THE FALLACY OF GROWTH: AFFORDING SUSTAINABLE STRATEGIES FOR A BUSINESSSES LIFELONG EXISTENCE (INTERACTIVE PAPER)

Frank La Pira  
*San Francisco State University, USA, flp@sfsu.edu*

Carmine Bianchi  
*University of Palermo, Italy*

Graham W. Winch  
*University of Plymouth, UK*

Recommended Citation  
Available at: http://digitalknowledge.babson.edu/fer/vol29/iss13/22

This Interactive Paper is brought to you for free and open access by the Entrepreneurship at Babson at Digital Knowledge at Babson. It has been accepted for inclusion in Frontiers of Entrepreneurship Research by an authorized administrator of Digital Knowledge at Babson. For more information, please contact digitalknowledge@babson.edu.
INTERACTIVE PAPER

THE FALLACY OF GROWTH: AFFORDING SUSTAINABLE STRATEGIES FOR A BUSINESSES LIFELONG EXISTENCE

Frank La Pira, San Francisco State University, USA
Carmine Bianchi, University of Palermo, Italy
Graham W. Winch, University of Plymouth, UK

Principal Topic

Previous research has identified a distinctive group of companies that have survived many years providing their owners with acceptable returns and lifestyles, despite insignificant dimensional growth. The field of entrepreneurship regards these firms as having little to offer because it is generally considered that a growth orientation is a fundamental feature of the entrepreneurial firm.

We discuss dimensions of growth followed by a reconsideration of the importance of growth to the field of entrepreneurship. The proposition is that a strategy for long term sustainability does not necessarily relate to growth because ventures can and do pursue diverse goals. Using a teleological approach we seek to provide an appreciation of the role and importance of personal goals to a firm’s success and show that the aspirations of many successful firms do not necessarily encompass dimensional growth.

Methods/Key Propositions

This research takes a case study approach using grounded theory. Twenty interviews were conducted with entrepreneurs from a range of firms with diverse growth strategies - from high growth (gigantism) to stunted growth (dwarfism) - to understand their growth or non-growth strategies and the reasoning behind them. In a different approach to understanding growth, increasing sales or owner’s dimensional structure was seen as a contingent opportunity. Firms’ goals not only related to increased profits, but often to their ability to satisfy human or other needs. Issues such as giving back, making a difference, community and family figured significantly in their strategy development.

Results and Implications

There is much to be learned from taking a qualitative approach to growth. Firms interact within an open system and therefore must respond to the wider community if they are to survive. Often self-interest is at the core of a firm’s birth, but survival requires successful interaction with the stakeholders critical to its continued success.

A continuing strategy of exploiting resources and opportunities to satisfy personal financial goals may not be optimal for firms’ continued success and the survival of our planet. Therefore it is incumbent upon us to encourage nascent entrepreneurs to consider the factors critical to success but also to recognise that unrestrained growth strategies may not always be the most prudent approach to the long-term viability of entrepreneurial firms.

CONTACT: Frank La Pira; flp@sfsu.edu; 1600 Holloway Ave., San Francisco, CA, 94132.