service (2004) finds two thirds of small and medium sized businesses looking to improve their businesses said that it was difficult or very difficult to locate the right funding providers and advisors.

In expanding on Life-cycle Theory, Weston and Brigham (1981) claim that life cycles differ between growth and non-growth industries, and between new and traditional industries. As an example, they indicate that SMEs in growing industries, where forecasts of future sales are optimistic, should increase the proportion of fixed assets in order to reduce variable costs in the future, and thereby give them a competitive advantage. Weston and Brigham (1981) suggest that these investments are most likely undertaken with short-term debt, and that this will lead to poor liquidity over some period.

According to the Government Small Business Service (2004) on carrying out research indicate that over two thirds of small and medium sized businesses looking to grow find it difficult to locate the appropriate support to identify, local and engage with external funding sources. Many authors including Evans & Jovanovic, 1989; Blanchflower and Oswald, 1990; Lindh and Ohlsson, 1994; Van Praag and Van Ophem, 1995 suggest that becoming an entrepreneur depends crucially on personal wealth. Insufficient funds prevent the start-up or general a start at a sub-optimal asset level. According to Stiglitz and Weiss (1981) capital market imperfections due to asymmetric information limit the possibility to obtain external finance. Bilsen and Mitina (1999) suggest because entrepreneurial quality and effort are not easily observed and measured by banks, nor the profitability of a business plan, credit rationing tends to prevail, in which case a debt-gap emerges. Consequently firms might be restricted in their growth; this could lead to the untimely exit.

Bilsen and Mitina (1999) believe the basic determinant of success in terms of growth and survival is social capital. Cressy (1996) argues that the provision of external finance is demand driven and that firms self-select for funds on the basis of social capital. He also
finds that both the assets at start-up and survival of a firm is positively correlated with the proprietors’ age and the team size, and that it is basically these human capital variables that determine survival. According to Cressy (1995) older entrepreneurs have more experience, business commitment, assets and more willingness to use them for collateral. Van Auken and Neely (1996) along with Gibson (2002) suggest that some of the determinants of funding choices could include enterprise size, business age, profitability, growth, asset structure and risk. According to Static Trade-off Theory, financial leverage should be related to observable firm characteristics such as business risk and asset structure Peirson et al (1995).

Constraints and Failure

Hughes (1998) upon investigation of the constraints on small and medium sized businesses in the UK found that firms intentionally choose to avoid the actual and perceived shortages in the capital market by matching the growth to internal cash flow or through acquisition. Hughes also noted sustained growers more frequently applied this strategy than other groups. Furthermore in cases were external finance was provided it was perceived to have a constraining influence on growth. According to The United States Small Business Administration (2006) inadequate financing is a close second as to why businesses fail, citing poor management as the first. They advise it is not enough to have sufficient finance, but knowledge and planning are required. These qualities ensure that entrepreneurs avoid common mistakes like securing the wrong type of finance, miscalculating the amount required and understanding the cost of borrowing.

Finance Available

“Small firms are likely to be private companies; this significantly affects their ability to raise capital.”

(Johnson & Scholes, 2002:26)

Any entrepreneur starting a new business has spirit, vision and an unyielding belief in an idea; yet still a certain amount of readably available capital is required. Entrepreneurs have to routinely access their own personal finances, however to get other peoples money,
you have to ‘walk the talk’ in being able to sell idea; however what budding investors eventually want to see, is steak on the plate. They need to know what they’re getting in return for their investments and how you plan to get it for them. (Roha and Kopecki: 1994). Finance is all very well but one also needs significant planning and knowledge to manage it.

Bilsen and Mitina (1999) upon surveying 600 firms found that in nine out of ten cases, new firm start-up’s are financed by the owners own savings, presenting the largest proportion in the start-up capital. They found one fourth of new firms seek additional capital from friends and family. Less than one tenth of the new private firms used debt to finance their venture. In some cases loans were obtained which covered on average half of the start-up capital. Roha and Kopecki (1994) add that entrepreneurs routinely tap their owner resources; home-equity, loans, retirement savings, even credit cards, but at some point entrepreneurs have to go after other people’s money.

The below diagram seeks to provide a breakdown of the main types of finance available to an organisation. This illustration should be used as a guide for new entrepreneurs as it clearly shows the various sources of finances available to them.
According to Amour (2002) venture capital is used to finance a small minority of companies with the potential to grow rapidly. Amour defines venture capital as the supply of finance where the investor shares in the benefit of growth along with hands-on management for the good of the company. Amour adds venture capital is thought to be of disproportionate importance in stimulating innovation. He notes that start-up companies with new business ideas and high growth potential, but lacking liquid assets, may be unable to obtained bank finance because of the high risk they present. Research carried out by HM Treasury’s Consultation “Bridging the finance gap” as quoted in the Government Small Business Service report (2004) it was found that start-ups and small businesses with significant growth potential seeking relatively modest sums of risk capital face the greatest barriers. The claim the firms affected are often those with high growth potential and innovative or high technology section.

According to Foley (2002) equity refers to external sources of finance, this could come from friends, family, private investors (also referred to as business angels), or from a formal venture capital fund. Equity investors are exposed to a greater risk so they expect
a great return than loan providers. Foley adds in the event of a business failure, creditors will be paid before owners of equity. With equity sharing of ownership could pose problems for the entrepreneur, investors will be looking for a higher return on investment. ‘Business Angels’ are often characterised as wealthy individuals searching for profitable business opportunities. Many of these investors have a prosperous wealth of experience; they can help provide hands-on management and other expertise which can prove very favourable to starting businesses. (Government Small Business Service: Venture Capital, 2006) Corporate venturing comes in the form of a partnership between two separate businesses in where a larger business directly invests into the other for a share of company. This investment is not always that of a financial nature, but can entail management, expertise, or technical resources. The return, being a share of the new enterprise, may seem discouraging at first, however in the long run this could prove very valuable in terms of new product, designs, processes and intellectual property. (Government Small Business Service: Venture Capital, 2006). Although entrepreneurs may be sceptical about business angels having a say in the running of their company, O’ Kane points out that it is better to own 70% of a thriving profitable business than 100% of a dying business due a fund famine.

Foley (2002) outlines that only a small proportion of new ventures are eligible for financial support from government agencies. The enterprise board can provide start-up companies with feasibility study grants, capital grand and employment grants. In Kerry, the Kerry Enterprise Board\(^2\) is a centre for all information, advice and support services for any business in the start-up stage. (KCEB: 2006) The board focuses on small businesses with the potential to employ up to ten people. Kerry Enterprise Board also provides basic business skills provision for potential and new business start-ups, ongoing support through advice and mentoring programs for example: Time management, IT, business planning and financial control. This board has provided grants to many of Kerry up and coming businesses and is a must for any new business thinking of starting up in the region.

\(^2\) Set up in 1993 to promote SME’s and job creation in County Kerry. They have supported more that 697 projects, employing over 1317 persons to date, providing total grant aid of €7,341,830. [www.kerryceb.ie](http://www.kerryceb.ie)
Figure 2F below, clearly points out the advantages and disadvantages of equity and debt.

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<th>EQUITY</th>
<th>DEBT</th>
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<td><strong>Own Money</strong></td>
<td><strong>Disadvantages:</strong> Limited resources, Investment cannot be repaid easily</td>
</tr>
<tr>
<td><strong>Advantages:</strong> No sharing of ownership.</td>
<td><strong>Disadvantages:</strong> Other investors are unlikely to allow loans to be repaid before theirs. Exposes additional funds to risk.</td>
</tr>
<tr>
<td><strong>Sources:</strong> Self</td>
<td><strong>Sources:</strong> Self</td>
</tr>
<tr>
<td><strong>Other Peoples Money</strong></td>
<td><strong>Advantages:</strong> Flexible – Can match borrowing to funding needs No sharing of ownership</td>
</tr>
<tr>
<td><strong>Advantages:</strong> Interest not paid but investor will look for capital gain instead. Greater resources Can bring other benefits as well as cash e.g. management skills.</td>
<td><strong>Disadvantages:</strong> Money Sharing of ownership. Greater accountability Will probably look for very high return on investment Difficult to obtain</td>
</tr>
<tr>
<td><strong>Sources:</strong> Family and friends, Venture capital funds Business angels</td>
<td><strong>Sources:</strong> Family and friends, banks, state enterprise support agencies</td>
</tr>
</tbody>
</table>

Figure 2F: Equity V’s Debt


In Summary, the Figure 2G contests the business needs with the financial methods available to enterprises. Although outdated this reference is still a very useful guide for promising entrepreneurs until they find their feet in the financial world, and discover the huge array of options available to fit their needs.
<table>
<thead>
<tr>
<th>Term:</th>
<th>Business Needs Examples</th>
<th>Financing methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short (Up to three years)</td>
<td>Raw materials/ Finished goods To finance debtors Equipment with short life or other working capital needs For dealing with seasonal peaks and troughs To start exporting or expand overseas sales</td>
<td>Overdrafts Short term loans Factoring Invoice Discounting Bill Finance Trade Credit Export and import finance</td>
</tr>
<tr>
<td>Medium to Long (Three years +)</td>
<td>Acquiring/improving premises Buying plant and machinery with long life Buying an existing business For technology innovations For developing new products or ideas</td>
<td>Mortgage Sales and leaseback Loan finance Long term leasing HP Equity and venture finance Public sector finance</td>
</tr>
</tbody>
</table>

Figure 2G: Financial Methods to match Business Needs (Source: Barrow, 1982:216)

Most entrepreneurs are optimistic and have a great drive to succeed, however when it comes to finance they have to think realistically. Foley points out (2002:194) that a balance between optimism and realism is needed. In conclusion, no matter how much or how little money the entrepreneur has, the key is how he/she uses it. Money has to be spent wisely at all times; the management will have to make do with whatever capital is available to them.

Financial Management

Managing finances is no easy task for any new entrepreneur. Financial planning has become more and more important over recent years, (Checkley, 1984:13); this is due to the competitiveness in today’s market place. Checkley outlines that entrepreneurs are
becoming more attentive to the need for improved planning to exploit the business resources to a maximum.

"Business management is cited most frequently as the reason new businesses fail, inadequate financing is a close second".

United States Small Business Administration

Foley (2002:194-196) suggests two aspects to financial management, the first is the details needed to be included in the financial plan, these details will be examined by banks, government agencies etc and will affect ability to raise capital. The second aspect is in relation to good practices when it comes to recording financial information, the company should set up good accounting systems and practices to ensure survival of the company.

Cash flow planning is crucial to any new business, if this is not management in a proper fashion, the entrepreneur could see all his hard work gone in a matter of weeks. Too many start-up and small businesses do not possess sufficient financial management skills to manage cash flow effectively and identify their external financing needs early on. (Government and accountants working group, 2004:6) Foley outlines that inadequate cash flow can see fundamental flaws in the company, he gives the example of the market turning out to be less receptive than projected and revenue flows may be correspondingly lower, while the entrepreneur may be confident that the situation will improve, external sources of finance may not share the same confidence. Roberts (1997) believes the importance of cash flow can not be stressed enough for starting businesses, he suggests a strong active approach to credit management and makes the accurate observation that a customer who does not pay is not really a customer; having said this, entrepreneurs seem to ignore this fact as they are only interested in building a market and a good customer base at this start-up phase.
Conclusion

This section has shown that nothing can be performed without finance (Baumback, 1985); while inadequate finance is cited as one of the main reasons businesses fail. I have also seen there are various finance options available to small businesses, along with the importance of proper financial management. Unfortunately entrepreneurs see financial aid as being a difficult process, with some authors citing entrepreneurship depends on personal wealth. The major source of small business finances comes from the owner managers personal finances, with friends and family a close second. From the literature collected, it is acknowledged that there is a huge link between growth and finance. Lack of finance and poor financial management can lead to an early exit from the market place. The assets both at start-up and survival of a firm is positively related with the entrepreneurs age and the team size, and that it is basically these human capital variables that determine survival (Cressy, 1996) To conclude the below diagram presents the key areas associated with small business finance, which came from the literature review.
Figure 2H: Finance Summary
2.3. Entrepreneurship

Introduction

According to Zimmer and Scarborough (2001) the renaissance of entrepreneurial courage is the most significant economic development in recent history. Entrepreneurship has become a popular route to economic development – advocated for Ireland to 'stay ahead of the curve' (Enterprise Strategy Group, 2004) Global Entrepreneurship Monitor (2005) research indicate that Ireland has reversed the downward trend of recent years and is moving towards a rate of new business start-up that is equal to the most entrepreneurial of the OECD countries; however two weaknesses have been identified: A significant lower percentage of women in Ireland set up new businesses than in the most entrepreneurial OECD countries; as well as this, the vast majority of start-up businesses in Ireland remain micro businesses.

What exactly is entrepreneurship, what/who is an entrepreneur?

The literature helps answer questions such as what and who is contested as an entrepreneur, with varying conflicting views offered, based on diverse studies.

Fogarty (1973, pp22-29), suggested that Ireland emerged as 'a country where too many people still fail to acquire in their families, in schools and colleges, in the Church or in work - the qualities needed for initiative and enterprise....the achievement motivation, the practical abilities, the awareness of world standards and the possibilities of enterprise'. Hawkes, at the time of his research, (1981: 56) argued that the Church, the educational system (largely controlled by the Church) and the family has conveyed a cultural ethos characterised by authoritarianism, inducing conformity, stifling initiative, enterprise and risk-taking. Lee (1983) has argued that insecurity was a central feature of nineteenth century Irish life with 'performance taking second place to possessions as a criterion of legitimacy'. Fast forward to this generation and entrepreneurship seems to have changed dramatically in Ireland. According to Goodbody (2002) the personality traits of Irish entrepreneurs were that of a need to achieve, a willingness to exploit a
challenge, to persevere, to work hard and driven by self belief, but tempered with the ability to be flexible and to delegate to others when necessary.

Llewellyn and Wilson (2003: 341) define entrepreneurship as ‘a construct that is seen by some people to relate to a set of personal characteristics (especially risk taking, creativity and ambition), a set of behaviours by others (e.g. starting a business), and a combination of both of these possibilities by yet another group’. Olson (1986) describes entrepreneurs as opportunistic decisions maker who seek and exploit opportunities through innovation, profitable venture identification, effectiveness and non-programmed or ambiguous situations. The Collins English Dictionary defines an entrepreneur as ‘the owner or manager of a business enterprise who, by risk and initiative, attempts to make profits.’

“Entrepreneurship can occur in any sector and type of business; it applies to the self-employed and to firms of any size; and it applies throughout the various stages of business development. Entrepreneurship is relevant for all types of business, technological or otherwise, and for different ownership structures, such as family businesses, firms quoted on the stock exchange, and not-for-profit organisations engaged in economic activities” (Entrepreneurship in Europe: 2003: 7)

Two Schools of Thought on Entrepreneurship

In entrepreneurship studies, it is possible to differentiate between two schools of thought regarding how people become entrepreneurs. One school of thought is based on the trait model and the other on contingency thinking. The basic question involved in the trait model is ‘Why certain individuals start firms and are successful as entrepreneurs?’ The question raised in the contingency thinking is ‘The characteristics needed in the entrepreneurship are bound up with the firms’ environment and the prevailing situation’. (Gilad and Levine, 1986).

Two trait theories can be applied when studying entrepreneurship, the first McClelland’s Theory of the need to achieve (McClelland 1961). It is believed this theory can be seen as
a development of Weber’s Protestant Ethnic in which an intermediating psychological motive – the need to achieve – is introduced (O’Farrell:1986, 156). The theory suggests that individuals with this strong urge to achieve often find their path to entrepreneurship and succeed better than others as entrepreneurs.

McClelland’s Characteristics of High Need Achievement

- Preference for decisions involving risk that are neither very high risk or very low risk
- Belief that one’s efforts will be influential in the attainment of some goal
- Perceive the probability of success in attain a goal as being relatively high
- Need for feedback
- Capacity to plan ahead
- Desire to take personal responsibility for decisions
- An interest in excellence for its own sake
- Interest in concrete results from decisions.

*Figure 21: McClelland’s Characteristics of High Need Achievement*

Source: McCelland, 1961

McClelland’s theory has been subject to considerable criticism. Wilken (1979:18) suggests McClelland has been less clear in his account of the factors which promote high levels of need-achievement than in his description of the characteristics of a person with high need-achievement. An O’Farrell (1986:157) point out there has also been a number of methodological criticisms, particularly concerning the use of proxy measures of economic growth and need-achievement.

The second trait theory is that of Rotter (1966); Rotter’s theory suggest the locus of control of an individual can be seen as either internal (control over one’s life - one’s actions are considered to be dependent either on one’s own behaviour or on one’s permanent characteristics) or external (the kind of attitude which focuses on the actions of other people, or on fate, luck or chance.). Rotter (1966) suggests the internal locus is related to learning, which motivates and supports active striving. The external control, in contrast, obstructs learning and promotes passivity. An internal locus of control has also been proposed as a vital trait for entrepreneurs (Brockhaus, 1982), this school of thought
conveys a strong feeling of control over the environment and that behaviour is able to achieve results directly, rather than feeling subject to luck.

Characteristics do not predict that a person is, or is not, going to be a successful entrepreneur, but they are found to be common among the successful entrepreneurs examined. According to Welsh & White (1983: 41) they find it reasonable to suggest that a person having these characteristics has a probability of success in proportion to the degree to which they are present. (Welsh & White: 1983, 41)

Cooper (1995) defines personality traits as constructs to explain regularities in people’s behaviour, and help to explain why different people react differently to the same situation. In Ireland, Fitzsimon & O’Gorman (2006) argue that the rise of entrepreneurial activity in recent years has been driven primarily by perceptions of opportunity.

Having reviewed a diverse opinion on entrepreneurship traits, the table below summarizes some of the main characteristics, research to date shows to be possessed by entrepreneurs.
<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Desire for responsibility</strong> - They want to control the goals that are developed and resources deployed to achieve the goal</td>
<td>Tenacity and drive - Being able to take the good with the bad, the will to succeed must prevail</td>
<td>A big Picture Perspective</td>
<td>Daring</td>
<td>Ability to take risks</td>
<td>Hard Working</td>
<td>Self–Belief</td>
</tr>
<tr>
<td><strong>Preference to moderate risk</strong></td>
<td>Opportunity “vision” – the ability to seize and opportunity, throughout the businesses life</td>
<td>A tendency to spot unique business opportunities</td>
<td>Single Minded</td>
<td>Innovativeness</td>
<td>Focused</td>
<td>Passion</td>
</tr>
<tr>
<td><strong>Confidence in their ability to succeed</strong> - They must be optimistic about their chance to succeed</td>
<td>Confident in their ability to succeed - This energises the entrepreneur, clients and staff</td>
<td>A tendency to commit totally to a cause</td>
<td>Egocentric</td>
<td>Knowledge of how the market function</td>
<td>Passionate</td>
<td>Vision</td>
</tr>
<tr>
<td><strong>Desire immediate feedback</strong> - Continually looking for feedback on their ideas/business</td>
<td>Desire immediate feedback - Relations</td>
<td>A need for complete control</td>
<td>Disenchanted with the status quo</td>
<td>Manufacturing know-how</td>
<td>Tough</td>
<td>Persistence</td>
</tr>
<tr>
<td><strong>High level of energy</strong> - They have to be more energetic than the average person</td>
<td>High level of energy - A utilitarian view of what is right</td>
<td>Impatient</td>
<td>Marketing skills</td>
<td>Optimistic</td>
<td>Risk Taking</td>
<td></td>
</tr>
<tr>
<td><strong>Future Orientation</strong> - Able to visualize opportunities for the future. Its not about yesterday, its about tomorrow</td>
<td>Future Orientation - An appetite for uncertainty</td>
<td>Obsessive</td>
<td>Management Skills</td>
<td>Innovative</td>
<td>Hard Working</td>
<td></td>
</tr>
<tr>
<td><strong>Skill at organising</strong> - If building a company from ‘scratch’, know how to assemble the right team and resources to accomplish goals is vital</td>
<td>Skill at organising – A tendency to use contacts and connections</td>
<td>A tendency to use contacts and connections</td>
<td>Ability to Co-operate</td>
<td>Driven by self belief</td>
<td>Commitment to people i.e. leadership</td>
<td></td>
</tr>
<tr>
<td><strong>Value of achievement over money</strong> - Money is just one measure of achievement, doing what seems impossible is the larger value system for the entrepreneur</td>
<td>Value of achievement over money - An attempt to embrace high competence</td>
<td>An attempt to embrace high competence</td>
<td>Visionary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>High degree of commitment</strong> - many barriers to overcome when starting out</td>
<td>High degree of commitment - Special know-how</td>
<td>Special know-how</td>
<td>Able to be flexible</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tolerance for ambiguity</strong> - there is no rule book on starting or running a business, this ambiguity has to be tolerated</td>
<td>Tolerance for ambiguity -</td>
<td>Special know-how</td>
<td>Delegates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Flexibility</strong> - adapting to change is vital</td>
<td>Flexibility -</td>
<td></td>
<td>Enjoys achieving something</td>
<td></td>
<td></td>
<td></td>
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</table>

Figure 2J: Summary of Entrepreneurs Characteristics
One of the main characteristics it is argued every entrepreneur should possess – no matter what stage of their enterprise is at, is realism (Moss Kanter: 1983, 241). Entrepreneurs accept things they way they are and deal with them that way (Welsh & White: 1983, 44). Welsh & White suggest entrepreneurs may or may not be idealistic, but they are seldom unrealistic. Welsh and White argue that entrepreneurs are persistent in pursuing their goal but pragmatic enough to change their direction when they see the change will advance their prospects for achievement. They argue entrepreneurs can handle the lack of structure in the organisation and are comfortable in what appears to others as chaos. From this characteristic flows honesty and integrity. (Welsh & White: 1983, 44)

The Goodbody Economic Consultants (2002) suggest that “some of the very factors that encourage entrepreneurs initially may work against growth, these include not wanting to loose control, not being able to let go, wanting freedom. This highlights the question what exactly is an entrepreneur? This results in reluctance to grow.” The report also suggest that Irish entrepreneurs, for a wide variety of reasons, are reluctant to grow, reasons include personal/quality of life issues, being driven by their original idea rather than by business success. Every enterprise is shaped by the drive, dedication and commitment of the entrepreneur. It has been proposed by Gray (2000) and Maki and Pikkinen (2000) that business growth does not represent a self-evident phenomenon nor is it a matter off change, but it is a result of a clear, positively motivated business intentions and actions on the part of the owner/manager drive by the belief that the owner/manager can produce desired outcomes. According to Morrison et al (2003), the owner/manager of a small business is driven and confidence to achieve, overcoming challenges presented in order to realise opportunities. Mitton (1989) (Hill, 2002:08) shows that entrepreneurs sees a big picture perspective, they have the ability to spot unique business opportunities, they have an appetite for uncertainty and special know-how. Kunze (1990) outlines entrepreneur’s traits as being daring, single-minded, egocentric, impatient and obsessive. Perhaps it is this “burning ambition” attitude that makes the business succeeds. In addition, I also believe that being at the ‘right place at the right time’ i.e. luck, is also a major contribution to the growth of both entrepreneurs and enterprises. Maureen Bennett (Bennett, 1989:01) outlines that some entrepreneurs have more natural flair than others for seeing opportunities, just as some have a natural
dedication to work hard. A combination of these two theories makes for continued business success.

Characteristics between Men and Women Entrepreneurs

Global Entrepreneurship Monitor research in 2005 indicates that a significant lower percentage of women in Ireland set up new businesses than in the most entrepreneurial OECD countries. Welsh (1988) and Carter and Cannon (1988) found evidence that a “glass ceiling” effect push women from management positions into their own business – evidence for contingency view. Wojahn (1986) suggests that female-owned businesses have both lower profits and slower growth rates than those owned by men. They raise less external capital and are three-times more likely to run businesses operated from their home. Neider (1987) reported that female-controlled businesses are likely to have little formal

Goodbody (2002) imply that women face many difficulties in the entrepreneurial world, these include issues relating to family/work balance, lowered confidence and self-esteem and negative attitudes on the part of some service providers. The report clearly indicates that male views towards women in business are still perceived to be a barrier to female entrepreneurship in Ireland.

From the report, the following gender differences were revealed:

- Men were more likely to have been made redundant
- Less women describe themselves as having ‘high self-esteem’ and being ‘self-confident’ and ‘likely to take risks’
- Less men describe themselves as being ‘good mixers’ or ‘highly responsible’
- Women are more likely to have businesses in the service sector
- And men were more likely to plan to set up another business or to franchise their businesses.

Figure 2K: Gender Differences in Entrepreneurship in Ireland. Source: Goodbody (2002)
Risk

Osborne (1995:6) describes successful entrepreneurs as “adept at calibrating the level of risk that matches potential reward and their capacity to manage uncertainty.” Van Praag and Cramer (2001:45) argue that whether one becomes an entrepreneur depends on linked utilities which depend on “ability and on individual risk attitude, since entrepreneurship is a risky business”.

What is risk? Dermer (1997) defines risk as having three components:

<table>
<thead>
<tr>
<th>Conceptual</th>
<th>The imperfect formulation of an issue or problem, e.g. over-estimating the size of the market or growth rates. It reflects distortion in sense making.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>This is the risk that even a well conceptualised issue or plan may not be implement properly, e.g. failure to manage cash flow</td>
</tr>
<tr>
<td>Environmental risk</td>
<td>This suggests that the environment can change in unanticipated ways even after well-conceived and well-implemented actions been taken. E.g. competition or technology.</td>
</tr>
</tbody>
</table>

Ray (1986) discovered that self-esteem was closely associated with risk, and might have driven risk-taking propensity. Individuals with a high level of self-esteem are able to take risks appropriate to various situations as they arise, and the opposite occurs for people with low self-esteem. Welsh & White (1983:47) suggest entrepreneurs are neither high nor low risk takers – they simply prefer situations in which they can influence the outcomes. They argue that entrepreneurs are highly motivated by a challenge in which they perceive the odds to be interesting, but not overwhelming; they seldom act until they have assessed the risks.

McCarthy (2002: 566-74), carried out longitudinal research in the form of case studies where she analysed nine entrepreneurs. Interviews took place with 30 different people in the same companies; each company was aged between 7 & 20 years old. She found, after research, there to be two entrepreneurs’ types

1. The charismatic type
2. The pragmatists
The charismatic entrepreneur has a decisive impact on company success, these types of entrepreneurs were described as the ‘driving force’ in the business, and an ‘opportunistic risk taker, and a person prepared to support the organisation at great personal risk to himself and his family, a person who succeeded due to his tenacity, his risk taking, his entrepreneurial spirit’. This type of entrepreneur has been seen to have a ‘bullish’ approach to risk taking; they act mainly on their gut feel for the market, rather than proven facts or plans. On the other hand, pragmatic entrepreneurs were not as tied to their organisations as their counterparts. The pragmatics hold a more down to earth approach to strategy formation, ceding control of the venture did not seem to be a major problem for the. (McCarthy: 2000) Risk taking seems to be a function of personality but McCarthy’s research also suggested that risk-taking behaviour reflects organisational context and history.

Kimberely and Miles (1980) advocate that risk taking of the entrepreneur may change over time; when he/she makes a transition to business manage, then by definition; he/she becomes less of a risk taker and instead assumes a caretaker role. McCarthy (2000) suggests the need to recognise that risk taking propensity may vary with time and tenure:
Brindley (2005) recognises that for each individual, risk factors and the commercial opportunities they present will be contingent on the other factors and the general context within which the individual operates. The issue may not be that there are differences in risk propensity between individuals but the context of the individual decision to become an entrepreneur is contingent on other factors.
Slovic (2000) found that socio-political factors could be key determinants of gender difference in risk perception. He also argues that the differences in risk perception could be linked to issues of power and influence or rather women’s lack of access to them. Ljunggren and Kolvereid (1996) concluded that there was no gender difference in regard to complying with social pressure concerning business start-up but women perceived stronger social support at the start-up phase. They also believe that this may be due to women spending more time building support for their idea and being reluctant to start before having social support or perhaps it is because it is the type of business that requires more support. Brindley and Ritchie (1999) suggest during the female entrepreneurs start-up phase the main source of support and assistance came from family and friends, i.e. trusted source of help that the women had previously experienced. Brindley (2005) came to the conclusion that by choosing a familiar business activity and by relying on a network of family and friends perhaps women are sub-consciously minimising the risk of the new business venture.

Knight (1921) defined risk as the probability of incurring a loss; however some imbalance occurs given that most risky decisions in business are taken on the basis of generating a potential gain (Blume, 1971), whilst recognising that this may not be certain.

Conclusion

Entrepreneurship is an important factor in economic development. We have seen there are two schools of thought with regards to entrepreneurship, one being trait based and the second based on contingency thinking (Gilad & Levine, 1986). McClelland’s theory (1961), which has come under some criticism, suggest that individuals have a strong need to achieve therefore often finding the path to entrepreneurship, while some believe this theory is unclear as to the factors which lead to a high need to achieve (Wilken, 1979)

Entrepreneurs can not be defined as a particular ‘type’, however we have seen there are many traits are common among entrepreneurs including determination and risk taking to name but a few; Welsh & White (1983) believe that it is reasonable to suggest that people possessing these traits have a probability of success. Small business growth is said to be shaped by the drive and commitment of the entrepreneur, by perception of opportunity. (Fitzsimon and O’Gorman, 2000), however the Goodbody report (2002) argue that the
factors which may encourage entrepreneurship can in fact work against growth for example reluctance to grow or not wanting cede control. We have also seen that the vision of the entrepreneurs is an important factor in the growth cycle, as well as an ability to delegate to others while fostering an intrapreneurship culture. As seen from the literature collected self-esteem is linked to risk (Welsh & White, 1983) while Cramer (2000) suggests that whether one becomes an entrepreneur or not depends on their attitude to risk. Figure 2N below concludes with the key points with regards to entrepreneurship found through the literature review:

Figure 2N:
Entrepreneurship Summary
2.4. Knowledge

"The most valuable assets of a 20\textsuperscript{th} century company was its production equipment. The most valuable asset of a 21\textsuperscript{st} century institution, whether business or non-business, will be its knowledge workers and their productivity."

(Drucker: 1999, 135)

According to Garavan et al suggest that the emergence of a knowledge based economy leads to a knowledge based firm. They suggest the knowledge economy advances the idea that creation of knowledge is much more significant than economic growth. They add knowledge creation has to potential to build up over time therefore is an important economic driver. There is a growing recognition in the business community about the importance of knowledge as a critical resource for organizations (Foucault, 1980; Winter, 1987; Leonard, 1999). The ability to learn, adapt and change becomes a core competency for survival (Metaxiotis et al, 2005:1). Manville and Foote (1996) suggest that organizations are interested in managing knowledge for several reasons; core competencies are based on the skills and experience of the people who do the work, and may not exist in physical form. Metaxiotis et al (2005) suggest that the new knowledge based economy places a great emphasis on the diffusion and use of information and knowledge, as well as its creation. Bollinger and Smith (2001) say knowledge management has been around for several years, yet it is only within the last number of years it has gained noteworthy attention.

'Knowledge is important to all organizations, especially in Irelands knowledge based economy; today, we see employment growth, both in Ireland and worldwide, being driven by high-technology industries' (Eade, 2003: 372). Entrepreneurs are now heightening the importance of knowledge as an essential part of strategic success through knowledge creation and sharing.

This section will seek to identify what exactly is knowledge and the role it plays in organizations. It will also seek to identify is knowledge a competitive advantage, as well as the role people play in the knowledge process.
What is Knowledge?

Organizations have been described as using three types of capital: Physical capital (plant, equipment, stock etc), Financial capital (cash, investments, receivables) and intellectual capital (patents, intellectual property rights etc) (Johnson and Scholes, 2002). Knowledge it seems can be added as number four in the types of capital used by organizations. Knowledge is considered as a vital ingredient in an organizations success; it is the foundation of many core competencies, which in turn enables the organization thrive in the market place.

Bollinger and Smith (2001) argue that there are so many different disciplines that are interested in knowledge management; the result is ambiguity in terminology leading to fragmented dialogue on the topic. Definitions vary depending on people and organizations; from reviewing the literature it is evident that there is a general stance showing the primary objective of knowledge management is experience and learning, exchanging and sharing information, enabling an organization to use its intellectual property to compete better.

Gurteen (1998) points out that knowledge management applies right across an organization therefore presenting a holistic concept. Johnson & Scholes (2002:150) believe knowledge is defined as ‘an awareness, consciousness or familiarity gained by experience or learning’. Kaplan and Norton (2001) believe knowledge is changing the way firms compete, particularly in international business where opportunities to create value and shifting from managing tangible assets to managing knowledge-based strategies. O’Dell and Grayson (1998) adds that knowledge management is a strategy which should be developed by firms to ensure knowledge reaches the right people, at the right time, and is used to improve the organizations functions. Bounfour (2003) concludes that Knowledge management is a set of procedures, infrastructures, technical and managerial tools, designed towards creating, sharing and leveraging information and knowledge within and around organizations. Bollinger and Smith (2001) define knowledge as ‘the understanding, awareness or familiarity acquired through study, investigation, observation or experience over the course of time. It is an individual’s interpretation of information based on personal experiences, skills and competencies’.
Wiig et al (1997) believe that knowledge is intangible and difficult to measure. They further add knowledge is volatile, increases with use, and can be used by different processes at the same time, while having a wide-ranging impact on organisations.

From reading the literature, I have adopted my own knowledge management definition:

*Knowledge Management is a holistic approach, facilitated by technological tools, where information, gained knowledge & experience is created, shared and stored within an organization, adding value to product and service offerings whilst changing the way the organization does business.*

According to Choo (1996) the primary objective of knowledge management is to identify and leverage the collective knowledge in an organization to achieve the overriding goal of helping organizations compete and survive. Grayson and O’Dell (1998) specifies that, to the organization, knowledge is defined as what people know about customers, products, processes, mistakes and successes. According to Grayson and O’Dell (1998) knowledge comes in two forms; explicit knowledge is clearly formulated or defined, easily expressed without ambiguity or vagueness and codified and stored in a database. However, tacit knowledge is the unarticulated knowledge that is in a person’s head that is often difficult to describe and transfer; this can include lessons learned, know-how, judgment, rules of thumb and intuition. Call (2005) says successful knowledge management gives access to the information one needs to complete a job – better than in the past. Knowledge Management does not provide you with the answer to your problem but rather facilitates the learning of the answer.

**Knowledge as a competitive advantage**

“*Knowledge provides the capability to identify, examine and capture market opportunities. It develops competence in important activities and helps resolve problems*”.

(Massingham, 2004: 50)

In 1993, Lei Edvisson of Skandia, a Swedish financial company, reported for the first time the words “intellectual capital” instead of the accounting term “intangible assets”
(Edvinsson and Malone, 1997). Peter Drucker said knowledge is “the coordination and exploitation of organizations knowledge resources, in order to create benefit and competitive advantage” (Perseus Publishing, 2002: 540, 1272).

According to Ghoshal et al (2000) managing knowledge is a key to international business success. Traditionally managers have considered strategy to be about establishing and defending an industry position to maintain competitive advantage (Porter, 1985; Massingham, 2004). The objective of firms following this traditional strategy is to identify market opportunities and capture the benefits gained through speed to market for example first mover advantage. However firms can no longer sustain competitive advantage; it is argued that the growth of global markets are too dynamic to maintain superior industry position or competition is too intense for an organizational resource to provide anything more than temporary advantage (Cooper, 1995).

The process of supporting knowledge and the organizations ability to use it represent a significant source of competitive advantage according to Garavan et al (2009); competitive advantage is due primarily to the difficulties competitors encounter in trying to imitate knowledge. They add that organizations have to implement knowledge management initiatives in order to capture knowledge. It is also noted that employees are willing to participate in these initiatives if the nature of the employee/employer relationship is superior. Figure 20 below is a list of organizational factors that influence attitudes of managers to organizational knowledge management initiatives.
Organizational Availability | Explanation:
--- | ---
Knowledge Availability | To what extent do manager and employees have the tools, manuals, and information needed to do their jobs? What procedures are in place for managers to access training when they need it?
Collaboration and Team work | Is teamwork encouraged and facilitated within the organization? Does the organization provide places for people to meet informally? Does the organization ensure that time is set aside for managers to share and learn from one another?
Information Sharing | Does the organization have the necessary systems in place to collect and store information? How effective are information systems in making information available to employees?
Innovation | To what extent are new ideas welcomed? Are employee’s encouraged to find new and better ways to work? Does the organization solicit employee’s inputs in solving problems? Does senior executives and managers work in partnership with employees and value their perspective?
Organization Culture | How open is the culture and does it facilitate knowledge sharing? Does the organization culture articulate clearly what the organization stands for and how it works? Does the organization have too many rules and procedures and too much administration machinery?
Connectivity with customers | Does the organization encourage the formation of enduring relations of trust with customers? Does the organization have mechanisms for involvement of customers in knowledge sharing?

Figure 20: Organizational factors that influence attitudes of management to organisational knowledge management initiatives  
Source: Garavan et al (2009:63)

Manville and Foote (1996) say organizations are interested in managing knowledge for many reasons, including core competencies. They add core competencies are based on skills and experience of people who do the work and may not exist in the physical form. They further suggest that it is important for firms to tap into this knowledge base in order to preserve and expand their core competencies. Darroch and McNaughton (2002)
believes while the need to effectively management knowledge is generally accepted, they claim knowledge management is still an elusive concept and much of the literature continues to explore issues of definition. According to Metaxiotis et al (2005) ‘knowledge has the highest value, the most important contribution, the greatest relevance to decisions and actions, and the greatest dependence on a specific situation or context. Bollinger and Smith (2001) suggest that ‘knowledge is a critical factor affecting an organizations ability to remain competitive; here is a growing concern to recognize knowledge as a valuable resource and develop a mechanism for tapping into the collective intelligence and skills of employees in order to create a greater organizational knowledge base’.

Research and development encompass the creation, and/or adaptation of knowledge and its commercialization; this enhances the quality of growth and reduces the dependence on factor costs (labour, wages etc), while enhancing national competitiveness (McBrierty and Kinsella, 1998:51). Research evidence (Griliches, 1986) suggests that the returns to R&D are height. McBrierty and Kinsella (1998:51) point out that large multinational companies seek to maintain and enhance market share through research-driven product development and a large R&D budget; they believe that this theory can be also applied to small companies.

Michalisin et al (1997) suggest the employee know-how and organizational culture are said to possess the characteristics of strategic assets. De Hoog and Van Der Spek (1997) say employee know-how is one component of organizational knowledge and a crucial strategic asset. If the process of knowledge management is a function of the organizational culture and employees’ collective knowledge is almost certainly a strategic asset. To be a strategic asset, the resource must possess four characteristics: Valuable, rare, inimitable and non-substitutable (Bollinger and Smith, 2001). Demarest (1997) says when knowledge within an organization is shared, it becomes cumulative, and it becomes embedded within the organizations processes, products and services.

According to Suh et al (2004) business organizations struggle to secure core competences to obtain and sustain their competitive advantages. They claim this struggle has inevitably deepened industrial segmentation, shortened product life cycle and intensified
competition; they add that the trend is readily apparent in high technology industries. Parikh (2001) say the competitive environment of high tech industries are typically associated with rapid change and substantial uncertainty and demand continuous improvement in R&D capabilities. Suh et al (2004) further add that the ultimate purpose of knowledge management at R&D organizations is to facilitate new product development through knowledge creation. Sarvary (1999) refers to knowledge management as ‘an organizational infrastructure to enhance efficiencies of knowledge management activities’. Perez Lopez et al (2004) add that for knowledge management initiatives to be truly effective, one must take into account the social contexts in which learning takes place. They add culture needs to be re-examined in light of its role in managing the overall organizations learning infrastructure.

**Dilemmas regarding Knowledge**

Kleindl (2003) found through an information week survey indicate that 94 percent of companies considered knowledge management to be strategically important to their business. Yet according to Rossett (2002) at least half of all knowledge management initiatives fail; some peg the failure rate as high as 70 percent. Call (2005) say that the failure rate for knowledge management projects is so high that some organizations have begun re-branding their knowledge management initiatives as “Best Practices” simply to avoid applying the “Knowledge Management” moniker to a project.

Booth (1998) suggest that measuring intellectual capital is not the main difficult, rather that measuring changes in and transfers between the various intellectual capital assets and measuring the link between capital assets and financial performance is more problematic. Metaxiotis et al (2005) cite knowledge as the ‘most difficult of content types to manage because it originates and is applied in the minds of human beings’. Executives cite the internal culture of resistance to sharing as the hardest barrier to overcome in the implementation of knowledge management; (Perez Lopez et al: 2004), it seems essential to encourage innovation, experimentation and risk-taking, while creating an atmosphere of trust and security. However according to Kakabadse et al (2003) some aspects of knowledge such as culture, organizational structure, communication processes and information can be managed, knowledge itself can not. Metaxiotis et al (2005) believe
that one can manage or support processes of learning rather than managing knowledge. Winter (1987) argues that skills may be taught through initiative learning and trial and error rather than through knowledge fully conveyed by communication alone.

A broad range of factors can influence the success of knowledge management incentives. Holsapple and Joshi (2000) presented 6 factors including culture, leadership, technology, organizational adjustments, employee motivation and external factors. However with successes come many dilemmas. Bollinger and Smith (2001) suggest most of the barriers to effective knowledge management involve people. In the Harvard Business School Press (1998), it is believed that ‘double-loop’ learning needs to take place in order to encourage knowledge management, it adds “managers and employees must look inward, they need to reflect critically on their own behaviour, identify the way they often inadvertently contribute to the organizations problems, and change how they act. In particular they must learn how the very way they go about defining and solving problems can be the source of the problem in its own right”. Brown and Duguid (2000) say the gap between what people actually do to perform their jobs and how it is documented is difficult to bridge due to the spontaneous actions people take in response to unexpected challenges and problems. Cole-Gomolski (1997) suggest that sometimes too much information is available, claiming people are unable to assimilate it due to the sheer volume and lack of appropriate tools, resulting in information overload. Shum (1997) says keeping track of discussions, decisions and their rationale can be difficult when teams work on projects.

Organizational culture plays a primary role in the likelihood that employees will be willing to work together and share their knowledge. If the culture is not supportive, or the reward system favors only individual effort, it may be difficult to get people to work together. Therefore there may be fear of criticism for peers or management. (Bollinger and Smith: 2001). Take this simple quote for example:

“If we continually try to force a child to do what he is afraid to do, he will become more timid, and will use his brains and energy, not to explore the unknown, but to find ways to avoid the pressures we put on him”

(Holt: 1984)
Gurteen (1998) says this quote not only applies to small children, they apply to adults as well. Trying to force someone to learn, trying to make them more creative or getting them to do things in supposed disciplined ways, will frequently backfire and have the opposite effect. Punishment often stifles creativity and the game looses interest.

**Conclusion**

There are many varying definitions of what knowledge is, however they all share a common link of collecting, exchanging and sharing of knowledge. From the literature, I have come up with my own definition of knowledge: “Knowledge Management is a holistic approach, facilitated by technological tools, where information, gained knowledge & experience is created, shared and stored within an organization, adding value to product and service offerings whilst changing the way the organization does business”. We have seen that organizations are interested in managing knowledge for competitive advantage and core competencies. It was noted that knowledge based company’s feel they can perform better than previously as their employees now have the necessary information to help them complete a job, while facilitating learning. It was also noted that companies tap into knowledge in order to preserve and expand as a core competency, while remaining competitive. We also learnt that research and development enhances the quality of growth. With the success of knowledge management come dilemmas; the literature review shows people as being one of the main barriers with regards to knowledge management initiatives, internal culture can also pose as a threat to knowledge (Perez-Lopez et al, 2004). Managing knowledge boils down to having a supportive culture; it is acknowledge from the literature review that when knowledge is shared it becomes cumulative becomes embedded in the organization, improving competitiveness and core competencies (Dermarest, 1997).

From the above assumptions, figure 2P identifies key ways in which different theories affect knowledge.
Figure 2P: Knowledge Summary
2.5. Marketing

"In an Irish context, ineffective and inadequate marketing practices are commonly cited as having contributed to the underperformance of our indigenous technology firms".

(O’Sullivan, 2005:4)

‘Marketing is typically seen as the task of creating, promoting and delivering goods and services to consumers and businesses’ (Kotler, 2003:5). It is a function central to all organisations, now more so than ever, in this new economy. As the marketing environment is constantly changing, presenting more opportunities and threats for many organisation, companies have to constantly be ‘on the ball’, continuously monitoring competitors and striving to keep their company ahead of the race.

Brief introduction to Marketing

“Marketing can be defined in both a social and a managerial definition. Socially, it is defined as ‘having to deliver a higher standard of living’; on a managerial basis, marketing can be described as ‘the art of selling product’ (Kotler, 2003:2-19). During the start phase of a new enterprise, entrepreneurs characteristics should be that of multi-skilled, being able to perform all tasks necessary in order for the business to survive; the entrepreneur should realise marketing is not just about selling a mere product, it is about marketing 10 types of entities: goods, services, experiences, events, persons, places, properties, organisations, information and ideas. (Kotler, 2003:2-19)

Customers’ needs are constantly changing, nowadays expecting higher quality, service and increased customisation is all part of the package. With the introduction of the internet, customers are becoming wiser in regards to product information, giving them the ability to shop more intelligently. Marketing is not just about finding the right customers for your products, but the right products for your customers; with this in mind, any new business can out shadow the competition. Their ‘marketing-concept’ will be more effective than competitors in creating, delivering and communicating superior customer value to a chosen target market. (Kotler, 2003:5-19)
The Marketing Plan

"Strategic planning is the managerial process of developing and maintaining a viable fit between the organisation's objectives, skills and resources, and its changing market opportunities. The aim of this planning is to shape the company's business, products, services and messages so that they achieve targeted profits and growth."

(Kotler, 2003: 89)

Research into the relationship between marketing planning and organisational effectiveness has been widespread (Greenley and Bayus, 1993; McDonald, 1989), and remains a core belief that is a valuable, even essential practice for continuous enterprise development.

McDonald (1992) considers marketing planning to be an approach to doing business that improves the chances of even the smallest company to survive. He recognised however, that it should never be seen as a solution to the difficulties facing owner/managers in developing their enterprises. (McGowan, 2002:132). Carson and Cromie (1989) attempt to acknowledge, the effects of management styles and the culture, of small firms on the character and nature of marketing planning activities. They identify three approaches to marketing in small firms, namely non-marketing, implicit-marketing and sophisticated marketing. Their research suggests a need to fit the marketing approach to suit the circumstances and characteristics of small firms and their owner-managers.

The traditional barriers hindering marketing planning are still evident, even in organisations that are exponents of the approach. Poor communications, information, deficiencies, inadequate involvement of non-marketing people and senior management, insufficient resources for planning, ineffective management practices and the failure to link marketing intelligence with strategic thinking before developing tactical marketing programmes remain real impediments to the successful implementation of marketing plans in most businesses. (Romano and Ratnatunga: 1995) They also outline that some senior executives fail to see the whole picture or devote resources and time to the
planning activity. They fail to develop the necessary planning skills themselves or to show the planners any appreciation for their difficult and time-consuming work. Romano and Ratnatunga cite that many people involved in marketing planning believes more analysis is required, particularly of marketing environment forces.

While there is a wide acknowledgement of the value of planning to the future prospects of an enterprise, criticism still remains (Hill and McGowan: 1999). McDonald (1992, 1989) although considering marketing planning to be, in essence, an approach to doing business which improves the chances of even the smallest company to survive, struck a note of caution as to its efficiency. As a consequence it could never be seen as a solution to the difficulties facing owner-managers developing their enterprises. (Hill and McGowan: 1999). For effective marketing planning to take place, internal communications need to be improved through better cross-functional cross-hierarchical debate, more information sharing and critiquing of recommendations. As well as this, more needs to be done to square board-level strategic planning with marketing planning. Marketing planning needs to embrace a long-term perspective, as organisations that concentrate on short-termism tend not to survive (Romano and Ratnatunga: 1995). Malcolm McDonald (1992a, b) identified a variety of obstacles impinging on marketing planning:

- Lack of chief executive support
- No plan for the planning activity
- Line management hostility and lack of support, resources and skills
- Confusion over planning technology, jargon and procedures
- An emphasis on too much detail in a rigid one-year planning ritual
- The short-cut use of market share and sales figures in lieu of written marketing objectives and strategies
- Separation of planning to corporate planning
- The delegation of marketing planning to planners
- Confusion between the marketing function and the marketing concept
- Lack of knowledge and marketing skills
- Confusion between the planning process and its outputs.

Figure 2Q: Obstacles impinging on Marketing Planning
Market Research

Businesses have to be concerned with their markets according to Kotler (2003:123). He emphasize that market research is about the following: what market(s) provides the greatest opportunity? Where are they? What price should be charged for a product? What promotions techniques should be used? Kotler believes the real answers, carrying genuine facts, will only come from solid market research. With rapid changes in the marketing environment and economic conditions, most businesses want to use marketing research techniques before they arrive at the final decision; it could save a lot of money and time in the long run. In today’s information-based society, companies with superior information enjoy a competitive advantage; these companies can choose their markets better, develop better offerings, and execute better marketing planning. (Kotler, 2003:123)

"Market Research is a collective term; it embraces all the activities that assist management in reaching marketing decisions. Marketing research reduces unknowns to known, thereby reducing risks and enabling management to develop a more rational choice among alternatives". (Burnstiner, 1979:214).

According to Burstiner (1979:213) the first step in the market research process implies knowing before doing; knowing is therefore basic to marketing management. He says far too often, small businesses conduct research by intuition, probably because the majority of problems harvester and once solved provide direction for decisions in the next similar situation. Advertising and marketing research are frequently rejected because owner-managers perceive them as expensive, difficult to quantify and an indicator of a poorly run business (Curran, 1988; Watkins and Blackburn: 1986) This explains why many small firms appear not to have a strong marketing orientation and reviews reveal that small firms are “pulled” into this “look after itself” type of marketing by the external environment and the organisational structure of the business. (Siu and Kirby, 1998) Huand and Brown (1991) shows that market research is one of the most frequent problems facing SME’s; this is due to lack of financial resources to employ specialists, that the resource constraints limited the availability of the company to search for information and that a lack of a management information system limited the use of data
already held within the organisation. Even so, Kotler believes, in spite of rapid growth of marketing research, many companies still fail to use the research sufficiently or correctly. This is caused by several reasons. He outlines the reasons as follows:

- Narrow conception of research
- Uneven calibre of researchers
- Poor framing of the problem
- Late and occasionally erroneous findings
- Personality and presentational differences.

Russis (1999) believes small businesses can have an unfair advantage in terms of product offerings; many large corporations can not adapt their marketing locally, which gives the small guy an opportunity; for example their biggest advantage could be their service. Local organisations such as clubs or civic groups can be prime marketing territory for small businesses that know the community well. Giant company operations also lack ‘personality’ that small businesses can introduce into their operations. (Russis: 1999)

**Small Enterprise Research**

According to Romano and Ratnatunga (1995) marketing issues and the implementation of marketing decisions are not exclusive to large-firm settings. They add small and emerging firms face marketing issues critical for their survival and growth. Webster (1981) has developed a classification system for small enterprise research; he identified (1981:10) three forces of marketing applicable to both small and large organisations:
Marketing as a culture: This relates to a basic set of values and beliefs about the central importance of the customer that guides the organisation. (Webster: 1992) According to Webster marketing as a culture relates to the ability of an organisation to assess market attractiveness (by analysing customer needs and competitive offerings in the marketplace) and potential competitive effectiveness.

Marketing as a strategy: This lens focuses on market segmentation, targeting and positioning and on defining how the firm is to compete in its chosen businesses. (Romano and Ratnatunga: 1995). Market segmentation is to identify and profile distinct groups of buyers who differ in their needs and preferences, targeting refers to the selection of one or more market segments to enter and for each target segment, a company must establish and communicate the key distinctive benefit(s) of the company's market offering – this is known as market positioning (Kotler, 2003:279). Marketing as a strategy is based on a careful analysis of customers and competitors, and of the firms resources and skills for competing in a specific market (Day and Wensley: 1988).

Marketing as tactics: This focuses on marketing tactics, including the 4P's of product, price, promotion and place distribution; and the elements of the marketing mix. (Romano and Ratnatunga: 1995). Marketing as tactics is where the tools of management science and the optimization paradigm apply, as the businesses attempt to allocate their financial, human and production resources to markets, customers and products in the most productive fashion. (Webster, 1992:12)

Figure 2R: Marketing forces applicable to both small and large organisations

According to Justis (1981:316) marketing research is one of the most overlooked and neglected functions of small business management. Entrepreneurs ought to realise that market research does not necessarily have to be complex, full of statistics and tricky psychological questions. Burstiner (1979:215) also backs up this statement saying entrepreneurs rarely get involved in this process; what holds him/her back, apparently, are:

- Lack of familiarity not only with the methods and techniques of research but even with its purpose.
- The realisation that outside research services are costly.
- An inability to evaluate such costs in concrete terms, such as return on investment.

Market research may be a simple and straightforward process used to determine the attitudes towards a firm’s own products or those of a competitor. Such research provides a company – big or small – with valuable insights and understandings about the needs and desires of customers. I suggest, if the entrepreneur feels fearful about market research, to develop relationships with degree year students from a local University/Institute of Technology, who can help in carrying out the vital procedure.
In conclusion, the stronger the market research and the stronger the product - the stronger the profits. Every organisation should plough back a percentage of profits into market research to find out what works. Completing of market research will allow the entrepreneur to understand its own market share, will provide pragmatic data for a growth-orientated market and will reveal strengths and weaknesses of a business as well as those of competitors. Justis outlines that market research gives your business an advantage: A knowledge that will allow better marketing plans and increased understanding of the needs and desires of consumers. (Justis: 1981)

‘Good timber does not grow in ease – The stronger the wind, the tougher the trees’

Anonymous

Marketing and the Owner-Manager

Marketing is often the most dominant problem encountered by small business owners, and yet has been acknowledged to be the most important of all business activities and essential for the survival and growth of small businesses. (Huang and Brown, 1999; McKenna, 1991) It is suggested that the marketing behaviour of small firms is ‘pushed’ by the owner-managers’ personal characteristics. (Romano and Ratnatunga: 1995) Ford and Rowley (1979) also believes marketing behaviour of small firms appears to be related to the motivation, belief and attitude and the objectives of the owner-manager, and also influenced by the limitations and constraints of the small business. Therefore I can only come to one conclusion, that the personal characteristics of the owner-manager and the marketing activities of a small firm are related.

Ames and Wellsfry (1983) argues, if the owner-manager understands the disadvantages and advantages of a small business marketer, he/she will be able to redesign the marketing properly. A normative marketing approach, which comprises market analysis, product/service analysis, target market identification, and formulation of respective marketing mix, is suggested to assist small business owners design their marketing plans. Huang and Brown (1999) studied a number of small business owner/managers in the south-west region of Western Australia, these managers indicated the problems they were
facing of which sales and marketing was the most significant problem faced by entrepreneurs.³

**Marketing and business life-cycle**

Management researchers postulate that the marketing capabilities of small firms and the attitudes of owner-managers are important elements in the start-up stage only. (Siu and Kirby, 1998). Churchill and Lewis (1983) identify five stages in the development of a firm, these are: Existence, survival, success, take-off and resource mature. Marketing is believed to exist as a major issue in the ‘existence’ stage only. The owner-manager at this stage takes charge of the marketing and sales activities. As small firms grow, marketing becomes a minor issue; a marketing manager replaces the owner-manager and takes charge of the immediate marketing and sales functions. With growth, marketing decreases from being critically important to modestly irrelevant (Siu and Kirby, 1998). Kazanjian (1984) attempts to identify the strategic operational or structural problems associated with different stages in the development of new technology-based ventures. Marketing, though being regarded as an active ingredient for company growth (Levitt, 1983), only comes to the fore in Stage 3. This stage includes developing market share and providing product support and customer service. In stage 4, marketing is to develop a second generation of product; marketing is identified as a derivative of business strategies. Flamholtz (1986) uses an organisational culture approach to adapt a seven-stage model of organisation growth and development. The first four stages are relevant for marketing; these include new venture, expansion, professionalism and consolidation. In stage 1, marketing is analysed as the identification and definition of a market niche and product and services development. However, marketing’s importance is seen to decrease alongside firm growth. Here marketing is not given an important role in the firm’s growth management. Marketing positioning, niche marketing, market segmentation and marketing surveillance are treated as minor or secondary strategic tactics.

Siu and Kirby (1998) believe a number of factors hinder the further development of marketing in small firms. These include technical or engineering background of many

³ (40.2% of 973 small businesses assessed).
managers, their reluctance to recruit outside specialists, and their reservations about the applicability of certain notions of marketing to what they believe to be the ‘special’ circumstances. According to Watkins and Blackburn (1986) the craft-based skills of entrepreneurs, subcontracting nature of small firms and small customer base have constraining effects on the range and scope of the marketing activities a company can have; after the start-up stage, owner-managers often see selling the enterprise’s products and services as unproblematic.

Conclusion

In small businesses, market research can be viewed as a lackadaisical procedure by the owner/manager; this is more often that not down to financial constraints and lack resources. It can be concluded that marketing is no easy task for the owner/manager, but as customers change, expecting higher quality and service, so too must the entrepreneur. From the literature review it is acknowledged that marketing is a tough task. From the literature reviewed sales and marketing was cited as being the number one dilemma faced by entrepreneurs (Haung and Brown, 1991). Marketing was suggested as being a problem faced by most entrepreneurs however it was still acknowledged as the most noteworthy of all business activities and essential for survival (Haung and Brown, 1999; McKenna, 1991). To improve small businesses chance of survival marketing planning is crucial (McDonald, 1992). From the literature market research was seen to be one of the most frequent problems facing small businesses (Siu & Kirby, 1998). A perception that marketing will ‘look after itself’ is a factor perceived by small business owners (Curran, 1988; Watkins and Blackburn, 1986). This can be linked to the perception of the entrepreneur, Haung and Brown (1999) and McKenna (1991) cite marketing is often the most dominant problem encountered by small business owners. We also learn that marketing is pushed by the owner-managers personal characteristics, (Romano and Ratnatunga, 1995). In conclusion, marketing is no easy task for any entrepreneurs, but with hard work and practise, the rewards are triumphant. We can now deem marketing to have an essential role in any organisation, be it a multi-national or a start-up company.

From the literature review, I have drawn up the following model to help summarise the main themes regarding marketing.
Marketing

Negative or positive view

Under Performance of firm?

Barriers

Expense / No knowledge

Market Research

No formal research

What is Marketing?

No formal marketing at start-up stage

Figure 25: Marketing Summary
2.6. Conceptual Framework

Having studied the above five topics the researcher has gained a greater understanding of small business growth trajectories. From the literature review I have developed a conceptual framework linking all six growth trajectories. The researcher has chosen the well known St. Bridget’s Cross which illustrates clearly the potential growth trajectories in small businesses, see figure 2T below. This cross is famous the world over; the purpose of the cross was to offer people protection from fire, lightning, infectious diseases and the evil eye. I feel this cross presents a simplistic framework enabling a set of clear coherent ideas in a manner that makes it easy to communicate to others, and it also allows me to understand the trajectories in great detail. From the illustration below, it is obvious that each strand is intertwined; each strand represents growth trajectories as shown in the literature review (Growth, Finance, Entrepreneurship, Knowledge and Marketing). Each strand is interconnect with each other, showing that each of the above principles work together to help small businesses achieve high growth for example growth is dependent on knowledge, finance, entrepreneurship and marketing.
To summarise the key points from each themes discussed in this chapter are as follows:

- **Growth**
  - Most companies do not grow
  - Growth is determined by the characteristics of the owner/manager
  - Growth models vary but are all linear
  - Growth stages are not equal
  - Certain factors trigger growth, for example a crisis

- **Finance**
  - Finance is key in small business growth
Financial Planning is of vital importance
Source external finance
The majority of finance comes from the owner/manager, followed closely by friends and family
Finance is one of the main reasons why small businesses fail

Entrepreneurship
Small business owners traits can work against growth
Ceding control is a key in the growing process
Delegation is a must for growth, creating an intrapreneur culture
The vision of the entrepreneur can promote growth
Can entrepreneurs really be classifieds as a type?
Entrepreneurs attitude towards risk

Knowledge
Culture plays a huge role in the promotion of knowledge
People can hinder the knowledge process
Knowledge combats uncertainty for small businesses
Knowledge works best in an organic flat structured environment
In order to grow idea generation is key

Marketing
Is market research really necessary?
Marketing is influenced by the owner/manager characteristics and influences
Sales and marketing is cited as one of the main barriers facing entrepreneurs
However it is still acknowledged as a noteworthy business activity and improves the chances of survival
Varying definitions with regards to entrepreneurial marketing

The next chapter will present the methodology used in this study.
Chapter 3

Methodology
3.0 Methodology

3.1 Introduction

This chapter will explain the methodological approaches used in this study and outline the research design. The study took a case study approach using qualitative methods of data collection.

Blaxter et al (2006:58) describe methodology as ‘a philosophical meaning usually referring to the approach or paradigm that underpins the research’. Hesse-Biber & Leavy (2006:21) says ‘methodology is the bridge that brings theory and method, perspective and tool, together. Methodology focuses theory and method, serving as a strategic but malleable guide throughout the research experience’. Collis (2003) believes methodology is the approach to the entire process of a research strategy. I has chosen a realist paradigm together with a case study approach; tools of data collection included documentary analysis, in-depth interviews and observation. This will be outlined below in 3.2. of the chapter.

3.2. Research Strategy and Design

"A research strategy is a general plan of how the researcher will go about answering the research question(s)".

(Saunders et al, 2007: 610)

Informed by Saunders et al (2007:10) the design of this research progressed through the following stages:
1. Question:
“Little to Large: Critical Success Factors & Implications for SME’s in Kerry and Rural Ireland”.

2. Philosophy:
- Positivism / Interpretivism
- Post-Positivism
- Realism

3. Research Design Approach:
- Case Study Approach
- Exploratory
- Conclusive

4. Methods:
- Sampling
- Sources of Data
  - Qualitative & Quantitative Data
- Primary & Secondary Data
- Tools
  - Semi-Structured Interviews
  - Observation
  - Document Analysis

5. Reliability & Validity

6. Ethics

7. Evaluate Findings

8. Conclusions & Recommendations

9. Submit Project

Figure 3A: Research Strategy and Design

3.3 Philosophy of Research - Positivism & Interpretivism

According to Collis (2003:353) ‘positivism is based on natural sciences’. This assumes that social reality is independent of us, and exists regardless of whether we are aware of it
or not. This means the act of investigation reality has no effect on reality and little regard is aid to the subjective state of the individual. The positivistic paradigm is mainly associated with measurement, producing quantitative data using large samples. The data in this approach is seen to be very specific and precise.

According to Fleetwood (2005) interpretivism is a social research not like the natural sciences. Social research is concerned with understanding not producing generalised cause-effect explanations. Interpretivism sees reality for those being researched is a matter of meaning and interpretation. This paradigm tends to produce qualitative data, using smaller samples and is concerned with generating theories. My aim is to get close to participants’ experience and how they recall the growth stages of their particular company.

The researcher will use the post-positivism paradigm; I will rely on personal accounts and memory because so little was documented and in the public domain, as well as not being able to access private files. Hesse-Biber & Leavy (2006: 27) says ‘a positivistic perspective looks at the concrete social reality as something ‘out there’ waiting to be described and explained or at least approximated (post-positivist)’. Positivism is where things exist independently of being known by any particular person; that what we see is real, what we touch has reality and we can find out these things directly. Post-Positivism is the view that, although there is a reality that exists, it can never be absolutely, fully captured by researchers, only approximated. The reasons for the imperfections in knowledge come from such factors such as flawed memory, perspective of the research participant or the impact of researcher on the researched (Lincoln & Guba, 2000: 168). Working in this tradition I will try to get as close to the truth as possible. My aim is to inherit an in-depth knowledge of the participants experience and perceptions of how each company has grown from being an SME to now a large international player. I will emphasise the quality of the subject, hoping to be rich in data and hopes to capture the wealth and detail of the research. The research will involve collecting participants’ interpretations of events so I can produce a valid account of each company’s growth trajectory. In-depth interviews, observation combined with documentary evidence will enable me to get as close to the truth as possible. I acknowledge that one can not keep all bias out of this study; I am relying on people’s perceptions and understandings of their
experiences and what occurred, despite the errors of memory and post hoc rationalisation that this can bring, however in-depth interviews is the best justification for this research. I also acknowledge that only some of the history of each company is in the public domain, much only resides in internal documents and peoples memories. I have taken into account that memory can be tainted and some information for example negative information could be blocked.

Working in this tradition means I will try to get as close to the truth as possible through triangulation. As already outlined, the researcher will use a multi-method approach using data collected from in-depth interviews, documentary analysis and notes taken from minor observations; this will allow a fusion of findings allowing the researcher to increase credibility of findings. To decrease bias, validity will be increased in a number of ways, see section 3.11. As well as this triangulation will occur between various methods, this is elaborated in section 3.9 and 3.10. Knowledge has been accessed by interviewing key people who have been within each company from the start-up stage or during the initial stages, who therefore witnessed the growth trajectories for themselves.

3.4. Research Design Approach - Case Studies

Case Studies

"The purpose of using case studies in research is to collect and analyse data in the context of some wider theoretical concern"

(Roche, 1997: 99)

Yin (2003) says 'case study research continues to be an essential form of social science inquiry. The method is appropriate when investigators either desire or are forced by circumstances to (a) to define research topics broadly and not narrowly, (b) to cover contextual or complex multivariate conditions and not just isolated variables, and (c) to rely on multiple and not singular sources of evidence'. Yin (1994) believes case study research is empirical in inquiry which investigates a phenomenon within a real life context. Robson (2000) cites case studies as a developed intensive knowledge about a single case of a number of related cases. He adds a case study approach is best used when
the researcher wants to gain a rich understanding of a particular topic which is the case with this investigation. This is further backed up by Morris & Wood (1991) who believe that by asking questions as to why and how will allow full knowledge of the data. Blaxter et al (2001:71) argues that the case study approach is 'ideally suited to the needs and resources of the small-scale researcher where the focus can be quite small such as the researcher's place of work, or another institution or organisation which they have a connection'.

A case study approach was chosen for this study in order to gain a full understanding of the topic being researched. My aim is to probe deeply and to analyse the different growth trajectories of what once were starting SME's in rural Ireland with a view to establishing theory amongst the three companies selected.

Yin (2003:5) identifies six types of case studies, defined along two dimensions:

- In terms of the number of cases: Single or Multiple
- In terms of the purpose of the study: Exploratory, Descriptive or Explanatory.

For this study I have chosen multiple case studies using three cases. The purpose of the study being that of an exploratory approach as explained further below in section 3.5.

**Advantages and Disadvantages of Case Studies**

From the literature review, I will now outline the pro's and con's of a case study methodology.
### Advantages:  
- Case studies is drawn from people's experiences and is seen to be strong in reality  
- Allows from generalisation / inform theory  
- Case studies can use multiple sources of evidence  
- Case studies are known as triangulated research  
- Helps explore past and present issues  
- Enables comparative studies  
- Comprehensive studies  
- Rich in data  
- Allows variety of events and issues  
- Chance to develop new hypotheses  
- Allows the development of problem solving skills

### Disadvantages:  
- Insufficient information may lead to inaccurate results  
- Often bias can be found from the participant and researcher  
- Saunders et al (1997) points out that case studies lacks 'scientific feel'.

<table>
<thead>
<tr>
<th>Figure 3B: Advantages &amp; Disadvantages of Case Studies.</th>
</tr>
</thead>
</table>

The disadvantages were addressed by interviewing eleven key people who have witnessed the growth period of their respective company. Data was collected from many sources (see section 3.10) using triangulation to cross check the information. I am satisfied that the data collected is sufficient to come to a solid conclusion.

### 3.5. Exploratory Research

Exploratory research is one which is conducted when one uses no earlier model as a basis for research. Saunders et al (2007: 598) define exploratory research as 'research that aims to seek new insights into phenomena, to ask questions and to assess the phenomena in a new light'. Hesse-Biber & Leavy (2006:206, 224) defines exploratory data as 'data that raises the researcher's awareness about key issues in a new topic area. They further add it is 'the preliminary data that is used during the research design phase'. The approach to this study will be that of a case study approach; Glaser & Strauss (1967) says exploratory case studies may discover theory by directly observing a social phenomenon in its raw form. Yin (2004:5) says 'an exploratory case study (whether based on a single or multiple cases) is aimed at defining the questions and hypothesis of a subsequent study (not necessarily a case study) or at determining the feasibility of the desired research procedures'.
My research took the form of exploratory research in that the investigation of the question had not been carried out previously and no earlier model supported my research. The overall aim of the study is to contribute to theory.

3.6. Methods

A research method, according to Harding (1987:2), is a 'technique for gathering evidence. One could reasonably argue that all evidence-gathering techniques fall into one of three categories: listening to (or interrogation) informants, observing behaviour, or examining historical traces and records'. The tools used in this research were that of semi-structured in-depth interviews, documentary analysis and observation.

3.7. Sampling Method

A sample is 'a systematic selection of a pool of participants' (Hesse-Biber & Leavy, 2006:79). The three selected companies were chosen through judgemental sampling, this 'enables a researcher to use their judgement to select cases that will best enable them to answer the research question and meet objectives' (Saunders et al, 2007:230). Prior knowledge was obtained on various knowledge based companies in rural Ireland; having met the minimum criteria of having 250+ employees with a start-up base being in rural Ireland, three final companies were selected. This is explained in detail in section 3.10 of the chapter.

Within each case I used snowball sampling in identifying participants to partake in this study. Saunders et al (2007: 611) describes this type of sampling as 'Non-probability in which subsequent respondents are obtained from information provided by initial respondents'. Hesse-Biber & Leavy (2006:71) say 'researchers often find the selection of informants boils down to who is available, who has some specialised knowledge of the setting and who is willing to service in that role'. For this research snowball sampling was done through making initial contact with the entrepreneur/local contact and agreeing to interview them. It was then asked of them to introduce me to other Directors/Managers who have been involved with the entrepreneur since the establishment of the company.
These second set of participants also referred me to further people who might like to get involved in the study.

Snowball sampling was the preferred option me; as this study was to follow the growth patterns of each selected company, it was necessary to have participants who had been involved in each company since its establishment/initial stages. I acknowledge that in such samples bias can be prevalent; this will be explained in detail in the limitation section of this study (see section 5.5)

3.8. Sources of Data - Qualitative and Quantitative data

From analysis of literature, the following is a comparison of both qualitative and quantitative methods:

<table>
<thead>
<tr>
<th>Qualitative Method:</th>
<th>Quantitative Method:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soft</td>
<td>Hard</td>
</tr>
<tr>
<td>Subjective</td>
<td>Objective</td>
</tr>
<tr>
<td>Detailed and Complete</td>
<td>Explanations &amp; Statistics</td>
</tr>
<tr>
<td>Researcher involved</td>
<td>Researcher detached</td>
</tr>
<tr>
<td>Develops Theories</td>
<td>Test Theories</td>
</tr>
<tr>
<td>Natural Setting</td>
<td>Experimental Setting</td>
</tr>
<tr>
<td>Theory emergence</td>
<td>Aspects known before data collection</td>
</tr>
<tr>
<td>Observation &amp; Communication</td>
<td>Use of Instruments</td>
</tr>
<tr>
<td>Participants</td>
<td>Subjects</td>
</tr>
</tbody>
</table>

*Figure 3C: Qualitative and Quantitative Methods*

**Qualitative Method**

Researchers have long debated the merits of both qualitative and quantitative inquiry (Flick, 2006)

Qualitative research, as the name suggests, is concerned with quality rather than quantity. It helps researchers flesh out a particular phenomenon developing a deeper understanding. Hesse-Biber and Leavy (2005:5) describe qualitative research as:
“An exciting interdisciplinary landscape rich with perspectives on knowledge construction and enabled by a multitude of techniques available for generating knowledge. Qualitative practice offers a range of epistemological, theoretical and methodological possibilities”.

Hesse-Biber and Leavy (2005) further suggest that qualitative research differs from research models that focus on the creation of knowledge in a contained and event-orientated manner. This study will be focusing on qualitative methods including in-depth interviews, observation and various documents. This will be outlined in further detail in section 3.10.

Quantitative Method

“Quantitative observations are direct observations made by a research or trained assistant of phenomena that can be expressed in some type of specific codable, usually numeric, form”.

(Ellis, 1994: 135)

Quantitative research often uses experimental methods to test a hypothesis. According to Punch (2005:55) “Quantitative data is numerical: it is information about the world, in the form of numbers”. Hesse-Biber & Leavy (2004:1) defines quantitative research as one that relies on numbers, rates, percentages typically presented in a table, grid or chart in order to communicate meaning. Quantitative research involves information or data in the forms of numbers allowing researchers to measure or quantify things. As the main approach to this study is that of personal accounts, quantitative methods were judged as only a minor part of this research restricted only to group financial statements.

3.9. Data Classification - Primary & Secondary Data

“Primary Data is data collected specifically for the research project being undertaken”.

(Saunders et al, 2007: 607)
Secondary data was examined through a comprehensive review of published documentation including local and national newspapers, the internet – company websites, newspaper websites, existing articles and case studies on each company, websites of government and non-government organisations, company accounts online through solocheck.ie, TV documentaries courtesy of RTÉ, desk research, libraries, public records and reports to shareholders.

"Secondary data is data used for a research project that were originally collected for some other purpose".

(Saunders et al, 2007:611)

Saunders et al (2004: 257-263) outline the following advantages and disadvantages of secondary data:

<table>
<thead>
<tr>
<th>Advantages:</th>
<th>Disadvantages:</th>
</tr>
</thead>
<tbody>
<tr>
<td>May have fewer resource requirements</td>
<td>May be collected for a purpose that does not match your need</td>
</tr>
<tr>
<td>Unobtrusive</td>
<td>Access may be different or costly</td>
</tr>
<tr>
<td>Longitudinal Studies may be feasible</td>
<td>Aggregations and definitions may be unsuitable</td>
</tr>
<tr>
<td>Can provide comparative and contextual data</td>
<td>No real control over data</td>
</tr>
<tr>
<td>Can result in unforeseen discoveries</td>
<td>Initial purpose may affect how data is presented</td>
</tr>
<tr>
<td>Permanence of Data</td>
<td></td>
</tr>
</tbody>
</table>

*Figure 3D: Advantages and Disadvantages of Secondary Data*

Secondary data allowed the author to take into account what other people have said in the field, and offered potential to uncover new or un-expected findings. Collecting secondary data enables me to draw comparisons between their research and the secondary data.
According to Phillips and Pugh (2000:59) a literature review ‘demonstrates that you [have] a professional command of the background theory’. Bruce (1994: 218) adds “typically the literature review forms an important chapter in the thesis, where its purpose s to provide the background to and justification for the research undertaken”.

Kane (1985:51) says ‘Triangulation is information through views and questions, reinforced by observation and checked through documentary analysis for example here you are getting not only what people say they do and what you see them doing, but also what they recorded as going’. As discussed in section 3.3 triangulation will occur in this research by using field notes drawn from observations, combined with the data collected through in-depth interviews, as well as documentary analysis. This will be discussed further in sections 3.10 and 3.11.

3.10. Tools - In-Depth Interviews, Observation & Documentary Analysis

Semi-Structured In-Depth Interviews

Interviews are a means of data collection from participants in order to find out what they do, think or feel. Jones (1985 cited in Punch, 2005:169) says ‘In order to understand other persons’ constructions of reality, we would do well to ask them....and to ask them in such a way that thy can tell us in their terms (rather than those imposed rigidly and a priori by ourselves) and in a depth which addresses the rich context that is the substance of meanings’. Robson (2000:270) advocates that ‘interviews can be used as the primary or only approach in a study’. Hesse-Biber and Leavy (2006:2006) view qualitative interviews as a means ‘to yield exploratory, descriptive and explanatory data that may or may not generate theory’.

From the literature reviewed, the following advantages and disadvantages of interviews were noted:
Advantages:

- Associated with both the positivistic and interpretivist methodologies
- Easy comparison of results
- A way of seeing what people do, think and feel
- Recording allow the listening and re-listening of the interview
- Permanent record for other to use if recorded
- Rich in data

Disadvantages:

- Possible to digress from actual topic being researched
- Interpretation of responses could form a bias
- Information given could be limited
- Terminology could be misunderstood
- Cultural differences could exist
- Recording could inhibit some responses and reduce reliability
- Transcribing interview is time consuming
- Saunders et al (2007) says there are data quality issues in relation to reliability, forms of bias, validity and generalisation.

| Figure 3E: Advantages & Disadvantages of In-Depth Interviews |

Although transcription of the interviews were time consuming, this was the best establish common patterns which existed between the three companies, while also enabling me to see any new theories which came from the data. I acknowledge that bias could occur with regards to people's memories; this has been previously outlined in detail in section 3.3. The interviewees were probed several times until I was satisfied with the information sought.

“In qualitative research the most common interviews are the semi-structured ones”.

(Sarantakos, 2005:270)

I chose semi-structured interviews as the aim was to explain and explore points which emerged through the interview. I wanted the conversation to be loose, giving participant’s freedom to talk about the subject matter. Semi-structured interviews allow respondents to willingly voice their experiences and perspectives. According to Hesse-Biber & Leavy (2006:125) semi-structured interviews allow individual respondents some latitude and freedom to talk about what is of interest and importance to them.
Questions were prepared in advance and pilot-tested by interviewing four entrepreneurs in the Munster region. The interview schedule was modified in the light of my findings, for example a more casual choice of wording was used. See appendix 1 for a full list of questions.

Interviewees consisted of the Entrepreneurs, the company founders along with members of staff who have been involved with the companies since their start-up stage, these included Directors, Personal Assistants and Senior Managers. Interview timings were scheduled in light of advance appointments from respondents. The interview times varied depending on each participant. Interviews took place at the head offices of each company, with one interview taking place at my work location.

Most interviews were recorded; however one participant did not want to be recorded. Before, during and after each interview, notes were taken. After listening and re-listening to each recording, notes were taken again. The advantages of recording allow researchers to capture all that was said, bringing new issues to the fore that could have been missed. However disadvantages included the time it took to transcribe each interview.

**Observation Method**

According to Saunders et al (2007:282) 'Observation is a somewhat neglected aspect of research. Yet it can be rewarding and enlightening to pursue and, what is more add considerably to the richness of your research data'. Blaxter et al (2006: 178) says 'the observation method involves in watching, recording and analysing events of interest'. To help support answers gained through the in-depth interviews, I conducted observations by means of monitoring the body language of each participant, along with observing the overall setting and physical locations. This is outlined in detail below.

Saunders et al (1997) suggest that there are four types of observation as outlined in the diagram below.
For this research, I have chosen the role of the 'complete observer', Hesser-Biber & Leavy (2006:246) note that the role of the complete observer 'allows the researcher to study a setting without interfering with its day-to-day operations therefore minimizing the bias that might result from the presence of the researcher'.

For this study I observed each company's unique settings, the physical location, the car park, surroundings and front of house staff. Interaction amongst the entrepreneurs and colleagues was also observed (where applicable), as well as watching staff going about their day-to-day duties. In two of the three companies I sat in the canteen and watched people interact with each other. I also noted the body language of each participant during the in-depth interviews, their hospitality and willingness to divulge information. The observations were noted by hand in my research journal. Although observation does not directly link to my research question, it allows me to see factors that reinforce the growth trajectories of each company.

**Documentary Analysis**
"Documentary secondary data are often used in research projects that also use primary data collection methods. Written materials include books, journal and magazine articles and newspapers. It can also include non-written materials such as video and voice recordings, films etc".

(Saunders et al, 2007:248)

Documents were collected from various sources including books, journal and magazine articles, local and national newspapers (The Kerryman, Kerry’s Eye, The Kingdom, Irish Times, Irish Independent, The Examiner) library archives (Kerry County Library, IT Tralee student library), audio and TV documentaries (courtesy of RTÉ Nationwide), in-house newsletters (collected from friends working within each company) financial reports and shareholders reports accessed through solocheck.ie, the internet (corporate and government websites), government agency reports (Forfás, Kerry Enterprise Board, Udaras na Gaeltachta) as well as case studies already written on the three selected companies (accessed online).

To achieve triangulation of findings, I took a multi-method approach using observations, along with documentary analysis and in-depth interview. These three methods allow a convergence of research findings which in turn will increase the credibility of my findings.

3.11. Selection of Criteria for Reliability & Validity

The aim of this study is to provide an accurate account of how each of the three companies has grown from a start-up company to a large global corporation. My conclusion will aim to discover, as accurately as possible, the truth behind the growth of each company.

Irrespective of methods used, researchers must identify appropriate methods to ensure the methodical choice will render valid and reliable results (Boyd et al 1977, Chisnall 1986, Malhotra 1999 & Weir 1988).
Easterby-Smith et al., (2002: 53) believe reliability refers to the extent to which your data collection techniques or analysis procedures will yield consistent findings. They add reliability can be assessed by the following three questions:

- Will the measures yield the same results on other occasions?
- Will similar observations be reached by observers?
- Is there transparency in how sense was made from the raw data?

Reliability questions if the results of a study is repeatable. Blaxter et al (2006: 221) says 'the concept of reliability has to do with how well you have carried your research project. Have you carried it out in such a way that, if another researcher were to look into the same questions in the same setting, they would come up with essentially the same results (through not necessarily an identical interpretation). If so, then your work might be judged reliable'. Neuman (2003:388) says 'reliability in field research depends on a researcher's insight, awareness, suspicions and questions. He or she looks at members and events from different angles and mentally asks questions'.

Reliability of this study was increased in the form of multiple listening of the interview audio as well as several transcripts of each interview. The secondary documents collected were read and re-read to ensure accurate knowledge, while field notes were collected and studied from observation. Replication questions if a study can be conducted in such a fashion that it could be repeated by other researchers to allow validity checking and comparison. Replication requires a researcher to spell out in detail their procedures. All participants chosen have been involved in the companies since the start-up period therefore witnessed the growth trajectories first hand. If the research was to be repeated with other key people who have been involved in each company since start-up stage and witnessed the growth directly, I am confident that participants would reveal similar information. The researcher acknowledges that no perspectives were taken from organisation members in the middle or shop floor of each organisation; it is possible that their perspectives would differ. As a post-positivist this is a factor that affects how close to the real truth I can get.

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Malhotra (1999) says reliability does not itself imply validity; reliability is a necessary but not sufficient condition for validity. I ensured high reliability and high validity by ensuring the results can be repeated.

"Validity is concerned with the extent to which the research findings accurately represent what is happening in a particular situation. In other words whether the data collected is a true picture of what is being studied".

(Collis and Hussey, 2003: 186)

According to Blaxter et al (2006:221) ‘validity has to do with whether your methods, approaches and techniques actually relate to, or measure, the issues you have been exploring’.

Validity presents itself in four types:

- Measurement (Relevance, Accuracy & Precision)
- Internal (does the conclusion that incorporates a causal relationship stand up)
- External (can findings be generalised from one setting to another)
- Ecological (are the findings applicable in everyday natural settings)

Validity is the aim of being as close to the truth as possible. Validity will be increased in this study using a multiple case study method; Stebbins (1992) believes the chain of qualitative case studies improves the applicability and validity of findings, as discussed earlier a case study approach was the main focus in this research. With regards to in-depth interviews Saunders et al (2007) believe validity of such studies is not raised an issue, as it is where researchers gain access to participants knowledge and experience, therefore it can infer a meaning that the participant intended for the language that was used by this person. Validity is high with regards to documentary analysis; I ensured a prolonged process of data collection ensuring concrete information, extensive quotes from field notes, triangulation, generalisation of findings, participant transcripts and independent and member checks to ensure accuracy of findings. Face validity will also be used to ensure that any measure I used, does actually measure what it intends to measure. Hesse-Biber and Leavy (2006) add one important check on the validity of a study is to use triangulation. As has already been stated, three methods were used to ensure
triangulation. The researcher made observations but they are a very minor part of the study so a very limited conclusion can be drawn from them alone. Herein lies a post weakness to validity (see limitation 5.5)

Validity will be discussed further in Chapter 5 of the study.

3.12. Ethics, Consent, Anonymity and Confidentiality

"All social research involves ethical issues; this is because the research involves collecting data from people"

(Punch, 2005: 276)

Blaxter et al (2001) say the researcher must consider what effect their actions might have on others. They add the most common ethical issues are thought to arise primarily with research designs that use qualitative methods of data collection.

In this study, I carried out preparations for ethical issues such as gaining participant consent. Each participant signed a consent form to partake in this study (See Appendix 2)

"Informed consent should be explained in advance and executed either in advance or at the time of the interview, even though the study and the participant’s informed and voluntary participation have been discussed in advance, it is important to reiterate this prior to beginning the interview"

(Hesse-Biber & Leavy, 2006:125)

According to Punch (2005:276), some qualitative research deals with the most sensitive, intimate and innermost matters in people’s lives and ethical issues inevitability accompany the collection of such information. I ensured that ethics were upheld throughout the research; each participant was ethically informed of the study. A letter was sent to each partaker detailing the aim of the study (see appendix 3). The letter sent to each contributor included the following:
Upon receiving the letter, verbal consent was given by each member to participate in this study.

For this research anonymity was promised, as well as some participants asking for it. Anonymity was clearly assured in the consent form (see appendix 2). I will not divulge participants’ actual names in this thesis; in the case studies written each participant will be named by title with the entrepreneur being named as a false name, while each company will be named as Company A, B & C. The recording of each interview has been kept with me and will not be used in any other research without prior consent from participants.

“When confidentiality is ensured, the researcher may keep names linked to data, but information made public will neither include the name of the researcher, nor make it possible for the information to be linked with a particular respondent”.

(Sarantakos, 2005:21)

“For many researchers, signed informed consent is the common practice, and also the rule. This entails a statement containing adequate information about the nature of the research and other aspects the researcher – respondent relationship which is to be carefully read by the respondent, who in return signed for the researcher”.

(Sarantakos, 2005:20)

3.12. Conclusion & Summary

To conclude, I have detailed the appropriateness of the methods used to gather data for this study. This provided a framework by which the work was designed and carried out.
After a comprehensive literature review, I chose a realist paradigm as the main basis for the research. The approach used is that of three case studies, the methods used were documentary analysis, in-depth interviews and observations. These tools will allow me to generate new theory from one setting to another, identifying patterns, concepts and possible new theories. A case study approach improves the applicability and validity of findings, while providing the researcher with a greater knowledge and understanding of the phenomena.

The next chapter will present findings and an analysis of results. It also details how data was analysed.
Chapter 4: Presentation of Findings
4. Presentation of Findings

4.1. Introduction

The previous chapter outlined the methods which I used. In this chapter I will outline how the data collected was coded as well as presenting the case study of each of the three companies. To protect corporate identity the companies will be listed as Company A, B & C. I will also analyse key findings in this chapter, paying special attention to any results which have emerged from the research. Particular quotes from participants have been presented in this chapter to stress the importance of each individual topic, while also emphasising the comprehensive level of information received.

4.2. Coding the Data

According to Huberman & Miles (2002:374) coding is a 'technique used with the written interviews or notes in which, line by line, the researcher conceptualises the data. For those familiar with the grounded theory method, coding each line is the guts of the approach'. Huberman & Miles (2002) outlines coding is a critical part of research and often exciting especially when results begin to appear, however they note that this approach is tedious and takes time. Strauss and Corbin (1990) say after a lengthy period of data collection, I will have developed a number of principle categories and related subcategories.

For this study, I used Selective Coding and Open Coding (see appendix 4). Selective coding was chosen in order to recognise and develop the relationship between growth and the other subcategories identified through the literature review. I identified growth trajectories as the principal category, with subcategories comprised of finance, entrepreneurship, knowledge and marketing with further groupings emerging from each subcategory e.g. People & Risk. Open coding was also used alongside selective coding where I identified critical examples by collecting symbolic quotes to saturate each outlined category; this was done through trawling each interview transcript and notes. I acknowledge coding was time consuming and tedious, however to gain a deeper understanding of the results, it was the best approach for this research. I started by doing
line-by-line coding, I felt it was important first to gain an interpretation of the data received. Then I read and re-read the interviews to gain a profound appreciation for the data, constantly seeking common threads among the three companies studied. I also used different colours to code the data which was found to be most beneficial. Through this I began to see common threads emerging from the data and new theories arising.

The common growth trajectories which emerged from the data will be discussed in full in section 4.4 of this chapter. In analysing the common threads there was continuous comparison between the data collected from the three companies, the literature and the already established growth trajectories as outlined in Chapter 3. There was also some contradictions between the companies with regards to the speed of going global and the marketing activities in each respective company.

4.3. Case Studies: Company A, B & C

As described in Chapter 3 each case study comprised data from in-depth interviews, minor observation and documentary analysis. The interviewees consisted of entrepreneurs, directors, a personal assistant and senior managers who had been involved with each company since its initial stages. Following the in-depth interviews and observation, three case studies were produced which allowed me to probe deeper into the phenomena to improve validity and establish possible new hypotheses.

Below is a summary of each company; the three in-depth case studies are outlined in appendix 5. These are in-depth accounts of each company giving me a greater understanding of the growth trajectories each company followed, as well as the factors that influenced growth. An introduction to the case studies is presented in this chapter to gain an overall feel for each company, outlining their year of set-up, industry and how the company was established as well as a brief company summary. This will be followed by an analysis of results which will be presented in the themes derived from the literature review.
Company A:

Industry: Financial Services
Location: Mid-Kerry
Set-Up: 17th June 1981
Company Type: Private Unlimited with share capital

In Company A, five key influencers were interviewed including the Entrepreneur (now Chairman), 3 Company Directors and 1 Senior Manager. 1 interviewee has been involved in the company since their start up stage in 1981, while the remaining 3 since 1984. Company A is one of Ireland’s leading Customer Service Providers. Their values according to Director 1 are simply commitment, community and innovation; these principles help form a very unique culture which allows them stand out in the crowd. “Company A is the one company that you can reply on to drive and harness change for future success, the company sees innovation as a way of life”. (Company Website: February 09). From my research, through first impressions and observation on the days of interviewing, it was noted that entrepreneurial spirit can be seen and felt across the company. There was a huge sense of togetherness and great banter and character among employees. From the interviewees a huge sense of pride was noted by the excitement in their tone of voice and by their body language.

Company B:

Industry: Agricultural
Location: North Rural Kerry
Set-Up: 1968
Company Type: Private Body Corporate

In Company B, two key influencers were interviewed including the second generation Entrepreneur and one Senior Manager. Other key influencers were asked to participate in my study, but refused even after stressing an un-recorded interview and the confidentiality of the research. The second generation entrepreneur has always been involved in the family business, and the senior manager joined the company in the 80’s.
Company B is one of Ireland's leading milking and feeding equipment providers. Their success according to the second generation entrepreneur is simply commitment to ongoing research and development, innovation, and the use of science with innovation [backing up their innovations with scientific trials]. Farming has come a long way since the early days of hand milking cows; from my research it is apparent that high tech innovations are now playing a key role in today's billion euro industry. What might be less well known to the people of this small rural village in North Kerry is that Company B reigns supreme in niche markets all over the world.

Company C:

**Industry:** Photographic / Property / Leisure  
**Location:** Rural North Kerry  
**Set-Up:** 1970  
**Company Type:** Private Limited by Shares

Four key influencers were interviewed in Company C, including the Managing Director, Personal Assistant to the Entrepreneur, and two Senior Managers. The Managing Director and one senior manager have been with the company since start-up, the other two joined during the first 10 years, the second senior manager joined within the first 10-12 years, and the Personal Assistant joined the company in approx 1985. Unfortunately the entrepreneur himself could not be interviewed due to a hectic schedule and time spent abroad.

Established in 1970, in the humble settings of North Kerry, according to Employees, Company C is now Ireland's market leader in the photo processing and photo retail industry. According to the group's international website (February 2009), the company has an annual turnover of over €60million, making it one of Ireland's largest privately owned companies.

The case studies allowed me to get a greater understanding of the phenomena being studied as indicated in figure 4A.
What exactly are the growth trajectories for small business growth?
What finance was sourced during the start-up phase?
The similar traits among the three entrepreneurs
The owner/manager influences on the companies growth
Is marketing necessary for growth?
The role of people in the organisation
Has rural Ireland really played a role in the development and growth of these three companies?
Lessons to be learnt for upcoming SME’s with high growth potential

Figure 4A: Interesting Questions raised from the Case Studies

These questions will be explored in greater detail in the next section.

4.4. Analysis of Results

Introduction

Section 4.4 will analyse the findings paying special attention to any patterns which have emerged from the research. At the start of each theme an illustration will be presented comprising of the main points found in the literature review; this illustration helped me gain a deeper understanding of what I wanted to find from out the data, and any common threads found in all three selected companies.

Particular quotes from participants have been presented in this chapter to stress the importance of each individual topic, while also emphasising the comprehensive level of information received. This section will be divided into growth trajectories; these categories were formed from the literature review and later subcategorised through coding the data. Two more categories have emerged as individual trajectories, these being risk and people.
The themes will be presented as follows:

- Growth
- Finance
- Entrepreneurship
- Knowledge
- Marketing
- Risk
- People

As outlined in section 4.3, the three case studies presented some interesting insights to the questions. This section will explore these questions, issues which have arisen from the data and contradictions that exist in the data.
This section will identify Company A, B & C’s growth patterns and the following themes will show the factors which have contributed to each respective company’s success trajectories. Drawing from the literature review, figure 4B outlines they key factors that promote growth in a given company.

As Chapter 2 showed, growth is defined as a change in size over any given time period (Dobbs & Hamilton, 2007) Research has found that small firms that have achieved high growth have also been pursuing a strategy of differentiation (North and Smallbone, 2000; Pena, 2002). Further support for this proposition comes from the understanding that
smaller firms rarely have the same economies of scale as larger firms and as a result their competition must be based primarily on innovation rather than price (Holm and Poulfelt, 2002; O'Gorman, 2001).

**Start-Up Phase**

Company A was set up in Mid-Kerry in 1981, the entrepreneur was a banker by trade and knew the industry well. In the late seventies, early eighties banking hours were very restrictive and on seeing the tourists constantly queuing at the bank for foreign exchange, the entrepreneur saw and grabbed his business opportunity. He set up Company A, offering a Bureau de Change facility throughout a vast network of retailers all over Ireland. At this time Bureau de Change was a new concept for Ireland. Company B was set up in rural North Kerry in 1968. The entrepreneur saw a huge gap in the local market for milking equipment; in those days there was a requirement for milking equipment but most of the equipment was being imported in from New Zealand. The business was formed on gut feeling, with no market research carried out. Company C was formed in 1970 also on the basis of gut feeling and a knowledge of the industry, with only small local market research carried out. The company started offering a photo processing service for a handful of local chemists in North Kerry. What comes across strongly in the transcripts is that Company A, B & C were set up on the basis of gut feeling, with little or no market research carried out as each owner/manager already knew the market they were entering.

As we saw in Chapter 2, the vast majority of new businesses do not grow, of those that survive the start-up period, the majority will employ few, if any, employees 10 years later (Storey, 1994). The companies studied here do not fit into the Storey model, and seem to have contradicted Storey in bucking the trend. After the first seven years, Company A recorded an employee number of approximately 350-300. Company B suggested there were only a few employees in the first ten years, which they attribute to an economic recession in Ireland at the time; however after this the company really began to expand. Company C said it was really after the first ten year when the company began to grow, and employee numbers increased.
Company A – HR Manager “In 1984 employees amounted to 3 full time staff”

Company A – Director “In 1991 employees were approximately 350-400. We now employ almost 1,600 employees worldwide, with 930 employees in Ireland, and 785 in Kerry”.

Company B – Entrepreneur “There were approx 2-3 employees during the first 10 years, after this period employees grew to 10 and so on. The 90’s saw a huge growth in employee numbers to cater for the needs of the company”.

Company C – Managing Director “We started with only 2 employees, and grew literally from 2 to 5, 5 to 10 and 10 to 20. After the first ten years, the company really began to expand”.

Traditional Growth Pattern

What is apparent from a comparative analysis of the data is that all three companies researched followed a traditional growth pattern. As seen in chapter 2 and from interpretation of the data, the growth models of Mardon 2000 (2009), Scott and Bruce (1987) and Eggers, Leahy & Churchill (1994) best suit the growth of the studied businesses. These models show that a lack of motivation of the entrepreneur or lack of skills could hinder growth, while they also recognise growth stability or reversal, as well as being aware that growth stages can in fact be skipped. These models are linear stage models, which recognise the need for change. The participants acknowledged acquisitions, mergers & diversification as a huge factor in growth, along with loyalty, good people, expertise and knowledge. The three companies studied had also experienced growth reversal or stability, but it was acknowledged that sheer determination and a clear vision from the entrepreneur was the driving force behind growth.

According to all interviewed in Company A, growth was very much traditional going from local to regional to national & international. A Senior Manager in Company A: “I mean it started in Kerry and moved into Munster, moved into Ireland and into the UK,
and then further a field”. According to the Entrepreneur and Senior Manager 1, Company B also followed a traditional growth pattern, going from local growth to regional, to national and eventually international. Senior Manager 1 commented “It was very much traditional growth, for the first 20 years it would have went from local/regional growth to national. It would have been the early 90's when we went global through the UK market”. Further to this the entrepreneur stated “It was very much local growth first and foremost, then it went national, and then I guess international”. In keeping with this Company C followed the same traditional growth pattern, going from local growth to regional growth to nation to now international through acquisition and diversification. The managing director believes “Growth was very much traditional, even from the point of view of geographical location, as processing grew we became more and more provincial and then nationwide”. As seen in Chapter 2 today sees a lot of small businesses being born global (Knight and Cavusgil, 1996); however Company A, B & C do not correspond to this theory not least because the technology era was just emerging during their start-up years.

Expansion

According to Company A, B & C, after the start-up phase expansion made good business sense. A director in Company A commented “I suppose expansion was very very predictable, we saw opportunities out there; we saw some of them years before they happened. For example Spain – we knew somebody who knew somebody who put us in touch with Spain, they were operating the business down there, and we had maybe a lot of expertise, we formed a partnership with them, we bought into their company. 6 years later we brought them out and we now own that”. In Company C growth came through collecting photo films from a number of chemists in the North Kerry area. Following the success of the chemist network, expansion just like Company A made good business sense. The Managing Director recalls his experience: “After Kerry, we expanded into Limerick and Cork, we really grew then. I did the set up for the whole transport network, the whole logistics of covering a lot of Ireland. We expanded through the pharmacy network principally”.

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From the literature review we recall that growth of small businesses can be dominated by the owner/manager decisions/actions. This was certainly the case in each company researched with the owner/manager having an eye for opportunities. This ‘eye’ for opportunities was marked as an important chapter in the growth of each company.

The owner/manager of Company C saw a huge market for mail order in Ireland, which fuelled further development. Here the PA tells how the development came about: “He [entrepreneur] saw that there was a market out there for mail order, because of the market that was out there, he saw there was a need there to do more in relation to colour photography but there was also another market in relation to mail order”. She added “Mail order grew hugely over the years after that”. The managing director also noted the owner/managers ability to spot opportunities as a driver of growth: “In 1976, he [the entrepreneur] saw a huge opportunity in the market and quickly established a mail order service, where order forms could be found in Women’s Way and the RTE Guide”. According to Senior Manager 2, between the years of 1980-1990, Company C was the only company on the market offering customers an overnight service throughout Munster. This service quickly grew nationwide in the early 80’s. Innovation saw growth plummet in the early years in Company C; they were the first company in Ireland to introduce the 6”x4” print – now an industry norm “You know we were first to introduce larger prints, [now an industry norm] They were factors in our growth, and I suppose you know it was good marketing, and we also offered good service so you know we were a driven company I suppose really”, said the Managing Director. According to the PA “Over a period, of I suppose, ten years we opened about thirty stores in good strategic locations around the country, both here and the North of Ireland”.

**Going Global**

As sated above, the data collected suggests the common growth pattern was a traditional model, which saw growth going from local to regional to national to trading on an international platform. Several possible reasons for global growth emerged including the advent of new technologies, opportunities, knowledge, personal contacts, partnering with global bands, acquisitions and mergers.
The first international market, and perhaps the most logical, for all three companies was
the United Kingdom. Company A, after the introduction of tax free shopping in Ireland,
got global by introducing the same principle in the United Kingdom. One Director
commented “Once you have a system for one country, adapting that for the UK wasn’t
huge, we wrote the technology ourselves. The market in the UK is 50 times bigger than
Ireland, and obviously we based ourselves in London. It took a while; we started in 1987
but took us a few years to get Harrods onboard which was basically the flagship
customer over there. We had some very good customers over there, but once we signed
up Harrods, a lot of others followed. We started our business in the UK in 1987 and that
grew very quickly, we had one person full time over there, but within 2-3 years we had
outgrown all those facilities, and we expanded significantly in the UK”. The next global
opportunity for Company A came through global money transfer; one Director
commented “I think somebody just knew somebody, and they said look. I think it was in
1990 when we launched that service in Ireland”. He added “In terms of turnover, again
roughly it [Western Union]’s about 60% of turnover [at the time of research], and in
terms of profit it is more that that. But there are other businesses that are growing quite
significantly so that gap is kind of closing”. Another Director at Company A considered a
number of factors which facilitated the company’s global route, “Technology really
helped us [go global] Western Union also meant we were immediately in global markets
and also the Vat refunds. We were also dealing with tourists from all over the world and
we were dealing with world wide companies, the likes of Harrods in the UK who had a
name all over the world. I think it was a natural progression really”.

The data suggests that Company A learnt to take elements of what they were already
doing changing them only slightly, so they could be used in different ways on different
global markets, facilitating global growth. According to Directors at Company A, today
the company has diversified into other services which are related to money, travelling,
foreign exchange and business services. Company A have also branched out into property,
management firms and processing.

Company B also saw the UK as its first global market. The entrepreneur in Company B
said “The Company would have had little bits of a global market but we seriously broke
into the international market in 1990 by entering the UK market”. When asked why there
was such a gap between 1968 and 1990, the entrepreneur replied "I suppose it was just the development of a company if you like. Our growth was very gradual". He continued to say "In the industry we’re in you don’t come along in one year or five years and end up with a product range as big as what we have now. The start-up was very gradual; to a degree you can only develop at a certain rate as well". I consider that the slow speed of global growth can be attributed the poor economic condition in Ireland at the time. The reason for Company B’s global success can be contributed to performance, the entrepreneur believed "How I would put it is, we’ve grown if you like, and how we’ve entered different markets isn’t by knocking on different doors, it’s possibly the other way round. It has actually been performance that has grown the business for us. More often that not people would come to us to say they have interest in our products, or that they have seen us in different countries, or have seen our website. So really it has been down to performance". Today Company B export 60% of their products, with in UK, USA, Canada, Australia, New Zeland, Korea, Holland, South Africa, Russia, Poland and Iceland to name but a few (36 countries in total including Ireland according to entrepreneur), while still holding 70% market share in Ireland for new milk installation products in Ireland. According to the owner/manager Company B is still growing with further global development is on the cards, “A lot of markets have not been broken into yet” he said. The owner/manager in Company B also attributed innovation as a huge factor in their growth process: “We must constantly innovate to prosper and grow” he said. Among the innovations in Company B include sound messaging, this system alerts farmers to any problem a cow may have i.e. sickness, drop in yield. This sound messaging system is today still unique to Company B and was a stepping stone in their growth through innovation. The entrepreneur can not understand why his idea has not been copied “I can’t for the life of me understand why our competitors have not copied this idea; it is so simple and logical”. Company B also proved, in both the domestic and global market, they can install a rotary system in approximately one week, as opposed to 4-5 months for their competitors.

Company C’s first global markets were the USA and the United Kingdom, however Company C global strategies proved less successful than Company A & B. Shortly after national success, Company C expanded into the USA and the UK. According to Company C literature (Company Website: February 2009) “With the success of Mail
Order in Ireland the service was offered in the US. Unprocessed Film arrived on the morning flight from the US into Shannon Airport, 1 hour from the Laboratory. The film was then processed and returned to the US on the following morning flight. The total service took just 3 days!" However a couple of years later [date not specified], the company had to pull from both market; this critical phase of growth reversal represented the stimulus for a positive episode of learning for Company C. Speaking on growth reversal in the USA and UK, the MD further commented “Entering the US market was thought to have been a great idea given the plants close proximity to Shannon Airport, and the turnaround time was in their favour”. However not long after the company cut their losses and exited from the foreign market. “We learnt more than we made money to a certain degree, eventually a management buy-out happened which drained out own resources in terms of management and personnel”. The Managing Director believes the company also experienced growth reversal after entering the UK market, but had to withdraw soon after because of the Sterling exchange rate – “it was no longer viable to trade there”. (see growth reversal). The Managing Director commented “The company had a strong market share in Ireland, but the potential for growth was not there anymore; because of the service levels require in the photographic industry it was not easy to move it abroad”. The company now operates on a global scale through diversification into the Hotel & Leisure Industry.

On the failure of global success with the core business, Company C decided to develop the domestic market further. According to the Managing Director, in 1994 Compact C acquired a Dublin business, which allowed them have a base servicing the North of the country. Company C acquired Cork based Trucolor adding a further 400 dealers for the company. According to the company’s website (February 2009) the Irish branch of Kodak Consumer Imaging was acquired by Company C in 1998. The MD also commented that “the company had a strong market share in Ireland, but the potential for growth was not there anymore; because of the service levels require in the photographic industry it was not easy to move it abroad”. Because of this, diversification followed. In an interview in the Irish Independent (2006) the entrepreneur said “Diversification is the only way to go”. In the early 90’s the entrepreneur at Company C expanded his interests into the leisure and property game. The group own and operate a number of fine hotel resorts throughout Ireland, South Africa and Mozambique, along with a security firm in
Ireland and a food company in North Kerry supplying ready made meals to Dunne Stores, Superquinn, SuperValu and Cuisine de France. Again growth through diversification came through the vision of the entrepreneur; the PA recalls “There was a lack of hotels, not proper hotels, in the country. But there was a need to be fulfilled there. And he developed it from there, based on good sound research”. Further to hotel diversification, in October 2004, Company C secured the distribution franchise for H20+ skincare products in Ireland. H20+ is available in select pharmacies nationwide, and is also available in two of Company C luxury Hotel Spa’s (Group Website: February 2004). By 2008 Company C has diversified into speed cameras for the Irish Government. The five year contract is estimated to be worth up to €100 million, providing 6,000 hours of camera monitoring per month. (Irish Times: 2008) The contract was won by GoSafe Consortium including Company C, a French Company and an Australian Company.

Even though each company followed the same growth pattern (a traditional pattern), contradictions existed with regards to the speed of going global. The youngest of the three companies, Company A became an international player by entering the UK only six years after start up, with Company C going global within the first ten years. However the oldest of the three companies, Company B, saw their first official global growth twenty two years after set up, the reason for such a gap being attributed to an economic recession in Ireland.

**Stability, No Growth & Growth Reversal**

Company C experienced growth reversal in the early days, and today is seeing a decline in their core business. The growth reversal in the early stages was due to external conditions such as exchange rates, and possibly poor management decisions. The growth reversal today is a worldwide issue with the market in decline due to modern technologies. According to the MD of Company C “Growth saw a dip in the 90’s” From interpretation of the data this slowdown in growth came after the purchase of a Dublin base. Following the purchase Company C always struggled in this location so had to cut their losses soon after. This along with the market exit from the USA and the UK, (see going global) saw growth reversal in Company C.
The entrepreneur in Company B recalled the country was in the middle of an economic recession in the 80's, the company saw stability or no growth for years, "I would say that the 80's were tough times, where we seen stability or no growth; as somebody said you would be out looking for sales during the tough times". He added "In the late 70's we developed feeders, and this was followed by the development of scrapers in the 80's. During the 'tough years', sales of scrapers and feeders were very important to the company and helped them survive". Company A has not experienced growth reversal as a whole, however some individual divisions had. Senior Manager 1 told his experience of how The Prize Bonds division had experienced a reversal in Australia where legislation differs from Ireland. Director 3 said "Obviously over the years certain things were done that didn't work out you know [e.g. Prize Bonds in Australia], you won't win every battle".

**Core Business Decline - Reinvention**

What is apparent in all three companies researched is that the original core business is either in decline, or not performing as well as it used to. For this reason and from interpretation of the data, the companies had to seek alternative growth routes in the form of acquisitions and diversification, as discussed previously. According to the MD of Company C "The Core Business [photo processing] built up over a number of years, particularly over the late seventies, early eighties". He went on to say "The growth [of the overall group] has not stopped, but the core business has stopped growing". The reason for this stop in growth can be explained by the advent of digital technology where consumers did not need traditional film anymore: "Technology has moved on and digital has moved on. The change came about in 2003-2004, with the drop off in tradition film". The Managing Director went on to say "I mean yeah the growth in the core business would have been exponential during the uh the 90's and some of it was by acquisition. It came about just by organic growth really". In an interview with the Irish Independent (2006), the entrepreneur commented "We spent €2m last year [2005] on high-speed digital printers because old-style printing, unfortunately, is dead. People aren't printing their photos and this affects our business big time. We were printing five million films a year; now we're down to two and a half million and went down 25 per cent last year. And it happened so fast. Within the last two years, our business dropped 50 per cent." It was
reported in this article that the entrepreneur at Company C “Saw the writing on the wall a number of years back” with regards to the decline of the core business. “The film-developing side of the business has dropped 22 percent this year. Film sales itself has dropped by about 45 percent. This is dramatic. We had expected about 22 or 23 percent but it has dropped much faster”, the entrepreneur reported. From analysing the data, this sudden drop in growth is perhaps what brought on diversification, a means of survival, as well a strategy to withdraw somewhat from the core business.

The core business in Company A is not in decline however it is not performing as well as it used to because other departments have surpassed it. The core business is now just a proportion of the overall company growth. Interpretation of the data suggest the reason for this is due to the over performance of other divisions; “The core business [Bureau de Change] is now the smallest operation within the organisation. The reason for this is not because it hasn’t performed well; it is because other departments have performed better” said one senior manager. A Director at Company A went on to say “The core business is still a very strong contributor to the company, it is growing year on year, it’s growing at the same pace at the Irish tourist market - it has held its own”. She also added “The money transfer grew at a much faster pace that the core business. It was taken at a very low base, so it was very easy for it to grow at phenomenal growth rates”. The Senior Manager at Company A said “The Company is still growing, but not at the same rate as it previously did, but it is without doubt still growing”.

**Conclusion**

On interpretation of the data collected, the growth transitions of all three companies have been summed up in the following diagram, Figure 4C, shows the growth route taken by each company.
Idea

Start Up:

Expansion:
Company A: 1985+, B: 1988+, C: 1973+
- Local Expansion
- Regional Expansion
- Technology
- Emerging Markets
- Hire expert employees

Exceptional Growth:
- National Growth
- International Growth

Success
Company A: 90's, B: 90's, C: 90's

Core Business Decline
Company C: 2004-2005+
- Growth through Acquisition
- Growth through Diversification
- Expansion of new ventures

Figure 4C: Growth Pattern of Company A, B & C.

The next section will identify the factors which facilitated growth in each company.
Finance

Figure 4D: Finance Theme

Figure 4D presents the key themes associated with financing small businesses as derived from the literature review, as well as the importance of finance in the promotion of growth. As outlined in Chapter 2 finance is a critical issue for any growing businesses and business owners can finance the growth of their firm in a number of ways but the fundamental decision for many entrepreneurs is whether or not to accept external equity finance in return for part ownership of the business (Dobbs & Hamilton, 2007).

As the literature review pointed out in full detail, small business finance mostly comes from the entrepreneur’s own money, with friends and family coming a close second. This is apparent for companies A, B & C, although some grants were also made use of by all.
three. The owner/manager’s personal savings was marked as an important phase in the development and growth of the respective companies.

**Company A – Senior Manager** “Company A was set up with X’s own capital, as well as external finance such as grants. The local people were very good to X, and even invested their own personal money into the business”

**Company A – Director** “My experience was it was difficult to get finance, and some of the directors put their own money into the company, or if it wasn’t their own money, it was money secured personally by them”

**Company B – Entrepreneur:** “The company was funded primarily by self-financing. In the late 70’s, the IDA (Irish Development Association) would have provided the company with financial aid in the form of grants”.

**Company C – MD** “The company was set up on the back of X’s’s personal savings, along with grant aid from Shannon Development”. The Managing Director continued to say “In terms of the entrepreneur himself he would have had personal savings that helped finance the business. He’d be very cautious financially and still is you know. Very, very cautious. He certainly doesn’t throw it around you know”. The Managing Director also said “There would have been some grants available yeah but you know you can never depend on grants to grow, we got funding from Shannon Development; Shannon Development would have been there for North Kerry business, the same as South Kerry Partnership is in South Kerry”

**Company C – Senior Manager:** “We got financial backing from Shannon Development and X also used his personal money”.

Finance also proved a barrier to growth during the start-up stage, while some commented that finance is still an obstacle. The consensus within all three companies researched is not to rely on grants to grow. According to the entrepreneur at Company A “You can’t
rely on grants. You have to be able to work seven days a week, night and day in order not to be dependent on capital, banks etc to be a viable business on its own”.

According to the Managing Director at Company C, “Finance is the biggest obstacle”, he added “It was difficult during the start-up stage to deal with the banking institutions and X had to put his home up as security”. PA 1 also believes even though the company has grown, there is still a financial barrier. “In terms of finance, I know we have grown and are popular, but there is always a risk”. In contrast to this, Senior Manager 2 at Company C believed as the business grew the finance obstacle became less problematic “It is easier for the company now to get finance and take financial risks because they are stronger financially now”. A Director in Company A commented “I think once we got past 1989 – once we got the contract for Prize Bonds, once we got customers like Harrods, those problems went away but it was still difficult”. Senior Manager 1 in Company C commented “As we grow we got grants as we improved technology, got new equipment etc, invested in digital equipment”.

On reflection of the above quotes, it seems as the business began to grow, more financial risks were taken but also that it was easier to source finance. On presenting the following quote on Company A, it seems a huge financial risk was taken but resulted in a vast financial loss. According to the Company A’s Director Report and Group Financial Statement (Year ended 30/12/2007 and Published 24/09/2008) there was a difficulty in 2007 with one of the group’s subsidiary undertakings, a company in which Company A held a 51% interest. The company was placed into liquidation on February 4th 2008, with a loss amounting to €21,485,341. According to Business Week (16/10/2008) the group recorded an operating loss of €27.5 million compared to an operating profit of €14.62 million in the previous year, the biggest reason for the loss was the collapse of the subsidiary firm. Interpretation of this could suggest new and challenging times ahead for Company A and perhaps the failed subsidiary a mistake on their part. Having said this, Company A, according to their financial statement, has expansion capabilities into overseas markets where Company A already has a presence; the group will continue to expand its business into markets where it can further the growth of the group.
With regards to Company C, an auditors report to directors of the company (Company C Retail received by the CRO 1st October 2008), the following emerged: "In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net (loss) before taxation and exceptional items of (€247,996) during the year ended 31 December 2007. This indicates the existence of a material uncertainty which may cast significant doubt above the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern." This report on interpretation is due to the fact that the core business is now in decline, therefore growth is no longer an option in the core business so efforts should be focused on the diversified companies.

A common theme that runs throughout the data is that finance was and still is hard to access; the entrepreneur in Company B said "Finance was hard to come by especially during the economic recession". According to the MD of Company C, "The potential for getting any kind of finance is low unless you go to venture capital companies or something, and then they would obviously want a big slice of your business". He also noted that banks are selective when financing small businesses "Banks are very narrow with financing certain industries; I mean you have some sexy industries, something like the food industry and then you have some industries that like that they'd run a million miles from". The PA at Company C commented "There was a time when lending institutions couldn't give enough money, but things are tightening now, they are going to the other extreme. I think having to sign away your soul is a terrible thing. Things have been so comfortable for a while now that lending institutions will not take risks on anybody young and that is disappointing". From analysing this quotation, it can be said that Ireland's economic position is having a negative effect on entrepreneurship and the development of young talent.

Another area that begs further research is financial institutions perception of entrepreneurial companies. The Senior Manager in Company A commented "We

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4 At the time of this thesis going to print, Company C retail (a small part of Company C) has appointed liquidators to this section of the company C.
[Company A] are currently working on brand awareness, it is trying to put a stronger identity on the company, try and make the company become more of a larger platform, so to speak, and to let people know there is 1,400 people, there is offices in thirteen countries etc. And because there is a perception that it is still an entrepreneurial company; and as an entrepreneurial company you are saying maybe it is a smaller organisation. If we want to engage any the major financial institutions in the world, we don't want to be seen as a 'small entrepreneurial' organisation. We want to be seen as on a larger platform."
In drawing from the literature review, figure 4E presents the key factors that affect entrepreneurship and small business growth. As outlined in Chapter 2, the term entrepreneur is associated with a person who starts their own business. The essence of entrepreneurship is the application of an innovatory process and the acceptance of a risk-bearing function, directed at bringing about change of both a social and economic nature (Carter and Jones-Evans, 2000). From the literature review we have seen many different
definitions of entrepreneurship. Llewellyn and Wilson (2003) define entrepreneurship as a construct that is seen by some people to relate to a set of personal characteristics (especially risk taking, creativity and ambition), a set of behaviours by others (e.g. starting a business), and a combination of both of these possibilities by yet another group.

**The Entrepreneurs Characteristics / Personality traits**

From the literature review it is possible to differentiate between two schools of thought regarding how people become entrepreneurs, one based on the trait model and the other on contingency thinking. The basic question involved in the trait model is ‘Why certain individuals start firms and are successful as entrepreneurs?’ The question raised in the contingency thinking is how ‘The characteristics needed in the entrepreneurship are bound up with the firms’ environment and the prevailing situation’. (Gilad and Levine, 1986). Magnifying the contingency thinking, we see the entrepreneurs as described by their colleagues in this study, possess similar characteristics, and yet are unique in their individuality.

**Company A Director:** "He is fearless; knock backs do not upset him. He displays a lot of trust, trust in the people; he is a great people’s person". “You don’t get to where he [the entrepreneur] is without taking risks"

- **Company A Senior Manager:** "I think an idea is one thing, but you really need to work it out with people who are in the know, and you need to take on their ideas as much as anything. Entrepreneurs have a tendency to king of be able to see blinkers. They think ’ this is a good idea’, and indeed many of them are good ideas, but sometimes they’re too early, sometimes they’re too late. More often than not, they can often be too early”.

**Company A Director:** “He is able to identify opportunities and exploit them quickly; he instils a certain confidence in customers”.

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Company B Senior Manager: “He [the entrepreneur] is a quiet man, he wouldn’t like going to social functions, he is not majorly confident but he is very confident in his own ability.”

Company A Senior Manager: “People would see him [the entrepreneur] as being a shy, retiring individual, that he doesn’t like to speak too much about himself or acts that he had done or the success that he has had. He has confidence, confidence in those ideas, and his ability to get those across is confidence and more confident that most. If you sit him down across from some person, negotiating, he would be as hard, and harder than the majority of people, and he has won some fantastic deals for us”.

Company A Senior Manager: "I think an idea is one thing, but you really need to work it out with people who are in the know, and you need to take on their ideas as much as anything. Entrepreneurs have a tendency to kind of be able to see blinkers. They think ' this is a good idea', and indeed many of them are good ideas, but sometimes they're too early, sometimes they're too late. More often than not, they can often be too early.”

Company B Entrepreneur (second generation entrepreneur taking about the first generation entrepreneur): “I would say he is level headed, logical, gives things a bit of thought, and goes and does it. He looks, he thinks, he said what has to be done and he does it”.

Company C: “I mean like he [the entrepreneur] is totally driven, you have to be like that, it is the only way. As I say he is focused and he is hard working, he is not afraid to work hard. He does have an eye for a business opportunity, there is no doubt about that; he has a nose for business. He also has a lot of confidence in his own ability”.

In an interview in the Irish Times Newspaper (2008), the entrepreneur of Company C said “I believe the greatest attribute to my success is my willingness to work hard for as long as it takes. This coupled with my dogged determination and fearlessness carries me
through each venture and onto the next”. We saw from Welsh & White (1983, 41) that characteristics do not predict that a person is, or is not, going to be a successful entrepreneur; in this study characteristics are found to be common among the successful entrepreneurs examined. Figure 4F presents a summary of common traits among the three entrepreneurs studied, the owner/managers were perceived to have developed some of not all of the traits listed in the diagram below.

Figure 4F: Common traits of three studied entrepreneurs

- Passion in all that aspects of the business
- Drive / Determination
- An 'eye' for opportunities and exploit quickly
- Creative – an Ideas person
- Impossible is nothing – can do attitude
- Clear Vision
- Confidence (in own ability)
- Charismatic
- Risk Taker – calculated and well thought out risks
- Faith in the people that surrounds him/her
- Practical and displays common sense
- Impatient & Obsessive (in a business sense)

Referring back to Chapter 2 figure 2J, the characteristics of the entrepreneurs studied can be associated with that of Goodbody (2002) and O’Gorman and Cunningham (1997).

Referring back to Figure 3J (Summary of Entrepreneurs Characteristics) the characteristics of the owner/manager in this study mirror the characteristics presented by Goodbody (2002), O’Gorman & Cunningham (1997), Frey (2004) and Mitton (1989).

As outlined in Chapter 2 figure 2I, one of the most popular models associated with entrepreneurs is McClelland ‘Need for Achievement’. According to McClelland (1961) entrepreneurs are individuals who have a high need for achievement and that
characteristics make them especially suited to create such ventures. This feature is evident in all three companies.

The entrepreneur is Company A was asked what makes you succeed, he answered "There is a need to be successful, because if you are not a success, you are the 'other thing', you fail, and you can't afford to fail in this world - there is no room"

Company C: "He [the entrepreneur] is logical, gives things a bit of thought, and goes and does it. He looks, he thinks, he said what has to be done and he does it".

Company B Entrepreneur: "Well I suppose a lot of what we have achieved is hard work, a little bit of luck, able to exploit markets and of course good people".

Together these cases shed some light on the factors that cause a high need of achievement with the dominant factor being something within the owner/manager for example born with a drive to succeed. Other factors presented were a continuous drive, ability to exploit opportunities, as well as external factors such as luck and having good people.

Ceding Control

We have seen from the literature review that few people have all the necessary skills to run a successful business. Inevitably bringing in other professionals requires the entrepreneur to cede at least some control, therefore to compensate on one’s weaknesses by hiring employees. When asked each company if ceding control was an issue for the entrepreneur, it was a very mixed reaction. The Entrepreneur of Company A answered the following: "You always delegate what you can not do yourself; I had good people behind me, so it was not hard to do".

Company A Director: "I would think it was hard for him because of his love for the businesses. You know he wants to succeed, so he doesn't want to be able to run the risk of somebody not making them succeed".
Company A Director: “Yes, I would think it was hard for him, but that is just an opinion”.

Company B Entrepreneur: “Yes it was difficult, but you have to let people develop their own knowledge and skills as well. That is probably one of the trickiest areas. It is something [ceding control] that just evolved, I couldn’t define a time, each department now has their own people running it but we are still very hands on”.

Company C Director “Well I would have taken that over almost from my start in terms of the marketing area you know. It is common sense. So much of business is common sense”.

In analysing the below quotes, we can conclude that ceding control is not always an easy thing to. The Goodbody Economic Consultants (2002) suggest that “some of the very factors that encourage entrepreneurs initially may work against growth, these include not wanting to loose control, not being able to let go, wanting freedom. This results in reluctance to grow”. My results show that interviewees viewed ceding control as being hard for the entrepreneurs. However the entrepreneurs in Company A and C did not see it as being a major issue, it was something that evolved over time and contributed to the overall growth of the company. Company B saw this task as difficult yet it was the most sensible thing to do.

Relating back to the literature review, empirical studies have shown that one of the most critical steps in the growth of a small business relates to the willingness of the owner to delegate decisions and devolve decision-making, requiring an ability to attract, retain and enthuse quality personnel (Storey: 1994). We also saw that in small businesses an entrepreneur can personally manage most aspects of the business, but as the business grows beyond a certain stage this is not possible anymore.

In understanding the importance of delegation, interpretation suggest that delegation was an evolution and made good business sense. A good illustration of this is presented in the quotes below:
Company A Senior Manager: “I know of many people that have created ideas within the organization that have been given the opportunity to run with them”.

Company B: Entrepreneur: “I can’t say an exact time; it [delegation] just sort of evolved over time”.

Company C Senior Manager: “Well it [delegating] is common sense; so much of business is about common sense”.

Company C Director: “I mean it is common sense [to delegate], if you have a lot of common sense and if you deal with people as you would like them to deal with you, that always my own motto, I deal with people the way I would like to be dealt with myself. I would have taken over the marketing almost from my start, even though I didn’t have a background myself, ok I had my degree and I would have done a bit of that type of stuff but I mean I would have had a bit of natural flare for it as well to be honest”.

In relating to the development of Company A, B & C, interpretation suggests that the entrepreneurs drove the company from being a company dominated by the owner/manager characteristics to a professionally managed company through the evolution of delegation.

Vision of the Entrepreneur

On reflection of the literature review, having a clear vision is usually the starting point for entrepreneurs and is indeed the road map towards growth. The below quotes see vision as being a contributing factor it the growth of the business:

Company A Director: “If we were not as interested or as aware or as involved or as atheistic about technology in the 80’s, I just don’t know where we would be now, but it was just the vision of the chairman at that point in time, that technology was the way to go, and his investment in technology at that point in time was the reason
why the company grew to the levels it has grown. Technology was the big thing but it's all very fine saying tech, if you were listing to reports in 77/78, computers were coming in but nobody understood them, but our chairman did, and he was the main driving force behind investing in technology, understanding the potential of technology”.

Company B Senior Manager: “He always had a very clear vision of where he wanted the company to go, and he acted on that vision, that is why the company is so successful today. Every organization needs a vision – a roadmap to work from”.

Company C PA: “I would say he has a clear vision, determination, a lot of common sense, not having a problem with the wood on the trees, he can actually see the trees through the wood and if he can’t he has to make sure that he does before he proceeds”.

What comes across strongly in the above quotes is that a clear vision was seen to contribute to the growth success of all companies researched; the vision acted as a goal or target for the company and was therefore a dynamic concept that evolves with the business.

Fostering an Intrapreneur Culture

In each company interviewed, it is apparent that the skills of the entrepreneur have been filtered down through the organization and onto the staff members. “A key to our success has been its entrepreneurial spirit to build ahead of market opportunities. We are proud of the trusted money transfer network we have built across Europe and the customers we have served for almost two decades. (Company A Website: News, February 2009). Company A, from their website, brands themselves as ‘Passionate about being the best at what we can do’. The interpretation from this suggests that passion from the entrepreneurs has been filtered down through the organization and passed onto employees.
Referring back to the literature review, the goals of an intrapreneurial culture is to develop visions, goals, and action plans; to be rewarded for actions taken; to suggest, try, and experiment; to create and develop regardless of the area; and to take responsibility and ownership (Hisrich et al, 2005). From the data collected we see that this culture operates a flat structured organisation, where new ideas are greatly encouraged. This culture, from the quotes, can be interrelated as an important chapter in the growth of Company A, B & C.

**Company A Director:** "The organization itself is a very flat level organization, so, you know, if I want to walk down the office there and want to say to X [the entrepreneur] "X, I have an idea. Will you give me five minutes and I can tell you?" Obviously, depending on whether the pressures are on, he will sit down and he will listen to you, and he encourages that sort of thinking”.

**Company B Senior Manager:** “New ideas and new thinking are always encouraged here, a new idea, which is what the company we are.”

**Company C PA:** "Well if you are somebody who has those traits and you become somebody who wants answers, and the right answers, and honest answers quickly and fast and that we are a force to be reckoned with; then I think yes as a unit his [the entrepreneur] traits has been passed down through the line. If think if you are working for someone who has those expectations, then you are not going to pussyfoot along."

**Company A Senior Manager:** “Yes, his skills have definitely passed on the employees; we are constantly encouraging new ideas”.

**Company A Director:** “Yes the skills have passed onto the employees, it is a sort of ethos in the company, what ever needs to be done for a client, and we will do it”.

**Company B Senior Manager:** When asked if the entrepreneur’s traits had been passed onto employees, the senior manager simply answered “Most definitely, we have learnt so much from him”.
Company C Senior Manager: "Maybe to some degree I suppose yeah. Yeah, I mean we’ve all learned from him”.

The participants’ interviews suggest that this type of ethos enables ceding control to be easier for the entrepreneur as he is confident his characteristics have passed on, it also sees loyalty being built up over the years, therefore retaining knowledge within the company, and this is a win-win practice for both management and staff.

Charismatic V's Pragmatic Entrepreneurs

Linking back to the literature review, McCarthy (2000), after research, found there to be two entrepreneurs’ types:

- The charismatic type (Act on gut feeling, is the driving force of the organisation, opportunistic risk-taker, support of the organisation at great persona risk. Success was due to his tenacity, risk-taking and entrepreneurial spirit)
- The pragmatists (Not as tied to the organisation, down to earth approach to strategy, ceding control was not a problem)

What is apparent from the below quotes and a comparative view of the data is that the participants viewed the owner/manager as having characteristics linking to both the charismatic and pragmatic entrepreneur.

Company A Director: "I think he fits into both, but he is now pragmatic".

Company A Director: "I would say there's some sort of cross between the two, if that's possible. He [the entrepreneur] is engaged in all sort of people that will actually carry on the mantle thereafter him and take over various different areas, and yet, at the same time, X [the entrepreneur] will walk through a department and look down at a piece of paper and be quite involved and know exactly what's going on, more so maybe than the employees themselves, and will want to know exactly
what's going on. So, you know, he's obviously kind of moved away from trouble with the individual businesses, but is still fully aware of what's going on with the individual businesses".

**Company B Entrepreneur (second generation entrepreneur taking about the first generation entrepreneur):** "Straight answer I don’t know. I think he is a bit of both to be honest. If you asked me how I would describe him – I would say he is level headed, logical, gives things a bit of thought, and goes and does it. He looks, he thinks, he said what has to be done and he does it”.

**Company C PA:** “It fluctuates – I think he is a bit of both. He has been both types at different times; it depends on what facet of the business you are dealing with. I think he fits into both”.

**Company C Director:** “He [the entrepreneur] doesn’t think strategically really, it depends, in all fairness to the guy a lot of it is seat of the pants stuff. He is still very charismatic – entrepreneurs just have that something”.

The entrepreneurs in this study do not appear to be definable as either one or the other (i.e. some charismatic traits, some pragmatic traits), rather displaying a parallel of both types. As the company begins to grow, the entrepreneurs traits lie very much on the Charismatic side; however as the company proceeds into the next stages of growth, the entrepreneur has no alternative only to delegate and cede some control, then seeing the organization through the Pragmatic lens, but without losing sight of their charismatic traits.
Figure 4H outlines the key ways in which different theories affect knowledge in small businesses. As outlined in Chapter 2 knowledge as 'an awareness, consciousness or familiarity gained by experience or learning' (Johnson & Scholes, 202: 150). From the literature review we can acknowledge that entrepreneurs are now heightening the importance of knowledge creation and knowledge sharing as an essential part of strategic success. According to Autodesk Inventor (Software for world leading dairy milking systems: Feb 2009) "Company B is a world leader in the development, design and manufacture of milking equipment and its products are all made to the ISO standards for
milking equipment. It is all focused on improving the performance of the basic milking process for the herd owners”.

Coming up with new ideas is the food of innovation, innovation is a far tougher proportion than creativity (Gurteen 1998). Interviews from the three companies researched saw knowledge as an important factor in their growth cycle. Knowledge has lead to the exploitation of opportunities and the development of new ideas as outlined below:

Company A Director: “One thing that we were very good at if we saw an opportunity, and we liked it, we were able to exploit it very quickly”

Company B Entrepreneur: “You have to let people develop their knowledge and skills as well. That’s probably one of the trickiest areas, there is a hell of a lot of knowledge there and it’s about how you transfer that knowledge to people”.

Company A Director: “We operate a very flat structure in the organization, so people can come to us with their ideas”.

Company C Director: “It’s a very organic company; my door is always open no matter what”.

We learnt from the literature review that knowledge is developed by companies to remain competitive as well as developing it as a core competency. According to a case study carried out by RFID 4 SME (2008) on RFID for dairy farms, “Company B design an impressive rotary milking system that milks cows very efficiently, getting more milk from the cow. Their system is harvested by a four-cup milker with specially developed pulsation, there’s less farm labour required with their system”.

From the literature review operating an organic structure was deemed important in the Knowledge Management process; all three organizations were proud to have such a flat organic structure, operating an ‘open-door’ policy for employees where ideas and views could be shared with fellow colleagues and management, there was never and still is not an emphasis on the hierarchy.
Barriers to Knowledge

Referring back to the literature review we saw many barriers to knowledge, the main obstacle being that of people. In each of the three companies researched different views have come to the fore with regards to people being a barrier.

In interpreting the below quotes it is obvious that knowledge is easily available in Company A, however not all people want to use it therefore concluding that people can act as a barrier to knowledge. **Company A Senior Manager:** “It (i.e. knowledge) is freely available for those that want it…whatever the business unit may be, but you will always get people that say, "I didn't hear about that. I didn't know about it.", and it is because they did not look. They didn't ask. There are not too many stone walls here between places whereby people will say, "I'm not telling you anything about that—that's not your business. You don't know for sure." It's there to be got”

However in contrary to the above quote, one director in Company A sees people as facilitators of knowledge, adding that they break down any barriers that exist. **Company A Director:** People are not our barriers; people very much work with each other. The section I work in, there are 250 working there, and I would never say people are the barrier in our section. In fact I would say people break down the barriers, and when you put it to me like that, if technology needs to do something and it wont do it, our people will. So I would have to say our barrier is not people, our barrier would be the fact it takes such a long time to get people listen to our ideas and realize they are great ideas, and I am talking outside our company, to bring something to market, and for the market to realize we are better that anything else on the market takes quiet a long time. I have to say where I sit in the company; I don’t see people as being a barrier at all”.

In contrast, in Company B people are seen as a barrier to knowledge. The entrepreneur in **Company B** said: "People are a barrier; picture the class you went to school with, some were brilliant and some more of them were falling asleep. What you must do is have all the people that are brilliant if you can at all. Good people are very important and you should listen to everyone. You have to let people develop their knowledge and skills as well. That’s probably one of the trickiest areas, there is a hell of a lot of knowledge there and it’s about how you transfer that knowledge to people. Overtime obviously people will
assimilate it and figure out what’s going on, but how you get people up to speed quickly is tricky”.

Analyzing the above quotations, it is clear that people can be a barrier to effective knowledge management, whether it is individuals within the organization or on an external basis for example clients or supplier. This conclusion coincides with the literature review, where we learnt that most of the barriers to effective knowledge management involve people (Bollinger and Smith 2001). However, not all interviewees shared this perspective, with a minority indicating the more significant barrier to people can be the system or culture.

Culture

In order to be successful, the literature review deemed that an organization has to get the best out of its people (Thackray 2002:128). Dermarest (1997) suggests when knowledge is shared within an organization; it becomes embedded within the organization’s processes, products and services. In Company A, B & C, an autonomous culture has become embedded in each respective company, where it sees idea generation as a regular activity.

**Company A Entrepreneur:** “Our company was a small company; therefore they constantly had to come up with new ideas all the time. A lot of the old ideas just die away, so we must always be ahead of the posse”.

**Company A Senior Manager:** “People have a lot of ideas, and this is part of the culture, where they talk about them to their boss or each other - that works both ways.”

**The entrepreneur of Company B said:** “One of the reasons our company has grown is because of our focus on research and development and our performance. You have to let people develop their knowledge and skills as well”.

**Company C Director:** “It’s a very organic company, my door is always open no matter what and that literally applies to the guy we have got working in the store to whomever, we have a very open sort of relationship with our staff.”
Conclusion

Knowledge has contributed to the success of Company A, B & C. Each company operated a flat structured organisation where idea generation was always welcome. This structure was seen to support growth. As we saw in chapter 2, people can pose a barrier to knowledge, however there were mixed views as to people being a barrier to knowledge in each company, although the majority of participants believed they can be in some form.

The culture of Company A, B & C played a huge role in the facilitation of knowledge creation; from the start-up knowledge was embedded in each company which promoted a real competitive advantage and a sense of togetherness. A common theme that runs throughout the data, which was seen in chapter 2, is a sense of ‘togetherness’. In all three companies the cultural environment was created during the start-up phase by the characteristics and vision of the entrepreneur. This culture continues to be implemented in each respective company making knowledge a core competency, while also proving as a vital facilitator in growth from start-up right through to success.
Marketing

Figure 41: Marketing Theme

Figure 41 presents the key factors affecting marketing in small businesses as derived from the literature review. "In an Irish context, ineffective and inadequate marketing practices are commonly cited as having contributed to the underperformance of our indigenous technology firms" (O'Sullivan, 2005:4). As outlined in Chapter 2, sales and marketing was seen to be the number one dilemma faced by entrepreneurs (Haung and Brown, 1991). O'Brien (1998) showed that there was a misunderstanding of the marketing concept by SME’s in that the majority thought it was selling or advertising. Bjerke and Hultman (2002) believe knowledge about entrepreneurial marketing is just at an infancy stage.
Start-up

From the literature review, we learned that Churchill and Lewis (1983) identified five stages in the development of a small business (existence, survival, success, take-off and resource mature), during which they suggest marketing is believed to exist as a major issue in the ‘existence’ stage only as the owner-manager is responsible for the marketing at this stage. From the literature review, it is acceptable to suggest that a knowledge and understanding of the marketplace reduces risk and contributes to understand customer needs (Hogarth-Scott et al 1996). According to Hogarth-Scott et al (1996) most of the research into marketing in small businesses concludes that it is frequently underutilised and misunderstood by small business owner managers.

A common theme that runs throughout the data collected in this study is the lack of market research carried out before the start-up stage. Burstiner (1979:213) says far too often small businesses conduct research by intuition; this was certainly the case for Company A, B & C. The main justification given for the lack of research was that each owner/manager knew their industry due to previous working experience and saw the gap in the market, therefore acted on gut feeling.

**Company A – Director** "There was no market research or very little, it was gut feeling. Well, I wouldn't say totally gut feeling. I mean, he was coming from a banking background, so he certainly knew the market. But in 1981, you know, I doubt there were very many market research companies around the place; it wasn't really a big thing back then”.

This quote was backed up by two more **Company A directors** saying “There was no there was no formal market research because he knew what the market was”, and “I’d say a lot of it was gut feeling, you see he was coming from a banking background”.

**Company B – Second Generation Entrepreneur** “There was absolutely no market research done before the start-up simply because my dad knew the industry inside-out”.
Company C – Director "It was gut feeling from the very beginning, total gut feeling. He knew the market already. Now I mean we have some over the years."

Company C – PA "He checked things out but it was all based on an idea. And other developments that came there after were based on other ideas. There was a knock on from the knowledge you would have gained from the previous experience. So there would have been a certain amount of market research - I mean the more you get involved in an industry and read the industry reviews the more you can combine that with your market experience before you go".

At the start-up in Company C, there were different opinions as to whether market research was carried out or not, if it was carried out it was extremely minimal as the entrepreneur involved knew the photographic industry and was a photographer by trade. Company A & B however carried out no market research as the entrepreneurs were familiar with the market they were about to enter, and were already working within the industry; the set-up of Company A & B was based wholly on instinct.

Barriers to Marketing

The literature suggests that marketing is one of the most frequent problems facing SME's, particularly due to lack of financial resources to employ specialists (Huang and Brown, 1991). The priority given to expenditure on marketing by companies in this study is evident in the following quotes:

Company A Director believed “Expense would have been a problem. Yeah marketing/market research would never be seen as an item to have huge expenditure on, with the exception maybe of one or two departments. A lot of the businesses grew through personal contacts because that is the type of businesses they were—business to business”.

This was too the case for Company C, according to one senior manager “Financial barriers would have been there in the early stages definitely, but not so much anymore".
A director in Company C thought marketing was overlooked during the start-up stage. It was also evident that as Company C began to grow, more money was pumped into marketing; one senior manager said “Well I think the backbone of it was the good product and actually delivering what we said we would deliver. When our marketing is running in line with that, we actually keep the promise we made. Michael was always willing to absorb the expense of marketing”. The same applied for Company A, according to one senior manager “As the business grew, the marketing spend grew, and profits were ploughed back into marketing”.

Upon asking the second generation entrepreneur in Company B about marketing, he simply replied “Marketing was virtually non-existent”. When questioned further the entrepreneur acknowledged marketing was weak as his skills were technical, so he did not have the expertise to carry out marketing functions.

Varying perceptions on Marketing

Small and emerging firms face marketing issues critical for their survival and growth”. (Romano and Ratnatunga: 1995) Marketing is often the most dominant problem encountered by small business owners, and yet has been acknowledged to be the most important of all business activities and essential for the survival and growth of small businesses. (Huang and Brown, 1999; McKenna, 1991) What must be highlighted from the data collected is that there are varying perceptions with regards to marketing.

According to a director at Company A “Marketing is hugely important for any small business because the smaller you are, the harder it is to get in the doors, so marketing is very important”. She also added “In 1986 X won the Sean Lemass award for Excellence in Marketing, so that was the country recognizing his excellence in marketing, this was five years after he set up so that speaks for itself.”

In contrary to this, according to another director at the company,

“There was no formal marketing in Company A for the first 7-8 years”.

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It seems in Company A, there are contradictory accounts about marketing, and the distinction between entrepreneurial marketing and formal marketing. The same can be said for Company C, according to one **director at Company C** “Marketing was overlooked during the start-up stage”; he went on to say “Marketing was important but not the backbone of the business”. This statement was backed up by a senior manager at the company, “Marketing has played a large role, but I wouldn’t say it was the keystone to our success”. However, according to another senior manager, marketing was in fact the keystone to Company C’s success: “Marketing, yes I do think so [backbone to success]. Well I think the backbone of it was the good product and actually delivering what you say you are going to deliver and within the time frame you said you’d deliver in. When our marketing is running in line with that and we actually keep the promise that we make. When we put something up on the wall and make it happen. Then I think that strategy makes success”. She then went on to say Marketing ‘used’ to be critical [market now in decline], she added further “It [marketing] used to be vitally important in the time when the industry was growing, but to compete I guess you have to be out there. So I think that it has its place still”. According to Hogarth-Scott et al (1996) there is considerable variation in the sophistication of marketing practice between small businesses. From my research this is the case, but also there is considerable variation between staff members as to what exactly is meant by marketing. This begs the question for further research into small business marketing, and the differences between entrepreneurial marketing and formal marketing.

**Entrepreneurs influence on Marketing**

The literature review suggested that the marketing behaviour of small firms is ‘pushed’ by the owner-managers’ personal characteristics (Romano and Ratnatunga: 1995). Ford and Rowley (1979) also believes marketing behaviour of small firms appears to be related to the motivation, belief and attitude and the objectives of the owner-manager, and also influenced by the limitations and constraints of the small business. From previous data regarding growth interpretation suggests that the driving force behind the growth of each company was in fact the vision and drive of the owner/manager. However in conveying the finer nuances surrounding the concept of marketing, the owner/manager perceptions to marketing was different in each company.
Company A showed varying perceptions as to the effect the owner/manager had on marketing: A senior manager in Company A believes the entrepreneur traits had a negative effect on marketing but it has not done the company any harm, in fact personal relationship marketing has enabled the organization to grow. "I would say his traits had a negative effect on marketing in so far as that he would see it very much as growing through personal contacts as opposed to marketing itself. And, you know...the reality is it's worked. Now, maybe it could work better if there was more marketing. Maybe it would have been a waste of money. We don't know at this stage. But it doesn't seem to have done the company a great deal of harm".

In Company B evidence suggest the entrepreneurs had a negative effect on marketing, the entrepreneur said: “Marketing was virtually non-existent” in the company”. He went on to say he believed marketing was overlooked in the organization simply because of the existing knowledge on the industry.

Siu and Kirby (1998) believe a number of factors hinder the further development of marketing in small firms. Amongst many include the technical or engineering background of many managers. This was certainly the case for Company B as the entrepreneur outlines: “I suppose marketing was overlooked because of the company’s technical background. People had strong technical skills and these skills helped the company to grow, and will continue to help the company to grow into the future”, he went on to say “The technical side of the business is very evident in the company, that is the forefront of the organisation. People get different buzzes out of different areas; some companies depend on marketing and selling, we loved the technical stuff”. Going forward, Company B realise the emphasis they need to place on marketing “Marketing was an area we have said to ourselves, we would like to be better at going forward”. One Senior Manager agreed marketing might have been neglected in the earlier years, but for the future it is something they have pledged to put a “stronger emphasis on”.

However contrary to Company A & B, the owner/manager in Company C was perceived by participants as having a positive effect with regards to marketing. According to all interviewed the traits of the entrepreneur towards marketing was always seen as positive, even though one director believed “Marketing was overlooked at the start-up” One
senior manager said “No he [the entrepreneur] had a positive view on marketing, he was always willing to absorb the expense. Print media and paper was very expensive at the time and we used a lot of it in the growing of the business. But it’s a cost we had to absorb really”, another senior manager commented “His view was always positive; marketing played a large role in the organization but it was not the keystone to our success”.

Having analysed the three companies interviewed, I can say that the personal characteristics of the owner-manager and the marketing activities of a small firm are related, be it a positive or negative effect.

**Marketing Communications**

From the literature review we noted there are two types of entrepreneurs: craftsman entrepreneurs and opportunistic entrepreneurs. Smith (1967) defines craftsman entrepreneurs as people who make use of personal relationships in marketing, whilst opportunistic entrepreneurs are very much marketing oriented, continually seeking new opportunities and possibilities. I consider from the three companies researched, the entrepreneurs fall into both categories. Each has grown through personal relationships, and this was one of the main forms of marketing, however as the business grew, more emphasis was put into marketing, employing specialists and ploughing back profits into the marketing division. The entrepreneur in Company A, commenting after securing a huge contract for the company, said “Securing an important contract of this nature underlines our expertise, experience and developing relationships in the business outsourcing sector”. During our in-depth interview, the entrepreneur said “Marketing came through personal contact and meeting people”, this was also reinforced by all interviewed. One Senior Manager said “As the business grew, the marketing spend grew, and profits were ploughed back into marketing”. In Company C, the entrepreneur commented on how he believes the marketing came through building relationships, “Say if you wanted to buy a rotary, it would mean an investment of half a million, there is an awful lot of thought put into it, and probably one of the biggest decisions a farmer will take in his life, so relationships matter an awful lot”. 
According to Hogarth-Scott et al (1996) there is a strong tendency for small businesses to regard advertising as being ineffective and a waste of money. Tyebjee et al. (1983) argue that the personal networks of the entrepreneur are the key aspect of entrepreneurial marketing. For Company A, B & C, it is evident that personal relationships were thought to be appropriate for their business and superior to any other form of communication. According to one director at Company A “A lot of marketing is what he [the entrepreneur] is about, the marketing came though personal contacts and meeting people”. According to one Senior Manager in Company A, the company today continues to operate a local marketing strategy for branding purposes.

The entrepreneur in Company B saw advertising as a necessary evil “Advertising is a necessary evil; you have to do a certain amount to get your message out there, but don’t want to do too much either”. According to a senior manager and the entrepreneur of Company B, advertising would have came in the form of a few adverts in local newspaper, trade magazines such as Teagasc, and also national newspapers such as the Farmers Journal to build the company brand. However Company B believed their marketing came through relationships and performance, the entrepreneur commented “Our marketing came through the performance of their products. Our entry to global markets came from people seeing their products perform in other countries”. According to the entrepreneur “this was the strongest marketing we had”. With regards to relationships, the entrepreneur of Company B said “Marketing also came through building relationships, say if you wanted to buy a rotary, it would mean an investment of half a million, there is an awful lot of thought put into it, and probably one of the biggest decisions a farmer will take in his life, so relationships matter an awful lot”.

Company C used promotions as their marketing tool as they began to grow nationally “Certainly in the old days I would have done six promotions every year or maybe one every six weeks, sometimes I would have ten promotions a year”. Currently Company C does not execute a local marketing strategy unless they have a special event in a particular area, they prefer national communications. One director commented “At present we do not execute a local marketing strategy, unless they were starting a new shop etc. What we find is that there are so many bloody local radio stations now and so many newspapers that you know we kind of said we would stay national really”.
On interpretation of the above quotes, it seems that the owner/managers had different perceptions on marketing communications with Company C being very proactive. Company A & B did participate in some marketing activities; however they focused their efforts on building personal relationships. Referring back to the work of Smith (1967) there are two types of entrepreneurs when it comes to marketing, the craftsman and the opportunistic. Company C can be defined as the opportunistic entrepreneur. However I feel Company A & B, although primarily craftsmen entrepreneurs can be categorised into both as evidence suggests they, like Company C, continually sought new opportunities and possibilities.
According to the Goodbody report (2002) those who create and grow new enterprises demonstrate characteristics of risk-taking and innovation. As early as 1730 Cantillon...
described the entrepreneur as 'a person with the foresight and confidence to operate in conditions when costs may be known but rewards unknown'.

From the literature review we can say that risk is a factor principally linked with entrepreneurship and innovation. According to economic theory, one of the most important roles of the entrepreneur is that of economic risk-taker or risk-bearer of the economic system (Buchanan and Di Pierro 1980; Knight 1921). O'Gorman & Cummingham (1997) outline that trying to research the propensity to take risks or to label an entrepreneur as a risk taker is difficult, as it is plagued by problems; they argue that 'Entrepreneurs can be characterised as opportunity seekers rather than risk takers'. The contrasting concepts of opportunity seeker and risk taker were used to interpret data in this study. In analysing the below quotes, it can be said that the entrepreneur in Company A was both a risk taker and an opportunity seeker.

Company A - Director: "X has an ability to identify opportunities and able to exploit them quickly, he is a risk taker but a very calculated risk taker"

Company B - Manager: "When he sees an opportunity he is able to exploit it quickly and a lot faster than most, but as for risk it is always a well planned out risk".

When interviewing the entrepreneur of Company A, he acknowledged he was in fact a risk taker. His attitude to risk was as follows:

"I take a risk, risk taking is not something you can break down into categories, you either take risks or you don't, so I was into taking risks whether I knew it or not. Whether I knew the extent of it or not, it did not matter".

The entrepreneur went on to say: "There is a need to be successful, because if you are not a success, you are the 'other thing', you fail, and you can't afford to fail in this world - there is no room"

On reflection of this quote, one can sense the drive and enthusiasm of the owner/manager. From researching growth literature, the drive of the entrepreneur was seen as an important factor in small business growth.
From the literature review, we have seen that success means taking risks (Immink & O’Kane, 1997:6). This is especially apparent in Company A, B & C.

**Company A - Manager:** “Of course somebody who has a good job and packed it in to set up his own business – he is taking a risk. And if you are running a business you have to take risks”.

**Company A - Manager** "You don't get to where X has got without taking risks"

**Company B - Manager** “We would not be where we are today without taking risks, and taking major risks but thankfully they paid off”.

In **Company B**, when the entrepreneur was asked about success, he simply replied: "If you make a mistake now & then - what about it? Once you learn from it".

Osborne (1995:6) describes successful entrepreneurs as “adept at calibrating the level of risk that matches potential reward and their capacity to manage uncertainty.” Van Praag and Cramer (2000:45) argue that whether one becomes an entrepreneur depends on linked utilities which depend on “ability and on individual risk attitude, since entrepreneurship is a risky business”. I am using these ideas to interpret the following quote:

**Company C - Manager:** “He is a very confident man and confidence in his ability to take risks”

What is apparent from the data collected is that each entrepreneur possessed a risk taking ability; however what comes across strongly from the data, which reinforces the literature, is that risks were taken on sound financial backing and planning, in other words they were calculated.
A Director in Company A when asked about the entrepreneur's attitude towards risk, she replied: "He's risk taker, I wouldn't say a huge risk taker, but he's a shrewd risk taker. He takes risks based on strong planning, and understands the market he is in".

Company B - Director: "He is a risk taker, but I wouldn't say a huge risk taker; something is well sought out and a lot of planning goes into it before he takes the risk. He is a calculated risk-taker".

Company A - Manager: I think he is risk adverse, if anything, just because he comes up with ideas, the ideas are certainly worked out and well planned. Seeing what the financial indications will be, see what if it doesn't happen, how it affects the rest of the organization".

Company B - Manager: "He takes risks but a calculated risk"

Company C - Director: "He would be a risk taker to a certain degree; he doesn't do any of the stupid things, but he has taken some major risks."

Kimberely and Miles (1980) advocate that risk taking of the entrepreneur may change over time; on reflection of the data this has been the case in all three companies becoming greater over time as they grew. Several possible reasons can be attributed to this, but from observing the data it is clear risk taking increased as the financial backing was there to do so.

Company B - Manager: "I suppose the level of risk has increased as the business has grown more successful. Now at least we have more capital to allow us to take the risk, and if we fail, we have a comfortable cushion to bounce back on".

Company C - Manager: "The risk aspect increased as he got more successful"

From the literature review, we discovered that self-esteem was closely associated with risk, and might have driven risk-taking propensity (Ray 1986). Ray goes on to say individuals with a high level of self-esteem are able to take risks appropriate to various
situations as they arise, whilst the opposite occurs for people with low self-esteem. All individuals interviewed including the entrepreneurs agreed that there was a strong link between risk-taking and self-esteem. A good illustration of this is shown in the following quotes:

**Company A - Director:** "He is very confident, and confident in his own ability. There is defiantly a link between confidence and risk taking."

**Company B - Manager:** "He is a shy individual, but having said that he has huge confidence in his own ability and in his ability to take risks."

**Company C - Director:** "He is a very confident man and confidence in his ability to take risks."

**Company C - Manager:** "You know you have to have confidence to take risks. He has a lot of confidence in his own ability."
Employment and human resource development have received considerable funding under the new National Development Plan. The NDP considers people to be the country’s most important asset and in their strategy towards 2010 they will invest almost IR€10 billion to increase their employability adaptability, encourage entrepreneurship and promote equal opportunity. (Forfás: 2000)
We saw from the literature review that managing people in entrepreneurial companies was seen as a common difficulty (Goodbody, 2002). Almost without exception, people management theorists have shown that real motivation comes from within an individual, individuals develop such motivation when they believe their efforts are valued and that they are doing something worthwhile. According to Bruce Crager (2002) most companies talk about adding value for their customers, but they often neglect the fact that the biggest value for the customer may be a motivated workforce that will go out of their way to meet customers’ needs. Nick Austin (Thackray 2002:123) believes the key to retaining people is to give them plenty of freedom in their job to contribute and feel their contribution is valued, even outside their regular area of work.

A common theme that runs throughout the data of this study and is clearly evident in all three cases is the importance of people. One director of Company A reported through a press release (Company Website: News) that the company’s competitive edge lies within the people “Our real competitive edge lies in our people, we will continue to invest in people development”, he added “The availability of a willing, well-educated workforce at all levels is a key factor in Company A’s success”.

What comes across strongly in the transcripts is the appreciation and acknowledgement of people as being a huge factor in each company growth and success as illustrated by the following quotes:

**Company A Director:** “People are very important to the company and the company is very important to people. And if you can continue to nurture that, then it’s dual, it works for everyone. If the company ever loses sight of its people, then its people would lose sight of the company, and visa versa”.

The entrepreneur in Company A acknowledged the importance of people through a recent article (Wrixon: 2006), “The business can run from the North Pole provided you have the right people. The view is better here in Killorglin!” In an interview in the Irish Times Newspaper (2008), the entrepreneur of Company C said “I believe that my employees are my greatest asset and that recognising and rewarding capable, hard-working personnel has contributed hugely to my success”.

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Company B Entrepreneur: "Good people are very important, and I think you should listen to everyone, sometimes you could be rushing around the place and so on and might not be the easiest thing to do, but I think one should when one can, it is good to do that".

Company C Director: "I mean if you have a lot of common sense and you deal with people as you would like them to deal with you, that is the way to go. I always my own motto, I deal with people the way I would like to be dealt with myself".

In December 2004, Company A was awarded the prestigious 'Excellence through People' award; this award is a national standard for Human Resource development. In 2005 Company B also won award. The entrepreneur in Company B said "This award is Irelands national standard for human resources development, and recognises the skills and motivation of the workforce. According to thee company website (February 2009) this award acknowledges the top class people working for Company B".

From the literature it was clear that employees enjoy a unique sense of ownership within the start-up situation (Rabbatts in Thackray 2002:129-10); it was noted that people can have a tangible connection to the product which is rewarding – the sense of “I’ve built that”. What must be highlighted is the important role people played in each company; their efforts and dedication marked an important chapter in the growth of Company A, B & C.

Company A Director: "Our people are so important. They were prepared to walk the streets when it was opportune to do so, and take on board whatever was happening in a particular city. We aggressively went in to the UK, we had good people there when we were developing markets, and that was very very important - having the right people in the right place, at the right time."

Company A Senior Manager: “If you sit him down across from some person, negotiating he would be as hard, and harder than the majority of people, and he has struck some fantastic deals for the company. After that, when he's sitting down,
having dinner, one person might say, you know, 'you've done a great job', then he sits back and say, 'No. That's not me. That's the people around me'".

In a recent article on Company A (Irish Journal of Supply Chain Management: 2008), the head of business development said "There's the sheer unbending will and momentum of people who work for us to deliver over the line. There is the obsession, maybe in a unique Kerry way, to do things in a cleverer way than was ever done before".

**Loyalty**

Employee loyalty seems like a quality that's becoming increasingly harder to find (Goodbody, 2002), whether it's employee loyalty to a company or consumer loyalty to a product. Goodbody (2002) believes the attitude of people around the entrepreneurs, when they first decide to start their own business acts as a motivator. In general most found encouragement through people, for example employees, family and friends etc. What is apparent from comparison of all three companies here is the loyalty shown from employees which again was recognised as a major contributor to the success of each company respectively:

**Company A Senior Manager:** "Loyalty would be very important to X [the entrepreneur], from him to his staff and from his staff to him. That is very easy to see why if you walk through any department, he'd be pointing out people to you that have been here for fifteen/twenty years—very, very simple to do"

**Company C Director:** "What you get here [based in rural Ireland] is loyalty from staff. We have family loyalty here, that type of thing within families, we've employed people from the same families, and that is an advantage certainly."

**Company A Director:** "The loyalty [of people] has been built up through the years; the same people have remained with the organization, which meant that we've kept in an awful lot of knowledge".
Company B Senior Manager: "The same staff has remained within the company, so there is huge loyalty towards the company, and likewise the company has a huge loyalty towards the staff".

In understanding the importance of loyalty, interpretation suggests that the reason why loyalty was so high in each company is because each company fostered a dual approach, where management had respect for employees and visa versa despite the size:

Company A Director: "Our company is bigger now, I mean there are almost 1500 employees, and we're probably not as lean and agile as we used to be, because we are so big. But I think at the same time, that ethos is still there, the can do attitude is still there. We can still do it".

In Company A, two specific managers were asked what continues to be the backbone of the company’s success; they summed it up adequately by simply answering "People - and - Loyalty". This loyalty is mutual from employees to management, and management to employees.

Rural Ireland

The findings of the Goodbody Report (2002) indicated that there are both benefits and difficulties associated with a regional location for Irish entrepreneurs. Benefits frequently take the form of lifestyle choices- the quality of life being seen to be much higher in areas outside the major cities for such entrepreneurs and their families. Company A is a driver of regional development, in a recent article (Irish Journal of Supply Chain Management: 2008), the Head of Business Development commented “Company A is an organisation that has community at as a core value, we have strong links with regional employment and development and a commitment to ensure that there are people in Kerry have jobs Kerry".

The data suggests that rural Ireland has played a role in the growth of each company with regards to retaining staff, which in turn produces knowledge and loyalty. However concern was also raised with regards to sustaining business in rural Ireland because of the high cost of the Irish economy:
Company A Director: "Rural Ireland will give you the loyalty. Irish people working for Irish companies – they will definitely give that loyalty. But more and more of our business is international, for example, one asset of our business is in Australia - rural Ireland will do nothing for Australia, perhaps rural Australia will, so we would want to be very clear on that. It is fantastic to have a base in rural Ireland that works, but that’s not going to be the solution for the future. And also we are becoming a very high cost economy, you asked what challenges, and that certainly is a challenge that is there – the high cost of Ireland, be it rural or otherwise".

Company B Entrepreneur: "The reason we are here [rural Ireland] is because we started here, I would say rural Ireland gives you staff loyalty, it is appropriate for our business in that we are dealing with a rural community. We have people here who are invariably from a farming background".

Company B Entrepreneur: "We are a good class of people in Rural Ireland, no one is really any major bother, we get on with things. In the cities the staff turnover would be a lot higher and you probably get hassle off of people."

Company C Director: "Rural Ireland is still where our head office is and where we are driving the business from here [rural Ireland], but in Kerry you have to work a bit harder here, but what you do get here is, and I’ve said it before, what you get here is loyalty from staff. There may not be the same job opportunities as with say the bigger cities like Cork but obviously we have better lives here which mean we have more expertise.

A base in rural Ireland proves advantageous for companies including staff loyalty and a genuine commitment to the job because employees have a better quality of life with no travel difficulties, a good working environment and flexibility of employment. Local economies benefit enormously at every level, (Kevlihan 2005).
Company C Director: “We have family loyalty here, that type of thing within families, we’re employed people from the same families, and that is an advantage certainly. There is definitely a link between rural Ireland and knowledge in the sense that you will retain your staff a lot better, in cities staff are definitely more mobile”.

The Goodbody report (2002) consider the negative elements of a rural location relate mainly to access difficulties, access to markets, to communication technology and to business expertise. These elements did not prove difficult for Company A, B or C, but as mentioned previously the worry that was highlighted is the rising cost if Ireland be it rural or otherwise.

Rewards

Organizational culture plays a primary role in the likelihood that employees will be willing to work together and share knowledge. From the literature review, we saw that if the culture is not supportive, or the reward system factors only individual effort, it may be difficult to get people to work together. In each of the companies researched, there was no ‘specific’ reward system, rather it was suggested that the employees ‘just knew’ their efforts and ideas were greatly appreciated. The data suggests that the commitment and loyalty has been built up throughout the years.

Company A Senior Manager: “I don’t think there is any formal system but people have a lot of ideas, and this is part of the culture, where they talk about them [ideas] to their boss or each other - that works both ways.”

Company B Senior Manager: “We don’t have a reward system, people know it’s an open door policy and they can come to us with their ideas.”

Company C Senior Manager: “We operate an open-door policy, there is no specific reward system, we just know’’
Company B Entrepreneur: "We don't have a reward system, people know it's an open door policy and they can come to us with their ideas no matter how small or silly they seem".

The literature review suggests rewards are needed to keep employees happy and motivated to get the very best out of them to help keep staff working harder for the company, and also to give them good job satisfaction. Following analysis of the three researched companies it comes as a surprise that none operates an official reward system, so how do they keep staff motivated? The interviewees suggested the employees at each company 'just knows' their ideas would be appreciated through the culture promoted and the organic open door policy adopted. It is however apparent from the companies studied that rewards may not be financial but that of a career progression.

Company A Senior Manager: "I know of many people that have created ideas within the organization that have been given the opportunity to run with them. So, you know, from that perspective, there is a reward system - there is and there is not; the company has looked at some sort of staff incentive rewards plan that if people want to make small improvements on their business, there isn't anything there in place as such, but at the same time, people are recognized and, you know through their career progression".

According to Josefowitz (1985) management should use different sets of awards for example praise added responsibility and public recognition as they present as important motivators. One possible award according to Josefowitz, and which has been seen throughout the three companies studied, is added responsibility, not just meaning adding more work to the regular load, but giving tasks where workers can have more autonomy in making decisions and will be held responsible for results with less supervision – showing that they can be trusted.

Adapt a 'Premier League' Approach - The 'right' team

As mentioned in Chapter 2, getting the right team can be tricky for any organization, and indeed sometimes produces fatal flaws. The process is incredibly complex and difficult to
get the balance right; it may take years to get the ‘perfect’ team, but in the end will prove beneficial for the organization. It was widely acknowledged in all three companies that having the right people, at the right time was critical to the overall success and growth of each respective company:

**Company A Director:** "I think it is very very important when you are starting up a business to have the right people in that business. Often times a business starts with a number of people, and they are very good, and very dedicated, but something you have to recognize that team may not be the team to take you forward, so you have to bring in new players - like the premier league. And that's a very hard thing to do when you have been working with dedicated people, but they just may not be the right team to take the company into the next level. So the right people and take on the right people to take you forward".

**Company A Director:** "It is very very important - having the right people in the right place, at the right time."

**Company B Entrepreneur:** "What you must do is have all the people that are brilliant if you can at all. Good people are very important".

### 4.5. Summary of Findings

To conclude Chapter 4 has presented the major findings of this study. I will now outline a summary of key findings that have emerged from the data collected. I have summarised the results in order of themes derived from the literature review.

- **Growth**
  - Each of the three companies studied were found to have a similar growth pattern. The participants acknowledged acquisitions, mergers & diversification as a huge factor in growth, along with loyalty, good people, expertise and knowledge. Each company, at one stage or another, has experienced growth reversal or stability, but it was acknowledged that
sheer determination and a clear vision from the entrepreneur was the driving force behind growth.

- Company A employed 3 employees during their initial growth stages, after just 6 years the staff numbers had grown from 3 to approx 350-200. Company B & C saw approx 2-3 employees during the first 10 years, with both companies recording an explosion of staff numbers in the 1990's.

- Each company followed a traditional growth pattern, recording local growth to regional, to national and then international growth. Expansion was deemed due to technology and emerging markets.

- The core business in each company has somewhat declined in all three organisations, with company C's core business now in decline. Survival strategies such as diversification were implemented in order to continue to grow. Each company has diversified into new fields, most of which are related to each other.

**Finance**

- Finance was seen to be an obstacle for all companies with the entrepreneurs own money being invested into the business, along with some grand aid. In Company A local people invested money into the business, of whom today are directors of the business

**Entrepreneurship**

- All three entrepreneurs studied in this research displayed similar traits. These traits included a unique eye to spot opportunities, fearless, can-do attitude, risk taker and opportunity seeker, clear vision and faith in the people that surrounds them.

- Ceding control, according to interviewees, was seen as being a hard task for the entrepreneurs, however the entrepreneurs in Company A and B did not see it as being an issue, it was difficult for Company B, however all three agreed it was an evolution and a common sense tacit where they delegated what they could not do themselves.

- The entrepreneur's vision has been acknowledged as a key trajectory behind growth. Each entrepreneur was seen to have shown a clear vision from the
very beginnings. In each company, an intrapreneurial culture, which had seen the traits of the entrepreneur being passed on the employees.

- The entrepreneurs in this study do not appear to be definable as to any one type of entrepreneur (charismatic or pragmatic). It would appear as the company grew the traits of the entrepreneur were similar to that of a charismatic entrepreneur. As the businesses proceeded through their growth cycle, the entrepreneurs’ traits were similar to that of a pragmatic one.

- The entrepreneurs studied were seen to display a risk taking propensity, however interviewees clearly stated that risks were calculated and were taken based on concrete planning. It was also acknowledged that as the business grew, it was easier to take risks as the companies had the benefit of good financial backing.

- It was also found that there exists a strong link between self esteem and risk taking. Each entrepreneur was described as ‘shy’ but extremely confident in their own ability.

- **Knowledge**

  - Knowledge has been hugely encouraged in each organisation, and is still supported today. Knowledge in each company could be described as a survival strategy, it was noted by participants that for small companies it was vital to constantly come up with new ideas and to innovate in order to survive. This survival strategy became an ethos of togetherness in each company, and is still the ethos today. Each company displayed a flat structure and an adapted an open door policy to encourage idea generation.

  - There were different views on barriers to knowledge but it was widely acknowledged that people can hinder the knowledge process, be in internally or externally. In company A one director believed people can break down barriers, however the rest of the participants in Company A, B & C believed people can be a barrier to knowledge.

  - The focus on research and development has enabled each company to grow. This is particularly evident in Company A & B, but not as prevalent in Company C at present as their core business in decline, however during the growth period in Company C R&D was recognised.
• **Marketing**

  o There are varying perceptions of marketing in each company; this begs the questions of entrepreneurial marketing v’s formal marketing. At the start-up stage no market research was carried out as each entrepreneur knew the market due to previous work experience, gut feeling and expense.

  o In Company A, one director said marketing was hugely important for small businesses, however the other participants agreed that there was no formal marketing for the first 7-8 years. However, in 1986 (five years after start-up) the entrepreneur won the Sean Le Mass award acknowledging his excellence in marketing! It was also noted that the senior manager in Company A said the entrepreneur had a negative effect on marketing. His marketing came through personal relationships, which according to the entrepreneur was the ‘strongest’ marketing they had. "Maybe it could have worked better if there was more marketing. Maybe it would have been a waste of money". However other participants at Company A believed the entrepreneurs had a positive effect on marketing. Delving further into this, the senior manager comes from a marketing background and the other participants did not so this could explain why the varying perceptions on marketing.

  o Company B admitted marketing was virtually non-existent during the start-up stages and beyond and also believes it is still an area they lack expertise in. This was due to their background being one a technical nature. Marketing was always perceived as being negative as the entrepreneur came from a technical background. The entrepreneur, going forward, wishes to place a more important emphasis on marketing.

  o Company C participants said marketing was overlooked during the start-up stage; one director said it was important but not the backbone to their success. The PA said the backbone was the product – which in effect is a huge part of marketing. Again this begs the question of the definition of formal marketing. In Company C, each participant acknowledged that the entrepreneur’s perception towards marketing was always positive.

  o To conclude, participants seemed to have a lack of understanding of what is meant by marketing.
• People

  o From the literature review, I learnt people are often cited as being the most important asset in a company. This was certainly the case for the three companies in this research. The importance of staff was acknowledged and appreciated in all three companies. It was noted that a dual approach is the best approach suited to entrepreneurial companies creating a win-win strategy.

  o One direct in company A said "If we ever loose sight of our people, then our people will loose sight of us". I think this quote sums up the importance of people in organisations. It came a surprise that none of the three knowledge based companies operated a reward system, the consent from the data is that staff 'just know' their ideas are appreciated, and this is the culture within the organisations which sees idea encouragement being part of companies breeding. Although there is no tangible reward in any of the companies, rewards have come through intangible incentives such as career progression which is perhaps the best reward of all, and a solid investment in ones career.

  o Loyalty has played a huge role in the growth of each company. Employee loyalty has been built up through the years where staff has remained in the company therefore retaining expertise and locking in knowledge. It was also apparent from the data collected that rural Ireland has played a huge role in staff loyalty and retention as staff as less mobile in rural areas. However it was also noted that Ireland is now a very high-cost economy and due to lack of inward investment, rural Ireland might see some challenging times ahead. Participants also recognised the importance of having the right people at the right place at the right time; it was widely accredited that people and loyalty has been the backbone of each company’s success.

The next chapter will present recommendations for small businesses with high-growth potential. Chapter 5 will revisit the aims and objectives of this study, outlining lessons to be learnt for small businesses with high growth potential, as well as presenting a model to guide SME’s through their growth cycle.
Chapter 5: Conclusion & Recommendations
5. Conclusions

5.1. Conclusions

From the data collected several recommendations were noted; tips on small business growth, as well as pitfalls to avoid were articulated by the participants. These participants have witnessed small business growth first hand and have made the mistakes many small businesses do, however they learnt from them. This chapter will present a conclusion of results, introduce new models, and put forward recommendations for emerging SME’s with high growth potential.

Growth Trajectories

The journey of growth for all three companies has been a true global success story. The growth pattern of all three companies researched has been very similar; each company followed a traditional growth pattern, first conquering the local market before expanding internationally to becoming a global player. Fombrun & Wally (1989) make the point that ‘growth...may neither be orderly nor sequential; it may occur in surges’, and this was the case for the three companies outlined. These companies have grown through acquisitions, mergers and acquisitions, as well as the loyalty, expertise and knowledge of their people. Growth did not come easily for any of the companies; growth reversal has been witnessed by all, however in understanding the importance of growth, interpretation suggests that growth prevailed through sheer determination, vision of the entrepreneur, innovation, seeking and exploiting opportunities quickly, good people and capital.

From interpretation of the data, and as outlined in chapter 2, the growth models of Mardon 2000 (2009), Scott and Bruce (1987) and Eggers, Leahy & Churchill (1994) best describe the pattern of growth in all three companies researched, the models present the different patterns followed in achieving start-up growth to international success. These models are linear stage models, which recognise the need for change. These models show that a lack of motivation of the entrepreneur or lack of skills could hinder growth, while they also recognise growth stability or reversal, as well as being aware that growth stages can in fact be skipped.
Figure 5A below is a comparison of each company researched:

<table>
<thead>
<tr>
<th>Company</th>
<th>Start-Up</th>
<th>Start-up Industry</th>
<th>New Industries</th>
<th>Growth Pattern</th>
<th>Speed of going Global</th>
<th>Core start-up Business</th>
<th>Economic Situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1981</td>
<td>Financial (Bureau de Change)</td>
<td>Tourism Services, Business Services, Merchant Services, Customer Service, Business Outsourcing Solutions, Property</td>
<td>Traditional Growth Pattern</td>
<td>6 years</td>
<td>Somewhat declined but continues to hold its own</td>
<td>Stable Growth, still growing but not as fast as start-up growth. Very much an international company now</td>
</tr>
<tr>
<td>B</td>
<td>1968</td>
<td>Agriculture</td>
<td>Agriculture</td>
<td>Traditional Growth Pattern</td>
<td>22 years to fully expand global. Had entered the UK after approx 10 years but went ‘seriously’ into the UK after 22 years</td>
<td>Holding its own, new advances and inventions has surpassed the core business of scrapers and feeders</td>
<td>Still growing – huge international success</td>
</tr>
<tr>
<td>C</td>
<td>1970</td>
<td>Photographic</td>
<td>Property Hospitality &amp; Leisure Industry, Leisure &amp; Food Speed Cameras for Government</td>
<td>Traditional Growth Pattern</td>
<td>Within the first ten years</td>
<td>In Decline</td>
<td>Core Business in Decline. Other sectors still growing</td>
</tr>
</tbody>
</table>

Table 5A: Summary of Company A, B & C.
As the table suggests each company researched followed a traditional growth pattern, recording local growth to regional, to national and then international growth. Company A which is the youngest of the three companies studied recorded global growth just six years after start up. Company C seen global markets within the first ten years, while it took Company B 22 years to fully expand into the UK. Company A invested heavily in technology during the start-up stage, as mentioned in chapter 4 this was due to the ‘vision’ of the entrepreneur. Likewise for Company B, an investment in technology has been one the major contributors to their success, they operates in 36 countries outside of Ireland. Today technology is what Company A & B are about. As mentioned in chapter 2, some companies nowadays are being born global due to the advances in technology. I am confident that if Company A and B were setting up in 2009, they would indeed be born global; it was agreed that most of the global growth came due to technology. I feel a traditional growth pattern could still apply to some industries that are less technologically advanced, but largely the traditional growth pattern is out of date.

As outlined in chapter 4, the core business in Company A has somewhat declined, one director commented on the core business as ‘still holding its own, it is still performing as good as it used to but other divisions have performed better’. Company C’s core business in total decline, at the time of printing the retail side of the core business went into liquidation. The reason for this decline was the advancement of technology in the photographic industry therefore there was no longer a demand for traditional film. Company C seen this change therefore diversified in order to sustain growth.

Finance

From the data collected, it is apparent that the entrepreneur’s own personal savings was used to fund the start-up, along with finance from friends and family, as well as some grant aid. The consensus among all participants is one can not rely on grants to grow, it was also noted that finance was and still is an obstacle in the growth of businesses. During the start-up stage finance was hard to come by, and banks proved selective when lending to small businesses. As the business began to grow, as outlined in figure 5B, external finance was sourced from government agencies and lending institutions. It was
also noted that finance is even harder to come by now with the position of the Irish economic system therefore dispiriting entrepreneurship and small business development.

| Start-Up          | Entrepreneurs Personal Money
<table>
<thead>
<tr>
<th></th>
<th>Friends / Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansion</td>
<td>Own money</td>
</tr>
<tr>
<td></td>
<td>Friends / Family</td>
</tr>
<tr>
<td></td>
<td>Grants</td>
</tr>
<tr>
<td></td>
<td>Lending Institutions</td>
</tr>
<tr>
<td>Growth</td>
<td>Reinvestment / Ploughing back profits</td>
</tr>
<tr>
<td></td>
<td>Grants</td>
</tr>
<tr>
<td></td>
<td>Technology Grants</td>
</tr>
<tr>
<td></td>
<td>R&amp;D Grants</td>
</tr>
<tr>
<td></td>
<td>Lending Institutions</td>
</tr>
</tbody>
</table>

*Figure 5B: Sources of Finance*

**Entrepreneurship**

This study presented a debate as to the characteristics of a successful entrepreneur. It is evident that entrepreneurs differ from each other, whilst sharing some characteristics to become a successful entrepreneur. In this study the characteristics of the three entrepreneurs studied are in line with Goodbody (2002) and that of Irish entrepreneurs studied by O’Gorman and Cunningham (1997) (see figure 2H). The main characteristics evident in the owner/managers researched is passion for everything they do, being hard working and determined, having an eye for opportunities and being able to exploit them quickly, taking risks but only calculated and well thought out risks, confidence in one’s own ability, clear vision and a common sense. These skills of the entrepreneurs have been filtered down through the organization and passed onto employees therefore leading to an open-door flat structured organization, promoting new ideas and new ways of thinking. Creating an *intrapreneurship* strategy was an important factor in the growth of Company A, B and C.
In order to grow, ceding control is a necessary task where the entrepreneur needs to learn to delegate. As we seen in chapter 2, the owner/manager characteristics can sometimes work against growth, empirical studies have shown that one of the most critical steps in the growth of a small business relates to the willingness of the owner to delegate decisions and devolve decision-making, requiring an ability to attract, retain and enthuse quality personnel (Storey: 1994). Chapter 2 also teaches us that in small businesses an entrepreneur can personally manage most aspects of the business, but as the business grows beyond a certain stage this is not possible anymore. Ceding control, according to participants, was deemed hard for entrepreneurs. On the other hand the owner/manager themselves did not see this as a major problem rather a road to growth. They saw delegation as a vital assignment in the growth process but occurring as an evolution rather than at a specific time period. A clear vision was an important contributor in the growth of Company A, B and C, this vision acted as a road map guiding each respective company throughout the growth lifecycle.

My investigation also indicates these entrepreneurs can not be defined as either a Charismatic / Pragmatic entrepreneur, rather displaying a parallel of both types. As the company begins to grow, the entrepreneurs’ traits lie very much on the Charismatic side; however as the company proceeds into the next stages of growth, the entrepreneur has no alternative but to delegate and cede some control, then seeing the organization through the Pragmatic lens, but without loosing sight of their Charismatic traits.

**Knowledge**

In conveying the concept of knowledge, it is obvious knowledge played a huge role in the growth of the three entrepreneurial companies. During the start-up stage it was noted that each company had to create new ideas to stay ahead of the game. It was suggested that employees in Company A, B and C were given freedom in their jobs and their contributions were valued by management. As we seen in Chapter 2, coming up with new ideas is the food of innovation (Gurteen 1998), while it is also used to gain a competitive edge in the market place. The three companies researched held knowledge in high regards and a major contributor to their growth. Knowledge creation and sharing has seen the exploitation of opportunities and the development of new ideas in all companies.
We saw in chapter 2 that people pose a threat to knowledge management (Bollinger and Smith, 2001). This study shows that people can in fact hinder the process. People can be staff within the organisation, or external individuals such as clients/suppliers.

Chapter 2 suggested in order to be successful, an organization has to get the best out of its people (Thackray 2002:128). Culture has a huge role to play in the encouragement of a knowledge based organization; the embedded culture in all three companies was supportive of knowledge, allowing people to develop their own ideas. A flat organic structure was adopted at start-up in each organisation promoting autonomy in the knowledge creation and sharing cycle.

**Marketing**

There is considerable variation in the sophistication of marketing practice between small businesses (Hogarth-Scott et al 1996). This is certainly the case for each company researched; there is considerable variation between staff members as to what exactly is meant by marketing.

The data suggests that marketing existed in these three case studies, but in an archaic form, however greater clarity is needed in understanding small business marketing, the data suggests further research should be carried out with regards to small businesses perception of marketing, and difference between entrepreneurial marketing and formal marketing. We saw in Chapter 2 that small businesses conduct research by intuition (Burstiner 1979); this is evident in all three cases. In all three companies researched, marketing was not seen to have been of vital importance during the start-up stage, with no or very little market research carried out. As the business began to grow, more emphasis was placed on marketing. All three companies have relied on personal relationships for their marketing; this was one of the main contributors to their success.

As we saw in Chapter 2, marketing behaviour of small firms is dominated by the owner-managers personal characteristics (Romano and Ratnatunga: 1995) and marketing behaviour of small firms appears to be related to the motivation, belief and attitude and
the objectives of the owner-manager, and also influenced by the limitations and constraints of the small business (Ford and Rowley, 1979). Some companies saw the entrepreneur as having a negative effect on the marketing activity, whilst others believed the perception was all positive. What is apparent from the data is that there is however confusion in each organisation regarding formal marketing, each person interviewed had a different opinion with regards to marketing; some felt it was in fact the backbone to the company’s success whilst others disagreed.

**Risk**

In the literature, it is commonly assumed that entrepreneurs are risk takers. From this study it can be concluded that all the participants’ view the owner/manager as a risk taker – however what emerged is that their risks were taken on advanced planning and research. It can also be said that the entrepreneurs studied, according to interviewees, are opportunity seeker and love a challenge. Exploiting opportunities presents its own risks so a link can be formed between opportunity exploitation and risk taking propensity. It is also evident as the business grows both in size and financially, the level of risk taking has increased. The results of this study show there appears a solid link between risk-taking and self-esteem, although the entrepreneurs in Company A and B were described as ‘quiet or shy’, they still possessed huge confidence in their own ability and secure in the risks they envisaged.

**People**

An important conclusion to arise from this is that people are the heart beat in organisations. Company A, B & C operates a flat organisation structure, harnessing relationships between management and staff, creating a win-win strategy. Employee commitment and loyalty of staff in Company A, B & C has been an important factor in each company’s growth success. What comes across strongly in the data is that there is no specific reward system for employees, they ‘just know’, this leads me to interpret that employees know their contributions and ideas are welcomed and appreciated. Rewards may not come in tangible form, but in the form of career progression. It is also noted that rural Ireland has played an important role in growth with regards to retaining staff,
loyalty and knowledge; however concerns were raised with regards to the high cost of the Irish economy.

5.2. Models for Small Business Growth

It is vital that the growth factors of what once were start-up SME’s but now large international corporations are understood to help guide future SME’s. The findings pinpoint specific areas of growth that could help starting SME’s make the all important transitions of growth.

One of the main aims of this study was to adapt a model to help guide small businesses through their growth transitions. The below models is based on the findings found from this research. Model 5C, already presented in the Chapter 4, is seen as the typical growth pattern among the three rural Ireland based companies studied. This model presents a growth from the initial seed stage to success, the model also shows growth emerge from a traditional pattern, going from local to national to international and global growth. Global growth in all three companies was achieved based on factors such as emerging markets and the advent of technology. As seen in the three companies (in particular Company C) the core business underperformance/decline meant growth had to take a different angle, mainly through diversification, acquisitions and expansion.

Based on model 5C, I have adapted a summary of trajectories recommended for small business growth (Figure 5D). This model outlines important factors for growth based on the three rural based companies studied. Factors include sourcing external finance, seeking opportunities, having a clear vision, delegating what you can not do, risk taking, knowledge and the constant flow of new ideas, marketing through personal relationships, perception of marketing in small businesses, learning from mistakes, being confident in one’s ability, and most important having faith in the people who surround you. These factors can be attributed to the success of Company A, B and C. The model is presented below in figure 5D.

Small business growth, we have seen, is much dominated by the attitude and skills of the entrepreneur. From this I have developed a model which tracks the skills and expertise
required from entrepreneurs in order to achieve growth (Figure 5E). These skills include strong gut feeling, clear vision, planning, being an opportunity seeker and taker, seeing delegation as a natural process, and having faith in the people that surround you.

Figure 5C: Growth model for Company A, B & C.
Growth:

Finance:
Own Savings / Friends Family
Borrowings / Equity
Try not to depend on finance or grants to grow

Entrepreneurship:
Seek Opportunities
Constant and Clear Vision
Have Passion, belief and confidence
Take the Risk!
Foster an Intrapreneur Culture
Ceding Control is a natural process
Have faith in people, Delegation = Growth

Knowledge:
Constantly need new ideas to stay ahead
Promote new idea generation
Ensure the Culture is Supportive
Operate an Organic / Flat Structure
Open Door Policy

Marketing:
Attitude plays a key role in the perception of marketing
Market research combats uncertainty
Small Businesses rely on Personal Relations as their
main form of marketing communications
As the business grows, delegate marketing to experts

Risk-Taking
Take the Risk!
Learn from your mistakes
Be Confident in your ability
Be an opportunist
Attitude to risk will increase as the business grows

People:
Most important asset: Always have the right people
Create a Dual Approach – Win-Win for everyone
Loyalty to and from employees can facilitate growth
Reward staff

5D: Growth Trajectories recommended to aid Growth
Figure 5E: Skills and Expertise required of the Entrepreneur to achieve Growth

- Faith in People
  - Loyalty is a two way process

- Cede Control is a natural
  - Process – Delegation means
  - Growth

- Seek Opportunities
- Risk Taking increases

- Vision
- Confident
- Can-do Attitude

- Passion

- Planning

- Risk Taker

- Gut Feeling / Knowledge
5.3. Recommendations

Growth

In terms of growth it is important for small businesses to realise they have to walk before they can run. Growth is facilitated by many factors such as having the right people, loyalty to and from people, a clear roadmap, taking risks for the good of the company, constantly thinking ahead and coming up with new ideas.

I would recommend to small business to adapt a growth strategy that mirrors each of the researched companies. In terms of factors which have contributed to growth, if we take Company A, the company has taken elements of what we were already doing and know best, and have developed and changed them slightly so as that they can be used in different ways and different platforms. Company A has grown into other services, which are very much so related to money, people, traveling, foreign exchange and more. The Senior Manager in Company A said "They are [services] all kind of spokes from the same wheel. If you take a look at one in one corner and another corner, you might see they are quite different, but there are connections between all of them." Company C went down a slightly different route, starting in the photographic industry, they diversified into the hotel & leisure business in Ireland and abroad, property, security and food. The diversification strategy in these companies was a huge factor in their remarkable growth.

Growth is something that evolved in all three companies, but many factors influenced it. According to all participants people and loyalty has been the backbone to each company's success. Growth came about from seeking opportunities and having the resources to exploit them quickly. I think it is fair to say all three companies saw the invisible; they saw the opportunities available to them and were in a position to exploit them quickly, which has led them to become 3 of the country's best knowledge based companies.
Finance

Small businesses with high growth potential should also source external finance in order to grow, however the consensus among all three companies studied is not to rely on grants to grow. It was also noted that finance is harder to come by at present so a contingency plan should be drafted up.

Entrepreneurship

Fostering an intrapreneur culture is a must for any small business; this culture will see skills from the entrepreneur being passed down the line onto employees. This culture was evident in all three companies. Each company operate a flat structured organisation which promote this type intrapreneurship culture for the good of the company. An intrapreneur culture, we have learnt, will make ceding control easier therefore facilitating growth. As outlined in Chapter 2, a popular model associated with entrepreneurs is McClelland ‘Need for Achievement’. According to McClelland (1961) entrepreneurs are individuals who have a high need for achievement and that characteristics make them especially suited to create such ventures. This feature is evident in all three entrepreneurs, facilitating growth.

Knowledge

Small businesses are constantly up against the ‘big-boys’ therefore coming up with new ideas and developing a niche market is a must. Not only do small businesses need an eye for opportunities, but they also need the resources to be able to exploit these opportunities as fast as possible. As we saw in chapter 2, people can pose as a barrier to knowledge; this barrier should be broken down in order to facilitate the knowledge creation in the following ways: people need to feel part of the overall success of the company, they should be acknowledged for their role in helping to bring the company to success. The culture of an organisation will play a huge role in the facilitation of knowledge creation; if the culture is not supportive then knowledge will be stifled. When the culture is supported, knowledge becomes embedded in the organisation, giving the company a real
competitive advantage and a sense of togetherness; however this culture has to be embedded during the start-up stage.

Marketing

I would suggest further research into small business marketing; there are varying perceptions of marketing in each company; as mentioned in chapter 4, this perception begs the questions of entrepreneurial marketing v's formal marketing. At the beginning the common theme among each company was the lack of market research, due to the fact that each entrepreneur knew the industry they were entering due to previous experience. Nowadays I would suggest small companies to have at least some market research behind them, with the exception of knowledgeable more mature entrepreneurs who have sound financial backing and knowledge of the industry. Participant also noted that sound research has to be done before any new business starts. Another area that begs further research into marketing is the perception of entrepreneurial companies, and if an entrepreneurial company should lose their unique identity as they grow bigger.

The table below summarise lessons to be learnt for small businesses with high growth potential. These lessons have been collected from participants in each of the three companies researched.

<table>
<thead>
<tr>
<th>Growth</th>
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<tbody>
<tr>
<td>&quot;I work on the assumption that you have one or a few owners, so somebody has to mind it [the company], and to look at it, be the ever tying until such times your business gets up onto a platform where you can take on people who will help you drive it. I think it is very very important when you are starting up a business to have the right people in that business. Often times a business starts with a number of people, and they are very good, and very dedicated, but something you have to recognise that team may not be the team to take you forward, so you have to bring in new players - like the premier league. And that's a very hard thing to do when you have been working with dedicated people, but they just may not be the right team to take the company into the next level. So the right</td>
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</table>
people and take on the right people to take you forward” Director Company A

- “The most important ingredient is having good people” Entrepreneur Company B
- “Take the venture step by step. Learn to crawl before you can walk, and walk before you can run” PA Company C
- “These days know what you are going to do, understand 100% what it is about, you should know where your opportunities are and what you need to do to get them. Know how to get from a-b, have a bit of capital behind you but you don’t need to depend on it. You need to have good people with you if you can’t do it on your own. You have to be able to work 7 days a week, night and day in order not to be dependent on capital, banks etc, to be a viable business on its own” Entrepreneur Company A
- “The most important ingredient is having good people” Entrepreneur Company B

Finance

- “You cannot depend on grants to grow” Consensus among all three companies
- “Ensure you always had enough money on a Monday to pay for the business you did at the weekend” Entrepreneur Company A
- “You have to be able to work 7 days a week, night and day in order not to be dependent on capital, banks etc, to be a viable business on its own” Entrepreneur Company A
- “The most important thing is cash flow. This is where people have been caught out and will continue to be caught going forward” Director Company C
- “You need an excellent idea, source grants from government agencies but do not depend on them” Director Company C
- “Source external Finance” Director Company C, Entrepreneur Company B

Entrepreneurship

- “Hindsight is a great thing, but I would say if you could try to see down the road a little big” Director Company A
- “I think an idea is one thing, but you really need to work it out with people who are in the know, and you need to take on their ideas as much as anything. Entrepreneurs have a tendency to king of be able to see blinkers. They think 'this is a good idea', and indeed many of them are good ideas, but sometimes they’re too early, sometimes they’re too late. More often than not, they can often be too early”. Senior Manager Company A
- “Take the risks, learn from your mistakes” Entrepreneur Company B
• “Take the risk, share the risk, and have faith in the people around you” PA Company C
• “Have a clear roadmap” Senior Manager Company B

**Knowledge**

• "When you are a small company, you need to come up with new ideas all the time". Entrepreneur Company A

**Marketing**

• “Marketing is hugely important for any small business because the smaller you are, the harder it is to get in the doors, so you’re marketing is very very important” Director Company A
• “Tremendous research should be carried out” PA Company C

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**Figure 5F: Lessons to be learnt**

As the Irish economy continues to fall, faster than we expected, the government needs to protect Irish small businesses, as well as our regional economies by giving them the freedom to develop ideas, proving funding and incubation assistance. The state now needs to ask what does Ireland have as a nation? In the words of David McWilliams (2007) “Ireland is made up of German money, Polish muscle, a bit of Irish charm and American capital. This has been a very potent combination and worked extraordinary well but this can not be repeated. Now more than ever we have to think creatively. We have got to engineer power from the bottom up if we as a nation are going to survive. The only power that we or any other nation has is....brain power”.

The following recommendations are for policy makers / government agencies with regards to regional development and small business growth:

- Attract good people, tap into our Diaspora
- Develop an innovation infrastructure
- Reinforce the spirit of invention
• Invest further into education and research and development
• Downsize ‘old style regions’ and look for existing/new competencies in a particular region
• Develop creativity, innovation and technology
• The state needs to continue to invest in people, giving them space and freedom to develop ideas. The government should provide a basic innovation framework and have faith in the nation’s abilities.
• More funding for rural areas, infrastructure and people development
• Provide research grants and funding to develop concepts that have potential to create real breakthroughs
• Form a strong interplay between science and business
• Forge strong alliances with Europe to form a European Knowledge Based Economy
• Let go of traditions – live in the future!
• Create region clusters (a group of businesses that collaborative to grown their businesses) by pooling resources between industries. This has the possibility of nurturing local development as well as enhancing national competitiveness

5.4. Revisiting the Research Aims & Objectives

The main research aim and objectives of this study was to explore how successful knowledge based companies in Kerry and rural Ireland have managed the challenges in making the transition from an SME to become a successful large corporation / global player. I was interested in identifying the critical success factors and implications for up and coming small businesses with high growth potential, as well as presenting a model on findings to guide rural Irish SME’s through their transition into a large scale enterprise. I believe that the aims and objectives of this study have been met. This study illuminated growth trajectories of three rural based companies. The implications of are to help provide starting small businesses with the necessary information and model of what trajectories best facilitate growth. The findings outlined in Chapter 4 provide insights into recommendations suggested by the entrepreneurs and participants.
Overall the findings indicate that most of the literature reviewed applies to this kind of rural small business growth, with some contradictory results found as outlined above. I am confident I have contributed to new theory on rural Ireland small business growth by presenting three unique models (See figure 5C, 5D and 5E).

Common to the literature review, growth of small businesses is shaped by the drive and commitment of the entrepreneur. This study, in line with Grenier (1972) and Mardon 2000 (2009) confirm that the traits of entrepreneurs are a distinctive factor in the growth of small businesses. In line with Chapter 2, finance is sourced mainly from entrepreneurs own personal money, with friends and family coming a close second (Bilsen & Mitina, 1999; Roha & Kopecki, 1994). Entrepreneurs in this study were born with a need to succeed, therefore finding their path into enterprise. However, contradictory to the literature review, this study found that entrepreneurs can not be defined as a particular ‘type’, however some traits are common among entrepreneurs for example risk taking. Results from this research shows that entrepreneurs can not be broken down into either a charismatic or pragmatic entrepreneur, rather a parallel of both. We also seen, shared with the literature review, that the three companies studied used knowledge management as a competitive advantage and a core competency. Company A, B and C has a knowledge supportive culture where idea generation has been embedded in the culture since the start-up stage. We have seen that people can pose as a barrier to knowledge, however it must be noted that not all participants shared this view, with some indicating that systems and culture can pose as a barrier. From the literature we seen that rewards are needed to keep staff happy and motivated; contradictory to the literature, neither Company A, B or 3 operated a reward system, instead rewards were intangible with such examples as career progression. Chapter 2 outlined that marketing is often cited as dilemma facing entrepreneurs, this was definitely the case in Company B where the entrepreneurs came from a technical background. It can be confirmed that the perception of the entrepreneur has a huge role to play with regards to marketing. Common to the literature, rural Ireland has played a huge role in the development of Company A, B and C with regards to retaining staff and commitment to the job. However concerns were raised regarding sustaining business in rural Ireland because of Ireland’s high cost economy.
Having completed my study and on reflection of the findings, I would like to modify my original conceptual framework to include risk and people.

**Figure 5G: Modified St. Bridget’s Cross reflecting results**
5.5. Limitations

The two main limitations experienced by the researcher was in Company C, where the entrepreneur was unavailable as he spends most of his time abroad looking after his business interests. However having interviewed four key players in the company, along with secondary data on the entrepreneur, I have learnt a great deal about the owner/manager, and got some insight information on his way of thinking and the growth trajectories in Company C. With regards to Company B only two participants [one being the entrepreneur] would oblige in taking part in this study, other key influencers were asked to participate but refused despite the researcher stressing to participants that their identity would be hidden and confidentiality was guaranteed.

I acknowledge that one can not keep all bias out of this study as I am relying on people’s perceptions and understandings of what occurred. I also noted that only some of the history of each company is in the public domain, much only resides in internal documents and people’s memories. I have taken into account, as mentioned in Chapter 3, that memory can be tainted. As my research is based on the past events, I have had to rely on personal accounts and memory. Although I made observations, these were a very minor part of the study therefore a very limited conclusion can be drawn from them alone. The researcher acknowledges that here lies a potential weakness to validity.

Even though there were these limitations, validity was increased using a multiple case study method. As we seen in Chapter 3 the chain of qualitative case studies improves the applicability and validity of findings. Through in-depth interviews the researcher is confident that she has got as close to the truth as possible with regards to the respective companies growth. Having interviewed several interviewees from each company and through documentary analysis my aim was for a triangulated perspective on each which was achieved. However the researcher acknowledges a potential weakness of interviewing senior staff, it is possible that employee voices may have given other perspective.

Knowledge has been accessed by interviewing key people who have been within each company from the start-up stage or during the initial stages, therefore witnessed the growth trajectories for themselves. To increase triangulation of findings, I used a multi-
method approach using minor observations, along with documentary analysis and in-depth interview. These three methods allow a convergence of research findings which in turn will increase the credibility of my findings.

5.6. Future of Entrepreneurship

Entrepreneurship has provided Ireland with huge social and economic benefits; The ECG report (2004) placed major emphasis on the need to grow indigenous firms in Ireland in order to balance and compliment the contribution of foreign direct investment to the Irish economy. Currently [2009] Ireland is in the middle of an economic recession, the Irish government perhaps should take half the blame for this as their over reliance on the construction industry nearly caused a stagnation in entrepreneurship. However the recession should not be looked as a problem to entrepreneurship; the global recession needs to be re-branded as a period of opportunity and creativity for small businesses. Thanks to the recapitalisation of the banks in Ireland, it is hoped finance for small businesses will become available and prove a return on investment for the Irish government. Ireland needs to create a vision of entrepreneurship to drive the Irish economy as opposed to a reliance on foreign direct investment. Entrepreneurship should also be reinforced through the Irish educational system to encourage the youth into an entrepreneurial path. To conclude the Irish government needs to nurture small businesses making sure funding is available for them to growth to international companies just like Company A, B & C.

5.7. Further Research

I would suggest further research with regards to the characteristics of Irish entrepreneurs in certain areas of Rural Ireland to see if this is different to their urban counterparts. Taking Kerry for as an example, our county is steeped in GAA history; Kerry has provided moulded possibly the best footballers in the entire island of Ireland. County Kerry has won the Sam McGuire Cup [All Ireland Final] on 35 occasions, making the county the best in the land with regards to football. The people of Kerry every year automatically assume the Kerry team will get to the final come September! I believe that
Kerry people live for a drive and passion of the GAA, therefore I would like to investigate if this winning attitude, belief and confidence has contributed to the amount of high amount of entrepreneurs and indeed the high growth of small businesses in Kerry as opposed to other counties in Ireland.

5.8. Personal Learning as an individual

I always had a love for entrepreneurship, and hopefully someday will own a business of my own. This project has allowed me develop as a researcher, as well as reinforcing such skills such as organisational skills and personal development. This project was done on a part-time basis by research which is often a lonely road, sometimes it even seemed I had mountains to climb! My current job is very demanding, and sometimes I lacked motivation; however through sheer determination, drive and constant reassurance from my tutor and family, I knew it would be worth it all in the end. This project has made me a stronger person and has given me that competitive edge. Having graduated with a degree in Business specialising in marketing, this project has helped me focus my attention on a broader career path.

5.9. Conclusion

This study has raised issues with regards to the growth of small businesses in Kerry and rural Ireland. Existing literature lacks the overall understanding as to why and how small businesses grow at all, and how they become international corporations. The overall theme of the findings simplifies growth for small businesses in learning to grow and understanding the factors that contribute to growth. To conclude I hopes that this study will contribute to the growth of small businesses in Kerry and Rural Ireland.
Appendix
Appendix 1: List of Interview Questions

Growth

Business growth is similar to human growth; can you describe your organisation's lifecycle highlighting each developmental stage?

In the traditional company model, the lifecycle starts with Local – Regional – National – Global; how does this correspond with your own growth pattern?

What enabled you to go global so quickly? i.e. Internet / Technology / Europe / Finance

What stage of growth is your company currently at?

What advice would you give up and coming small businesses re growth?

Finance

How easy was it to finance your start-up?
How was finance accessed?

How did finance help the company grow? Is it still helping in growth?

What were / still are the key financial challenges you’ve overcome in growing?

Entrepreneurship

Can you tell me how you came to set up your own business?

What traits or personal characteristics contributed to you being successful?

Where did the belief that you could succeed come from?

How / when did you start delegating, was it hard?

Tell me about the organisations culture?

Do you think your skills have been passed onto the employees?

There are two known types of entrepreneurs, Charismatic and Pragmatic. Which one would sum you up best?

Charismatic

- Entrepreneur is the ‘driving force’ in the organisation,
- Is an opportunistic risk taker
- Prepared to support the organisation at great personal risk to him/herself and family. Succeeded by a tenacity / risk taking/ and entrepreneurship spirit
- Therefore bullish approach to risk, act on gut feelings rather than proven facts and figures

Pragmatic

- Not as tied to the organisation,
• **Down to earth approach** to the strategy formulation
• **Giving up control** of the venture did not seem to be a major problem.

**Knowledge**

Knowledge is said to be a critical factor affecting a firm’s ability to survive and remain competitive in today’s global marketplace.

How has knowledge helped (and continues to help) your organisation grow to the level it is today?

"**Knowledge is a critical factor affecting an organisation’s ability to remain competitive in the new global marketplace. Organisations therefore need to recognise it as a valuable resource and develop a mechanism for tapping into the collective intelligence and skills of employees in order to create a greater organisational knowledge base. Knowledge management accomplishes this goal.**"

*(Bollinger and Smith: 2001)*

How is knowledge promoted?

Tell me about the organisations knowledge culture?

Have your company an in-house R&D Dept? How would you describe your R&D Process?

**Marketing**

How did you know there was a market out there?

A lot of authors say Marketing is overlooked and neglected in SME’s – How did you get your name known?
Marketing is cited as having contributed to the underperformance of Irish Indigenous firms.

What marketing barriers did you face during start-up, and still face today? i.e. Expensive, Market Research, no concrete plan, lack of knowledge about marketing.

How did your business break into global markets?

How important was marketing during the start-up, and how important is it now?
Appendix 2: Consent Form

I agree to participate in the research being conducted by Noelle Foley, entitled: *Retrospective on charting past success behind the growth of what once were starting SME's to now large corporations around Kerry and Rural Ireland – Critical Success Factors and implications for emerging SME's with high growth potential.*

I understand the purpose and nature of this study, and I am participating voluntary. I grant permission for the data to be used in the process of completing a Masters of Business by Research, specializing in Entrepreneurship, at the Institute of Technology, Tralee, Co. Kerry; and I am fully aware that this data will be included in a dissertation. Actual names will not be used to preserve confidentiality. I grant permission for personal information to be used in this confidential manner and I also grant permission for the interview(s) to be recorded. I know that I can withdraw from this study at any time if I choose to do so.

________________________________________________________________________
Research Participant                                            Date

________________________________________________________________________
Researcher                                                      Date
Appendix 3: Letter sent to participants detailing the aim of the study

16-07-2007

Dear _______________.

I am presently conducting research on Entrepreneurship for a Research Masters Degree in the Institute of Technology, Tralee. For my study, I wish to examine a number of Irish companies outside the main Dublin conurbation, which have grown from small start-up companies to large global players. I am particularly interested in the factors that have proven successful for your organisation; hence establishing lessons to be learnt for new small businesses with high growth potential.

I have particular interest in your company, following your worldwide success and in-house R&D department. Company A saw the invisible, and now is a leading world company within a variety of sectors - and all this began in a small town in Rural Ireland.

If you were willing to be part of the study, it would involve interviewing a small number of key players, in a position to comment on your business from a start-up stage. In return you will receive a summary of key findings.

Following this letter, I will ring you in the next week to with regards to participating in my study, or if you would like to discuss the matter in more detail.

Thank you for giving my request consideration.

Yours sincerely,

_____________

Noelle Foley
### Appendix 4: Coding the Data

<table>
<thead>
<tr>
<th>G = Growth:</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stages of Non Growth</td>
<td>Ga</td>
<td></td>
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</tr>
<tr>
<td>11 Not consistent - the economy was very bad in the 80's so tough times. It was stable/no growth in the 80's but since then it has been continuous. It really picked up in the 90's.</td>
<td></td>
<td></td>
<td>11 constant organic growth up to 2-3 years ago</td>
</tr>
<tr>
<td>Stages of Stability</td>
<td>Gb</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 in the 80's - the economy was very bad</td>
<td></td>
<td></td>
<td>11 (stable now due to digital industry, but has diversified)</td>
</tr>
<tr>
<td>Experienced Growth Reversal</td>
<td>Gc</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td></td>
<td>1</td>
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<tr>
<td>11 (not company as a whole but individual divisions have)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td></td>
<td></td>
<td>11</td>
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<tr>
<td>Born Global</td>
<td>Gd</td>
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<tr>
<td>Yes</td>
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<td>11</td>
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<tr>
<td>No</td>
<td>Gd1</td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Gd2</td>
<td></td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Follow traditional company growth pattern</td>
<td>Ge</td>
<td></td>
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</tr>
<tr>
<td>Yes (i.e. local-regional-nation-intl)</td>
<td></td>
<td>Ge1</td>
<td>11</td>
</tr>
<tr>
<td>No</td>
<td>Ge2</td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Speed of Going Global:</td>
<td>Gf</td>
<td></td>
<td></td>
</tr>
<tr>
<td>First few years</td>
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<td>11</td>
</tr>
<tr>
<td>Between 10-20 years</td>
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<tr>
<td>What enabled global markets</td>
<td>Gg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td></td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Partnering with well known global name</td>
<td></td>
<td></td>
<td>11</td>
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<tr>
<td>Processing done in Ireland - overheads lowered</td>
<td></td>
<td></td>
<td>11</td>
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<tr>
<td>Embellished on what already had</td>
<td></td>
<td></td>
<td>11</td>
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<tr>
<td>Acquiring other org's</td>
<td></td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Opportunity</td>
<td></td>
<td>111</td>
<td>11</td>
</tr>
<tr>
<td>Knowledge</td>
<td></td>
<td>111</td>
<td>11</td>
</tr>
<tr>
<td>Globalisation: Global travel etc</td>
<td></td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Personal contacts</td>
<td></td>
<td></td>
<td>111</td>
</tr>
<tr>
<td>Travel i.e. proximity to Shannon</td>
<td></td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Storey Theory:</td>
<td>Gh</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does his theory apply to your organisation</td>
<td></td>
<td>Gh1</td>
<td>11</td>
</tr>
<tr>
<td>Yes</td>
<td></td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>F = Finance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>From where / whom did you finance your organisation</td>
<td>Fa</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 Not consistent - the economy was very bad in the 80's so tough times. It was stable/no growth in the 80's</td>
<td></td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Don't Know</td>
<td></td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>
but since then it has been continuous. It really picked up in the 90's.

Grants 11 111 11
Own money 111 11 111
Money from directors 11 11

Is finance still an obstacle?
Yes 11 1
No 1 11
Not as much now that we have grown 11 1 111

<table>
<thead>
<tr>
<th>E = Entrepreneurship</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Why did you/the entrepreneur set up your/his own business?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saw the opportunity</td>
<td>1111 11</td>
<td></td>
<td>1111</td>
</tr>
<tr>
<td>Already working in the industry / Knowledge</td>
<td>1111 11</td>
<td></td>
<td>1111</td>
</tr>
<tr>
<td>Gut feeling</td>
<td>1111 11</td>
<td></td>
<td>1111</td>
</tr>
<tr>
<td>Traits of the entrepreneur</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very Driven / determination</td>
<td>11 11</td>
<td></td>
<td>111</td>
</tr>
<tr>
<td>Saw the opp &amp; seized it / motivated by opportunity / loves a challenge</td>
<td>111 11</td>
<td></td>
<td>1111</td>
</tr>
<tr>
<td>Risk Taker</td>
<td>1111 11</td>
<td></td>
<td>1111</td>
</tr>
<tr>
<td>Open Door Policy</td>
<td>111 1</td>
<td></td>
<td>111</td>
</tr>
<tr>
<td>Fearless / knock backs don't upset him</td>
<td>1 11</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Nothing is ever a problem</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Always thinking ahead of the others</td>
<td>111</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Confidence (in own ability) but otherwise shy &amp; reserved</td>
<td>111</td>
<td></td>
<td>111</td>
</tr>
<tr>
<td>Confident</td>
<td></td>
<td></td>
<td>111</td>
</tr>
<tr>
<td>Charismatic</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Faith in the people that surrounds him</td>
<td>1111 1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Clear Vision / vision for the future</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Common Sense, very practical</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Takes no prisoners'</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Impatient &amp; obsessive (in a business sense only)</td>
<td></td>
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</tr>
<tr>
<td>Creative, an ideas person</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loyalty - to and from staff</td>
<td>1111 11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has an 'eye' for opportunities</td>
<td>1 11</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Chancer!</td>
<td>1</td>
<td></td>
<td></td>
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<tr>
<td>Doest understand the word 'Can't', Can do attitude</td>
<td>111 11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hands on approach to business</td>
<td>11 11</td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

Was ceasing Control hard for you / x |
| | | | |
| Yes | Ec 111 11 | Ec1 11 | |
| No | Ec2 1 | | |

Why / Why Not |
| | | | |
| You always delegate what you can't do yourself. | 111 11 | | 11 |
| I had good people behind me | 1 | | 1 |

Is there a link between x's self-esteem & Risk Taking |
| | | | |
| Yes | Ee 1111 11 | Ee1 11 | 111 |
| No | Ee2 | | |

Has x's traits rubbed off on employees |
| | | | |
| Yes | Ef 1111 11 | | 111 |

201
Where did the believe that you / x could succeed come from

From within himself - a need / desire

Has this changed over time, as you ceded control

Yes

No

Why do you think there are so few women entrepreneurs in Ireland

At home, married, minding children!

Opportunities not being there for women

Down to the way they were reared (see new theory)

Biological

Don't know!

Advice for small businesses

Finance (source external assistance)

Tremendous research into the regulations areas

There is 'always' risk, but take the risk

A lot of beforehand work

Not a total risk taker, faith in his own people

Mentally challenging

Share the risk

People and Utilise them as much as possible

Take it step by step, crawl before you can run

Cash flow

Develop your 'entrepreneurial skills'

You need good people

A lot of capital - but don't need to depend on it

Be able to work 24/7

Risk Taker?

Yes

No

Other, very calculated / shrewd risk taker.

Advice for small businesses

Knowledge encouraged in your organisation

Yes (staff encouraged etc)

No

Has this always been the case

Yes

No

Is there a reward system in place

No official system, it is 'just known' i.e. open door policy

What are the main barriers to knowledge in your organisation

"A lot of it is not necessarily a barrier to knowledge, but it's the business systems always tend to run in what we call kind of silos. So if you're working in one dept, you don't necessarily know what is going on in another department because it's not published. A lot of people are very
singular in that they don't look for information from a group perspective; they just look at it from a divisional perspective. Company A

"People are not our barrier; people very much work with each other. In fact I would say people break down the barriers, and when you put it to me like that, if technology needs to do something and it won't do it, our people will. So I would have to say our barrier is not people. Our barrier would be the fact it takes such a long time to get people to listen to our ideas and realise they are great ideas, and I am talking outside the company, to bring something to the market, and for the market to realise we are better than anything else on the market - it takes quiet a long time. I have to say where I sit in the company; I don't see people as being a barrier at all." Company A

"People are a barrier, picture the class you went to school with, some were brilliant and some more of them were falling asleep. What you must do is have all the people that are brilliant if you can at all. Good people are very important and you should listen to everyone. " Company B

**Does the company as a whole have a centralised R&D Dept**

<table>
<thead>
<tr>
<th></th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
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<tbody>
<tr>
<td>Ke</td>
<td>11 (divisional)</td>
<td>111 (multinationals)</td>
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</table>

**Do the particular divisions have an R&D Dept**

<table>
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<tr>
<th></th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
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<tbody>
<tr>
<td>Kf</td>
<td>11</td>
<td>11</td>
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</table>

**Do you plough back profits into R&D**

<table>
<thead>
<tr>
<th></th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
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<tbody>
<tr>
<td>Kg</td>
<td>111 (divisionalised)</td>
<td>11</td>
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</table>

**Government incentives for R&D**

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<th></th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
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<tbody>
<tr>
<td>Kg</td>
<td>11</td>
<td>11</td>
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**M = Marketing**

<table>
<thead>
<tr>
<th></th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
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<tr>
<td>Ma</td>
<td>11111111</td>
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<td>111</td>
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</table>

**How did you know there was a market there**

<table>
<thead>
<tr>
<th></th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
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<tbody>
<tr>
<td>Mb</td>
<td>11111111</td>
<td>11</td>
<td>111</td>
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**At the start, was market research carried out**

<table>
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<tr>
<th></th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
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<tbody>
<tr>
<td>Mc</td>
<td>11111111</td>
<td>11</td>
<td>11</td>
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</table>

**If no, why not?**

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<tr>
<th></th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
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<tbody>
<tr>
<td>Md</td>
<td>111</td>
<td>111</td>
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**Do you continue to do market research**

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<th>Company A</th>
<th>Company B</th>
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<td>Md</td>
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<td>111</td>
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**203**
Authors say marketing is overlooked in SME’s, was this the case for you?

Yes (grew through personal contacts) 111 11 11
Yes (was important but not backbone.... / ...only small adverts in local press) 1 1 1
No 1 1 1

Mkt is cited as having contributed to underperformance of Irish SME’s, was this the case for you?

Yes 111 11 11
No 1 1 1

What barriers did you face regarding marketing?

Expense / finance 111 11 11

Did the perception of x influence the marketing process?

Yes 11 (Positive & Negative) 1 (negative) 111(positive)
No 1 1

If Yes, why?

Company C: "Well I think the backbone of it was the good product and actually delivering what you say you are going to deliver, and within the time frame you said you would deliver in. When our marketing is running in line with that, we actually keep the promise we make. X was always willing to absorb the expense of marketing"  
Company A: "There was no formal marketing for the first 7-8 years, but a lot of marketing is what He [the entrepreneur] is about, the marketing came through personal contacts and meeting people.

Do you plough back profits into marketing / business development?

Yes 111 11 11
No 1 1 1

Do you adapt a local marketing strategy?

Yes (early stages) 1 1 1
No 1 1 1
Don’t know 11 1 1
Still do, (mainly for branding)

Success Reasons:

<table>
<thead>
<tr>
<th>Success Reasons</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
</tr>
</thead>
<tbody>
<tr>
<td>People</td>
<td>11111</td>
<td>11</td>
<td>111</td>
</tr>
<tr>
<td>Our organisation is a small community</td>
<td>1111</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>Technology</td>
<td>11111</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Constantly asking how we can improve things</td>
<td>111</td>
<td>11</td>
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</tbody>
</table>

“"We are in a position that we can carry any new idea that comes up and give them a good run before deciding to go with it or not”

Company A 11 in the 80’s - the economy was very bad

Marketing

111
<table>
<thead>
<tr>
<th>Expertise and knowledge</th>
<th>11</th>
<th>11</th>
<th>111</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication (i.e. global networks/Personal Contacts)</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability to internationalise our activities outside Ireland</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exploit ideas and do it fast</td>
<td>1111</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>Diversification / acquisitions</td>
<td>11</td>
<td>1</td>
<td>111</td>
</tr>
</tbody>
</table>
Appendix 5: Three Case Studies - Company A, B & C

Company A:

**Industry**: Financial Services  
**Location**: Mid-Kerry  
**Set-Up**: 17th June 1981  
**Company Type**: Private Unlimited with share capital

In Company A, five key influencers were interviewed including the Entrepreneur (now Chairman), 3 Company Directors and 1 Senior Managers. 1 interviewee has been involved in the company since their start up stage in 1981, while the remaining 3 since 1984. The Entrepreneur involved has been named as Patrick to protect his identity, while the 3 Directors are named as Director 1, 2 & 3, and the Senior Manager interviewed will be named as Manager 1.

**Introduction**

Company A is one of Ireland’s leading Customer Service Providers. Their values according to Director 1 are simply commitment, community and innovation; these principles help form a very unique culture which allows them stand out in the crowd. “Company A is the one company that you can reply on to drive and harness change for future success”, the company sees innovation as a way of life, (Company Website: February 09). From my research, through first impressions and observation on the days of interviewing, it was noted that entrepreneurial spirit can be seen and felt across the company. There was a huge sense of togetherness and great banter and character among employees. From the interviewees a huge sense of pride was noted by the excitement in their tone of voice and from their body language.

**Set-Up**

Patrick*, a banker by trade, was born in Dublin. His family moved to Cork in his early years where Patrick attended the Presentation Brothers College. (Wrixon: 2006) Starting as Bank Official with AIB Bank in his early 20’s, Patrick quickly rose
through the ranks where he was appointed Assistant Manager of the Killorglin Branch, the move to Kerry followed. In the late seventies, early eighties banking hours were very restricted, on seeing tourists constantly queuing at banks for foreign exchange, Patrick saw and grabbed his business opportunity.

In 1970, the European Monetary System was introduced; Ireland decided to join the system in 1978 while the UK opted out. This meant the European Exchange Rate instrument finally broke the ‘one-for-one’ link that existed between the Irish Pound and Pound Sterling (Parliamentary Debates Dáil Éireann (1978) By the 30th March 1979, the link between the two currencies was broken and an exchange rate was introduced (Donnelly: 2002). Following the Sterling/IEP (Irish Pound) Sterling became a foreign currency, therefore the market for foreign exchange increased by 300% (Kingdom: 2002). In the late seventies/early eighties banking hours were restricted; this opportunity presented the perfect opportunity for Patrick. In 1981, Patrick set up Company A, offering a Bureau de Change facility throughout a vast network of retailers all over Ireland. At the time ‘Bureau de Change’ was a new concept for Ireland. Director 3 recalls his experience “I don’t know the exact time limit but he [Patrick] got a licence from the central bank to set up bureau’s and that was the beginning really and then he started moving them out all over the country. It was tremendous foresight and badly needed really. For the tourists as well and it probably created more spending power in small towns with people having more cash in their pockets”.

Growth Trajectory

Company A now remains a privately owned company employing almost 1,600 employees worldwide, with 930 employees in Ireland, and 785 in Kerry. Company A is a driver of regional development, in a recent article (Irish Journal of Supply Chain Management: 2008), the Head of Business Development commented “Company A is an organisation that has community as a core value; we have strong links with regional employment and development and a commitment to ensure that the people in Kerry have jobs”. The company currently has offices in Killorglin, Tralee and Cahirciveen to name but a few. At the time of writing, the company operate four divisions – Merchant Services (e.g. Bureau de Change), Business Services (e.g. Vat
Refunds), Consumer Services (e.g. Financial Services) and International Services (e.g. Global Money Transfer). Company A manages over 2.7 million Prize Bonds customer holdings and handles 1 million calls a year for the Irish Utility Gas Company (Bord Gáis). In a joint venture with the Irish Tourist Board Company A manages accommodation reservations for over 20,000 tourism locations in Ireland. The company also process business payments for over 1,200 organisations in Ireland and the UK from both the Public and Private sectors (Company Profile: June 2009).

In the early days growth was slow; naturally the company did not have much financial resources. However according to Director 2 growth from 1985-1995 was exceptional. In 1984/5 the company won a government contract for Prize Bonds which changed everything, the Senior Manager recalls – “This was our anchor; this was where the company was guaranteed an income from the government”. Director 3 recalled the Prize Bonds introduction to Company “The bank of Ireland were running with Prize Bonds from 1957 and for whatever reason they weren’t going to continue, it was probably becoming too expensive for the government to do so. So it was then put out to tender and we would have tendered along I’m sure with many other companies. He went on to say “We were part of the administration and computerising of the whole thing and An Post were the main agents, they also looked after the marketing size of it. It was computerised very successfully and it ran for ten years. The contract was put out again for another ten years and we got the contract. So that ten years will be up in 2009. This year [2008] marks Prize Bonds 50th Anniversary since it started [in Ireland] so there will be great celebrations”. Director 3 also said “We have licensed the software off the government for Prize Bonds; the Dubai government took an interest in the Prize Bonds scheme. They had a look at all the schemes going around the world and they spent time in New Zealand, the UK and Ireland. They [members of the Dubai Government] came to visit us here. We explained the whole thing to them and they were very interested. It just caught their eyes. Following this Prize Bonds is now operational in Dubai, and helped set up the scheme for the government out there. Director 3 said “That was a great opportunity”. In 2009, Company A secured the Prize Bonds contract for another 10 years, until 2019.

Referring to total growth since 1981, Director 1 commented “In terms of looking at the business in the mid 80’s, we would have been perhaps one fiftieth of what we are
now, so the company has grown hugely since its foundation in 1981”. Another
director added “In 1984 employees amounted to 3 full time staff. In 1991 employees
were approximately 350-400. There was constant growth coming in spurts and
chunks”. Director 2 commented “There was no formal strategy with what the
company was going to do next. One thing we were very good at was being able to see
opportunities and exploiting them quickly”.

"In the summer of 1986, we started a tax free shopping service. We were up to fairly
significant volumes in Ireland at that time, Blarney Woollen mills were our biggest
customer, but within 2-3 years we had all the major stores in Ireland, and all the
tourist shops”, Director 2 said. When asked how did Company A identify this
opportunity he added “It was the requirement to provide a tax free shopping service to
retailers as part of European legislation. Retailers were really not equipped to be able
to provide the service; the service required that they [customers] be paid in their own
currency, you couldn’t send a Irish pound cheque to an American because it is not
negotiable over there, so who ever was providing the service would have to have
foreign currency accounts, and be able to provide cheques in foreign currency, Dollars,
Sterling etc. We had this through our Bureau de Change division, we had all of those
accounts, and we also had currency as we were buying currency from tourists when
they came into the country, as they wanted to change their own currency into Irish
pounds. So there was an obvious synergy there”.

Today according to all interviewed, the company is perceived as representing
innovation, quality and continuous improvement.

**Going Global**

After the introduction of tax free shopping in Ireland, Company A went global by
introducing the same principle in the United Kingdom; Director 2 recalls his
experience “Once you have a system for one country, adapting that for the UK wasn’t
huge, we wrote the technology ourselves. The market in the UK is 50 times bigger
than Ireland, and obviously we based ourselves in London. It took a while; we started
in 1987 but took us a few years to get Harrods on board which was basically the
flagship customer over there. We had some very good customers over there, but once
we signed up Harrods, a lot of others followed. We started our business in the UK in 1987 and that grew very quickly, we had one person full time over there, but within 2-3 years we had outgrown all those facilities, and we expanded significantly in the UK”.

The next opportunity for Company A was Money Transfer. “I think somebody just knew somebody, and they said look. I think it was in 1990 when we launched that service in Ireland. We launched it in the Shelbourne Hotel, I was at it, we had to set up the PC for people to see the software running, not software that we had developed but software that came from Western Union”, Director 1 remarked, adding “In terms of turnover, again roughly it [Western Union] is about 60% of turnover [at the time of research], and in terms of profit it is more that that. But there are other businesses that are growing quite significantly so that gap is kind of closing”.

At the time of research, concerns were raised by one Director with regards to the over dependence on Western Union, “The market in terms of its evolution is at a different stage, but it [the over dependence] would certainly be a problem that we are conscious of in the organization, the over dependence on money transfer as a dominance”, he went on to say “The relationship is we have a contract with Western Union to operate, and contracts get renewed every 4-5 years but the terms of the contract, it may change, there is no guarantee that we will continuously get the contract, so it is important for us to diversify into other businesses”. Director 1 said “Western Union would not have been the main contributor to the company, in the 90’s we took on Gulliver, and started researching DCC, and many other small investments. To be specific on your question, WU at this point in time is still the number 1 contributor, however there are other smaller contributors close to it and should, in the next 5 years, outrun Western Union”.

Company A were always good at spotting opportunities, Director 2 commented “I suppose expansion was very very predictable, we saw opportunities out there; we seen some of them years before they happened. For example Spain – we knew somebody who knew somebody who put us in touch with Spain, they were operating the business down there, and we had maybe a lot of expertise, so we formed a partnership with them, we bought into their company. 6 years later we bought them out and we now own that”. Senior Manager 1 remarked “If we saw an opportunity, and we liked
it, we were able to exploit it very quickly. And if that meant maybe having to take 5-6 of your best people out of an existing business and put them into the new business and get them up and running fairly quickly. We were always very good at that.”

The company as a whole has not experienced growth reversal, however some individual divisions has. Senior Manager 1 told his experience of how The Prize Bonds division had experienced a reversal in Australia where legislation differed from Ireland. Director 3 said “obviously over the years certain things were done that didn’t work out you know [e.g. Prize Bonds in Australia], you won’t win every battle”

According to Managers and Directors at the company, the speed of going global was facilitated by technology, acquisitions, opportunities, knowledge, personal contacts, and partnering with global brands. Director 3 said “Technology really helped us [go global] Western Union also meant we were immediately in global markets and also the Vat refunds. We were also dealing with tourists from all over the world and we were dealing with world wide companies, the likes of Harrods in the UK who had a name all over the world. I think it was a natural progression really”. The company learnt to take elements of what they were already doing, only changing them ever so slightly, so they could be used in different ways on different platforms. The company has grown into other services which are related to money, travelling, foreign exchange and business services. Company A have also branched out into property, management firms and processing.

Dynamic Currency Conversion was a huge global success story for Company A; “Company A is the only truly Global Player supporting truly Global Clients with over 16,000 merchants” (Corporate Profile: June 2009). This idea, a unique idea by Company A, allows foreign credit card holders to pay for their goods or services in their own currency. Company A was the originator of DCC services and is the world’s largest provider with 70% of the existing market (Corporate Profile: June 2009) Company A process over $6bn in DCC transactions annually, with this figure due to rise to $10bn in 2009.
Responding to Challenges

According to the company’s Director Report and Group Financial Statement (Year ended 30/12/2007 and Published 24/09/2008) there was a difficulty in 2007 with one of the group’s subsidiary undertakings, a company which Company A held a 51% interest. The company was placed into liquidation on February 4th 2008, with a loss amounting to €21,485,341. The subsidiary company was financed by a number of loans from the Company A Group, shareholders and bank loans. According to the annual report, given the losses incurred, directors at Company A considered it unlikely that the shareholders of the company would recover any amount from the minority shareholders in the subsidiary company therefore have written down the value of the loss attributable to the minority holders resulting in credit of €3,136,172. According to Business Week (16/10/2008) the group recorded an operating loss of €27.5 million compared to an operating profit of €14.62 million in the previous year, the biggest reason for the loss was the collapse of the subsidiary firm. Profit on ordinary activities-excluding the subsidiary collapse also dropped harshly to €1.44 million compared to a profit of €41.06 million the year before. This was largely because the 2006 figure was inflated by the sale of several of Company A’s financial services divisions that year, as well as other factors. This story is one of a new and challenging era facing Company A, and perhaps a mistake on the company’s part. With a view of these challenging times ahead, Company A carried out a review of its investments and made provision for an impairment loss of €5,462,929 in respect of one of its travel and leisure internet investments. Taking into account the cessation of business and the impairment costs, Company A’s profit on ordinary activities before taxation for the year is reduced to €1,435,909.

“In 2007, growth was achieved through the expansion of the Money Transfer side of the business, development in its global payments division and ongoing success in expanding dynamic currency conversion. Turnover increased year on year by €13.2m and operating profits from the same business units increased by €8.2 or 72% to €19.6m” according to the financial statement.

The report also outlined key performance indicators: Consolidated group turnover from existing operations for the year is 7% ahead of the previous year. The revenue
increase was due to solid growth performance in a number of divisions including money transfer, financial services and dynamic currency conversion, while staff costs increased by 7% on the previous year.

Consolidated group earnings before tax, interest, depreciation and amortization (EBITDA) from continued operations for the year was €35.5m compared to €44.9m in the year prior. The company reports states the reduction reflects prior year gains on the disposal of subsidiaries of €4.7m and profit on sale of financial assets €18.4m. The report goes on to say as trading conditions continue to be difficult with ever tightening margins, the group will continue to focus on cost control and cost reduction. The profit on ordinary activities before taxation and minority interest in the year amounted to €1,435,910. According to the company’s website, in 2007 they recorded revenues of €205m and operating profits on ongoing activities of €19.6m.

According to the annual report, the group continues to review all of its activities and service offerings. A number of these businesses have expansion capabilities into overseas markets where Company A already has a presence. The group will continue to expand its business into markets where it can further the growth of the group.

Senior manager 1 said “The company is still growing, but not at the same rate as it previously did, but it is without doubt still growing” he added that “The core business [Bureau de Change] is now the smallest operation within the organisation at present, the reason for this is not because it hasn’t performed well; it is because other departments have performed better. Director 2 noted that “Some markets have changed significantly as a result of increased competition”. Director 1 added “The core business is still a very strong contributor to the company, it is growing year on year, it’s growing at the same pace at the Irish tourist market - it has held its own”. She went on to say the money transfer grew at a much faster pace that the core business. It was taken at a very low base, so it was very easy for it to grow at phenomenal growth rates”.

In the last year [2007/08], Company A won a huge contract with a national energy firm, creating 140 new jobs in Kerry, serving 600,000 customers. The employee number has now grown to 200 jobs. The Chairman/Entrepreneur said “Securing an
important contract of this nature underlines our expertise, experience and developing relationships in the business outsourcing sector”. (Company Website: News, accessed Feb 09). Company A was among 20 companies that expressed an interest in tendering for the contract, Company A was awarded the contract for five years with an opportunity to extend the contract for a further two years (Corporate Profile: June 2009). Company A’s focus is on queries, payments and fulfilment management for Bord Gais.

In February 2009, Company A sold its Money Transfer Business to Western Union International for €123m, and acquired Western Unions 25% stake in Company A. As part of the deal 300 staff from Company A will transfer to Western Union International therefore leaving Company A with 1,240 employees. The company has committed to ongoing job creation. The company has pledged to keep the money in-house by investing in Research & Development. Company A’s goal, by 2013, is to become the outsourcing market leader. Patrick commented “A key to our success has been its entrepreneurial spirit to build ahead of market opportunities. We are proud of the trusted money transfer network we have built across Europe and the customers we have served for almost two decades”. (Company Website: News, February 2009).

In 2008 pre-tax profits were estimated to be in excess of 17million from revenues of €205million (accounts to be published September 09). According to their annual report year ended 30th December 2007, Company A expects a reduction in future tax rates on its profits earned in the UK following the tax rate decrease to 28%, April 2008.

From my in-dept interviews, I believe the global payments group core competencies lie with the commitment, loyalty and knowledge of its people, creating long term relationships, good communication both in-house and externally and always trying to exceed expectations. According to Company A’s online brochure (Company Website: Brochure) their core competencies are recalled as seeing the invisible through innovation, technology driven transaction processing, treasury management, and people customer service. They describe themselves as being ‘Passionate about being the best at what we can do’.
Finance

Company A was set up with Patrick's own capital, as well as external finance such as grants. The local people were very good to Patrick, and even invested their own personal money into the business. Director 3 recalls his experience "My experience was it was difficult to get finance, and some of the directors put their own money into the company, or if it wasn't their own money, it was money secured personally by them. I think once we got past 1989 – once we got the contract for Prize Bonds, once we got customers like Harrods, those problems went away but it was still difficult.

Patrick said, "You had to ensure you had enough money to pay for the business you did at the weekend". He went on to say "You have to be able to work seven days a week, night and day, in order not to be dependent on capital, banks etc to be a viable business on its own". According the Group's financial statement 30th December 2007, Patrick holds 35.89% of the ordinary share capital of Company A holdings and is deemed to be the ultimate controlling party.

Traits of the Entrepreneur

From interviewing Patrick, one can see he has something very special. Director 2 believes Patrick's need for success is "Something he is born with"; while Director 3 said "I think he was born with it [need to succeed], you have to have it inbuilt". According to Directors and Managers Patrick is extremely driven; he has an ability to spot unique opportunities and turn them into reality. He represents a man who is fearless, he has huge confidence in his own ability, even though a shy man outside of the office, he is so confident in his own abilities. Patrick controls many non-group companies, ranging from the property industry to technology to tourism. Director 3 believes Patrick is "Fearless in ways" and goes onto say "Any knock backs does not seem to upset him. What really stands out with the man is nothing seems to be a problem. He is thinking beyond any problem that is there. He has no doubt that problems can be fixed when he is thinking of the next step. That is where he is, thinking that bit ahead of most people". In 2002, Patrick was awarded Ernst & Young International Service Entrepreneur of the Year for his lifetime achievement (Corporate Profile: June 2009).
Directors and Managers believed Patrick is an opportunist (spotting opportunities) and a risk taker (exploiting these opportunities), but his risk-taking is based on concrete planning. Risk has changed as the business has grown. Patrick himself said “I take a risk, risk taking is not something you can break down, you either take risks or you don’t, so I was into taking risks, whether I knew it or not, or whether I knew the extent of it, it didn’t matter”. Director 3 said “I suppose he was bound to have taken risks over the years. I mean in the early days, the risk was of leaving the bank and setting up the business, in those small times that was a big move for him. He went on to say “You don’t get to where Patrick has without taking risks”.

Director 1 believes Patrick's vision is what drove the company, “If we were not as interested or as aware or as involved or as atheistic about technology in the 80's, I just don’t know where we would be now; it was the vision of our chairman at that point in time, that technology was the way to go, and his investment in technology at that point in time - it was the reason why the company grew to the levels it has grown. Technology was the 'big thing' but it is all very fine saying technology; if you were listening to reports in 77/78, computers were coming in but nobody understood them - but our chairman did, and he was the main driving force behind investing in technology - understanding the potential of technology”.

From observation it is clear Patrick’s behaviours has been passed on the employees; from my interviews it is clear Patrick and the people of Company A have adopted a unique entrepreneurial culture. “People breakdown barriers, i.e. if technology will not do something, our people will” Director 1 commented. This represents the ‘can-do’ attitude which makes Company A different. Staff are constantly encouraged to think ahead of their game. Director 3 added “Patrick is associated with everyone in the business and it [his behaviours] is bound to have rubbed off on employees. He added “Patrick has a huge influence on anyone who meets him, even outside of the employees. I suppose that becomes part of the problem as well, in that, everyone wants to be like him”.

Patrick informed me of the faith he has in the people that surrounds him, and equally the people have huge faith and respect for Patrick – adapting a win win strategy for the company. According to one senior manager “If you told Patrick he has done a
great deal, he would say No – that’s not me, that’s the people around me”. While another manager said “He has a great ability to instil confidence in customers and potential customers; whatever needs to be done, we will do it”.

**Knowledge**

Patrick believes as the company is a small company, there is a constant need to come up with new ideas. He encourages management and employees to always be ahead of the posse; his door is always open, and new ideas listened to. Director 1 said “Ideas are very much encouraged, hugely encouraged in every aspect be it technology, people, new products or new ways of doing things”. From my research, it is clear Innovation has become a way of life for Company A. They regard innovation as a daily task. Coming up with new ideas is constant, take one idea, a very simple idea: customers are offered a point of sale service where they have a choice to pay by credit card in their local currency. Traditionally customers would have to wait for their credit card statement to see how much they spent in their own currency. Company A saw the opportunity and thanks to employee knowledge and plentiful resources, they were able to exploit it quickly. However, as Company A has grown, barriers have been presented in terms of knowledge creation and sharing. Senior Manager 1 believes people are very singular in that they do not look for information from a group perspective; they just look at knowledge from a divisional perspective.

The company has no formal reward system, however one senior manager commented that people may not have been rewarded in a physical sense, but career progression for some was the most rewarding. According to the annual company report and mentioned by Senior Manager 1, Company A operate an employee share ownership plan where employees can acquire share in the company’s group holdings, this can be a reward in itself for employees; as the company grows, so too does their investments.

**Marketing**

Director 3 said there was ‘none’ or ‘very little’ market research carried out at the start; “I’d say a lot of it [start up] was gut feeling. You see he was coming from a banking background, he was working here in Killorglin on the Ring of Kerry, and this is one...
of the main routes for tourism. You didn’t have to go very far to see what the problems were and opportunities were”. There was no ‘formal marketing’ in Company A for the first 7-8 years according to Director 2. Patrick advised the reason for this was due to his service being a point-of-sale service. Patrick added Company A’s marketing came through personal contacts and meeting people. In contrast, however Director 1 said for small businesses starting today “Marketing is hugely important for any small business because the smaller you are, the harder it is to get in the doors, so you're marketing is very important”. She went on to say “I don’t know what marketing was carried out at the start-up, but what I do know is that in 1986 Patrick won the Sean Lemass award for Excellence in Marketing, so that was the country recognizing his excellence in marketing, this was five years after he set up so that speaks for itself.” As the business grew, the marketing spend grew, and profits were ploughed back into marketing. The company today continues to operate a local marketing strategy for branding purposes.

People

“We have been in business over 25 years and our employees pride themselves on providing high quality customer service” Patrick said. One director reported through a company press release (Company Website: News) that the company’s competitive edge lies within the people “Our real competitive edge lies in our people, we will continue to invest in people development” he said. “The availability of a willing, well-educated workforce at all levels is a key factor in Company A’s success” he added. In a recent article (Irish Journal of Supply Chain Management: 2008), the company’s head of business development said "There’s the sheer unbending will and momentum of people who work for us to deliver over the line. There is the obsession, maybe in a unique Kerry way, to do things in a cleverer way than was ever done before. It’s almost like we don’t take the road most traveled because there is always another way by which it can be done differently and better. Innovation is constant. Ever present is our commitment to complete things to the highest quality. We are committed to delivering a great job”. Another Director added “The people, I would have to say, are one of the big successes of the company and the people over the years have been so flexible. It is like a small community. It has to be one of the successes of the company”. Director 1 believes “The education standards of the Irish is way up
there, the Irish people have an enthusiasm to up skill themselves. One of our strengths is that it has provided huge opportunities for staff to educate themselves, while they work in Company A. We are one of the few companies offering an MBA to staff”.

In December 2004, Company A was awarded the ‘Excellence through People award’; this award is a national standard for Human Resource development. Director 1 emphasised the importance of people “People are so important, having the right people in the right places at the right time. People are very important to the company, and the company is very important to the people. If we continue to nurture this, it is dual” she said. Director 2 commented with over 1,500 employees the company is probably not as lean or agile as we used to be because we are too big. But at the same time, the ethos is still within the company, the ‘can do’ attitude; they can still do it, thanks to the people”.

Rural Ireland

Patrick is an extremely successful businessman, but his devotion to rural Ireland and continuous regional development has to be commended. Patrick is a believer that international business can work outside of big cities. Speaking at his conferment ceremony after receiving a Degree of Doctor of Law (Wrixon: 2006), Patrick said “The business can run from the North Pole provided you have the right people. The view is better here in Killorglin!” Further to this Head of Business Development in Company A commented in a recent article “Company A comes from a community and an employment perspective and that informs how we bring customers into the company. We don’t go for short term job grabbing. People seek to build their careers by working locally and so our retention of staff is higher than it would be if we were employing people in Dublin”. However, with a more cautionary perspective, one Director raises concerns about our country’s economic position, rural Ireland or otherwise - “Rural Ireland will give you loyalty, but we are now a very high cost economy, this is certainly a challenge – the high cost of Ireland, rural or otherwise”, she went on to say “Our company is not going to let the high cost of Ireland affect it, but it is a factor that is challenging for the future".
Success Factors

Company A has attributed its success to the people. “The loyalty of people has been built through the years; the same people have remained with the organisation so we have kept a lot of knowledge” said Director 3. Asking Senior Manager 1 why he believes Company A has been so successful; he simply replied “People and Loyalty”. Director 1 at the company summed it up clearly “If we ever lose sight of our people, then our people will lose sight of us”. According to all interviewed, success can also be attributed to the constant investment in technology, constant asking what can be improved on and the internationalisation of activities.

According to Directors and Management, the company has a way of seeing opportunities and exploiting them quickly. But most of all, the company’s success has been built on the back of expertise and knowledge from their people. The business mainly grew through good communication with personal contacts.

Challenges for the future

“The danger is if it [Company A] becomes a big company, will we continue to have that intimacy with our people? Perhaps not, so we have to be ready for that. As much as people are very important to us, and we are important to the people, you can’t really trust people going forward” Director 1 said, she went on to say “We [Ireland] are now a very high cost economy, this is certainly a challenge”. Senior Manager 1 expressed his concerns with regards to how the company is perceived “We are currently working on brand awareness, it is trying to put a stronger identity on the company, to try and make the company become more on a larger platform, so to speak, and to let people know there is 1,400 people, there is offices in thirteen countries etc. Because there is a perception that it [Company A] is still an entrepreneurial company, and as an entrepreneurial company you are saying maybe it is a smaller organisation. If we want to engage any the major financial institutions in the world, we don’t want to be seen as a 'small entrepreneurial' organisation. We want to be seen on a larger platform”.
According to Company A’s Group Financial report (published 24/09/2008), some principal risks and uncertainties could pose a threat for the future. Foreign Exchange risk sees fluctuations of exchange rates and the adoption of the Euro effects business transactions. As well as this interest rate risk can see fluctuation of rates; however the company sees interest rate swaps as a tool to manage the group’s risk. Other risks include credit risk where the company is exposed to credit rate risks on its lending businesses; the company addresses this risk through the underwriting process before loans are issued and an ongoing review by management of loan portfolios. The company report also outlines regulatory risk where global money transfer has seen increased legislation since September 11th; the company have appointed personnel to ensure the company is abiding by these legislations.

As the level of tourism activity has a direct effect on the groups businesses, economic and political risks are unavoidable. The company report also mentions people risk where the quality of life is an important consideration for all working people, and there is an obligation to meet these needs. The company strives to offer a flexible working environment to all staff, helping to retain them.

Information technology is cited as the last risk. As the transfer of money is dependent on telecommunications, for emerging markets, telecommunications are a critical factor in the growth of Company A. The report also noted that huge advancements have been made in recent years, and it is anticipated that third generation technology will facilitate the transfer of money electronically. The report recognises the internet as a global distribution channel and payments for goods and services are now mostly paid for by credit card. Technology has become more advanced and easier to use. Company A at present is well placed to exploit these advances.

The Future

The journey of Company A is a true local to global success story. The company has grown through the loyalty, expertise and knowledge of their people, along with diversification, mergers and acquisitions. Their goal is to be the outsourcing market leader by 2013, while retaining their market lead position in other divisions. According to their website (February 09), the future looks bright for Company A.
“Company A is the one company that you can rely on to drive and harness change for your future success”.
Company B:

Industry: Agricultural
Location: North Rural Kerry
Set-Up: 1968
Company Type: Private Body Corporate

In Company B, two of key influencers were interviewed including the second generation Entrepreneur and one Senior Manager. Other key influencers were asked to participate in my study, but refused even after stressing an un-recorded interview and the confidentiality of the research. The second generation entrepreneur has always been involved in the family business, and the senior manager joined the company in the 80’s. The Entrepreneur involved has been named as Sean and his father will be named as Micko to protect his identity, while the Senior Manger interviewed will be named as Senior Manager 1.

Introduction

Company B is one of Ireland's leading milking and feeding equipment providers. Their success according to Sean is simply commitment to ongoing research and development, innovation, and the use of science with innovation [backing up their innovations with scientific trials]. Farming has come a long way since the early days of hand milking cows, from my research it is apparent that high tech innovations is now playing a key role in today’s billion euro industry. What might be less well known to the people of this small rural village in North Kerry is that Company B reigns supreme in niche markets all over the world.

Set-up

Company B was set up in 1968 by Sean’s father Micko, and is still a family run business today. It all began when Micko seen a huge gap in the local market for milking equipment; in those days there was a requirement for milking equipment but most of the equipment was being imported in from New Zeland. Local people found they could not source everything they needed. Micko was a farmer by trade and knew
the market ‘inside-out’ so he knew his idea of manufacturing milking equipment was indeed very viable. The business was formed on gut feeling, with no market research carried out, “He knew the market and had the knowledge so there was no need for market research. It would be different if you are setting up in a new industry, you would have to do market research but if you know they industry like my Dad, then there was no need. He understood the market and understood the needs of the farmers in the country”, Sean said. Now in its second generation, the company is run under the leadership of Sean himself. Sean, who holds a degree in mechanical engineering from UL, specialised in the area of fluid dynamics. During his PHD at University College Dublin, Sean developed a new method for the evaluation of milking units by measuring performance under flow conditions. Dr. Sean is certified in Ireland for the installation and testing of milk equipment and is a chartered engineer of the institution of engineers in Ireland. (International Symposium of Advances in Milking: 2007)

According to the Senior Manager, the company is broken up into three broad areas: milking equipment, feeding equipment and automatic scrapers. Sean believes Company B is different to competitors in due to the amount of processes on the go at their plant. According to Sean, the whole production cycle happens in the one plant i.e. software and hardware development, fabrication, tool making and electronics.

Growth

Sean described the set-up as ‘piece by piece’; with the country in the middle of an economic recession in the 80’s, the company saw stability or no growth for years. Acting on gut feeling, Micko knew there was a huge market demand for his products, but growth wouldn’t come for another few years. He seen his business through the tough times and eventually saw the company’s growth plummet in the 90’s. “I would say that the 80’s were tough times, where we seen stability or no growth; as somebody said you would be out looking for sales during the tough times”. Sean believes today if you plot sales v’s years in business today, they are far ahead in sales, this represents how far they have come since 1968. In the late 70’s Micko developed feeders, and this was followed by the development of scrapers in the 80’s. Sean said during the ‘tough years’, sales of scrapers and feeders were very important to the company and helped them survive.
Consistent with growth, there were approx 2-3 employees during the first 10 years, after this period employees grew to 10 and so on; Sean believes the 90’s seen a huge growth in employee numbers to cater for the needs of this emerging global company. Today the company boasts approx 1500 employees worldwide. Sean compared the company’s growth cycle alongside the construction of their buildings throughout the years. The first building was in 1968, the second in 1990, the third in 1994, and at the time of research [2008] the company had invested in a new massive construction to accommodate the growing needs of the company. These years marked milestone years in growth for Company B. Senior Manger 1 said the 1990’s brought with it ‘serious’ growth, he believed if they got through the tough recession in the 1980’s, Company B could go anywhere.

In the 1990’s, the company seen direct retails sales as a huge advantage to them and enabled them to grow. According to Sean “Direct retail sales allowed our clients to try out products/new equipment, this allowed us to make products easier and quicker to install, which proved very advantageous to us. If you like it allows us to be the manufacturer, wholesaler and retailer”. Senior Manager 1 goes on to say “When we introduce a new product, we develop it through out retail sales customers first, where they can trial the product, and are able to see the problems. This is a huge advantage to us and it facilitated our growth”. Today Company B services approx 4,000 direct retail customers from its headquarters in rural North Kerry.

Sean believes their growth was driven by competitive performance. “If you take Kerry, and you take Causeway, and say well how are you sending stuff to lets say Japan? It’s because of performance. We can show we can typically milk a cow a minute quicker than anyone else”. This performance also gave Company B a passport to foreign markets (see going global). Senior Manager 1 also attributes success to performance “We have shown people all over the world, we can perform better than any of our competitors, and its not our word, we have scientifically proven it”. According to Sean and Senior Manager 1 Company B has proven to farmers around the globe that one person can milk 350 cows in one hour, where most of their competitors would have around 3 people doing the same job. According to Sean the reason Company B has achieved this is due to an automation system they install in parlours. Sean describes it as a ‘Merry-go-round’. They have also proved they can
install a rotary system in approximately one week, as opposed to 4-5 months for their competitors.

A few years ago, Company B developed a unique customer tracking system which has proven very successful for the company. “We developed a system for the whole servicing of customers. We look after our customers 24/7, 365 days a year. The system was relatively complex in one way; it’s like a modern day CRM [customer relationship manager] package. One of the issues we had previously was if you had to call to a number of customers, take Ireland alone, the whole issue of rural addressing. You could have a guy in Cork, Kerry and Limerick and they could be next to each other. When one is trying to schedule servicing, this becomes very difficult. So what we did was geocoded all our customers, worked out their location on a map so it allowed us to visually see where we were going. When one of our team did a call out, we feedback why we did the call, the reason etc.” Another reason for Company B’s rapid growth through the 90’s was their level of stock, according to Sean everything is ready and waiting “As a company we believe in carrying a very large stock of items. People might say you should manage your stock to have it as low as you can, but I suppose the industry we’re in, if somebody needs something, they really need it fast. We have everything ready like it’s a jigsaw; a lot of other companies wouldn’t have it as fine tuned as we do”. Senior Manager 1 also believes this is a huge reason why customers have stuck with them over the years. “Most of our business is repeat business, because it all comes down to customer service”.

Innovation is prevalent throughout Company B, according to Sean “We must constantly innovate to prosper and grow” Among Sean and Company B’s innovations include sound messaging, this system alerts farmers to any problem a cow may have i.e. sickness, drop in yield. This sound messaging system is today still unique to Company B, even in the era of technology. Sean can not understand why his idea has not been copied “I can’t for the life of me understand why our competitors have not copied this idea; it is so simple and logical”. Further to this, in 2003, Sean launched the Farm Messenger. This brings all herd information right to the farmer’s mobile phone via text, this allows information to be accessed and entered from anywhere. The farmer can set up messages on the mobile to the parlour to draft cows and input veterinary events. Following Sean’s array of knowledge on the industry, in 2001 he
was appointed to the ISO standards expert group, and in 2002 Sean was appointed to the International Diary Federation Expert Group, he is also an active member of the group in the USA.

According to Sean and Senior Manager 1, Company B followed a traditional growth pattern, going from local growth to regional, to national and eventually international. Senior Manager 1 commented “It was very much traditional growth, for the first 20 years it would have went from local/regional growth to national. It would have been the early 90’s when we went global through the UK market”, further to this Sean stated “It was very much local growth first and foremost, then it went national, and then I guess international”.

In relation to market share, “Today Company B holds 70% market share in Ireland for new milk installation products in Ireland” Sean commented. Sean also believes growth in sales is far ahead of where they are with the factory; at present the factory is being expanded to cater for the growing needs of the company.

**Going Global**

The first international market for Company B was the United Kingdom. Sean admits the company would have had little bits of a global market but they ‘seriously’ broke into the international marketing in 1990 by entering the UK market. When asked why there was such a gap between 1968 and 1990, Sean replied “I suppose it was just the development of a company if you like. Our growth was very gradual”. He continued to say “In the industry we’re in you don’t come along in one year or five years and end up with a product range as big as what we have now. The start-up was very gradual; to a degree you can only develop at a certain rate as well”. I consider, along with Senior Manager 1 that the slow speed of growth can also be attributed the poor economic condition in Ireland at the time.

According to Senior Manager 1, Company B export 60% of their products, with in UK, USA, Canada, Australia, New Zeland, Korea, Holland, South Africa, Russia, Poland and Iceland to name but a few (36 in total including Ireland according to Sean). Sean believes Company B’s entry to foreign markets was through performance “A lot
of markets have not been broken into yet, how I would put it is we've grown if you like, and how we've entered different markets isn't by knocking on different doors, its possibly the other way round. It has actually been performance that has grown the business for us. More often that not people would come to us to say they have interest in our products, or that they have seen us in different countries, or have seen our website. So really it has been down to performance”. According to Autodesk Inventor (Software for world leading dairy milking systems: Feb 2009) “Company B is a world leader in the development, design and manufacture of milking equipment and its products are all made to the ISO standards for milking equipment. It is all focused on improving the performance of the basic milking process for the herd owners”. Sean commented “If milking times can be improved by even a minute or the milk yield raised by a small amount that has a significant bottom line impact for the owner”. In approximately 1995, Company B broken into the Japan market, according to a press release (Company Website: News, February 2009) “The level of automation and performance offered by Company B’s milking equipment systems impressed Japanese representative on visiting Causeway. According to them this was the deciding factor in the agreement to be a Company B distributor in Japan”. Following his announcement Senior Manager 1 commented “We are pleased to work with Cornes Ag Corporation which has a strong reputation, and we look forward to extending the commercial reach of Company B’s product range to the Japanese dairy farmers”. According to ВЛАДИМИР (2009), a Russian newspaper, the activity of Matrix Agritech (distributor of Company B in Russia), “Company B is one of the words leading manufacturers of milking equipment, in the Vladimir region of Russia it has become a significant event for local cattle breeders”. The products of Company B are now high demand on the Russian Market, according to ВЛАДИМИР, Company B has drawn attention to key specialist such as quality and high performance parameters, their equipment guarantees to increase yield and void such problems as mastitis. According to Joost van Krej (Product Manager: Russia) “We thoroughly analysed the Russian market and came to the conclusion that the milk premium quality that can be processed into high margin products is in extreme demand. Demand determines supply!” (ВЛАДИМИР: 2009). On the company’s website (February 2009) one can read customer testimonials, one such Australian testimonial includes “It was the best system available for the cost and the Company B organisation was already well known to us, and we knew that if we had problems, they would support the product to
the hilt. Company B is an organisation we have come to know and trust. They are extremely technically capable and always willing to listen (and take notice of) their farming clients. The situation I have described, I believe, is very unique for a worldwide dairy equipment manufacturer and as consequence; I would recommend any of their products anywhere within their distribution area”. According to Sean, the company’s philosophy is “adapting to the farmers needs, and putting logic behind their products in how they can perform better than their competitors, this is why we have grown so successfully worldwide”.

From analysing the above, growth has been very gradual for Company B. In summary, growth can be attributed to the presence of an in-house research and development department, providing breakthrough technologies to aid mining around the globe; having the right local and knowledgeable people working for the company at home and abroad. The company produces almost 95% of all parts internally, the other 5% being computing equipment manufactured by Bosch. Company B provides ongoing commitment to quality and high standards. They offer a comprehensive approach to the development and production; they are able to merge research, design, production, installation and service. Sean believes research and development, along with good people has been a huge factor in their growth “A lot of companies spend thousands on R&D with no results for it. We had the right people doing the right job, and having the right people is a huge trick, very important”. Sean continued to say “In order to prosper and develop, we must constantly innovate”. Senior Manger 1 also preaches R&D, good people and constantly asking how we can improve as factors that allowed the company to grow so successfully.

**Finance**

According to Sean, finance was hard to come by especially during the economic recession. The company was funded primarily by self-financing from Micko. Sean recalled, in the late 70’s, the IDA (Irish Development Association) would have provided the company with financial aid in the form of grants. The pressure of self-financing was not too much of a strain, as said by Sean as the business growth was very gradual. Senior Manager did not know a lot with regards to the financing of the
business, however according to the manager, grants would have been sought as the company grew.

As Company B is a private company, current financial information reports was not available to me.

**Traits of Entrepreneur**

Sean described his dad (first generation entrepreneur) as a very logical and level-headed person, he said his father would “look at something, give it some thought and goes and does it”. He described him as a quiet man, but extremely confident in his own ability. Senior Manager 1 interviewed described Micko as “extremely driven, and has a ‘good eye’ for opportunities and displays a can-do attitude”. Furthermore Senior Manager 1 described Sean (second generation entrepreneurs) as displaying the same characteristics as his father. Both entrepreneurs (first and second) according to Senior Manager 1 are risk takers, but their risk is calculated and well thought out. Sean believes his dad is a risk-taker “He is a risk taker but a calculated risk taker based on gut feeling. He would say if you make a mistake now and then, what about it, once you’ve learnt from it”. Ceding control for Micko was not difficult according to Sean. He also commented on how there was no particular time where Micko delegated everything, it just evolved overtime. Senior Manager 1 also agreed that ceding control was not hard for Micko, “No it wasn’t hard for him, he delegated what he couldn’t do himself. He let people get on with things. Having said that he is still very hands-on, he knows what is going on across all areas of the business”. However Sean himself finds delegating hard and sometimes gets frustrated, nonetheless he knows delegation works best for everyone, he commented “Sometimes I find it hard to delegate, sometimes I get frustrated and say I may as well do it myself! But I also want to the employees to develop their own skills and knowledge”.

From my in-depth interviews and through observation, it appears that Micko and Sean’s behaviours have been passed onto employees, a can-do attitude is prevalent in the company, and employees are constantly encouraged to come up with their own ideas. Although Sean believes his behaviours have been passed onto the workforce, he questions knowledge, he commented “Yes some behaviours have without doubt, but
an awful lot of stuff haven’t, for example if you decide to make something, and 5 years later whey someone is looking at the invention and asks why was it made in this particular way, what was the reason behind it? Transferring knowledge is a very hard thing to pass onto anyone”. Sean continues to say “New products as in how they are made in a particular way are not recorded, if someone leaves the company this becomes an issue. Now important things are recorded of course, but knowledge as to why a product is made in a particular logical way would not be written down. Most companies don’t write these things down. How to transfer this knowledge onto employees is very tricky.”

**Research & Development**

From my research it is noted that Company B seems to be 100% committed to ongoing research & development. Sean believes the R&D facade to the business just evolved over time “I don’t think there was anyone particular time where you could say there was no R&D department yesterday but there is today, it was approx 1990 if you want a date, but it just evolved over time. It was a gradual thing”. He went on to say “We have a massive commitment to research and development both in terms of expenditure and proportion of management time and resources. Having spent the last 30 years researching all areas of dairy farming, our priority is to make the most efficient, robust, technologically advanced, automated milking equipment to make life easier for farmers”. According to Senior Manager 1, “We [company B] pride ourselves on R&D, producing superior product quality and excellent after-sales services”. As said by Sean, it’s about ‘getting the basics right’.

According to the company’s website (February 2009) Company B offers customised product offerings, catering for all farm types – big and small. They use space age materials in the construction of their farm equipment, which is more hygienic, durable and reliable, as well as this almost 95% of product components are made in-house. One can design their very own milking machine on the company’s website. Recently Company B compared one particular product with the next in the market, company B’s product was found to have yielded 5% more milk than the competitors product (results obtained through company website: scientific trials, February 2009) Company B makes a point of monitoring product performance so they are up to speed with
understanding all areas of the industry. They use their research to back up their products; according to Sean “We use Science with Innovation i.e backing up our products through proven scientific trials”.

Different from competitors

From researching Company B, my perception of Irish Farm Machinery is very high globally, offering well built equipment with a special focus on quality. According to Sean, what makes Company B so different is they aim to offer higher value to customers, “We stimulate the market by meeting the needs of farmers and providing a more effective and efficient product offering”. Senior Manager 1 also commented on how “It takes Company B approximately one week to install a rotary parlour, as opposed to 4-5 months with their rivals”. According to a case study carried out by RFIT 4 SME entitled RFID for dairy farms, “Company B design an impressive rotary milking system that milks cows very efficiently, getting more milk from the cow. Their system is harvested by a four-cup milker with specially developed pulsation, there’s less farm labour required with their system”.

Speaking to 2 local farmers who have used the services of Company B, the consensus is to choose Company B. Farmer 1 said “Yerah the service is excellent, call them up and there is never a problem. The always have what we need”, while farmer 2 said “Their work ethic is something else. We’ve always been happy with them; there is a good healthy relationship there so I suppose that’s why we stick with them”. Operating on a global scale, Company B’s products are much differentiated from their competitors. From my in-depth interviews and through observation, I seen that R&D is one the backbone to the company’s success on a worldwide scale; combining innovative engineering and expertise, attention to customers needs, this company has helped turn milking machinery and equipment into a fine art.

Knowledge

According to Sean and Senior Manager 1, knowledge in the form of products and new idea generation has always been encouraged in the organisation, and will continue to be encouraged. “In a knowledge based economy, idea generation & encouragement is
vital for success” said Senior Manager 1. Currently at Company B there is no specific reward system for new idea, according to Sean and Senior Manager 1, employees ‘just know’ their contributions are greatly appreciated. However Sean feels people can pose as one of the main barriers to knowledge, “People can be a barrier to knowledge – picture the class you went to school with, some were brilliant and some were falling asleep. What you must do is have all the people that are brilliant if you can at all. Good people are very important” Sean said.

Marketing

From my research, marketing is often cited as being overlooked in SME’s. This was certainly the case for Company B. There was absolutely no market research done before the start-up simply because according to Sean “Micko knew the industry inside-out”. When asked if his Dad was involved in marketing, Sean simply replied “Absolutely not, anything but!” Then when I asked Sean about marketing during the first couple of years, he replied “Marketing was virtually non-existent”. He went on to say he believed marketing was overlooked in the organisation simply because of the existing knowledge on the industry. Sean believes the reason marketing is overlooked in Company B is because of the company’s technical background “People had strong technical skills and these skills helped the company to grow, and will continue to help the company to grow into the future”, he went on to say “The technical side of the business is very evident in the company, that is the forefront of the organisation. People get different buzzes out of different areas; some companies depend on marketing and selling, we loved the technical stuff”.

But Marketing was not completely overlooked; according to Sean and Senior Manager 1, a share of adverts would have been placed in local newspaper, trade magazines such as Teagasc, and also national newspapers such as the Farmers Journal to build the company brand. According to Sean, “Our brand was the brand to have in the 1990’s” and according to Senior Manager 1 “Our brand is still the brand to have today”. Sean believes the marketing came through building relationships, “Say if you wanted to buy a rotary, it would mean an investment of half a million, there is an awful lot of thought put into it, and probably one of the biggest decisions a farmer will take in his life, so relationships matter an awful lot”. Sean also commented on
how marketing came through the performance of their products, entry to global markets came from people seeing their products perform in other countries, this was the ‘strongest’ marketing they had according to Sean.

The main marketing barrier facing the company was finance. Sean commented “Advertising is a necessary evil; you have to do a certain amount to get your message out there, but don’t want to do too much either”. Sean also said “Marketing was an area we have said to ourselves, we would like to be better at going forward”. Senior Manager 1 agreed marketing might have been neglected in the earlier years, but for the future it is something they have pledge to put a “stronger emphasis on”.

People

Company B contributes a lot of the success on having good people behind them, this was reinforced by Sean and Senior Manager 1. The company likes to see itself as a ‘small community’, where unity and conformity goes hand in hand. Senior Manager 1 said “There is huge loyalty from people; the same people have been working with us for years, I suppose in one way this is why we are special”. In 2005 Company B won the prestigious “Excellence through People” award; this award is Ireland’s national standard for human resources development, and recognises the skills and motivation of the workforce. According to the company website (February 2009) this award acknowledges the top class people working for Company B.

Rural Ireland

The reason why Company B operates from a tiny village in North Kerry is simply because they started there. According to Sean most of the staff employed in Company B are invariably from a farming background, so they know the industry which proves advantageous for the company. He said “The industry we are in requires good local people”. Furthermore, in line with this Sean and Senior Manager 1 believes, having a base in rural Ireland gives staff loyalty. Sean also emphasised “Rural Ireland is very important as we are dealing with a rural community.” He went on to say we have a good class of people here, you get no bother from anyone, people just gets on with it;
where as in the cities, you would probably get a lot more bother from people, and the cities staff turnover would be a lot higher”.

The Future

The journey of Company B has been a gradual worldwide success story. The company has grown through their invaluable commitment to research and development, the performance of their products, and through scientific trials - proving to farmers on a global scale that their products really are the best in the market. The loyalty and expertise from their people has proven precious to the company and is acknowledged accordingly. According to Sean, Company B’s goal is to stay committed to R&D, while continuing to offer superior products adapting to the needs of farmers worldwide. Senior Manager 1 also hopes to develop more markets globally, and continue to research the evolving industry. Overall Company B is a true global success story.
Company C:

Industry: Photographic / Property / Leisure
Location: Rural North Kerry
Set-Up: 1970
Company Type: Private Limited by Shares

Four key influencers were interviewed in Company C, including the Managing Director, Personal Assistant to the Entrepreneur, and two Senior Managers. The Managing Director and one senior manager have been with the company since start-up, the other two joined during the first 10 years, the second senior manager joined within the first 10-12 years, and the Personal Assistant joined the company in approx 1985. Unfortunately the entrepreneur himself could not be interviewed due to a hectic schedule and time spent abroad. The Entrepreneur will be named as Michael to protect his identity, the Managing Director is named as it. Senior Managers are named Senior Manager 1 & 2, while the Personal Assistant is named as PA 1.

Introduction

Established in 1970, in the humble settings of North Kerry, according to Employees, Company C is now Ireland’s market leader in the photo processing and photo retail industry. According to the groups international website (February 2009), the company has an annual turnover of over €60million, making it one of Ireland’s largest privately owned companies.

Set-Up

A photographer by profession, Michael grew up in the small vibrant town of Listowel. His father worked with the Bord of Works, while his Uncles and Grandfather worked in the building trade – Michael was encouraged to follow his Uncles footsteps (Irish Independent: 2006). According to the Managing Director, after receiving his first camera, a Retinette 1E, Michael developed his first photos...and that is where it all began.
According to Employees, Michael set up Company C on the basis of gut feeling and an ever expanding knowledge of the photographic industry, with only small local market research carried out. The company started offering a photo processing service for a handful of local chemists in North Kerry. Today, according to PA 1 the brand stands for a high quality and competitively priced product.

Growth

“He [Michael] started off doing general photography, and then he came down here and started doing weddings and sort of thing. He used to go out to Ballybunion to the dances. It all started from there like and then he just got into developing his own photos. It is a really success story in some ways” said the Managing Director. PA 1 said “Basically speaking Michael was a photographer. He was covering weddings and school photographs, which had become popular for a time back in the seventies I suppose, or sixties”, she went on to say “He had a building in Church Street. I think the front of it was retail. But at the rear of it he decided that he would start processing”.

Company C started with only 2 employees, and grew literally from 2 to 5, 5 to 10 and 10 to 20. After the first ten years, the company really began to expand.
Figure: C.A. 1

According to PA 1 “He [Michael] obviously had knowledge of developing and printing. At that time it was traditionally black and white. And there were traditional outlets for dealing with developing and printing. And that would have been pharmacies and pharmacies only”. Michael started his business offering photographic processing to a handful of Chemists in North Kerry. PA 1 said “Traditionally you would have been looking at a person taking in a role of film and coming back ten days later to collect it. Michael was hoping to introduce a turn around service of three to four days. Now that built up over a number of years, over the late seventies, early eighties. He expanded the area which was open for distribution to other counties as well”. Following the success of the local chemist strategy, expansion was next on the cards. The managing director recalls his experience, “After Kerry, we expanded into Limerick and Cork, we really grew then. I did the set up for the whole transport network, the whole logistics of covering a lot of Ireland. We expanded through the pharmacy network principally”. According to PA 1 “First Michael developed or expanded the photographic part of the business which meant that he was doing
processing. He got agents in the county, let's just say then he decided that efficiency was another important area so he decided to turn it around over a period of time”. She continued to say, “Michael increased the market area and obviously he put some kind of van on the road to take the film in, process it, turn it around then the next day or the day after, however long it took at the time and sent it back out to the unit [chemist’s]. That obviously caught on as a consumer product then you know”.

**Expanding**

Following this idea according to PA 1 Michael had an idea about the mail order concept. At this stage he was processing for retail outlets in the form of chemists. “Michael also thought that there was a market out there for mail order, because of the market that was out there, he saw there was a need there to do more in relation to colour photography but there was also another market in relation to mail order”, PA 1 said. She went on to say “He decided that he would introduce this idea/project ‘PostPhoto’ where he got in contact with the Post Office. He got a contract to circulate envelopes. On the back of this there were various options of what you wanted to do with the film and what services there was. You would enclose a postal order or a cheque or whatever, and with the return postal address etc. It would come into the post office here [Listowel] and was distributed from the Listowel Post Office to our facility. Then processing would be done, it was then posted out to address. So mail order grew hugely over the years after that. It was going strong from the eighties really”. According to Company C’s literature (Company Website: February 2009) “The success of Mail Order prompted a 1979 move for the laboratory from it’s restricted backyard location to the site of the companies’ current main laboratory and Head Office at Clieveragh, Listowel. By this time Mail Order had grown to almost 50% of the total processing business”. The Managing director also recalls his experience of Michael’s Mail Order idea “In 1976, Michael seen a huge opportunity in the market and quickly established a mail order service, where order forms could be found in Women’s Way and the RTE Guide”. According to staff, this new venture proved very successful for Company C, offering a 3 day turnaround for customers”.

According to Senior Manager 2, between the years of 1980-1990, Company C was the only company on the market offering customers an overnight service throughout
Munster, this service quickly grew nationwide in the early 80’s. According to Senior Manager 1, the company followed a traditional pattern of growth. “The Company has followed the traditional growth pattern, going from local growth to regional growth to nation to now International through acquisition and diversification” she said. PA 1 followed by adding “Very much traditional, even from the point of view of geographical location, as processing grew we became more and more provincial and then nationwide”. Company C choose to go from local, to country, to regional to national, and then expanded globally but unsuccessfully (see going global).

Company C were the first in Ireland to introduce the 6”x4” print – now an industry norm. As well as this Michael’s revolutionary introduction of colour printing was a huge success. “You know we were first to introduce larger prints, [now an industry norm] They were factors in our growth, and I suppose you know it was good marketing, and we also offered good service so you know we were a driven company I suppose really”, said the Managing Director. On company literature (Company Website: February 2009) “A Photo Deluxe service was added in the late 1980’s. These 5” x 7” prints, formally exclusively an enlargement size were now made available as a regular processing service from your roll of film. This option is still very popular today”.

Today, according to the company website (February 2009), Company C operates 20 photo retail outlets throughout Ireland. PA1 recalls her experience of the retail side of the business, “we decided to go into the retail end of it which meant we decided to acquire or lease shops in specific, good retail locations. We would sell processing and printing as a turn around quick service. But also associated equipment like cameras and all the paraphernalia like albums and all the other things that go with it”. She also added “Over a period, of I suppose, ten years we opened about thirty stores in good strategic locations around the country, both here and the North of Ireland”. She noted that this was all pre-digital imagining. PA 1 said “Digital imaging definitely started to creep in; in one sense it came in both developing and printing, and in cameras. That changed basically the whole market place around the world. All our wholesale processing and posting laboratories had to adapt accordingly. While people on the street say you must have had to change when everything went digital with imaging, we were actually ahead of them, because you know market trends. You would know
before the public would know. So everything went digital here”. To keep up with the ever-changing digital world, the retail stores had to adapt to market trends. Today the retail shops offer services including one hour photo processing and stock a substantial range of digital photographic products including cameras, camcorders, and digital equipment, along with traditional films, frames and albums. To keep up with trends, they have recently added a new range of products such as Apple iPods and accessories, Apple computers & MP3 players.

**Going Global**

According to Company literature (Company Website: February 2009) “With the success of Mail Order in Ireland the service was offered in the US. Unprocessed Film arrived on the morning flight from the US into Shannon Airport, 1 hour from the Laboratory. The film was then processed and returned to the US on the following morning flight. The total service took just 3 days!”

The Managing Director seen growth dip slightly in the 90’s after buying a Dublin based company. Following the purchase Company C always struggled in this location so had to cut their losses soon after. The company has also witnessed growth reversal, according to the Managing Director entering the US market was thought to have been a great idea given the plants close proximity to Shannon Airport, and the turnaround time was in their favour. However, not long after the entrance to this foreign market, Company C had to pull their services. “We learnt more than we made money to a certain degree, eventually a management buy-out happened which drained out own resources in terms of management and personnel” a Director Company C also entered the UK market, but had to withdraw soon after because of the Sterling exchange rate – it was no longer viable to trade there.

Since the early 90’s, according to Senior Manager 1, Company C invested heavily in hi speed digital equipment, and saw the business grow rapidly. According to the Managing Director, in 1994, the company acquired Photo King Dublin. According to company literature (Company Website: February 2009) Foto King was a former company rival in the Mail Order business.
In 1998, Company C acquired Belmont Photo; this enabled them to have a Belfast base, serving 1,000 agents across Northern Ireland. According to the company’s website (February 2009) Company C acquired Cork based Trucolor adding a further 400 dealers for the company. According to the company’s website (February 2009) the Irish branch of Kodak Consumer Imaging was acquired by Company C in 1998. According to the Company’s website and the Managing Director, Company C controls Kodak Consumer Imaging in the island of Ireland, under a different trading name. It also controls Kodak Digital Products and the distribution agency for Sandisk Digital Accessories.

In May 2005, investment in high speed digital equipment was a must for their labs (Listowel and Belfast). According to the company’s website (February 2009) both labs contain start of the art machinery, and is a quality controlled facility ensuring the highest standards are met. In an interview with the Irish Independent (2006), Michael commented “We spent €2m last year [2005] on high-speed digital printers because old-style printing, unfortunately, is dead. People aren’t printing their photos and this affects our business big time. We were printing five million films a year; now we’re down to two and a half million and went down 25 per cent last year. And it happened so fast. Within the last two years, our business dropped 50 per cent.”

Company C had seen constant growth until approximately 6 years ago. Senior Manager 1 summed up Company C’s growth “We have grown from developing the photographic industry, we expanded the areas we serviced, we also acquisition other photo businesses etc. We have been growing constantly until the last 3-4 years. There is no growth at the moment; the market is stable, if not in decline. However the digital side of it is growing”. The Managing Director followed “The growth has not stopped, but the core business has stopped growing. Technology has moved on and digital has moved on. The change came about in 2003-2004, with the drop off in tradition film”. He went on to say “I mean yeah the growth in the core business would have been exponential during the uh the 90’s and some of it was by acquisition. It came about just by organic growth really. During my period and certainly up until the last two or three years it would have been very much on an upward the whole time”.

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Diversification

In the early 90’s Michael expanded his interests into the leisure and property game. Company C group own and operate a number of fine hotel resorts throughout Ireland, South Africa and Mozambique. The company also own a security firm in Ireland, along with a food company in North Kerry supplying ready made meals to Dunnes Stores, Superquinn, Super Valu and Cuisine de France. In 2000, Company C branched into the property game, building high quality houses on lucrative sites around Ireland.

According to the Managing Director, Company C had such a strong market share in Ireland, but the potential for growth was not there anymore; because of the service levels require in the photographic industry, it was not easy to move it abroad. That was when diversification came into play. In an interview in the Irish Independent (2006) Michael said “Diversification is the only way to go”. He added “I just love buildings. I love wood and I love creating beautiful things”. It was reported in this article that Michel “Saw the writing on the wall a number of years back” with regards to the drop in the photographic industry. “The film-developing side of the business has dropped 22 per cent this year. Film sales itself has dropped by about 45 per cent. This is dramatic. We had expected about 22 or 23 per cent, but it has dropped much faster” Michael reported. This sudden drop in the market is what brought on diversification and perhaps a survival mechanism for Company C.

PA 1 believes the reason for diversification into the hospitality industry was a lack of good hotels in Ireland. “I think Michael has always had a high standard in relation to that [diversify into Hotels]. Anything he does is always done to a high standard. He has always had a great interest in building; he looks at a fine site which would be suitable for a hotel or the right location. If you find the right location then the way to go is a hotel. There was a lack of hotels, not proper hotels, in the country. But there was a need to be fulfilled there. And he developed it from there, based on good sound research”. In an article published in the Independent (2006) Michael admitted that he has no real hotel background, but said he “stayed in a quite a few!” The lack of knowledge did not seem to bother Michael, he went on to say “I can get into any business I want. I have no problem with it. No matter what the business is, you should run it the same way. People are the same all over the world. You have to deal with the
exact same problems when you go abroad”. According to employees, Michael purchased a run down hotel in Co. Kerry, and spent years renovating the hotel. The Managing Director said “Michael can see an opportunity but you know he has never bought expensively; he would always buy at the bottom of the market and start from there”. Today this hotel is one of the finest hotels in the Country.

According to the groups website (February 2004), in October 2004, Company C secured the distribution franchise for H20+ skincare products in Ireland. The company was founded in Chicago in 1989 on the principle of establishing a clean, natural alternative to the pore clogging. H20+ is available in select pharmacies nationwide, and is also available in two of Michael’s luxury Hotel Spa’s.

Company C has now [2008] diversified into speed camera’s for the Irish Government. The five year contract is estimated to be worth up to €100 million, providing 6,000 hours of camera monitoring per month. This will see the states speed enforcement capacity increase significantly. (Irish Times: 2008) The contract was won by GoSafe Consortium including Company C, and French Company and an Australian Company.

Challenges now facing the company

According to Business World’s top 1,000 companies database (accessed February 2009), Company C’s turnover is 93.4, with profit not disclosed. I was unable to obtain the Company C’s group Director Report and Group Financial Statement; however I did receive an auditors report (accountants: O’Connor, Pyne & Co.) and abridged financial statements, received by the CRO Carlow dated 1st October 2008. From the company’s balance sheet (31/12/2007), the Profit & Loss account for 2007 recorded a loss of (€131,540) and in 2006 recorded a loss of (€226,504). The company’s fixed assets represent €4,380,866, with current assets (debtors & cash in bank) representing €100,496. Creditors (amounts falling due within one year) represented a negative figure of (€2,350,405). The net current liabilities also represent a negative figure of (€2,249,909). The auditors report went on to say “The net assets of the company, as stated in the balance sheet, are more than half of the amount of its called up share capital and, in our opinion, on the basis there did not exist on 31st December 2007, a financial which under section 40(1) of the Companies (Amendment) Act 1983, would require the convening of an extraordinary general meeting of the company”. 

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In an auditors report to directors of Company C (Retail) Co. received by the CRO 1st October 2008, the following emerged: “In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the company’s ability to continue as a going concern. The company incurred a net (loss) before taxation and exceptional items of (€247,996) during the year ended 31 December 2007. This along with other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt above the company’s ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern”.

Finance

Company C was set up on the back of Michael’s personal savings, along with grant aid from Shannon Development; unfortunately no one was able to give an exact percentage breakdown. The Managing Director explained how finance was sought “There would have been some grants available yeah but you know you can never depend on grants to grow, we got funding from Shannon Development; Shannon Development would have been there for North Kerry business, the same as South Kerry Partnership is in South Kerry”. He went on to say “In terms of Michael himself he would have had personal savings that helped finance the business. He’d be very cautious financially and still is you know. Very, very cautious. He certainly doesn’t throw it around you know”, said the Director. Michael was asked how much was he worth, his answer was simply “I have never sat down and worked it out, after all it is only play stuff, you can only spend so much”.

According to the Director, it was difficult during the start-up stage to deal with the banking institutions and Michael had to put his home up as security. Senior Manager 1 recalls how Company C was financed “We got financial backing from Shannon Development and Michael also used his personal money. As we grow we got grants as we improved technology, got new equipment etc, invested in digital equipment”.

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Senior Manager 2 said it is easier for the company now to get finance and take financial risks because they are stronger financially now.

The consensus within the company is not to rely on grants to grow. It was only in the 1990's that Company C started making 'serious' profit. According to the Managing Director “Finance is the biggest obstacle”; he went on to say “We have seen it here with X Foods^ I mean he was dead in the water like and we came in behind as an equity partner”.

The director also added that “Banks really are slow to lend to start up entrepreneurs you know, unless you can do some kind of business expansion scheme”. He went on to say “The potential for getting any kind of finance is low unless you go to venture capital companies or something, and then they would obviously want a big slice of your business”. PA 1 said “There was a time when lending institutions couldn’t give enough money, but things are tightening now, they are going to the other extreme. I think having to sign away your soul is a terrible think. Things have been so comfortable for a while now that lending institutions will not take risks on anybody young and that is disappointing”. The director at company C also commented saying “Banks are very narrow with financing certain industries; I mean you have some sexy industries, something like the food industry and then you have some industries that like that they’d run a million miles from”. PA 1 also believes even though the company has grown, there is still a financial barrier. “In terms of finance, I know we have grown and are popular, but there is always still that barrier, in terms of do we have enough, should we do it, should we take the risk”.

**Traits of the Entrepreneur**

Unfortunately I did not get to meet Michael in person due to his hectic schedule, and time spent abroad. However, having interviewed the Managing Director, Michael’s PA and two senior managers, I have learnt a great deal about Michael, and got some insight information on his way of thinking.

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^ [Company C is an equity partner in X foods, which supplies Dunnes Stores, Superquinn, Super Valu, Cuisine de France with ready made meals].
One senior manager said “He [Michael] is a very strong person, he knows his own mind. He will decide himself. He shows great drive”. According to staff, Michael has been described as a driver, he is focused and determined. He is fearless. Michael displays a lot of common sense and is a very practical individual. He has been described as “impatience and obsessive” but only in a business sense. PA 1 added “Well I would say, personally I would say, he displays a clear vision and determination. I would say that he doesn’t take any prisoners, he’s practical, has a lot of common sense, an awful lot of common sense and I think that counts for an awful lot”. She went on to say “Well if you are somebody who has those traits [Michael’s traits] then you become somebody who wants answers, and the right answers, and honest answers quickly and fast”.

Having interviewed key members of staff, it is clear Michael presents himself as a risk taker – but will only take shrewd and calculated risks. PA 1 described Michael as “Not having a problem with the wood on the trees, he can actually see the wood from the trees, and if he can’t, he has to make sure he can before he proceeds”. Senior Manager 1 “He is motivated by good things and new opportunities; he looks at everything as a challenge. He takes risks if the financial backing is there, as we grew more successful – the more he took risks. PA 1 went on to say Michael does take risks but based on concrete planning. She also commented “I mean gut has to count for something with risk, but it doesn’t always count for something. It doesn’t count for everything you know”. Senior Manager 2 at the company stated “His risks are well thought out, a lot of research goes into it, its not spur of the moment decision. His risk taking ability has certainly increased as business became more successful”. The Managing Director said “He doesn’t do many of the stupid things you know, but he would be a risk taker, oh yeah he has taken major risks you know”. He continued to say “Michael is not in to strategies, he doesn’t think strategically really”. In an interview in the Irish Times Newspaper (2008), Michael said “I believe the greatest attribute to my success is my willingness to work hard for as long as it takes. This coupled with my dogged determination and fearlessness carries me through each venture and onto the next”.

According to the workforce, Michael has great ability to spot opportunities and is in a position to exploit them quickly. He has great faith in the people that surround him.
Following my observation and in-depth interviews, I noted that a can-do attitude echoes around the building, and through initial observation after entering the building I felt a great sense of pride presented itself within the company. According to the workforce, ceasing control was ‘no problem’ to Michael, as he delegated what he could not do himself in the best interest of the organisation.

It is clear Michael’s behaviours have rubbed off on his employees. “I suppose to some degree I would have his [Michael] entrepreneurial skills, I would say ambition and probably in the early stages we kind of gelled well together on a personal basis and that was important as well you know”, said the Managing Director. PA 1 also believes that Michael’s behaviours have passed onto the workforce, she explains “I think yes as a unit it [Michael’s behaviour] has passed on down through the line. I think if you are working for someone who has those expectations then you are not going to pussyfoot along with the person you are waiting information from, you are going to bear in mind that somebody else near you or beside you is waiting, so to speak. So I think it does rub off yes”.

From my in-depth interview with PA 1, and from observing body language, I sensed a certain ‘fear’ factor with regards to the Entrepreneur. Having analysed the above quote, PA 1 feels there is always someone in the company ready to ‘take her job’. She commented earlier “I would say that he doesn’t take any prisoners”, and also remarked “Michael has no problem with demarcation”, “I mean he leaves people to do their jobs responsibly and if they don’t he’ll step in”. Can it be perhaps said that this behaviour [always waiting to take your job] mirrors the “impatient, obsessive, ambitious, determined and fearless” behaviour shown by the entrepreneur, or does it represents a deeper fear factor leading to the ‘can-do’ attitude and motivated workforce that exists within the company.

**People**

PA 1 said Michael has great regard for people “I think he has great regard for the people he has appointed professionally”; she went onto say “I mean he leaves people to do their jobs responsibly and if they don’t he’ll step in”. In an interview in the Irish Times Newspaper (2008), Michael commented “I believe that my employees are my greatest asset and that recognising and rewarding capable, hard-working personnel
has contributed hugely to my success”. PA 1 said “I would say he puts a lot of faith in the people that surround him and he listens to what they have to say and he considers his own position. If they are in agreement great, then sometimes if they are not in agreement, he will consider the points they put forward and then make his decision”.

Knowledge

According to staff at Company C, Knowledge through new idea generation has always been and will continue to be encouraged within the organisation. Currently the company offers no definite reward system. According to Senior Manager 1 employees ‘just know’ their ideas are appreciated, and rewards are given in different ways i.e. career progression. PA 1 said ideas are always welcome, however there is no specific reward system in place, “There is no structure in place but they [employees] just know it [ideas appreciated]. Instead Michael would speech to them personally. This suggested that when one is spoken to ‘personally’, it represents a reward in itself i.e. achievement. According to the Managing Director “Knowledge certainly in terms of the equipment, and all that kind of stuff, is important and new product development. I mean things like new products we have been looking at, like new portables and that kind of stuff”, he went on to say “I was in Las Vegas just to keep up to date with what’s happening in technology, products all that kind of things like that. We would always encourage that and we’d ask people to go on the trips as well. We would have had maybe 10-12 people go abroad just to see what’s happening in the market place, to see what’s new and where it is going”. However in contradiction to this, PA 1 said “Oh I think they are [ideas encouraged], it just depends where they are and who they are reporting to. Practical solutions to things and stuff are always welcome. It depends on the personality of the person and the nature in which they are involved. You know yourself in any job; there are the people who do exactly what you say and there are others for ten years they wouldn’t say oh I could have done that a bit quicker or another way. You can’t do anything about that really”.

Having analysed the above quotes from the Managing Director and PA 1, it is clear knowledge is undoubtedly encouraged, but perhaps not as a unit. PA 1 believes knowledge is encouraged depending on what division you are working in, or depending on whom you are reporting to. She also deems knowledge as a dependent
on one’s personality. This questions if the entrepreneurs behaviours have really passed onto employees. In terms of personality being dependent on knowledge, this begs the question, is having the same people working in the organisation since the start-up now proving unfavourable to the company. Some employees, possibly, are simply passing the day, feeling they have seen it all, and know it all, therefore stifling new ideas for the organisation.

Marketing

According to staff, Company C was formed on the basis gut feeling, and a knowledge of the industry, with only a little local market research carried out. According to PA 1 “He [Michael] did market research, he checked things out but it was all based on an idea. And other developments that came after were based on other ideas. There was a knock on from the knowledge you would have gained from the previous experience. So there would have been a certain amount of market research carried out”. During the initial stages, a local marketing strategy was carried out. The managing Director recalls his marketing experience “Oh yes I mean I would have done the marketing. Certainly in the old days I would have done six promotions every year or maybe one every six weeks, sometimes I would have ten promotions a year. As the business began to grow, money was pumped into marketing”. Having said that, in contract the Managing Director believed “Marketing was overlooked during the start-up stage, it was also agreed that marketing was important but not the backbone of the business”. Another manager also agreed Marketing was not the spine to the Company’s success, “Marketing has played a large role, but I wouldn’t say it was the keystone to our success”, she said. PA 1 believed marketing ‘used’ to be important “It [marketing] used to be vitally important in the time when the industry was growing”. She later went onto say, contradicting herself “But to compete I guess you have to be out there. So I think that it has its place still”. She also went on to say she believed, contradictory to the Managing Director and Senior Manager 1, that marketing was in fact the backbone to Company’s C success “Marketing, yes I do think so [backbone to success]. Well I think the back bone of it was the good product and actually delivering what you say you are going to deliver and within the time frame you said you’d deliver in. When our marketing is running in line with that and we actually
keep the promise that we make. When we put something up on the wall and make it happen. Then I think that strategy makes success”.

The company does not operate a centralised research and development department. As their market is currently in decline, Company C prefers to piggy-back off the multinationals (e.g. Cannon / Kodak) and use their market research results, according to the Managing Director. PA 1 also backs up this statement by saying “Yes market research was done through the multinationals. It is a much defined industry. They [multinationals] are the controllers of the practical end of it. The camera manufacturing and things like that and we are all lead by them really”.

According to the Managing Director, at present Company C does not execute a local/regional marketing strategy, unless they were staring a new shop or promoting a particular area. He said “What we find is that there are so many bloody local radio stations now and so many newspapers that you know we kind of said we would stay national really”. Having analysed the contradicting quotes regarding marketing, I feel it is perhaps unclear as to the role of marketing within the organisation; reviewing it I believe staff from different departments of the business did not see marketing as important. The Managing Director and Senior Manager felt marketing was overlooked during start-up, and it might have been a small factor in their success, it was not the backbone. Nevertheless the Managing Director recalled his marketing activity in the start-up days i.e. promotions. During the growth period mail order was the big driving force of the company, representing 50% of total processing. Mail Order forms a huge part of marketing, which resulted in the company’s initial expansion and growth nationally. Having looked at the above quote from the MD re national media, he must sill feel marketing/branding is important for the company if their marketing budget is going to national media. From my research marketing might not have been the backbone to the company’s overall success; nonetheless it did play a noteworthy role in their growth.

Rural Ireland

According to staff Company C, rural Ireland means one has to work a lot harder, but counteracting that one director said “We have better lives here which mean better
expertise – there is a definite link between rural Ireland and knowledge; you will retain staff much longer in rural areas, where as in cities people are definitely more mobile. PA 1 said “I suppose it depends on what you are going for, but I wouldn’t be necessarily in favour of people saying, you know, you have to be in the city because you can’t service from here. You need the population to service. I would say that it depends on what you are going for. It depends on what you are selling”.

The Future

Company C has seen rapid growth in the 80’s and 90’s, but due to changes in the photographic industry and advances in technology, growth in the photographic facet of the business started to decline approximately 5 years ago. This decline meant the company had to diversify to survive, diversifying into the Hotel & Leisure industry, along with interests in property, food and security. The company must now evolve in current and future market trends and continue to invest in hi-speed technology and research. Overall the company grew from developing the photographic industry, expanding nationwide, while also growing through acquisitions and diversification.

The risk in the property market and Hotel & Leisure industry now poses a threat to the business due to our economic condition at present, people are not investing in either property or luxury breaks at present. Having resorts in South Africa & Mozambique could see political unrest pose as a further threat to the company’s business.
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