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Specific and Common Features in Fast-Growing Companies from the Timiș County (Romania)

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Abstract

This paper presents specific features that enabled certain companies from the Timis County, Romania to grow rapidly during and after the economic crisis. We are convinced that the fast-growing companies have specific features which differentiate them from other companies, which is why they should be studied. We consider the fast-growing companies important for the development of the region, as they create job opportunities. The partial results of this ongoing study indicate several specific aspects common to the analyzed companies, such as a powerful vision on the company's future, an early-identified need or opportunity, the delivery of products or services tailored to the customer needs. The 3 lines of business analyzed are transportation and storage, construction works, IT and communication. The content analysis was used in order to analyze the data collected and formulate the findings.

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1. Introduction

The reason certain companies succeed to grow fast while others do not or do not even grow at all is a topic of interest for scholars, but also for those entrepreneurs or managers who want to have an advantage over their competitors in terms of size of the company or turnover at the end of the financial year, if we are to refer strictly at the fast-growing indicators. The fast growth of a company is interesting from a different perspective as well. On the one hand, it is an entrepreneurial challenge – to actively seek opportunities for fast growth, and, on the other hand, it is a managerial challenge – to effectively use previously-identified rapid growth opportunities. The knowledge of the practices that favoured the rapid growth may be useful for those interested to turn their businesses into fast-growing companies.

The company's growth during a crisis is a major concern for SMEs managers. The issue is more complex if we discuss the management of a fast-growing company during and post-crisis. Entrepreneurs and managers are forced, under such circumstances, to face and overcome major difficulties and find a way to sustain the rapid growth. Several papers refer to barriers, considered by Brüderl and Preisendörfer (2000) to be external constraints that could hinder growth.

This paper presents the first notes on several case studies, namely Romanian fast-growing companies from the Timis County. The study aims to identify the specific and common features of fast-growing companies with various activities.

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For this purpose, the authors considered four factors referred in the scholarly literature and analyzed them in several Romanian companies. The four factors are the growth vision, the identified opportunities or needs, the supplied products or services and the concluded partnerships or the inter-organisational relations.

The objectives of this study are:

- To establish what is the focus of Romanian fast-growing companies, what are their visions, how they identify their growth needs and opportunities, what are their supplied products or services and what partnerships they conclude.
- To identify common features in fast-growing companies;
- To identify specific features in fast-growing companies;
- To share the findings of the study of Romanian fast-growing companies.

Our main goal is the understanding of the way in which companies grow rapidly in the Romanian business environment. The identification of the Romanian companies to be studied and the related interviews require additional time resources and office work. The results of this study will be further completed and used in drafting a model of rapid growth in the Romanian companies.

2. Theoretical Background

2.1. The definition of the fast-growing company

Several authors indicate that there is still lack of consensus on a specific definition of the fast-growing companies. (Coad et al., 2014). Delmar, Davidsson and Gartner (2003) have also highlighted that there are variations in the scholarly literature among the business's growth measuring ways, which makes difficult to draw a comparison on several studies, since the growth indicators and formulas are different.

The selection of a segment from a population of companies that reach the highest growth over a certain period of time, such as, 1%, 5% companies reaching the highest growth rate. Or, the selection of those companies that reach or exceed a certain rate, during a start or end period, or an annual growth in a certain period of time, are several modes to define fast-growing companies presented in the scholarly literature and synthesized by Coad et al. (2014). However, these selection criteria for the rapid growth companies have their limitations, for example the authors are prevented to compare rapid growth companies from different period of times or different countries. (Coad et al., 2014).

A definition used by many scholars in their articles on high-growth European companies which was also considered by us is the Eurostat-OECD (2007, pg. 61) definition: *All enterprises with average annualised growth greater than 20% per annum, over a three year period should be considered as high-growth enterprises. Growth can be measured by the number of employees or by turnover. (...) A provisional size threshold has been suggested as at least 10 employees at the beginning of the growth period.*

2.2. Characteristic features of the fast-growing companies revealed in the scholarly literature

Brush, Ceru and Blackburn (2009) have noticed that most studies on high-growth businesses are rather descriptive and examine a limited number of their features. Later, Mason and Brown (2010) have shown that the level from which fast-growing companies have common features is still uncertain. Coad et al. (2014) have also underlined the insufficient knowledge of the internal characteristics of the high-growth businesses.

Finding the relevant factors for the rapid growth let us understand facts about fast-growing businesses and what was crucial in their growth. Several studies present relevant features and factors related to fast-growing companies active in various social and economic environments.

The vision

A vision on the company's evolution is an essential condition but, as specified by other scholars as well, not a sufficient one in order to reach a high growth rate. The vision is most likely supported by the ambition and desire to grow. The company founder's ambition or intention to grow its business could favour a high growth, as mentioned by Brüderl and Preisendörfer (2000), who have also underlined that an intense aspiration for growth is, still, not sufficient in order to grow fast.

Nicholls-Nixon (2005) have emphasized that the leaders are those responsible for creating a vision. Krogh and Cusumano (2001) present the vision as a foundation for the growth, at least up to the point that the circumstances change significantly. Skrt and Antoncic (2004) on Ireland (2001), have presented that ambitious entrepreneurs leading the company to growth create a powerful vision on the value they can add. The strategic vision lies the foundation for the strategic planning and development. Skrt and Antoncic (2004) have concluded that the formulation of the vision (the future orientation of the company) could be more important for the company's growth than the formulation of the mission (the present orientation of the company).

Mason and Brown (2010) have revealed that fast-growing companies have management teams with a clear vision on the business's future and, most certainly, a motivation to make the company grow. Barringer et al. (2005) have considered that the vision and the mission statement render certain information on the intentions of the entrepreneur-

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