

Chapter 10

Strategy: Essence of the Sustainable Success of SMEs

Javier Ospina&Bermeo
EAN University, Colombia

ABSTRACT

The present chapter is a contribution to the people who currently have problems in the management of their SME or also to any person who has thought about the possibility of launching themselves into the marvelous world of undertaking a project of moderate size in the hope of seeing it Consolidated, without the problems he has heard from others who have failed in the attempt and who say that the worst thing has been to make the leap to the void without some referents to start the dream odyssey. In these pages the theoretical basis and the suggested instruments for the application are found, all this provided from the thought of some colleagues who are knowledgeable about the strategy and of who has prepared and writes with special dedication the present document.

INTRODUCTION

The present chapter is a contribution to the people who currently have problems in the management of their SME or also to any person who has thought about the possibility of launching themselves into the marvelous world of undertaking a project of moderate size in the hope of seeing it Consolidated, without the problems he has heard from others who have failed in the attempt and who say that the worst thing has been to make the leap to the void without some referents to start the dream odyssey.

In these pages the theoretical basis and the suggested instruments for the application are found, all this provided from the thought of some colleagues who are knowledgeable about the strategy and of who has prepared and writes with special dedication the present document. Therefore, this set of knowledges and their respective application will allow the road to be a harmonious journey towards the achievement of the sustainable purposes of the entrepreneur of SMEs.

DOI: 10.4018/978-1-5225-3543-0.ch010

The Strategy as the essence of the success of SMEs, allows particularizing how an organization is able to approach the market in a way that no other can do. The strategy generated by each organization is unique and is characterized by making the difference compared to other organizations in the same sector.

In addition, the Strategy is the central element on which the five selected aspects gravitate as key factors in the search for SME success. These factors are: Purpose, Environment, Visionary Unit, Resources and Measurement.

Each and every one of the key factors has the same importance and deserves the same dedication, so that they can generate the desired impact insofar as they are interrelated. If one wanted to have an order of the key factors of success to be addressed, the first would be The Purpose of the entrepreneur of SMEs, then the analysis of the Environment, third is the definition of The Visionary Unit, the fourth factor would be The Resources necessary to take into account and, finally, it is necessary to have the guarantee that everything proposed is taken care of with follow-up and intended improvement, this is the Measurement.

Therefore, it is appropriate to consider the interaction, interdependence and intercommunication between the key factors of success as the partnership that makes possible the construction of an unsurpassed business strategy that fits the pretensions of each SME entrepreneur. For this reason, a first approximation to the five key success factors is possible.

In this way, is necessary to establish the appropriate strategy so that SMEs can be sustainable, based on the five key success factors that will make the company's journey a more bearable, less risky road and with his eyes open to fulfill the task set at the beginning of his expectant business trip.

THE PURPOSE

The purpose is considered as the first key factor of success, because it is what gives a sense to the business of the entrepreneur of SMEs; this is the architect of the business idea to be launched. Then, the purpose will be understood as the justification of those who make the enterprise have the necessary validity not to decline before the first difficulty. It is what motivates, which encourages the entrepreneur to do something. Therefore, it is important to find out what are the reasons that make a person or group of them want to enter into a task rather laborious and absorbing.

The reasons that motivate the entrepreneur to start a SME, must have their origins in the deepest of their interests, this is the combination of reasoning and emotions. The first, referring to the rational part of his being, allows us to know what motivates him from the logic of covering the needs of existence (Alderfer, 1969), seeking to cover in principle those needs that involve his survival and that of his Family, obtaining the monetary resources to cover the needs of housing, food, clothing, safe environment, education and health. At the same time, the entrepreneur experiences the search for personal growth, as well as discover what his contribution to society should be.

In this sense, the personal growth from the labor point of view, can be experienced to the extent that the motivation originates from the high levels of effort that give rise to a high performance and this in turn, leads to the achievement of the expected results (Vroom, 1964). Therefore, it can be affirmed that the expectation that the person has is the perception that a high effort carries a high performance, in addition the person will increase his motivation to the extent that a high Performance transcends in a high result or achieved achievement, finally the valence is the preference or desire of a person to enjoy one or more achievements that come out of the results achieved.

14 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/strategy/202622

Related Content

Accelerating the Adoption of Industry 4.0 Industrial Digital Technologies in the Manufacturing Business Value Chain

Steven Barr, Ravi Gidoomal, Rajkumar Roy and Ahmed Kovaevi (2020). *Handbook of Research on Integrating Industry 4.0 in Business and Manufacturing* (pp. 456-466).

www.irma-international.org/chapter/accelerating-the-adoption-of-industry-40-industrial-digital-technologies-in-the-manufacturing-business-value-chain/252376

Strategies for the Knowledge Management in Value Co-Creation of Industrial Services

Andrei Bonamigo, Camila Guimarães Frech and Nathalia Corrêa (2021). *Journal of Business Ecosystems* (pp. 15-31).

www.irma-international.org/article/strategies-for-the-knowledge-management-in-value-co-creation-of-industrial-services/270478

Financial Technology and Innovative Financial Inclusion

Sumarsono, Abdullah Al-Mudimigh and Muhammad Anshari (2020). *Financial Technology and Disruptive Innovation in ASEAN* (pp. 119-129).

www.irma-international.org/chapter/financial-technology-and-innovative-financial-inclusion/231127

Leadership Lessons From Ratan N. Tata

Sriya Chakravarti (2022). *Leadership and Followership in an Organizational Change Context* (pp. 114-134).

www.irma-international.org/chapter/leadership-lessons-from-ratan-n-tata/287643

Process Model for Knowledge Potential Measurement in SMEs

Kerstin Fink (2012). *Organizational Learning and Knowledge: Concepts, Methodologies, Tools and Applications* (pp. 553-567).

www.irma-international.org/chapter/process-model-knowledge-potential-measurement/58112