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LIVED EXPERIENCE OF ARGENTINE MICROBUSINESS GROWTH

It is not what you do, but how you do it

Master's Thesis
in International Business

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1 INTRODUCTION AND OBJECTIVES

1.1 Background

“Now they are opening up markets. They are returning to the world as they say.” (Teemu Turunen, interview 07.02.2017)

Most Latin American countries have suffered from financial turmoil and political instability. All these countries have some similar problems: poverty, crime, corruption, and high unemployment. Argentina was one of the world’s richest countries up until the 1930’s. Yet, in 2001 Argentina announced national bankruptcy and declared the biggest debt default in history that summed up to 88 billion dollars. (Fagerholm 2005, 109–110.) Since then the country has suffered from recurring economic, social, and political crises. In terms of economic crises, there have been fiscal and current account deficits, severe inflation problems, increasing external debt and capital flight. (Central Intelligence Agency, 2016.) According to the Ambassador of Finland for Argentina, Uruguay, and Paraguay, Teemu Turunen (interview 07.02.2017), the economic history has gone up and down and the country has not been able to keep it stable.

The former political movement "Kirchnerismo" was named after earlier presidents Nestor Kirchner and his successor and wife Cristina Kirchner. Their period lasted 12 years and they restricted international business with heavy government interventionism and strong protectionist policies. Being the former mayor of Buenos Aires and chief executive of the famous football club Boca Juniors, made the current president, Mauricio Macri, very popular among the common people. On 22 November 2015, he became president representing Cambiemos, “Let’s change”, a political coalition created in 2015, which is composed of the Republican Proposal (PRO), the Radical Civic Union (UCR) and the Civic Coalition (CC). Cambiemos is described by the ideologies liberalism, conservatism and developmentalism.

Macri has proven himself as being a pro-business reformer, who has improved the infrastructure of Buenos Aires. He is in favor of globalization, opening the Argentine market to the rest of the world and believes in growth through easing trade and currency controls and implementing pro-free market policies. With only being in office a few days, he changed the peso from fixed currency to a floating currency, lifted restrictions on foreign currency, removed most export taxes and began renegotiating Argentina’s debts. He is strengthening relations with the U.S. and Europe and weakening ties with Venezuela, Iran, and Russia, which were Kirchner’s alliances. (Moore 2015; Lupu 2016.)

Turunen sees that Argentina’s political relations are improving. “...and now the new government since the last year, December 2015, changed the attitude towards Finland,

towards many other countries as well. And now they are opening markets. They are returning the world as they say. They are willing to cooperate with different countries and including Finland.” Turunen also adds that the Macri government is pragmatic, very international and wanting to cooperate with everybody; an example of this is that they are willing to go forward in the EU Mercosur free trade negotiations. (Teemu Turunen, interview 07.02.2017.)

In terms of foreign investments and companies interested in doing business in Argentina, the amount of bureaucracy is quite heavy according to Turunen. He also adds that he was surprised to find that there is a profession for facilitators, who gather all the necessary papers to put your business up in Argentina and this may amount to around 20 papers that you need to sign. This is one reason why in comparison between 190 countries in the ease of doing business index, Argentina is at the moment 116th. (Teemu Turunen, interview 07.02.2017.) This political and economic instability has also pushed many local entrepreneurs to start their businesses abroad.

However, Argentina has changed remarkably into a positive direction in the eyes of international communities. That is why they will be the G20 president in 2018 and at the end of 2017 WTO negotiations were going on in Buenos Aires. These are the roots for new possibilities of cooperation with Argentina. (Teemu Turunen, interview 07.02.2017.) Evidently, the business environment of Argentina is improving, and this creates new business opportunities for companies wanting to internationalize to Argentina as well as for Argentine businesses.

One main reason Argentina is focusing on improving their business environment, is to fuel economic growth. There is a strong general view in academic literature that entrepreneurship has high impact on the economic development of a country through being an engine for growth and employment (Kasseeah 2016, 907). Therefore, it comes with no surprise that new policies in Argentina are aiming to support entrepreneurial activity growth. Furthermore, as most entrepreneurial activities are carried out in form of a business (Kasseeah 2016, 896), these new policies have helped small businesses to grow and survive. This I have experienced first-hand by being a part of the entrepreneurial community in Córdoba, Argentina.

According to the Argentine Ministry of Production (2017) in the year 2016, there were approximately 856,000 registered companies in Argentina. Around 606,000 of these companies were employers. Large companies accounted for only 0,2% of these companies that are employers. SMEs (small and medium sized enterprises) accounted for 16,8%. The vast majority of these companies were microbusinesses, which accounted for 83%. In this research microbusinesses are defined by having less than 10 employees and the annual turnover is subject to the general industry-specific limits laid down by the Argentine Ministry of Production (2018). For companies in the trade sector it is a maximum of \$12.500.000 ARS, which is approximately 430,000 €. In the service sector

it is \$3.500.000 ARS, which is approximately 120,000 €. It is without a doubt that microbusinesses are a crucial part of the entrepreneurial landscape of Argentina and, therefore, they are the focus of this research.

In the fall of 2016, I was granted the opportunity to work in the city of Córdoba, Argentina for a local government-funded business incubator, Fide. Fide is focused on promoting and supporting entrepreneurs of Córdoba, who have innovative ideas related to applied design, technology, or alternative energy sources. The incubatees receive mentoring, their own workspace, networking possibilities and help in accessing needed finance. Working closely together with the Chief of Operations, Pablo Peralta, I gained better understanding of the entrepreneurial ecosystem of Argentina, which enabled me to conduct this research there and in Buenos Aires during my six months stay.

Peralta told me that to succeed as an entrepreneur in Argentina, you need ambition, resilience to withstand crises and strong adaptability to change in general. He adds that the strategy of businesses should be focused on searching for and identifying opportunities, taking advantage of the credit variables and being cautious with prices when there is inflation. (Pablo Peralta, interview 15.02.2017) Determining the factors of sustainable growth is be the biggest challenge for microbusiness development.

To conclude, operating in the Argentine market is challenging and risky. Nevertheless, both in Turunen's (interview 07.02.2017) and my opinion, the market offers great potential. Experiencing first-hand the effects of the fiscal changes Macri made in the year 2015 only five days after taking office, grabbed my attention to conduct research in Argentina. In my opinion, there is a lot to learn from researching companies operating in one the world's toughest markets.

1.2 Purpose of study

"I'm convinced that about half of what separates the successful entrepreneurs from the non-successful ones is pure perseverance" (Steve Jobs, 20.04.1995)

The importance of international research of small businesses and entrepreneurship has increased due to globalization (Mullen et al. 2009, 290). Therefore, there has been a growing number of research seeking to understand the practices and activities of small businesses. (Hill & McGowan 1999, 5–6.) However, a clear understanding of SME growth has not yet been established (Wiklund et al., 2009). Moreover, even though microbusinesses constitute the vast majority of SMEs in many developed countries as well in addition to Argentina, such as in the UK and the U.S., there is very little research on the drivers and barriers to microbusiness growth (Gherhes et al., 2016). The aim of this research was to further broaden current knowledge on microbusiness growth by

focusing on the “how” aspect of growth, which is particularly important for a holistic understanding. Not merely in my opinion, but for other researchers as well (McKelvey 2010).

Most research on small businesses in Latin America has focused on Brazil (Bianchi et al. 2017, 177). It is highly important to understand that this majority of small business research fails to provide information on the specific growth challenges and drivers of growth that Argentine entrepreneurs face. Therefore, another the aim of this research is to help fill this gap of limited knowledge specifically on Argentina. Furthermore, due to the past political situation, the information that has been presented from the country under the control of earlier presidents brings up the question of whether information on the country open to public is reliable or not. (Wall Street Journal 2011; MercoPress. 2011.) Therefore, this thesis is important in advancing academic literature in Argentina through the eyes of a Finnish researcher.

The purpose of this thesis is to bring new knowledge on how Argentine microbusinesses grow and distinguish their main growth strategies using ethnographic methods. Ethnographic field work means “...living with and living like those who are studied” and it “...consists mostly of ongoing interaction with the human targets of study on their home ground” (Van Maanen 1988, 2). In terms of getting reliable and relevant information on the market, the best way in my opinion is to be there, present, and study it in context.

The first research question is as follows:

How are Argentine microbusinesses pursuing growth?

To answer this question, it was essential to first understand the Argentine business environment mainly through non-participant and participant observations. In this research, non-participant observation means a technique whereby the researcher watches the research subjects with their knowledge, but without taking an active part (Scott 2015). Participant observation is the active engagement of the researcher with the members of the community that they are studying (Fine 2015, 530). My work experience abled me to understand the nature of the business environment in a broad perspective. Having lived in Argentina for a period of six months, gave me the ability to see first-hand what the reality is for companies at different life cycles and in different industries to grow and survive. How microbusinesses are pursuing growth will be investigated through defining the key variables affecting growth of each microbusiness.

The second research question is as follows:

What are the main growth strategies of Argentine microbusinesses?

To examine the growth strategies of each microbusiness, it is essential to have a deep understanding of each individual company and the entrepreneurs behind the company. Also, the survival mechanisms of microbusinesses are a major factor to take into consideration researching business growth in a challenging business environment such as Argentina.

This ethnographic study was conducted in Argentina during the fall of 2016 and spring of 2017 on six different businesses. This qualitative approach is supported by Hill and McGowan (1999) who strongly support an ethnographic approach towards researching small firms, because it enables a holistic dimension, which is particularly appropriate in researching small firms. The basis for the research was conducted in the method of participant observation through a variety of methods: interviews, direct observations, participating in the business's day-to-day activities, collective discussions and workshops, investigating formal data on the businesses and through participation in different events. One of the main research methods used in this research was non-participant observations to get an overview of various companies. Then choose six different type of companies to focus on and include in the research. After further observations were made, semi-structured interviews were carried out.

My aim as a researcher was to build close relationships with the entrepreneurs I interviewed and thus using this method I believe I could gather relevant and trustworthy information on the companies. Four of the six companies were chosen from the business incubator where I was working at the time, and two companies were chosen outside the business incubator. In the methodology part, this will be described in more detail. All in all, this thesis has a more practical approach in truly understanding the phenomena of microbusiness growth which is like previously described best understood through being present in the context itself. The results of this research will provide an understanding of the opportunities and challenges facing microbusinesses at different stages of development and the strategies Argentine microentrepreneurs utilize to grow.

1.3 Structure of thesis

The following table serves as a guiding thread helping the reader understand the content of each chapter concisely. One of the main goals of this research is to take the reader on the same learning journey I have had the privilege to take.

Table 1 Schematic structure of thesis

	Content	Purpose
Ch. 1	Introduction and objectives	Introduction to the business environment of Argentina, research questions and framing of thesis
Ch. 2	Microbusiness growth	Literature review, stages of microbusiness growth, key variables affecting and constraining microbusiness growth
Ch. 3	Microbusiness growth strategies	Literature review and introduction to a growth strategy model used in this thesis to identify different microbusiness growth strategies, and the conceptual framework of this research
Ch. 4	Research methods and processing of research data	Explanation for chosen research design, rationale behind selected businesses, and data analysis
Ch. 5	Empirical findings and analysis	Company stories and an analysis of the key variables affecting growth of each company and their growth strategies
Ch. 6	Discussion and conclusion	Discussion and conclusion of findings in relation to prior academic research
Ch. 7	Research evaluation and recommendations for future research	Evaluation and limitations of this research and recommendations for future research

Chapter 1 includes the introduction and objectives of this research. To portray the Argentine business environment, in addition to information found in different literature sources two interviews were conducted to have deeper understanding. Microbusiness growth is examined through academic literature and research in Chapter 2. Chapter 3 sheds light on a model of microbusiness growth used in this research. The main purpose of these two chapters is to provide a conceptual framework to analyze and interpret the data in this research. Chapter 4 clarifies the choices behind the design and research methods best suited to answering the research questions. Chapter 5 includes the empirical findings and analysis, which are the highlights of this research. Chapter 6 includes discussion and the conclusion, which includes a summing up of the key issues raised in this research within a wider context. Chapter 7 includes the evaluation of this research and recommendations for future research.

1.4 Significance of research

As previously stated, researchers have mainly agreed on the fact that entrepreneurial activity is a pillar of economic development (Audretsch et al. 2006, 6; Galindo & Méndez 2014). Contributing to later research, the relation between economic growth and entrepreneurship were originally made by the economists Schumpeter, Knight and Kirzner. Schumpeter described it as increasing innovativeness in 1934, Knight the risk assuming aspect in 1921 and Kirzner the role of the entrepreneur in leading markets to equilibrium in 1973. (Stel 2006, 1). Acs (1992) in turn claimed that small businesses play an important role in the economy, because they are seen as sources of innovation through stimulating the industry evolution and through job creation. However, he later came to the conclusion that this is more complex.

Most research is based on formal entrepreneurship in the developed countries. In these types of studies, high levels of entrepreneurship may be seen translating directly into high levels of economic development; creating new businesses, new jobs, intensifying competition, and productivity. Reality is, that if you include all types of informal self-employment, we may actually see it correlating with slow economic growth and lagging development. Thus, it is dependent on what type of entrepreneurship we are talking about: “necessity entrepreneurship” or “opportunity entrepreneurship”. “Necessity entrepreneurship” in this context means that you have become a necessity-driven entrepreneur because you have no better option. This type of entrepreneurship is seen as having no effect on economic development. On the contrary “opportunity entrepreneurship” is a determined choice of becoming an opportunity-driven entrepreneur based on unexploited or underexploited business opportunities and has a positive and significant effect. (Acs 2006, 97.)

It is important to understand that not all types of entrepreneurship may benefit Argentina's economic and social development. The objective in this research is not to rule out any type of entrepreneurship. Instead for the purpose of gaining deep understanding of microbusiness growth, it is also important to question this unfavorable view on necessity entrepreneurship and to determine whether different conclusions may be made. The aim is therefore to investigate diverse types of microbusinesses in different stages of development with the deepest understanding possible to observe how they are seeking for growth.

As the aspects related to growth of companies has become more relevant than ever before, Leminen and Westerlund (2008, 27) explain that a company should allocate their financial and other resources in the best way possible to gain competitive advantage and to ensure the growth of the company in the short as well as in the long term. They especially emphasize the importance of a systematic growth strategy. Consequently, in terms of investigating growth of microbusinesses and the entrepreneurs behind making

the decisions of these microbusinesses, we may broaden our knowledge as to what it takes for microbusinesses in Argentina to grow, what strategies are applied, and this knowledge may be used to identify what type of microbusinesses and entrepreneurs affect the social and economic development of Argentina.

This research contributes to earlier academic literature by investigating how well these theories may be applied to Argentine microbusiness growth. There is a gap in academic literature in investigating Argentine microbusiness growth. Thus, these novel ideas presented will be testing new grounds. The ideal would be that the information provided would contribute to helping Argentine microbusinesses understand the attributes associated with growth better. Though the judgment of whether the information provided is useful to other microbusinesses will be left to them because "...being able to predict the performance – growth and survival – of new enterprises is extremely difficult" (Storey 2014, 24). That is also why there is no one fits all theory or research.

2 MICROBUSINESS GROWTH

While little research has been conducted specifically on the growth of microbusinesses, there are several factors related to growth identified from the broader small business literature, that provide a speculative framework to guide this research. A literature review of earlier research related to company growth, stages of microbusiness growth and the key variables affecting microbusiness growth will be presented in this chapter.

2.1 Company growth literature

Company expansion and growth are the key elements for competitive advantage (i.e. the attribute, which allows a company to outperform its competitors) both at the level of individual companies as well as at the level of the economy. Therefore, company growth has been one of the most widely studied topics in economic literature (D'Annunzio et al. 2015, 25) and increasingly continues to be a focus of research. Nevertheless, a solid theory on the topic has not been established and there are a variety of views and arguments in growth research. (Barringer et al. 2005.)

The majority of studies on company growth are concentrated on the U.S. and developed countries in Europe. Studies focused on Latin America are still very limited. (De Jorge Moreno et al. 2010, 260.) Not only is there a lack of studies focused on business growth, but there seems to be a lack of business research in general in Latin America (Olavarrieta & Villena 2014, 492–493). According to Olavarrieta and Villena (2014), the production of business research is very scarce in Latin America compared to other sciences. According to their study out of a total of 859,962 papers related to Latin America published during 1988–2012 only 2805 were part of the business and management categories. Therefore, earlier studies on company growth that are examined in this research are not specifically focused on Latin America. Thus, considerable attention must be paid in taking into consideration the business environment, when utilizing company growth literature for empirical research.

Company growth can be defined in numerous ways and achieved through various growth strategies, which will be discussed in Chapter 3. Since the 1960's it has been understood in academic literature that there is no such thing as a growth industry. Yet, for companies to grow they need to be organized and operated to create and exploit growth opportunities (Levitt 1960). In this thesis as well, company growth is seen in a general perspective as the process of exploiting growth opportunities.

Moreover, there is no consensus in existing literature as to how growth should be measured, and the time span used for analysis of growth. The variety of measures include for example growth of sales, employees, profit, and equity among other factors. The time

span ranges from one to several years. (Wiklund et al. 2009, 358–359.) That is why the measures presented are company-specific. Therefore, the generalizability and comparability of the results to other studies may be seen limited to some extent.

Very few studies have focused specifically on microbusiness growth even though they count for a large majority of SMEs (small and medium-sized enterprises) and their role in a national economy cannot be underestimated (Hänninen et al. 2017, 280). Due to the lack of research, a theoretical framework will be built with a combination of research on SMEs (i.e. businesses with 10-249 employees) and on microbusinesses (i.e. businesses with less than 10 employees). Nevertheless, it needs to be considered that especially larger SMEs may be seen distinct in nature compared to microbusinesses. Gherhes et al. (2016, 952) make a distinction between microbusiness and larger SME growth. They highlight that microbusinesses tend to have less growth ambition and are constrained by underdeveloped capabilities in key business areas such as networking, marketing, and business planning. This, in turn, results in the owners focusing more on day-to-day business operations rather than on business management, which is required for growth.

When investigating Argentine microbusiness growth, not only is it important to understand how they grow, but also how they survive during various crises. Along similar lines, according to earlier literature, a correlation between growth and the potentiality of survival of firms has been found. Though, a deeper understanding of growth is a more popular topic of research since it directly affects the company survival and growth throughout market changes (Geroski, 1995). Geroski (1995, 434) also adds that the growth and survival prospects of new businesses depend on their ability to understand their environment and ability to link their strategy to the changes in their environment. This implying that the less information and understanding a company has of their environment and the more turbulent the market environment is, the less likely a company is able to cope.

In order to understand how businesses pursue growth, it is important to know what drives and stagnates growth. There are many different growth models for businesses presented in earlier literature which portray how businesses are faced with common problems at similar stages of their development. These models have been a subject of thorough research since the 1960's (e.g. Steinmetz 1969; Lippit & Schmidt 1967; Greiner 1972; Churchill & Lewis 1983). Some of these models are concentrated on a specific type of business or a specific field, and others on the size of the business. For specifically smaller businesses some of the most well-known models have been developed by Steinmetz (1969), Barnes and Hershon (1976), Churchill and Lewis (1983), Scott and Bruce (1987) and a more current view is provided by Wiklund et al. (2009).

All these growth models share an underlying logic. They present different phases of the creation of a business. In between the phases of growth, the company is affected by either an internal or external crisis, which it needs to overcome to survive and grow.

Although a business may fail at any point of development, the maximum possibility for failure is at one of the crisis points (Scott & Bruce 1987, 47). The key to overcoming these crises is adapting the company's growth strategy. Even though it is impossible for any of these models to cover every variation and the specific situations of each business, they do provide a general guide to understanding the nature, characteristics and problems of businesses at different stages of development.

In this research, a five-stage model for microbusiness growth will be presented. It is adapted from models that have been widely recognized in academia as applicable for small businesses (Churchill & Lewis 1983; Kazanjian & Drazin 1989; Scott & Bruce 1987). When taking into consideration that these models were presented before the 1990's, technological advances have changed tremendously the way business is conducted. The level of technological competence is a key factor affecting growth and continuously transforms the way we do business and the products and services we consume (Lee 2010, 278; Aggarwal 2011). Hence, the businesses of today might grow in a different way. Therefore, the model should be only used as a guide and it is not sufficient in explaining microbusiness growth holistically. Therefore, more recent research on the key variables affecting microbusiness growth will be presented subsequently.

2.2 Stages of microbusiness growth

The growth models of Churchill and Lewis (1983), Kazanjian and Drazin (1989), and Scott and Bruce (1987) all categorize businesses into different stages of development. All these stages have their own unique characteristics. Despite the different industries of companies and their sizes, they observed that companies face similar challenges at similar stages of growth or development. The adapted model presented below distinguishes five different stages of development and each stage has a name to describe the company in that particular stage. It is important to note that this model does not attempt to act as a predictor as to how and at what speed each business moves through each stage as this will vary from business to business. Furthermore, businesses do not necessarily move linearly through the stages but might go back and forth between the consecutive stages.

Table 2 Stages of microbusiness growth adapted from Churchill and Lewis (1983), Kazanjian and Drazin (1989), and Scott and Bruce (1987)

Stage	1. Starter	2. Survivor	3. Attainer	4. Evolver	5. Mature
Management style	Direct supervision	Supervised supervision	Functional	Professional and administrative	Experienced and acts like a watchdog
Organizational model	Simple	Simple	Functional and organized	Decentralized	Decentralized and functional.
Extent of formal systems and planning	Minimal to nonexistent	Minimal, at best, cash forecasting	Basic or developing, strategic planning is extensive	Maturing, specific managers for planning	Extensive and well-developed
Key challenges	Developing a commercially acceptable product and obtaining customers	Whether to grow or remain in this stage, the relationship between revenues and expenses	Company's ability to survive the inevitable rough times	Getting enough finance for rapid growth and maintaining control.	Consolidating and controlling the financial gains while maintaining the advantages of being small
Key strategy	Simply to exist	Survival	Maintain profitable and get resources for growth	Growth	Return on investment
Source of finance	Funding through the owners and their friends and relatives	Some revenues, most finance from the owner, crediting financing and short-term loans	Banks, new partners and retained earnings	Retained earnings, new partners and long-term debt	Retained earnings and long-term debt

2.2.1 Starter

The management style is by direct supervision (Kazanjian & Drazin 1989, 1500; Churchill & Lewis 1983, 34; Scott & Bruce 1987, 48). The organizational model is simple and unstructured where the owner does most things and directly supervises others (Churchill & Lewis 1983, 34; Scott & Bruce 1987, 48). In this stage the working team may resemble more of a task group than an organization (Kazanjian & Drazin 1989, 1500). Systems and formal planning are minimal to nonexistent and the entrepreneur is

central to all functions (Churchill & Lewis 1983, 34; Kazanjian & Drazin 1989, 1500; Scott & Bruce 1987, 48). The key challenges are securing adequate financial resources, developing a market (Kazanjian & Drazin 1989, 1500; Churchill & Lewis 1983, 33), obtaining customers and delivering products or services to the customers (Churchill & Lewis 1983, 33). The company strategy is simply to exist (Churchill & Lewis 1983, 34) and the primary focus is on product development and design (Kazanjian & Drazin 1989, 1500). Funding is usually obtained through the owners and their friends and relatives (Scott & Bruce 1987, 48).

2.2.2 *Survivor*

In this stage the business may be seen as workable. The management style is still close to direct supervision. The company may have a limited number of employees that may be supervised by a manager. In the end, the manager only does direct tasks given by the owners. The owners still make the most important decisions and are central to all functions. (Churchill & Lewis 1983, 34.; Kazanjian & Drazin 1989, 1500; Scott & Bruce 1987, 48.) The organization structure is simple. The development of systems and formal planning are minimal, at best, cash forecasting. (Churchill & Lewis 1983, 34; Scott & Bruce 1987, 48.)

Some companies grow in size and profitability and then move on to the later stage, but most stay on this stage for some time and eventually go out of business. Therefore, whether to use the company as a platform for growth or remain in this stage (Churchill & Lewis 1983, 34; Scott & Bruce 1987, 49) and the relationship between revenues and expenses are the key challenges (Churchill & Lewis 1983, 34). The major strategy is still survival (Churchill & Lewis 1983, 34) and the firm has some revenues (Kazanjian & Drazin 1989, 1500; Scott & Bruce 1987, 49). Even though, most financing comes from the owner, crediting financing may become an option and short-term loans are common at this stage (Scott & Bruce 1987, 49).

2.2.3 *Attainer*

At this stage, the business should be profitable. Nevertheless, it is unlikely to generate cash for the owner because it is usually used to finance the increased working capital demands (Scott & Bruce 1987, 50). The management style may be described as functional and is at the stage where the company is large enough that the company needs managers to take over some of the main tasks of the owners (Churchill & Lewis 1983, 34; Scott & Bruce 1987, 50). The organizational model is described by Scott and Bruce (1987, 48) as

functional and organized. The internal structure and communication is more formal (Kazanjian & Drazin 1989, 1501). Yet the extent of formal systems is described as basic or developing (Churchill & Lewis 1983, 34). The owners increasingly move apart from the business as new managers step in and they are more focused on other activities such as making sure the monitoring of their strategy. Furthermore, the strategic planning is extensive and deeply involves the owners. (Churchill & Lewis 1983, 34.) The financial situation of the company is good, and the main concern is the company's ability to survive the inevitable rough times. The main strategy is therefore to maintain profitable and get resources needed for growth. (Churchill & Lewis 1983, 34; Kazanjian & Drazin 1989, 1500.) The main sources of finance in this stage are banks, new partners and retained earnings (Scott & Bruce 1987, 48).

2.2.4 *Evolver*

In this stage, the management style may be described as professional and administrative (Scott & Bruce 1987, 48). The organization is decentralized, and the key managers need to be very competent for the business to grow (Churchill & Lewis 1983, 40; Kazanjian & Drazin 1989, 1501; Scott & Bruce 1987, 48). The extent of formal systems is described by Churchill and Lewis (1983, 40) as maturing. This meaning the systems are becoming more refined and extensive. Specific managers do the operational and strategic planning. The owner is more separate from the company but still has stock control and the company is still dominated by the owner's presence. (Churchill & Lewis 1983, 40.) The key problem in this stage is how to get enough finance for rapid growth (Churchill & Lewis 1983, 40; Scott & Bruce 1987, 48) and maintaining control (Scott & Bruce 1987, 48). The main strategy is growth (Churchill & Lewis 1983, 40). Major sources of finance are retained earnings, new partners and long-term debt (Scott & Bruce 1987, 48).

2.2.5 *Mature*

In this stage, the company has the advantages of size, financial resources, and competent managers (Churchill & Lewis 1983, 40). The management is experienced (Churchill & Lewis 1983, 40) and the style is described by Scott and Bruce (1987, 48) as watchdog because the owners are more focused on planning and watching over managers. The organizational model is decentralized and functional (Scott & Bruce 1987, 48). It is important to professionalize the company's formal systems by tools such as budgets, strategic planning, management and objectives and standard cost systems. The extent of these types of formal systems is extensive and well developed (Churchill & Lewis 1983,

40). Key challenges facing management are expense control, productivity and finding growth opportunities (Scott & Bruce 1987, 51). Furthermore, general key problems are consolidating and controlling the financial gains brought by rapid growth while maintaining the advantages of being small, such as flexibility and entrepreneurial spirit. The major strategy in this stage is return on investment. The owner and the business are more separate both financially and operationally. (Churchill & Lewis 1983, 40.) Major sources of finance are retained earnings and long-term debt (Scott & Bruce 1987, 48).

2.3 Key variables affecting microbusiness growth

In general, in academic literature there is a consensus that a wide range of determinants of growth should be studied and observed to understand the variables affecting growth (Delmar et al. 2003). This means that growth does not happen in one specific way and that is the presumption for this research as well. One of the most well-known frameworks explaining what determinants affect the growth of companies is written by Storey (1994). According to Storey (1994), the determinants may be separated into (1) entrepreneur characteristics, (2) the characteristics of the organization and (3) the types of strategy associated with growth.

Years later Barringer, Jones and Neubaum (2005) conducted a study using quantitative comparative case study methodology to investigate 50 rapid-growth and 50 slow-growth firms from the developed countries. In their study, they defined rapid-growth firms as firms with 3-year annual growth rate of 80% or above. Their literature review and the study resulted in the following four most important variables for a company's ability to achieve or sustain rapid growth: (1) founder characteristics, (2) firm attributes, (3) business practices, and (4) Human Resource Management (HRM) practices.

In turn, the main factors presented by an Accelerated Microenterprise Advancement Project (AMAO) done by Nichter and Goldmark (2005) for the United States Agency for International Development were (1) the business environment, (2) social networks, (3) individual entrepreneur characteristics and (4) company characteristics. Their investigation primarily focused on developing countries. The following key variables affecting microbusiness growth were adapted from these three studies.

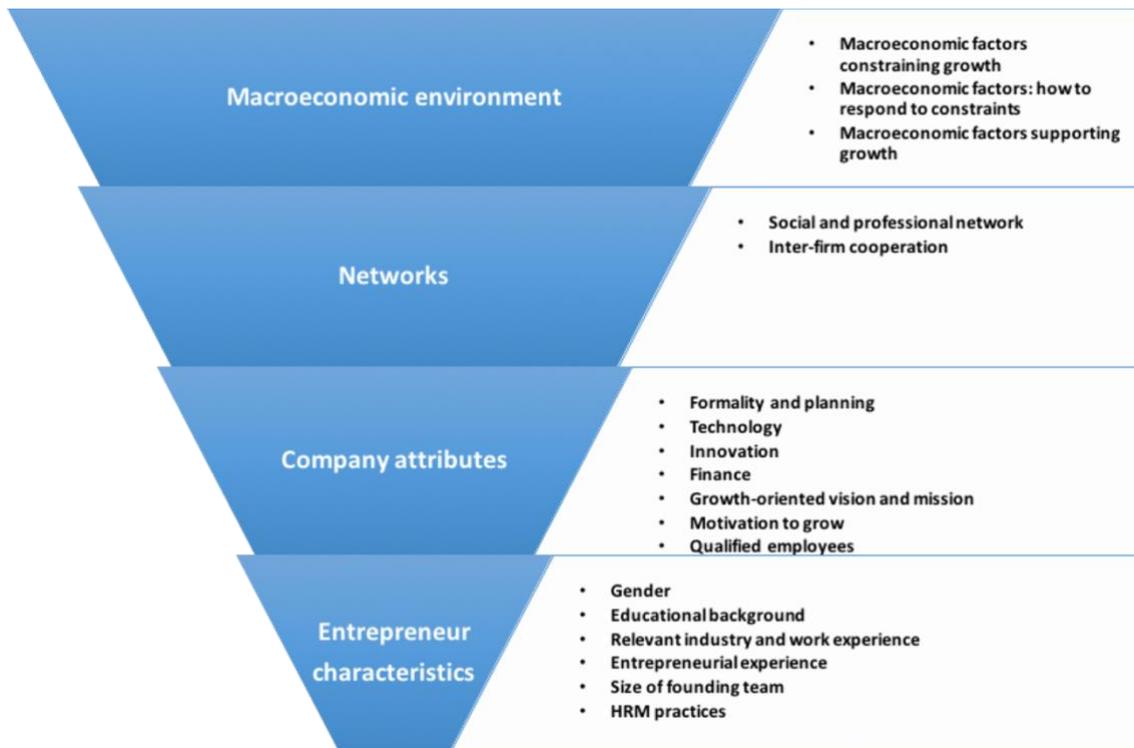


Figure 1 Key variables affecting microbusiness growth adapted from Storey (1994), Barringer et al. (2005), and Nichter and Goldmark (2005)

2.3.1 Entrepreneur characteristics

According to Carland, Hoy and Carland (1988) in order to understand the entire process of entrepreneurship, it is essential to understand the role of the individual (i.e. entrepreneur). Similarly, as many researchers have shown (e.g. Coleman & Cohn 2000; Laguir & Den Besten 2016; Barringer et al. 2005), entrepreneur characteristics influence the performance and growth of micro- and small businesses. Six major entrepreneur characteristics affecting growth were identified from growth literature: gender, educational background, relevant industry and work experience, entrepreneurial experience, size of founding team and HRM (Human resource management) practices. These six characteristics are demonstrated in the following table and after they are explained in more detail.

Table 3 Entrepreneur characteristics affecting growth

Characteristic	Description	Representative studies
Gender	Women's businesses seem to grow slower than those owned by men in developing countries.	<i>Cliffa (1998)</i> <i>Nichter & Goldmark (2005)</i> <i>Parker (2009)</i> <i>Alonso-Almeida (2013)</i> <i>Laguir & Den Besten (2016)</i>
Educational background	Education tends to enhance entrepreneurial skills and abilities. In developing countries this might not always be the case.	<i>Barringer et al. (2005)</i> <i>Arenius & De Clercq (2005)</i> <i>Colombo & Grilli (2005)</i> <i>Nichter & Goldmark (2005)</i>
Relevant industry and work experience	Founders with more industry and work experience tend to have better growth potential for their business.	<i>Barringer et al. (2005)</i> <i>Nichter & Goldmark (2005)</i> <i>Colombo & Grilli (2005)</i> <i>Laguir & Den Besten (2016)</i> <i>Stuetzer et al. (2013)</i> <i>Song et al. (2008)</i>
Entrepreneurial experience	Founders with prior entrepreneurial experiences appear to have an advantage in growing their business.	<i>Stuart & Abetti (1990)</i> <i>Singer (1995)</i> <i>Gompers et al. (2005)</i> <i>Barringer et al. (2005)</i>
Size of founding team	The size of the founding team is associated with diverse business performance.	<i>Feeser & Willard (1990)</i> <i>Eisenhardt & Schoonhoven (1990)</i> <i>Storey (1994)</i> <i>Bruton & Rubanik (2002)</i> <i>Barringer et al. (2005)</i>
HRM practices	The main factors affecting the ability to maintain a growth-oriented strategy in HRM practices appear to be selective hiring, performance-based incentives, stock option plans and staff training.	<i>Collins & Clark (2003)</i> <i>Kotey & Sheridan (2004)</i> <i>Barringer et al. (2005)</i> <i>Vlachos (2009)</i>

2.3.1.1 Gender

Women own the majority of small and microbusinesses in many developing countries, yet they often face more challenges than men in growing their business. Some examples

of the challenges are having disproportionate household responsibilities, greater problems with innumeracy, illiteracy, and lack of business skills; and having unequal access to markets. (Nichter & Goldmark 2005, 16).

Furthermore, Cliffa (1998) highlights that the key gender differences that impact growth may be entrepreneurs' attitudes. According to her study female entrepreneurs seem to be more cautious of taking risks associated with growing their business. Similarly, Nichter and Goldmark (2005, 16) also add that women more often choose not to grow their business than men. Thus, prior studies imply that women's businesses seem to grow slower than those owned by men (e.g. Nichter & Goldmark 2005, 16; Laguir & Den Besten 2016).

2.3.1.2 Educational background

Education enhances entrepreneurial skills and abilities, and even more strongly if the founders have a business related to their expertise (Barringer et al. 2005; Colombo & Grilli 2005). Moreover, Arenius and De Clercq (2005, 252) note that individuals with higher education levels possess a broader knowledge base and therefore identify entrepreneurial opportunities better than individuals with lower educational levels. They also add that highly educated individuals might have more self-confidence that gives them better capabilities to create good ideas.

The relationship between education and business growth in developing countries is more complex. In developing countries, the owners and employees of smaller businesses are less educated than in larger businesses. One reason for this is that there are more 'necessity entrepreneurs'. This meaning they often create a company on a survival-orientated way and these entrepreneurs often lack a high level of education. Also, it may be argued, that a country-specific observation needs to be made in terms of the relationship between company growth and the level of education. (Nichter & Goldmark 2005, 15.)

2.3.1.3 Relevant industry and work experience

Some researchers argue that entrepreneurs with varied work experience have higher entrepreneurial skills (e.g. Stuetzer et al. 2013). Others argue that prior work experience in the same industry of the new firm is positively associated with growth (Colombo & Grilli 2005, 795; Song et al. 2008), while prior work experience in other industries is not (Colombo & Grilli 2005, 795). That is why the focus is on relevant industry and work experience not excluding any type of experience that is not related to the same industry

but, rather, excluding experience that is not seen relevant for business growth. However, it should be noted that entrepreneurs with experience in the same industry as their current business relates to having a more mature network of contacts and understanding of the industry (Barringer et al. 2005, 666–671). Especially in Latin America, the contacts established are seen as a clear strength (Nichter & Goldmark 2005, 15).

2.3.1.4 Entrepreneurial experience

Prior entrepreneurial experiences are seen by many researchers as one of the most important factors correlating with growth and success of businesses (Stuart & Abetti 1990, 151; Singer 1995; Gompers et al. 2005). Furthermore, founders that have prior entrepreneurial experiences have an advantage in knowing what it takes to launch a new business (Gompers et al. 2005, 578; Barringer et al. 2005, 671) and they are more likely to avoid costly mistakes than entrepreneurs with no prior entrepreneurial experiences (Barringer et al. 2005, 671). They are also more likely to take risks and raise capital from investors (Gompers et al. 2005).

2.3.1.5 Size of founding team

The size of the founding team is associated with diverse business performance and growth of new businesses (Bruton & Rubanik 2002; Song et al. 2008; Eisenhardt & Schoonhoven 1990). Larger teams possess more talent, resources and professional contacts in addition to having stronger psychological support from co-founders (Barringer et al. 2005, 671). Therefore, having a larger team enhances the probability of high growth and success (Feeser & Willard 1990, 94).

2.3.1.6 HRM practices

In this research HRM practices have been categorized in the entrepreneur characteristics because these aspects seem to be strongly related to the founder's characteristics and their prior work and entrepreneurial experiences. The limited amount of literature focused on HRM practices within small businesses highlights that these practices seem to be informal compared with the practices of larger businesses and adoption of more formal HRM practices increases with firm size (Kotey & Sheridan 2004). Furthermore, especially in microbusinesses formal practices tend to be replaced by the close relationship between the employer and employees (Kotey & Sheridan 2004, 484). In addition to staff training

(Kotey & Sheridan 2004, 480), the factors affecting the ability to maintain a growth-oriented strategy in HRM practices are, according to previous research, selective hiring, performance-based incentives and stock option plans (Barringer et al. 2005, 673–674).

Staff training is related positively to business growth and performance in several ways. It may be seen as increasing employee productivity and commitment, reducing job dissatisfaction and reducing risks related to hiring (Vlachos 2009, 20). Selective hiring in this case means the ability to attract and maintain skilled and capable employees (Barringer et al. 2005, 673). The qualities of employees will be discussed more in the following part on company attributes. Performance-based incentives are for example profit sharing and bonus plans. It is the dominant HRM practice that businesses use to evaluate and reward employees (Collins & Clark, 2003). They help businesses share business risks with their employees, maintain profits (Barringer et al. 2005, 673) and seem to increase business growth and enhance performance (Vlachos 2009, 25). Stock option plans are another way to offer employees rewards and increase commitment (Barringer et al. 2005, 673).

2.3.2 Company attributes

There is a relatively limited but nevertheless important part of the company growth literature that addresses the importance of company attributes in driving growth. There is less debate about which of the attributes are the most important; rather, there is a general consensus that company attributes are highly important in driving growth. (Demir et al. 2016, 447.) Seven major company attributes affecting growth were identified from growth literature: formality and planning, technology, innovation, finance, growth-oriented vision and mission, motivation to grow and qualified employees. These seven company attributes are demonstrated in the following table and after they are explained in more detail.

Table 4 Company attributes affecting growth

Characteristic	Description	Representative studies
Formality and planning	Formal businesses tend to have better opportunities and possibilities for growth in the long term. Planning thoroughly seems to increase the possibilities to reach growth objectives and is related to company success.	<i>Bracker et al. (1988)</i> <i>Siegel et al. (1993)</i> <i>Gundry & Welsch (2001)</i> <i>Nichter & Goldmark (2005)</i> <i>Barringer et al. (2005)</i> <i>Dabla-Norris & Inchauste (2008)</i> <i>Mazzarol et al. (2009)</i> <i>Fiess et al. (2010)</i>
Technology	New and advanced technologies have high impact on the productivity levels, add value to products and services and increase a company's competitive advantage.	<i>Rothwell & Zegveld (1982)</i> <i>Gundry & Welsch (2001)</i> <i>Corso et al. (2003)</i> <i>Barringer et al. (2005)</i> <i>Nichter & Goldmark (2005)</i> <i>Nguyen (2009)</i> <i>Qureshil et al. (2009)</i> <i>Mehrutz (2013)</i> <i>Shah et al. (2017)</i>
Innovation	Innovation is seen as a key driver of sustainable competitive advantage and tends to increase the company's revenues and enhance business growth.	<i>Schumpeter (1934)</i> <i>Rothwell & Zegveld (1982)</i> <i>Barringer et al. (2005)</i> <i>O'Reagan (2006)</i> <i>Barbero et al. (2011)</i> <i>Golovko & Valentini (2011)</i> <i>Castillo et al. (2014)</i> <i>Demir et al. (2016)</i>
Finance	Finance refers to the ability to access needed finance for the company and is a key component for business growth.	<i>Nichter & Goldmark (2005)</i> <i>O'Regan (2006)</i> <i>Moreno & Casillas (2007)</i> <i>Maiangwa (2013)</i> <i>Mertzanis (2017)</i>
Growth-oriented vision and mission	Clear and updated growth-oriented vision and mission enhance business growth.	<i>Leuthesser & Kohli (1997)</i> <i>Barringer et al. (2005)</i> <i>Mazzarol et al. (2009)</i> <i>Hattangadi (2015)</i>
Motivation to grow	It refers to the extent the company and its owners see growth as an objective.	<i>Storey (1994)</i> <i>Smallbone et al. (1995)</i> <i>Perren (1999)</i> <i>Barringer et al. (2005)</i> <i>Mckelvie & Wiklund (2010)</i> <i>Laguir & Den Besten (2016)</i>
Qualified employees	Diversity in employees' skills, education, experiences, ideas and networks seem to have the most relevant impact on business performance.	<i>Bosma et al. (2004)</i> <i>Barringer et al. (2005)</i> <i>Parrotta et al. (2010)</i> <i>Unger et al. (2011)</i> <i>Koch et al. (2013)</i> <i>Galabova & McKie (2013)</i>

2.3.2.1 Formality and planning

Formality refers to businesses that are legally registered (Nichter & Goldmark 2005, 20). Although informal self-employment is a major source of employment in developing countries (Fiess et al. 2010, 211), having an unregistered business that gets income from the production of legal goods and services tends to reduce the possibilities for growth in the long term. Even though small informal businesses may be able to avoid government regulations and taxation, if they pursue growth they more likely become visible, so they lack incentives for growth (Nichter & Goldmark 2005, 20; Dabla-Norris & Inchauste 2008). One strong argument for the reason of the existence of informal businesses is the time and cost to put up a business alongside the unawareness of the registration process and the benefits of registration. (Nichter & Goldmark 2005, 20.)

Most small business owners plan intuitively, and the majority avoid formal business plans until it is required from them (Mazzarol et al. 2009, 338). High-growth-oriented entrepreneurs tend to have a more structured approach to organizing their businesses (Bracker et al. 1988; Gundry & Welch 2001). Furthermore, devoting time to planning thoroughly seems to increase the possibilities to reach growth objectives and is related to company success (Barringer et al. 2005, 672). However, to clarify the quite obvious point that quality of planning has a stronger impact than the actual time spent on planning (Bracker et al. 1988, 599). Siegel et al. (1993, 175) also found significant differences between high growing businesses and average businesses in having a formal business, regularly using and updating the plan, and setting goals and priorities. However, according to previous literature many small businesses are ‘naive about planning and the development of strategy’ (Deakins & Freel 1998, 145).

2.3.2.2 Technology

Technology refers to how the company has invested sufficiently in existing or emerging technology, which in return seems to have high impact on the productivity levels (Nichter & Goldmark 2005, 19), adds value to products and services and increases a company’s competitive advantage (Corso et al. 2003; Nguyen 2009). Moreover, new and advanced technologies tend to help the company compete in fast-growing and dynamic markets (Barringer et al. 2005, 669). According to a study by Gundry and Welsch (2001, 465), high-growth-oriented entrepreneurs were significantly more likely to invest in technology than slower-growth entrepreneurs. It is argued that, in general, microbusinesses see the potential in investing in technology but lack time, money, and know-how to fully exploit the benefits (Shah et al. 2017, 1137). Especially IT is a powerful tool that opens new

opportunities for microbusinesses (Mehruz 2013) and may be utilized for microbusiness growth (Shah et al. 2017; Qureshil et al. 2009).

2.3.2.3 Innovation

Kirchhoff (1994, 67) emphasizes that pursuing innovation is the key to affect the growth rate of these small businesses because innovation rates are far more in the control of entrepreneurs than growth rates. Thus, it comes with no surprise that innovation is by far seen as one of the main factors driving growth by most researchers (e.g. Schumpeter 1934, Demir et al. 2016; Barbero et al. 2011). Innovation in this context means the adoption of new products and/or processes for the purpose of increasing competitiveness and profitability. It is a key driver of sustainable competitive advantage (O'Reagan 2006.) and tends to increase the company's revenues and enhance business reputation through constant supply of new products and services (Barringer et al. 2005, 669).

Furthermore, innovative businesses are less sensitive to macroeconomic shocks and tend to have better possibilities entering successfully into new markets (Golovko & Valentini 2011, 364). This may suggest that innovative businesses are more flexible in nature. Though, despite investing significantly in research and development, many small businesses face difficulties achieving successful innovation (O'Reagan et al. 2006). To tackle this issue there is an increasing number of governmental programs enhancing innovation activities both in the developed and developing countries, such as Argentina (Castillo et al. 2014, 387).

2.3.2.4 Finance

In this context finance refers to the ability to access needed finance for the company (Nichter & Goldmark 2005, 21). Earlier research widely recognizes finance as one key factor of a company's ability to operate and expand (Mertzanis 2017, 3196) and impacts the survival and growth of small businesses (O'Regan 2006, 252). There is a general agreement among growth literature that those businesses that are more likely to receive funding will grow more rapidly than businesses that are less likely to receive funding (Moreno & Casillas 2007, 74). However, microbusinesses in developing countries do not receive formal bank loans or other type of credits as easily as in the developed countries (Nichter & Goldmark 2005, 21). Therefore, they often rely on informal loans or microfinance institutions, and entrepreneurs typically start primarily with their own savings (Nichter & Goldmark 2005, 21; Maiangwa 2013, 1).

2.3.2.5 Growth-oriented vision and mission

Growth-oriented vision and mission indicates that the company decisions are made with growth in mind. It may be defined through a vision, mission, or values statement. (Barringer et al. 2005, 671–672.) In general, mission and vision statements are widely seen in academic literature as necessary in helping a company form its identity, purpose, and direction (Leuthesser & Kohli 1997, 59). A study by Mazzarol et al. (2009) on strategic planning in growth oriented small businesses indicated that owner-managers who have a strong growth orientation are likely to have an enhanced sense of their strategic vision, and the ability to communicate this vision to their employees. Leuthesser and Kohli (1997) on the other hand emphasize the importance of communicating this vision and mission to all stakeholders. Hattangadi (2015) adds if a business does not have clear and updated written vision and mission statements they may lose opportunities in attracting and engaging talented human resources and building organizational culture. To sum up, clear and updated growth-oriented vision and mission enhance business growth.

2.3.2.6 Motivation to grow

Motivation to grow in this context refers to the extent the company sees growth as an objective, as well as being a determined choice of the founders (Barringer et al. 2005). Researchers who have studied motivation concur that it is one of the most important factors of the company to achieving growth (e.g. Smallbone et al. 1995; Barringer et al. 2005, 671). Especially the owner's growth motivation is vital in small businesses where their influence is strong (Perren 1999). However, empirical research has demonstrated that, actually, many businesses do not want to grow (Mckelvie & Wiklund 2010; Storey 1994; Wiklund et al. 2003). Reasons for this include drawbacks to the company's ability to control growth, survival of the company as well as factors such as causing potential harm to the well-being of current employees (Mckelvie & Wiklund 2010, 267).

2.3.2.7 Qualified employees

Even though the role of human capital in business growth is understudied, it is seen an important driver of growth (Barringer et al. 2005, 673; Unger et al. 2011) and especially in the early stages of business growth (Koch et al. 2013, 733). Getting access to a highly qualified labor pool is often related to the geographic location of the business. Since this overlaps with the section on HRM practices, the focus is more on the qualities of the employees, such as education and earlier work experience (Barringer et al. 2005, 665).

Hiring employees with high formal qualifications or specific skills may help the company in several ways, for example to stay at the forefront of technological development and enhance opportunity recognition (Koch et al. 2013, 736–737). Especially diversity in skills and education (Parrotta et al. 2010) alongside employees' experiences, ideas, and networks (Koch et al. 2013) seem to have the most relevant impact on business performance. Researchers pinpoint that human capital may have an even bigger impact in the future because of the ever increasing knowledge-intensive activities in many work environments (e.g. Bosma et al. 2004; Unger et al. 2011, 342; Galabova & McKie 2013).

2.3.3 *Networks*

In network theory, markets are described as a system of relationships among numerous players including customers, suppliers, competitors and private and public support agencies (Coviello & Munro 1995, 50). Therefore, it may be argued that networking is a crucial component for growth and survival in any type of market. Moreover, networks are particularly valuable for smaller businesses as a means of support due to the fragility of small size (Donkels and Lambrecht 1995, 273). The two types of networks affecting growth identified from growth literature are social and professional networks and inter-firm networks. These two types are demonstrated in the following table and after they are explained in more detail.

Table 5 Networks affecting growth

Characteristic	Description	Representative studies
Social and professional network	Broad social and professional networks tend to contribute to companies having access to additional know-how, capital and customer recommendations, as well as enhancing entrepreneurial opportunity recognition.	<i>Johannisson (1986)</i> <i>Storey (1994)</i> <i>Ostgaard & Birley (1994)</i> <i>Robson & Bennet (2000)</i> <i>Lee et al. (2001)</i> <i>Barringer et al. (2005)</i> <i>Nichter & Goldmark (2005)</i> <i>Jack et al. (2008)</i> <i>Gurrieri (2013)</i>
Inter-firm network	<p><i>Vertical linkages</i> are individual businesses forming commercial relationships with their buyers and suppliers.</p> <p><i>Horizontal linkages</i> mean the cooperation between similar companies.</p> <p><i>Supporting markets</i> are services such as legal and financial services, consulting, tax advice, market information and skills training.</p>	<p><i>Björkman & Kock (1995)</i> <i>Coviello & Munro (1995)</i> <i>Robson & Bennet (2000)</i> <i>Nichter & Goldmark (2005)</i> <i>Yue & Ge (2010)</i> <i>Schweizer (2012)</i></p> <p><i>Johannisson (1986)</i> <i>Rosenfeld (1996)</i> <i>Nichter & Goldmark (2005)</i> <i>Martin-Rios (2012)</i></p> <p><i>Nichter & Goldmark (2005)</i> <i>Cooper et al. (2012)</i></p>

2.3.3.1 Social and professional network

Entrepreneurs need networks to fuel their growth and for many new businesses their founders work hard to build social and professional networks for critical resources. Broad social and professional networks contribute to companies having access to additional know-how, capital and customer recommendations (Barringer et al. 2005, 667; Nichter & Goldmark 2005, 11–13; Jack et al. 2008, 126), as well as enhancing entrepreneurial opportunity recognition (Lee et al. 2001, 620; Jack et al. 2008, 126). Furthermore, these networks can be crucial for growth of businesses in environments with widespread market failures, such as immoderate low levels of information and competition (Nichter & Goldmark 2005, 11–13; Gurrieri 2013, 201). According to the social-network theory, especially, during the early phases of the business the owner's personal network may have a significant impact on the possibilities of accessing critical resources (Ostgaard & Birley 1994).

2.3.3.2 *Inter-firm network*

Studies show that the more a company sets up inter-firm network contacts, the more likely it will become a fast-growing business (Yue & Ge 2010). Many businesses may also improve their competitive advantage in various areas through inter-firm knowledge sharing (Martin-Rios 2012, 197). Nichter and Goldmark (2005, 11) emphasize three types of inter-firm networks that are drivers for growth. These are *vertical linkages*, *horizontal linkages* and *supporting markets*.

Many researchers have found that one of the main limitations of growth through internationalization is the lack of foreign market knowledge and experience, which may be overcome by forming business networks (e.g. Schweizer 2012; Björkman & Kock 1995; Coviello & Munro 1995). These types of networks are referred to as vertical linkages by Nichter and Goldmark (2005, 11–12). Thus, by vertical linkages they mean individual businesses forming commercial relationships with their buyers and suppliers, for example, subcontracting or outsourcing. These linkages may facilitate growth by expanding business opportunities and may lower the risk and cost when entering into new markets.

The rapidly changing business environment of today compels businesses to establish relationships with other businesses (Martin-Rios 2012, 191). Horizontal linkages are referred to the cooperation between similar companies that is either organized between them or by an outside party. These outside parties are usually for example cooperatives, associations, consortia, and producer groups. Horizontal linkages may help in overcoming disadvantages of being a small company, for example, enhance their position in negotiation with buyers and suppliers, access to market information or services, or lobby for political or regulatory changes. (Nichter & Goldmark 2005, 12.)

Supporting markets can in this context be services such as legal and financial services, consulting, tax advice, market information and skills training. They are often related to improvements in capacity. (Nichter & Goldmark 2005, 12.) Particularly in this study, the services that a business incubator may provide are essential as their main role is to develop robust business and social networks to bring value to their resident businesses especially in the form of supporting services (Cooper et al. 2012).

2.3.4 *Macroeconomic environment*

Economic factors refer to economic issues, which impact the company. These may be, for example, government spending, taxation, inflation, exchange and interest rates and economic growth. Macroeconomic factors play a major role in the opportunities for small business growth especially in developing countries (Nichter & Goldmark 2005, 9).

Similarly, the macroeconomic policies of a country affect the financial performances of businesses and their future sustainable development and growth (Mokhova & Zinecker 2013). The macroeconomic factors affecting growth identified from growth literature are demonstrated in the following table and after they are explained in more detail.

Table 6 Macroeconomic factors affecting growth

Characteristic	Description	Representative studies
Factors constraining growth	Finance, crime, political instability, corruption, infrastructure, taxes and regulations, judicial efficiency, anticompetitive practices, and uncertainty, inflation and exchange rate tend to stagnate growth.	<i>Nichter & Goldmark (2005)</i> <i>Ayyagari et al. (2008)</i> <i>Mokhova & Zinecker (2013)</i>
Factors supporting growth	Consistency, a stable macroeconomic environment, the existence of ways to improve contracts and solve disputes, flow of capital for foreign and domestic investment, supportive labor laws, access to information, and investment in education and technology tend to enhance growth.	<i>Nichter & Goldmark (2005)</i> <i>Sanz & Jones (2013)</i> <i>Gherhes et al. (2016)</i>

It comes with no surprise that periods of good economic growth support faster growth of small businesses. However, during severe economic crisis small businesses in developing countries may be more resilient than larger businesses. One might presume that during economic downturns the number of new entrepreneurs would decrease. However, this is dependent on which type of entrepreneurs are investigated. As mentioned before, during economic downturns the number of 'necessity entrepreneurs' tends to increase. (Nichter & Goldmark 2005, 9.)

According to a study by Ayyagari et al. (2008) three main factors constraining the growth of a business directly were finance, crime and political instability. Ayyagari et al. (2008) also adds that corruption, infrastructure, taxes and regulations, judicial efficiency, anticompetitive practices, and uncertainty, inflation, and exchange rate all impact growth but not as directly, but rather, through their impact on each other. According to Nichter and Goldmark (2005, 9), inflation and exchange rate tends to strain small companies more than large companies. The regulatory and institutional environment in developing countries may also stagnate growth of small businesses. An example of this is that, due to strict regulations and high taxes, businesses may choose to remain small and informal. Smaller companies also report more frequently than larger companies that government

policies are unpredictable. Hence, smaller companies face more uncertainty, which may reduce their abilities to invest in growth. (Nichter & Goldmark 2005.)

There is some consensus on the characteristics of a positive macro-environment. These may be consistency, stability, the existence of ways to improve contracts and solve disputes, flow of capital for foreign and domestic investment, supportive labor laws, access to information, and investment in education and technology. (Nichter & Goldmark 2005, 10; Sanz & Jones 2013.) Finally, regarding the macroeconomic environment, the most relevant issue is not so much about the factors that are different, rather about the way in which those factors affect microbusinesses differently that needs to be investigated. These key differences highlight the difficulty of understanding microbusiness growth (Gherhes et al. 2016, 954). Therefore, the factors presented in the empirical part of this research are company-specific and the goal is to portray how these factors are impacting their company growth.

3 MICROBUSINESS GROWTH STRATEGIES

A literature review of earlier research related to company strategy, a growth strategy model for microbusinesses and a conceptual framework of this research will be presented in this chapter. By synthesizing the literature review presented in Chapter 2 on microbusiness growth with earlier research presented in this chapter, indications for the answers to the research question may be found.

3.1 Company strategy

For sustainable growth, planning is vital (Sahay 2015, 9). In this research we define strategy as the company's guidelines, objectives, and the means to achieve them (Viitala & Jylhä 2008, 386). "Strategic planning may be considered as the development, evaluation, and selection of a future scenario which a company may choose to pursue" (Ginn & Sexton 1990, 314). A business strategy, on the other hand, is defined as the principles of the business operations in which the company will depend on to succeed in its chosen market and survive in the competition. Strategic work includes defining the strategy and its implementation. Microbusinesses usually undertake at least some strategic work defining the company's main goals and core competences. After this, they are more capable of making strategic decisions, for example, decisions on investments, product development, networks, and co-operative relations (Viitala & Jylhä 2008, 69.), which may fuel growth.

One of the most well-known and academically recognized theories of describing, categorizing, and classifying different strategies for a company to pursue competitive advantage across its chosen market is by Michael Porter (1985, 11). Porter distinguishes three generic strategies: cost leadership, differentiation, and focus. They are demonstrated in figure 3 below.

MARKET SCOPE	Broad	COST LEADERSHIP	DIFFERENTIATION
	Narrow	COST FOCUS	DIFFERENTIATION FOCUS
		Lower cost	Differentiation
SOURCE OF COMPETITIVE ADVANTAGE			

Figure 2 Porter's generic strategies (Porter 1985)

The focus strategy is divided into cost focus and differentiation focus. The cost leadership and differentiation are strategies, in which a company seeks competitive advantage in a broad range of industry segments. Focus strategies, on the other hand, aim at cost advantage or differentiation in a narrow segment. This means that for a company to outperform rivals, it must deliver greater value to customers with higher prices, create comparable value at a lower cost or when taking about focusing as a strategy, a company might choose differentiation from rivals or low cost with a focus on one or two segments. (Porter 1985.)

This concept focuses on different ways of competing and is considered as a compass for a company strategy. Yet this classification does not fully describe the growth orientation of businesses. However, Porter's theory is meant to portray the simplest and broadest level of a company's business strategy, so it is the basis of a growth strategy because without a clear business strategy, you are "stuck in the middle", meaning you have no clear company strategy and cannot obtain competitive advantage needed for growth (Porter 1996, 67). Applying this theory to match with businesses in Argentina might not be as clear. Even Porter (1998, xiii) himself says his framework has been applied in all "significant" countries though "an internationalization of the examples would be very much in order". Though he argues that even though industries, companies and countries change, the concept still applies.

Even though these strategies are not the main focus of this thesis, the company's strategy is of particular interest and serves as the basis for a growth strategy. It may also be useful in distinguishing, which growth strategy each of the researched businesses are pursuing. These growth strategies will be presented next with a growth strategy model created by Leminen and Westerlund (2008) and after a conceptual framework for the purpose of collecting and analyzing data will be introduced.

3.2 Growth strategy model for microbusinesses

Leminen and Westerlund (2008, 27) created a growth strategy model for small enterprises based on academic research. In terms of this thesis, the most valuable information are the four main growth strategies that are identified as being: (1) the exploitation of existing resources, (2) business expansion, (3) constrained growth and (3) new resource scanning and the type of orientation each of these strategies have. These strategies take into consideration different types of companies and takes into notice that it is not desirable for all companies to pursue growth, nor at all times. This model was chosen, because it portrays a broad perspective on different strategy options for microbusinesses to pursue growth. That is particularly important because the microbusinesses in this research vary widely from one another.

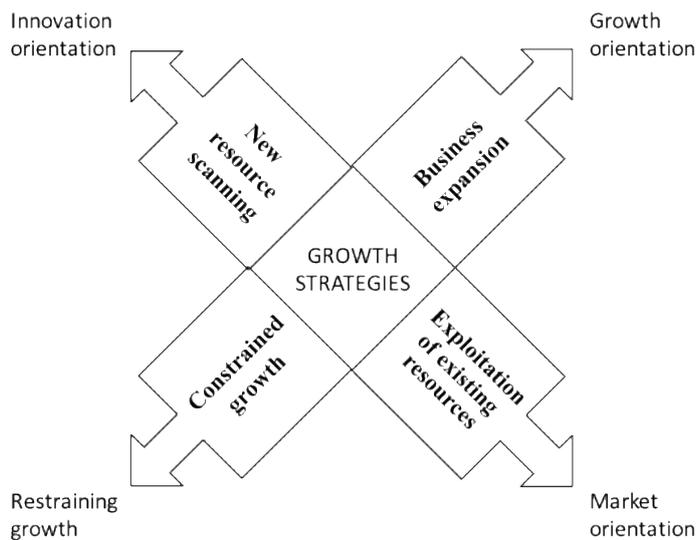


Figure 3 Growth strategy model for microbusinesses adapted from Leminen and Westerlund (2008)

3.2.1 *Exploitation of existing resources*

The exploitation of existing resources is based on market-orientation. Exploitation relates to processes such as "refinement, choice, production, efficiency, selection, implementation and execution" (March 1991, 71). This means that the company needs to exploit its current resources in the most efficient way possible to survive in the short term. (Leminen & Westerlund 2008, 31). The concept of market orientation was first introduced in the year 1960 by (Levitt) who revolutionized business managers to concentrate on meeting customers' needs instead of selling products, and this is the basis of market orientation. Furthermore, market orientation refers to the company's ability to proactively gather, create and use information about their clients and competition (Morgan & Strong 1998).

This concept emerged in the 1980's and is widely recognized in academic literature as having a positive effect on business performance. This strategy is supported by the famous Ansoff Matrix. One of the four strategies presented by Ansoff (1957, 114) is market penetration strategy, which means "...an effort to increase company sales without departing from an original product-market strategy. The company seeks to improve business performance either by increasing the volume of sales to its present customers or by finding new customers for present products". Many researchers have extensively studied market orientation, however, there is little research on market orientation within small businesses (Blankson et al. 2006).

3.2.2 Business expansion

Business expansion is based on growth. It means the company enters into new markets or expands to new areas of business (Leminen & Westerlund 2008, 31-32). This strategy may be seen similar to Ansoff's strategy of market development where the company expands to new markets with present products or usually with some modifications to the characteristics of the present products (Ansoff 1957, 114). This can be accomplished for example by (i) different customer segments (Jackson 2007) (ii) subcontracting (Wynarczyk 2005) or (iii) expanding to new markets inside the country or foreign markets (Barringer 1998). This strategy is supported by Ansoff's strategy of diversification which means a "simultaneous departure from the present product line and the present market structure" which "generally requires new skills, new techniques, and new facilities" (Ansoff 1957, 114).

3.2.3 Constrained growth

Constrained growth is based on restraining growth. This may reflect the need for cost control. In this case, the company's focus is on the existing business and suppression of sudden growth. (Leminen & Westerlund 2008, 32). Moreover, these entrepreneurs may be entrepreneurs because they have no better option as was explained before under the term "necessity entrepreneurship" by Acs (2006, 97). This meaning they do not desire growth, they merely want to survive off of their company. Many of these types of companies are family owned and have problems related to liquidity, alongside problems related to cost structures and funding (Holmes & Zimmer 1994). It may be argued if this is a strategy for growth, but it is usually a temporary decision to pursue growth in the long term.

3.2.4 New resource scanning

New resource scanning is based on innovation orientation and means discovering new things, transforming, risk-taking, flexibility, discovery, and innovation. (Leminen & Westerlund 2008, 30). This strategy is also supported by the Ansoff Matrix as it is very similar with Ansoff's product development strategy which means that the company retains the present mission and improves it by developing products that have new and different characteristics (Ansoff 1957, 114).

3.3 Conceptual framework of research

The conceptual framework of this research, which is presented in figure 5, demonstrates the concepts that are examined with existing theories, relevant academic literature and research. This conceptual framework was chosen because it was seen as being appropriate, easily applicable and explanatory in this particular research.

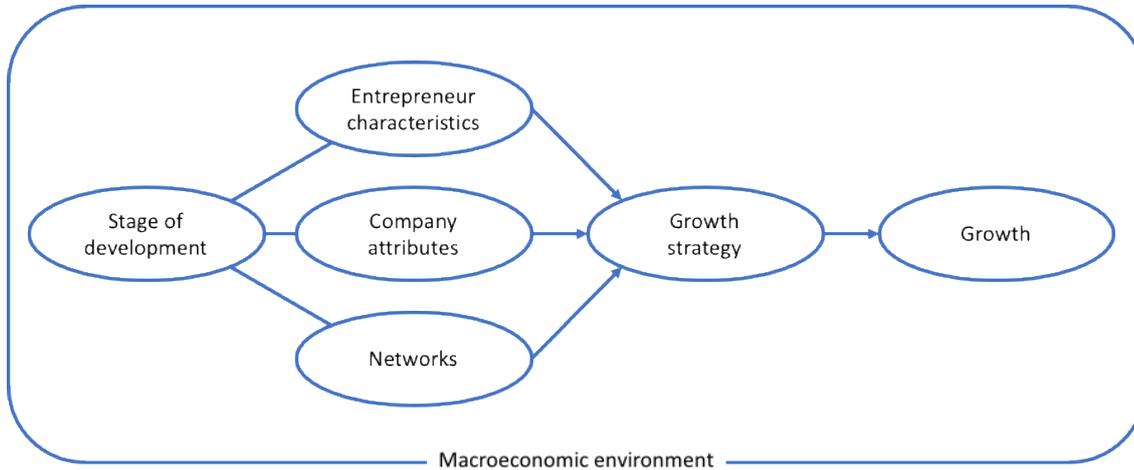


Figure 4 Conceptual framework of research

This research will focus on different aspects within the macroeconomic environment of each business: the stage of development of each business, the key variables of the entrepreneur, the company and their networks impacting growth, and growth strategies of the businesses. All these aspects are meant to portray a holistic framework for the purpose of collecting and analyzing data on how these businesses are pursuing growth. It is important to note that all these aspects demonstrated in figure 5 are interconnected and, as mentioned previously, growth is not seen as a definite objective of all the businesses even though growth is demonstrated in the figure as an endpoint. Furthermore, all these aspects demonstrated and used in this research related to growth have been widely studied and recognized as important in growth literature. Moreover, even though there are other aspects that are considered equally important in growth literature, this research is limited to the aspects demonstrated in figure 5 because they seemed as the most visible aspects in earlier literature and most appropriate for this particular research.

4 RESEARCH METHODS AND PROCESSING OF RESEARCH DATA

The rationale for the specific methods used in this research to identify, process and analyze data will be explained in this chapter. Also, the overall validity and reliability of this research will be presented.

4.1 Methodology

In this study, methodology is defined as the strategy on how to investigate these Argentine microbusinesses and entrepreneurs. The strategy defines the particular methods used in this research in order to collect data. These methods encompass philosophical presumptions, i.e. paradigms. These philosophical assumptions comprise of ontological and epistemological questions that make up the constructive framework that is interlinked with the aim of the research. (Ingeman & Bjerke 2009, 3–21.) Ontology in this research is simply described as the study of being and is concerned with the question what is. Epistemology aims to discover the meaning of knowledge and questions what it means to know. With this in mind, methodology may be seen concerned with why, what, from where, when and how data is collected and analyzed. (Scotland 2012, 9.) To scientifically understand, analyze and construct new data, this in turn results in the following kind of research paradigms:

Ontological: What is ‘microbusiness growth’?

Epistemological: How can a researcher know that ‘microbusiness growth’ exists?

Methodological: What methods should be used to collect and analyze data related to ‘microbusiness growth’?

This research is based on qualitative research methods because it enables an opportunity to observe the complexity of microbusiness growth in a real-life context. Therefore, all surprises and changes in the learning process, which this research embodies, is supported by a qualitative research design. (Eriksson & Kovalainen 2008, 26–27.)

The research process was iterative in nature. By this I mean that I had to constantly move back and forward to reflect on my work during different phases of the research process. It made the research process very complicated but also very exciting. This type of a research process is quite common in qualitative research according to Eriksson and Kovalainen (2008, 32) and they also add that it is strongly connected to reflexivity. Reflexivity in this context refers to the way interpretations should be made through

critically inspecting the research process which in turn correlates positively with the validity of the research.

4.2 Research approach

“Research is about generating knowledge about what you believe the world is” (Lee & Lings 2008, 6)

The overall purpose of this study is to examine the growth of Argentine microbusinesses and strategical growth decision-making of Argentine entrepreneurs. Even though this research is focused on microbusiness growth, it is taken into notice that growth is not always the most desirable or beneficial outcome nor the objective of all microbusinesses. Rather, this thesis seeks to clarify what are the variables affecting or constraining growth, what is the strategical work behind each company and what type of growth strategy applies for each company. In addition, even though some microbusinesses lack a clear growth strategy, it does not directly imply that they do not undertake strategic work in their companies to pursue growth.

To collect more valuable and broad information about microbusinesses functioning in Argentina, four microbusinesses were chosen from the business incubator, Fide, one microbusiness and one small business were chosen outside the business incubator. These selections were made to enable analysis of Argentine microbusinesses and entrepreneurs, which are functioning in different settings and different cities. The research subjects were chosen in order to get diverse knowledge from distinct types of microbusinesses functioning in different business areas, and they portray various types of strategic work for growth. Thus, with the limited resources and within the limited time to conduct this research, the aim was to get the most general overview possible of microbusiness growth in Argentina.

Due to the flexible and adaptable research methods used in this research, the entrepreneurs could express their point of view freely and share their experiences and their own entrepreneurial story behind their microbusinesses. As I have mentioned in the introduction, my aim as a researcher was to build close relationships with the entrepreneurs to gather relevant and trustworthy information on the microbusinesses for this research. To achieve this, a qualitative research approach was chosen, because qualitative data invite understanding and interpretations, whereas, quantitative data invite measurement or counting (Farquhar 2012, 82). Furthermore, the richer the qualitative research the more it can be interpreted as free from reliance to any given or predetermined theory. It gives a possibility for theory building as well. (Doz 2011, 584).

Being a young researcher, I am not suggesting that a new theory will be constructed but an open approach to finding new data and contribute to theory building will be the most important goal of this research. This will be done by providing rich, thick descriptions of real phenomena and stimulate deeper thought by providing an insight of the fact that relying on a certain theoretical perspective will not be sufficient when it comes to Argentine microbusinesses' and entrepreneurs' growth strategies. This research will hopefully lead to new ideas and research in this undertheorized area as well. An abductive reasoning approach will be used to achieve this. Abductive reasoning is a type of logical reasoning explained by Lipscomb (2012) as "the creative, imaginative or insightful moment in which understanding is grasped – or is thought to be grasped". Furthermore, in abductive reasoning "one seeks to explain relevant evidence by beginning with some commonly well-known facts that are already accepted and then working towards an explanation (BusinessDictionary.com 2017)." This in terms of research approach means that the research needs a creative approach where the research may start out with pre-perceptions and theoretical knowledge, but it is not constrained to this (Kovács & Spens 2005).

4.3 Research method

After choosing the research approach, an ethnographic study method was selected. Ethnography is described by Beuving and Vries (2015, 16) as an unobtrusive strategy. This means that the researcher studies the particular phenomenon as it presents itself naturally, not dissecting or manipulating a situation such as experimenters may do.

This study was conducted in Argentina during the fall of 2016 and spring of 2017 on six different businesses. The qualitative approach is supported by Hill and McGowan (1999, 12), who argue that when researching entrepreneurial small firms, they strongly support an ethnographic approach because it enables a holistic understanding, which is particularly suitable in researching microbusinesses.

This research was conducted in the method of non-participant and participant observation through a variety of methods: interviews, observations, participating in the business's day to day activities, collective discussions and workshops, investigating formal data on the businesses and through participation in different events. This gave me the basis for constructing the research design, and the main research methods became more clear, and they are explained in the following table.

Table 7 Research phases

Company	Observation outside of company and my role as a researcher	Participant observation, my role and level of involvement as a researcher	Semi-structured interviews; type and how it was done.	Follow up information
Dream team	Trainee at the business incubator Fide	<i>Active participant:</i> Working with the microbusiness in the business incubator Fide.	General framework but open to new questions and ideas during the interview. Meeting in person in Fide.	Email, Facebook, webpage of the company.
Study pals	Trainee at the business incubator Fide	<i>Active participant:</i> Member of the group. Helping the microbusiness in the business incubator Fide.	General framework but open to new questions and ideas during the interview. Meeting in person in Fide.	Email, Facebook, webpage of the company.
Infinite imagination	Client of their supplier	<i>Passive participant:</i> Bystander role. Getting knowledge about the company through others and information online.	General framework but open to new questions and ideas during the interview. Skype interview.	WhatsApp, Facebook, webpage of the company.
Visionaries	Trainee at the business incubator Fide	<i>Active participant:</i> Working with the microbusiness in the business incubator Fide.	General framework but open to new questions and ideas during the interview. Skype interview.	Email, Facebook, webpage of the company.
Wholehearted couple	Direct client	<i>Passive participant:</i> Bystander role. Frequent client, daily communication with clients and employees.	General framework but open to new questions and ideas during the interview. Meeting in a local coffee shop.	Email, additional information given as documents.
Vibrant optimists	Trainee at the business incubator Fide	<i>Active participant:</i> Working with the microbusiness in the business incubator Fide.	General framework but open to new questions and ideas during the interview. Meeting in person in Fide.	WhatsApp, Email, Facebook, webpage of the company.

In this research, I first observed the companies outside the company, then through different ways of participant observation ended with semi-structured interviews. Semi-structured interviews were chosen because they best suited the purpose of this research. It was highly important to let the study subjects explain their own entrepreneurial story. My role as a researcher and the type of methods used may also be seen from table 7. Each of the businesses are presented through their own entrepreneurial story in order to understand the growth of Argentine microbusinesses in depth within its real-world context.

4.4 Data collection

“Ethnography is hard work: physically, emotionally and mentally exhausting”
(Delamont 2004, 223)

Ethnographic research does not follow any certain pattern and that is why according to my experiences as well it is demanding work. At the same time, this ethnographic research has been profoundly eye-opening and a constant learning process. In terms of data collection, the biggest problem when preparing for ethnographic fieldwork is that it is not clear or explicit in method literature what to observe, how to observe and what to write down. As an ethnographer, you need to observe everything you can, write detailed field notes and take time to reflect upon them outside the field and use the collected data as a basis to make a thick description of the study. (Delamont 2004, 225.)

I accomplished to write a journal of each day at the business incubator, take important information from the database and always write notes about all possibly important and interesting observations. In terms of the microbusinesses outside the incubator, I took notes, made observations, and watched videos and other materials online about the companies. I also lived and breathed the entrepreneurial atmosphere of Argentina by going to different types of entrepreneurial events and meeting all types of people working towards enhancing the entrepreneurial ecosystem in Argentina. Note taking and keeping a diary were essential to coordinate the iteration between collection of empirical data and making theoretical reflections about the data, which is one key element of enhancing the validity of this research (Beuving & de Geert 2015, 43).

All respondents were also interviewed (table 8 and table 9) with their permission and they all agreed. These interviews were taped, later transcribed and the necessary information in terms of this research was translated into English. If there was some information I lacked or was not sure about, I contacted the companies also through social media (Facebook, WhatsApp) and email. All collected data was compared with already existing data and after everything was written down, each company was given the

possibility of reading their part and confirming that it was written correctly. This is one key element of enhancing validity of the research according to Beuving and de Geert (2015, 43).

In this way, empirical data is triangulated (i.e. ending up with the same empirical situation with different data collection methods), which also impacts positively with the validity of this research. Moreover, this research builds on principles of grounded theory, which simply means "...a systematic procedure to develop theoretical concepts about a society from empirical research". This means that this research is developed through constant comparison and open coding, where each piece of evidence (e.g. an observation) is compared to the other materials already collected. This enables a constant chain of evidence, which, likewise, enhances the validity of this research. (Beuving & de Geert 2015, 43.)

4.4.1 Information gathered for basis of research

For the purpose of providing an in-depth analysis, the main research method utilized in this research was participant observation. This helped in expanding knowledge, understanding and valuable information of the companies and their environment. During my stay in Argentina, I participated in different entrepreneurial events and gathered valuable information, which gave me the skills to analyze with a critical point of view. I was also granted the opportunity to also interview the chief of operations of the government-funded business incubator Fide, Pablo Peralta, and Teemu Turunen who is the Ambassador of Finland in Buenos Aires, Argentina. Their interviews were used in the introduction section of this research and the details are presented below in table 8.

Table 8 The informants for background information of thesis

Interviewee	Workplace and job title	Educational background	Place, date and duration of interview
Pablo Peralta	<ul style="list-style-type: none"> • Fide, Chief of Operations • Member of the board of the Entrepreneurial Ecosystem of Córdoba • Part of the executive committee of EMPRECOR • Teacher and director of a research project at the 21st Century University 	Bachelor's Degree in Economics and Master's Degree in Management of Innovative Technologies from the National University of Córdoba, Argentina	Córdoba, 16.01.2017, 01:06:02
Teemu Turunen	Ambassador of Finland for Argentina, Uruguay, and Paraguay	Master's Degree in Law from Turku University, Master's in Sociology of Law from Spain	Buenos Aires, 07.02.2017, 23:03

4.4.2 The case informants

The investigation was conducted with four Argentine microbusinesses, one Argentine SME and one microbusinesses founded in the U.S. through crowdfunding, but which is mainly functioning in Argentina. The names of the companies and entrepreneurs were changed to keep them anonymous. To understanding microbusiness growth, I think it was hugely beneficial to have an example of a company that has been able to survive, grow and develop while facing several crises. That is why Wholehearted couple, already and SME, was chosen for this research. It provides information on how a microbusiness has already grown. Because the information on their growth is about their past decisions, it was seen as relevant that this company tells their growth story mainly through an interview as current observations do not serve well for an analysis of their past.

Furthermore, to have an even more profound understanding of Argentine microbusinesses and the decisions they make in order to grow, Infinite imagination, a microbusiness registered in the U.S., was also seen as relevant for this research. One may argue that it is not an Argentine microbusiness, which is true when considering it is registered abroad. Nevertheless, it is a company that did so as a strategical choice for microbusiness growth even though they mainly work in Argentina and, therefore, they fit this research well.

I worked closely for a period of three months with the companies that were part of the business incubator Fide. Infinite imagination became known through being in close contact with one of their suppliers and I was a client of Wholehearted couple during my six months stay in Argentina. The interviews were flexible to capture rich qualitative data in order to understand these entrepreneurs more profoundly and their details are presented below in table 9.

Table 9 The case informants

Company	Type of business	Interviewed founders	Where founded and when	Date and duration of interview	Part of an incubator or independent
Dream team	Industrial automation	Garcia and Castillo	Córdoba, 2013	06.01.2017; 1:30:28	Fide business incubator
Study pals	Industrial automation	Mendoza and Guzman	Córdoba, 2010	06.01.2017; 36:02	Fide business incubator
Infinite imagination	Consumer electronic products	Sandoval	USA, 2015	10.02.2017; 24:44	Startup Chile
Visionaries	Toy industry (recycled material)	Estrada	Córdoba, 2010	11.01.2017; 1:08:01	Fide business incubator
Wholehearted couple	Fruit and vegetable stores	Luna	Córdoba, 1991	11.02.2017; 2:17:44	Independent
Vibrant optimists	Accessories	Ayala and Lara	Córdoba, 2009	09.01.2017; 1:01:40	Fide business incubator

Four interviews were conducted face-to-face. The other two, Visionaries and Infinite imagination, were conducted via Skype. The interviews conducted were planned to last around 30 minutes, though as may be seen from the table the time of each interview varied a lot. I gave each interviewee as much time as they wanted but asked for at least 30 minutes. Most importantly my aim as an interviewer was to be a good and open listener. This meant not being affected by preconceptions or my own beliefs, adapt to different situations, conduct research ethically and have a good understanding of the issues being studied. The information gathered from the businesses and interviews were in Spanish to gain the most valuable and reliable content. It was also important that the entrepreneurs were able narrate in their own mother-tongue. In this study, the direct quotes and results received from the companies were translated to English.

4.5 Research design

This study has adopted an explorative and flexible design. In this research, a combination of semi-structured questioning and a life-story interview approach was used through ethnographic research. The stories of each individual business played the main role in how this research was designed and what kind of data was gathered. The focus is more on narrative data, which is acknowledged as a credible source of knowledge (Larty & Hamilton 2011). In this research, narrative data is chosen because it gives an opportunity for the entrepreneurs to tell their story of their business in their own words. I have quoted directly after translating to what the respondents have said to demonstrate in more depth their own stories and gather data from the narratives to draw conclusions and analysis. In my opinion, constructing part of the thesis narratively gives an opportunity for generating knowledge that is not restricted to previous knowledge and demonstrates the reality of these microbusinesses in the way they experience it. It also leaves room for the reader to make different interpretations and conclusions of what I have presented.

4.6 Data analysis

The process of data analysis typically begins in the field with making field notes and using working hypotheses or ideas about recurrent patterns (Arnould & Wallendorf 1994, 494). Reflexivity is the most important characteristic of the fieldwork in an ethnographic study and analysis. It is a way to strive for reliability and validity (Delamont 2004, 226). Delamont (2004, 226) also adds that the disengagement from the field is just as important: “A good principle is that once the field site feels like home it is time to leave; fieldwork should feel uncomfortable. Once it is feeling familiar, it is time to move on.” When being in close contact with the participants in Argentina, I was not yet able to distance myself from them as well as when I returned to Finland. The physical distance and time apart gave me the tools to reflect the information gathered more objectively. Therefore, the data analysis and making interpretations became more focused after leaving the field by categorizing and sorting data, which is typical for ethnographic research (Arnould & Wallendorf 1994, 494).

I wrote the field notes in a physical diary as well as on my computer. I also gathered various sources of information from my workplace, different entrepreneurial events, and bought books and magazines. After collecting all the data, I started categorizing them mainly by hand (figure 5). This was by far one of the most challenging parts of my research. I read many research papers on different themes related to microbusiness growth and compared them to the data I found. The fact that it was challenging with no surprise

as it is a common challenge to combine data from multiple methods into a credible end result (Arnould & Wallendorf 1994, 494).

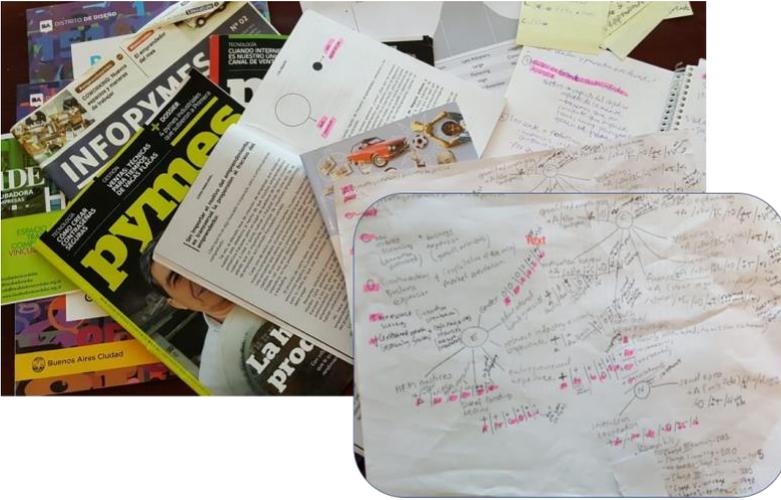


Figure 5 Categorizing data by hand

During my research I also had to gather additional data by returning to the field, and later on by contacting the companies from distance mainly via email and social media. This was done in order to address conceptual gaps, which is typical for ethnographic research. (Arnould & Wallendorf 1994, 494.) It was essential to have the possibility to contact the companies after leaving the field. Figure 6 presented below demonstrates the process of analyzing data in the most simplest way possible. In reality the process was more complex, but this figure gives some insight into how the process of analyzing data moved through various stages.

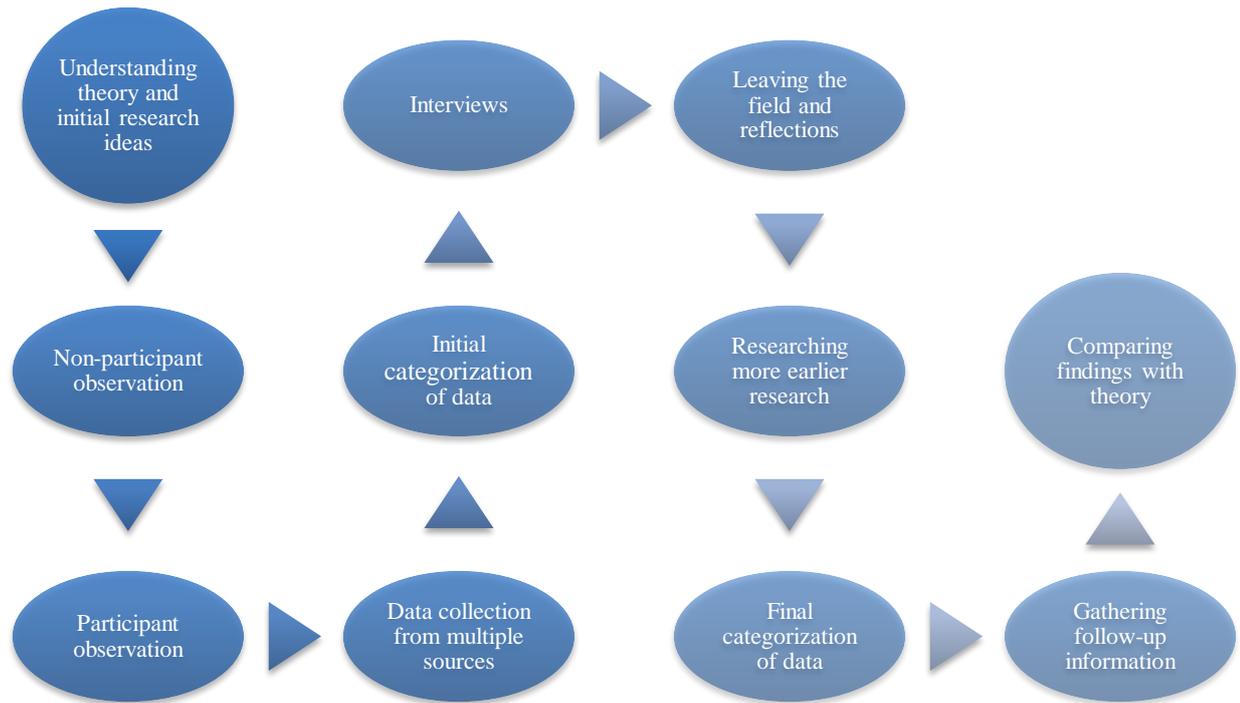


Figure 6 Process of analyzing data

One of my main objectives was to demonstrate and present the evidence found through this research in a way that the reader is a part of the same learning journey that I could experience, which is also mentioned as one important part of good qualitative research according to Doz (2011). That is one reason I chose to have the interviews in a very strong role in this research. I wanted to let the reader hear the entrepreneurs' voices and in that sense demonstrate the entrepreneurial culture in Argentina. That is also why the data was demonstrated in a descriptive way to leave room for other interpretations as well.

The research and the empirical data are divided into two main parts; microbusiness growth and microbusiness growth strategies. The microbusiness growth is further divided into the stages of microbusiness growth and the key variables affecting microbusiness growth. These key variables give indications to the research question of "how are Argentine microbusinesses pursuing growth?". These key variables are further divided into entrepreneur characteristics, company attributes, networks and macroeconomic environment. These four parts are demonstrated and analyzed in tables for each company.

The second main part of this research on microbusiness growth strategies is demonstrated in figures for each company. This part answers the other research question of "what are the main growth strategies of Argentine microbusinesses?" These categories were chosen, because for all the six businesses they were clearly represented. This way of analyzing the empirical data of a case study is called coding (Eriksson & Kovalainen 2008, 128), where the final categorization of the data was done.

5 EMPIRICAL FINDINGS AND ANALYSIS

In this section, the stage of development, the key variables affecting growth and the growth strategy of each business will be presented. Both tables and figures are used to demonstrate a brief analysis of how each company is pursuing growth and their growth strategies.

5.1 "Dream team"

"Dream team" discovered early on that devoting enough time, being flexible and constant innovation are vital aspects of business success in Argentina. The empirical evidence shows that these microentrepreneurs consider carefully planned internationalization critical for three objectives:

- Surviving multiple national crisis
- Diversifying risks
- Business growth

We do not come to an entrepreneurial cradle where we are settled... without passion we could not do it. (Castillo, interview 06.01.2017)

Garcia and Castillo have a unique ability to create the kind of working environment in the business incubator, where others are driven by their enthusiasm and drive. (Field note, 10.11.2016)

So, it comes with no surprise that they were also open and enthusiastic about participating in this research.

We have always had the idea of being independent since we were young, we always tried to create things ourselves... (Garcia, interview 06.01.2016)

Because these two 33-year-old entrepreneurs have had this dream to found a company together since they were very young, I am referring to their microbusiness as "Dream team".

After finishing their Bachelor's degrees in electronic engineering, both Garcia and Castillo worked in automation for approximately six years prior to founding their business in 2013.

They both have prior industry-specific knowledge, which they see as vital to their success. (Analytic note, 06.01.2016)

This is self-evident as their business is mainly focused on producing, developing and commercializing sound based fault detection systems for the automobile industry. They also provide industrial automation services to the automotive industry; by developing special machines and equipment.

One critical source of competitive advantage this company seems to possess is their high-level of English.

My boss explained to me that they are one of the few companies that have a high level of English. So, I am able to see more broadly different internationalization options for them. (Analytic note, 23.09.2016)

After searching for internationalization opportunities, I started becoming more interested in this team's background and their potential in growing globally. Garcia describes his initial interests towards entrepreneurship as follows.

In my case, the first experience I had of entrepreneurship was when we got together with Castillo to see what we could do with ideas of doing something of our own. (Garcia, interview 06.01.2017)

Considering that he comes from an entrepreneurial family, this is a rather surprising remark, which is perhaps due to the fact that Garcia does not consider parental entrepreneurship relevant or perhaps because coming from an entrepreneurial family is not that uncommon in Argentina. In fact, there are lots of people with some small business on the side.

It is typical for entrepreneurs with small companies or even people with normal jobs to have "changitas" (meaning jobs where you may receive small amount of money) on the side, such as selling jewelry to give you that extra little bit of money. (Field note, 05.01.2017)

In any case, it was apparent Garcia did not see any particular importance in his background playing a role in becoming an entrepreneur nor did he see it as prior entrepreneurial experience. However, parental entrepreneurship is something highly interesting to examine and will be partly examined in the analysis.

On the basis of participant observation, Castillo explains his views with a very analytical approach. An example of this is when he reflects on how they have learned from past failures.

In 2008, I had the initial spark to start...Once with Garcia we tried to make some products for motorcycles. However, because we did not dedicate enough time, they did not work. An engineer's head works in a way that you focus all your effort on the product. You want to make the product, but you do not have a business vision. Even though we knew how to develop products, how to create them, make them ready, after that we had no idea who will do it, who is going to sell and so forth. There were several attempts and we always came to the same conclusion...we could technically develop anything; the problem was how to get the needed resources to develop the product and in turn develop it into a business. We worked together from 2011 to 2012 and from there on we started to have a business vision...We had experiences but without dedicating time, we did not get anywhere. (Castillo, interview 06.01.2017)

It is evident that, in addition to the importance of dedicating enough time to build their business, Castillo understands that their knowledge and resources are limited. So, they have hired a full-time employee who is a doctorate at the National Commission of Research and Technology of Córdoba to expand the Dream team's knowledge. Castillo knew him from the acoustic laboratory where he studied, and he is developing a module for the software, which they use in their product. They also have two people working part-time; one in strategic planning and another in the commercial side of their business.

As their business has grown, Castillo and Garcia have become more aware they also need to work independently on various tasks and divide the responsibilities in accordance to their know-how and talents. The past year they have worked on defining and clarifying their individual roles in their company. (Field note, 08.01.2016)

After defining their individual roles more clearly. Castillo is now more orientated towards the technical-commercial side and Garcia towards the technical-project side of their business. (Analytic note, 06.01.2016)

Defining clear roles and dividing tasks among founders may in this context be seen as a strategical HRM practice as it is clearly important for enhancing the efficiency of running their business that they do not all work on the same tasks.

...we realized both of us were doing everything, so we started working on defining our roles. (Castillo, interview 06.01.2017)

An analysis of the entrepreneur characteristics impacting growth will be demonstrated in the following table below, after which, the entrepreneurial story of Dream team will continue with a focus on the company attributes affecting growth.

Table 10 Analysis of entrepreneur characteristics of Dream team based on theory presented in table 3

Characteristic	Description
Gender	No clear link between the gender of the entrepreneurs and the company growth can be made.
Educational background	Both owners have Bachelor's degrees in Electronic Engineering, which has provided them with valuable industry-specific knowledge. They both have good skills in English, which gives them more potential to expand to English-speaking markets.
Relevant industry and work experience	It may be argued that they have better growth potential for their business because they have prior work experiences in the same industry as their microbusiness through gained knowledge.
Entrepreneurial experience	According to Garcia, parental entrepreneurship has not had an impact on him becoming an entrepreneur. Learning from past failures may be seen as increasing their possibilities of avoiding costly mistakes.
Size of founding team	As they have enthusiasm and a drive for working together, it is quite clear they offer psychological support for one another, which may have a positive impact on their business.
HRM practices	Defining clear roles and dividing tasks among founders may in their case be seen as a strategic HRM practice. Selective hiring in areas that are out of their expertise is clearly an important HRM practice for them as well.

The Dream team is a formal business registered legally in Argentina. The owners are able to live off their business and have an average salary of an engineer working in Argentina. They claim to possess the latest technology needed and their product seems to be very innovative considering the low level of competition.

Castillo explained to me that in Latin America, they are the only producers, but worldwide they compete with only six companies that

manufacture products for acoustic resonance failure detection in the automotive industry. (Field note, 08.09.2016)

According to projections, at the end of the year we will compare in performance to the world's leading brands. (Castillo, email 24.05.2017)

Due to the low level of competition in their particular industry, it may be noted that they have a reasonable chance in meeting those projections. Along similar lines, they may have a reasonable chance in fulfilling their vision, which is written in the form of a vision statement.

...a leading company in the region recognized for its best and widest industrial solutions catalogue for quality control, satisfying the needs of companies that aim for continuous improvement in management and production processes. (Website of Dream team, 16.04.2017)

Overall, their vision statement, without a doubt, embodies their ambition and goal to grow, and thus demonstrates they are clearly growth-oriented. Their mission statement, on the other hand, indicates that they are focused on growing through innovation.

Our Mission is to add value to the industrial sector through research, development and production of nondestructive testing measuring devices, offering new solutions for automated quality control and improving existing ones. (Website of Dream team, 15.05.2018)

In terms of the technical side of their product and service, Castillo and Garcia state that it is very economical and provides a more reliable way of detecting faults than other comparable methods (Field note 08.09.2016).

Acoustic technology testing does seem to date way back in history, so I wonder what is really new about their product. (Field note, 16.09.2016)

Castillo explained to me that what is new and innovative about their products, is the industrial application of these methods in the automotive industry. (Field note, 06.01.2017)

All in all, their products seem to be innovative according to what they have stated. However, Castillo points out an important factor to bear in mind.

I think innovation is relative to geography, at the national level and in Latin America it (their product and service) is super innovative, globally it has its competitors. (Castillo, email 17.05.2017)

However, it still leaves a gap in knowledge to why there is so little competition. Perhaps there is not a big enough potential market need so the competition stays low, or perhaps competitors have not yet seen potential in this method for the automotive industry. Whatever the reason is, it is clear they are receiving profits in a niche market with very low competition. This implies that they are pursuing competitive advantage with one of the focused strategies (Porter 1985).

Although they are now profitable and doing well, they have had their share of challenges. They advise entrepreneurs who want to start a business to first search for an investor, plan and model the idea well, focus more on the business than the product and validate your idea as fast as possible. They believe without an investor you lose much time, and this has been one of their downfalls. (Castillo and Garcia, interview 06.01.2017)

Initially, they started working on their business after work, before long, they realized their biggest obstacle for growing their business was the lack of time. So, Castillo stopped working full-time and only took some freelance work on the side. They started a common fund by adding the money earned from Garcia's full-time job and Castillo's freelance work and invested that money in starting their business and paying their living. (Castillo and Garcia, interview 06.01.2017) They never thought of taking in a partner, so they decided to apply for public funding to grow their business.

One is called PACC, which is government funding. The other is a loan without interest called Fondo de Semillas. You can only get that being part of a business incubator. (Field note, 06.10.2016)

The Dream team applied for PACC but faced some surprising difficulties.

...all public funds take months to receive after acceptance. This results in issues with inflation. When you apply for funding, you project what you need, and the amount of funding needed. Then if your application is accepted, you receive the funding approximately eight months later. Due to inflation, the final amount you receive is far from enough of what you need after inflation. That is why we lost a lot of time reformulating how we were going to spend the received public funding...this results in loss of competitiveness. (Castillo, interview 06.01.2017)

It is evident that one of the biggest downsides in receiving public funding is the duration of time the process takes, which decreases potential company growth.

The Dream team has invested more time in planning than before and in this respect, they seem to have features of Stage 3, Attainer, of microbusiness growth (table 2).

He (referring to Castillo) said they are now in the process of looking for different kinds of indicators to see how they are growing. He also talked about how they are putting more efforts into planning in general and clearly saw value in that. (Field note, 22.11.2016)

...in the commercial part we record how many companies were contacted, with how many we met up with, how many quotes were issued, how much was sold. The commercial part we started to evaluate it more formally. (Castillo, interview 06.01.2017)

Furthermore, because they appear to be strongly focused on maintaining profitable and getting resources needed for internationalization and growth, they share even more features of Stage 3. Attainer of microbusiness growth (table 2). Where they lack knowledge, they are seeking professional advice.

They want to internationalize, and they are seeking professional advice for it and doing research to find the best markets where they are able to expand their business. (Field note, 23.09.2016)

The Dream team has learned from past failures of trying to expand abroad that everything needs to be well planned out.

We have already made an attempt with the Mexican market, through a company based in Buenos Aires... We received good responses from the market, but we realized outsourcing the commercial part in the way it was done was not going to be appropriate and we did not have a business model to sell outside. We were trying to directly find a seller and a partner there, and then sell. But we started to research more about the topic, we did a training on internationalization and we realized that what you have to plan is a business model behind exporting, which seems simple but requires a lot of work. Going blindly to another country leaves you with the doubt if what you did really served to validate your product and to validate your market. The idea is to plan well before disembarking. This

in order to see if everything is working out and if not, to know the reasons behind that. (Castillo, interview 06.01.2017)

Hence, the Dream team is very aware that a clear plan and strategy play a key role in internationalizing and growing their business.

Castillo also describes what it is like to do business locally. According to Castillo there is a lot of imported products that could very well be produced in Argentina. (Castillo, interview 06.01.2017)

A lot of companies have difficulties entering into Argentina due to the legal environment and the cost of these foreign products for the locals is usually much higher than in other Latin American countries. That is why a lot of people go to Chile for example to buy electronics. (Field note 12.10.2016)

Castillo explains that producing locally, they can actually provide a cheaper solution to the clients compared with foreign substitutes. (Castillo, interview 06.01.2017) This implies that they are pursuing competitive advantage with a focused cost leadership strategy (Porter 1985), which serves as a basis for their growth strategy.

Their goal for this year is to validate their products to see if there is clear market acceptance in Mexico. Their primary objective is to sell a combo so that representatives in Mexico will invest and represent the selling of their product. They are also focusing on building a more formal structure for their automation services. (Field note, 06.01.2017)

A brief analysis of the company attributes impacting growth will be demonstrated in the following table below, after which, the entrepreneurial story of Dream team will continue with a focus on distinct networks affecting growth.

Table 11 Analysis of company attributes of Dream team based on theory presented in table 4

Characteristic	Description
Formality and planning	Dream team is a formal business, registered legally in Argentina. They have a more structured approach than before in planning the structure of their business and internationalization. They are using strategic and tactical operating plans to forecast and monitor their progress.
Technology	They seem to have the latest technologies needed for their business.
Innovation	The core of their business idea, the industrial application of sound based methods in the automotive industry, seems to be very innovative in Latin America. On a more global scale, they have more competition.
Finance	They founded their company with their own savings, which was clearly related with initial slow growth. Later on, they received public funding, which however was subject to surprising difficulties. Now their aim is to attract private investors. In their case, access to needed finance has been a major problem.
Growth-oriented vision and mission	They are investing time in carefully planning their growth through internationalization, which demonstrates that they are growth-oriented. Their vision statement implies they are growth-oriented and their mission statement implies they are pursuing growth through innovation.
Motivation to grow	Both owners seem to be fully committed to growing their business.
Qualified employees	They have a full-time employee who is a doctorate, developing their product and two part-time employees with specific knowledge working in strategic planning and the other in the commercial area. They appear to be able to access a highly qualified labor pool.

Networking seems to be a crucial component of microbusiness growth in Argentina.

Here you can be technically an "11", better than "10", better than excellent, but if you do not have a social rub you go unnoticed. (Castillo, interview 06.01.2017)

Being part of the government-funded business incubator Fide, meant for Dream team more than anything else, getting contacts they believe would have been hard to get without being part of the community. Even though now, being part of the incubator, more

or less means just physical space to have their business, both Garcia and Castillo agree that having a community of entrepreneurs helps. They see it as very valuable to be with people who help one another, share different types of ideas and solutions and to whom they can easily relate. (Garcia and Castillo, interview 06.01.2017)

This is an example of how they are active in reaching out to enhance their knowledge and grow their business.

In order to grow they hired a consultant for a year to help with the strategic planning and started taking training courses themselves. (Field note, 23.09.2016)

Initially we did everything. But after we started growing, we have externalized lots services, like accounting. (Garcia and Piretti, interview 06.01.2017)

They also work closely with the metallurgical chamber, through a program called “Metalworking Nursery”, which is currently also an incubator.

When we linked with them (metallurgical chamber), they had just started. Everything leads to seeing things in a different way. (Castillo, interview 06.01.2017)

They are also partnered with the Center of Investigation and Transference in Acoustics (CINTRA), Government funded SME unit (Secretaria PYME), Chamber of Metallurgical and Component Industries of Córdoba (CIMMC) and the National Scientific and Technical Research Council (CONICET). (Website of Dream team, 16.04.2017) These linkages seem to help them especially with getting access to information on the market as well as on the political and regulatory changes. (Castillo, interview 06.01.2017)

A brief analysis of the Dream team’s networks will be demonstrated in the following table below, after which, the entrepreneurial story of the Dream team will continue with a focus on the company-specific macroenvironmental factors.

Table 12 Analysis of networks of Dream team affecting growth based on theory presented in table 5

Characteristic	Description
Social and professional network	In addition to accessing funding and gaining contacts through being a member of the business incubator Fide, it has provided them with access to additional know-how and support from the community members.
Inter-firm cooperation	<p>Dream team is working on different internationalization models and they are currently trying to build <i>vertical linkages</i> in order to facilitate growth by expanding business opportunities while decreasing the risk and cost associated with entering new markets.</p> <p>Dream team has especially strong <i>horizontal linkages</i>. They work closely with the metallurgic chamber. They are also partnered with many different organizations. In their case, these horizontal linkages may help them get access to information on the market as well as on the political and regulatory changes.</p> <p>In terms of <i>supporting markets</i>, they have a consultant for a year to help with the strategic planning and they started taking training courses themselves. They have also externalized lots of services like accounting.</p>

As mentioned in the literature part of this research, macroeconomic factors play a major role in the opportunities for microbusiness growth, especially in developing countries like Argentina. One of the biggest challenges companies face in Argentina is corruption.

The level of corruption is a really big issue in Argentina. The fact that it can be seen easily just by going to a local store gives me the impression that it is more of a norm than an exception. This must have huge impact on how to conduct business here. (Analytic note, 07.09.2016)

The problem of corruption has been evident for the Dream team as well.

It does not only happen in politics, it is rather a cultural issue of ours... Corruption is seen at all levels, from politics up until nightclubs. It's everywhere, it's a cultural issue. (Castillo, interview 06.01.2017)

However, having experiences doing business in Mexico Castillo adds that corruption is the same or even higher there than in Argentina. (Castillo, interview 06.01.2017)

I was surprised by their reaction when I asked them to describe their experiences doing business specifically in Argentina in more depth.

They pause for a minute and start laughing out loud without saying a word. Judging by their body language and their reaction, I felt it was hard for them to even start explaining...They brought up a good point after explaining, that all countries have their own obstacles. (Field note, 06.01.2017)

The Dream team highlights that they do not have that much experience in doing business elsewhere in order to make a comparison to Argentina. They add that, especially, the heavy tax burden has a significant negative impact on their success. (Garcia and Castillo, interview 06.01.2017)

For the purpose of understanding how microbusinesses grow, it is essential to investigate how they are confronting these challenges.

...as an entrepreneur confront these problems with a positive attitude and willingness to adapt to change and do the best with what you got. (Field note, 19.9.2016)

An entrepreneur is finally as a fighter and no matter where the entrepreneur is doing business, he will see problems to solve and will go after the problems to solve them... you need to have desire and proactivity. It's a way of being where you never settle but always seek for improvements and take failures as experiences. (Castillo, interview 06.01.2017)

Garcia and Castillo explain that crises are like mini wars. Simultaneously, they are also times when most entrepreneurs are born, primarily, because people run out of work. They are also times that make the already existing entrepreneurs “reborn and more dedicated”. This means that they need to constantly innovate, be flexible and change. They explain more about the crises in their case in the following way.

On the other hand, in our particular case, something that was eye-opening geographically speaking is that we saw that the project was not going to work only in Argentina. We are in the process of internationalizing and if it is not with this product, or with automation, it will be with something. Because the crisis is something local, when entering or taking your product to new markets you can have more or less obstacles. But if you

man-age to have a market outside your country, in addition to your local market, you are able to compensate, because you start to have income that does not depend on the situation of your country, the price of the dollar, the price of soy, etc. Diversifying risk and the key to seeing the opportunity abroad is a way to survive from national crises so by having an export mindset. Most companies that are not affected so strongly by the crises are the companies that export. (Garcia and Castillo, interview 06.01.2017)

A brief analysis of the company-specific macroeconomic factors impacting growth will be demonstrated in the following table below, after which, the Dream team's growth strategy will be presented.

Table 13 Analysis of the macroeconomic environment by Dream team

Characteristic	Description
Macroeconomic factors constraining growth	<ul style="list-style-type: none"> • Heavy tax burden • Multiple crises • Corruption seen as a cultural problem • Difficulties getting private funding • Inflation
Macroeconomic factors: how to respond to constraints	<ul style="list-style-type: none"> • Diversifying risk through internationalization • Desire • Proactivity • Never settle • Always seek for improvements • Take failures as experiences
Macroeconomic factors supporting growth	<ul style="list-style-type: none"> • Crises make existing entrepreneurs reborn and more dedicated, this means that they need to constantly innovate, be flexible and change.

With the information presented above, we may conclude that the growth strategy, which is demonstrated in figure 3, for the Dream team is *business expansion* through internationalization to new markets as well as strengthening their presence in the Argentine market. For them diversifying risk by seeking opportunities abroad is a way to survive from national crises and grow their company.

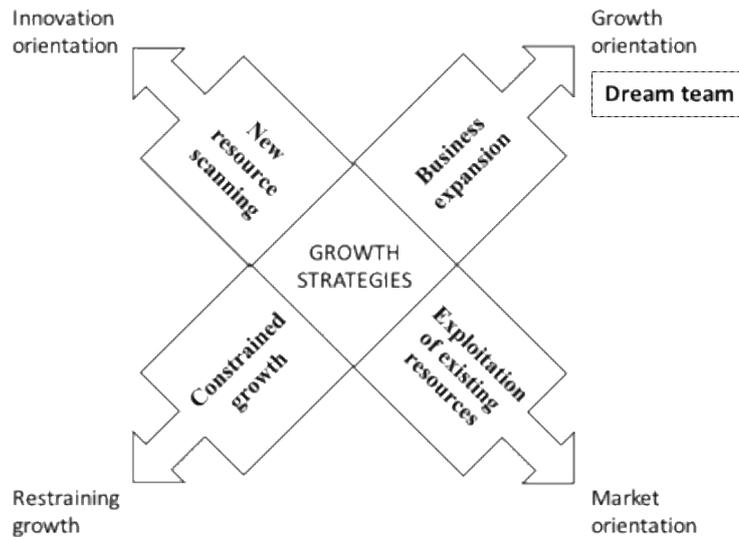


Figure 7 Growth strategy model of Dream team based on theory presented in figure 3

5.2 “Study pals”

“Study pals” believe that the basis for business success in Argentina are contacts and a good team that motivates and supports you through the rough periods. The empirical evidence shows that early on this team has seen the value that lies in co-creating their product and service with their potential customers to suit the industry-specific needs.

Because this microbusiness was founded in 2010 by five electronic engineer men who went to the same university and shared common interests, I am referring to their microbusiness as “Study pals”.

We’re a group of students with a passion for technology and we love to drink wine. We wanted to bring those two passions together. So, we thought what can we do that no one has done before? (Colon, interview in a local radio 13.08.2017)

Therefore, they decided to focus on designing and developing IoT (Internet of Things) solutions to the automation of wineries. Early on, they decided to take advice from a well-known local entrepreneur in how to create their business idea.

Colon explained that he told them that “Guys, engineers do wonderful things, but usually they do not serve anyone. You need to start buy asking around what people need and then see what you can do...”. (Colon, interview in a local radio 13.08.2017)

That is exactly what they did. After meeting up with many wineries around Argentina and the United States, they decided to focus on providing a solution with the help of IoT to a common problem in the process of fermentation. (Field note, 09.09.2016) Therefore, this is clear evidence that for them co-creating their product and service with potential customers is central to creating value, for them and their customers alike.

The Study pals highlight the importance of their team and see that it is a key element of success. (Mendoza, interview 06.01.2017)

...the main thing is to have a good team and contacts, because that is the basis for everything. Having a good team helps you and motivates you when you feel it's hard to get back up on your feet. (Study pals, interview 06.01.2017)

One important quality of the team presented in the literature review (table 3), is their relevant industry and work experience.

Searching through their LinkedIn profiles, I found that this team has such a vast variety of previous work experience which must provide them with diverse knowledge. (Analytic note, 06.11.2017)

Colon, the CEO of Study pals, is described by Mendoza as “the fantastic, the one with dreams, the one who always goes forward and does not stop at anything” (Mendoza, interview 06.01.2017). He has previous work experience in sales, as a congress organizer and working as a waiter in the U.S. Therefore, in addition to having diverse work experience, he has advanced knowledge in English. His responsibilities in Study pals include product development and testing, purchasing, supplier selection and logistics. (Colon, LinkedIn profile 22.06.2017)

32-year-old Mendoza, “the one who slows things down and analyzes...” has previously worked as a Project Engineer and he has also worked for four years in the areas of network performance and support for network access. His main responsibilities in Study pals are negotiating with suppliers and clients, developing budgets, presentations and exhibitions for promotions and sales. (Mendoza, interview 06.01.2017)

29-year-old Guzman is the one who is “practical, sitting still and developing” (Mendoza, interview 06.01.2017). He has worked in programing as well as electronic manufacturing. His responsibilities in Study pals are mainly design and development. (Guzman, email and LinkedIn profile 22.06.2017)

30-year-old Guerra, “the executer...” (Mendoza, interview 06.01.2017), has previously worked in the area of IDT (innovation, development and technology). He is responsible for the business operations. (Guerra, Facebook messenger, 28.06.2017)

The fifth original founder of the company is Cervantes, who has specialized in Computer Sciences. He left the company in order to pursue a doctorate degree in Computer Sciences and dedicated himself to investigation. (Mendoza, interview 06.01.2017)

Even though Study pals has divided the responsibilities, much like in many small businesses, they all do a little bit of everything. (Mendoza, interview 06.01.2017) They emphasize that all team members, including their five employees, are equal and that they are all in this together. They seem to value their employees according to what Colon and Mendoza have commented.

*People matter more than results. (Colon, interview on radio 13.8.2017)
All team members are equal, we are all in this together and it is important to be attentive towards one another...give space to express opinions. We always try to inspire each other. (Mendoza, interview 06.01.2017)*

Their employees feel it is particularly important that Study pals give them the power to change things and that they are able to grow professionally within the company. (Study pals, interview 06.01.2017) This provides further evidence that the owners value their employees.

Another important aspect related to growth presented in earlier research is prior entrepreneurial experience. According to this research, Guerra is the only founder that has previous entrepreneurial experience.

According to Guerra's experiences working for his father's company, really gives the impression that he has gained valuable knowledge and experiences. Also, that he has seen his father's company evolve and make a clear strategy for improving growth, which may give him more abilities to understand strategic decision making in Study pals as well. (Analytic note, 28.06.2017)

A brief analysis of the entrepreneur characteristics impacting growth will be demonstrated in the following table below, after which, the entrepreneurial story of Study pals continues with a focus on the company attributes affecting their growth.

Table 14 Analysis of entrepreneur characteristics of Study pals based on theory presented in table 3

Characteristic	Description
Gender	It is not evident that there is a link between the gender of the entrepreneurs and the company growth.
Educational background	All current founders have Bachelor's degrees in Electronic Engineering, which has provided them with knowledge and know-how for working in IoT. The owners met and formed their team while studying at the same university.
Relevant industry and work experience	The team possesses a vast variety of previous work experience, which may provide them with diverse knowledge. Colon has experience working in English, which may be seen as increasing their possibilities to enter into the U.S market.
Entrepreneurial experience	After talking to a local entrepreneur, they realized the value of co-creation. Parental entrepreneurship seems to have clear impact on Guerra as he has gained valuable knowledge and enhanced his understanding of strategic decision making by working in his father's company. This suggests he has an advantage in knowing what it takes to launch a venture. Therefore, he is also more aware of not making costly mistakes. The other members did not mention any prior entrepreneurial experiences.
Size of founding team	The team consists of four founders. Having a large team in their case relates to having diverse knowledge and know-how, and psychological support.
HRM practices	Defining clear roles and dividing tasks among founders and employees, and an open knowledge sharing environment may in their case be seen as a strategical HRM practices.

Study pals is a formal business registered legally in Argentina. They are not yet able to live of their company as they are not in the stage of making returns. The owners are not taking much salary and the salaries of their employees is rather low as well. They mainly finance their business with private funding, but they have received funding through awards like EMPRETEC and ADIMRA, which are AR \$ 90,000 (approximately 4500€) each. They had also just won the FONSOFT fund that they were going to receive soon. (Mendoza, interview 06.01.2017) Furthermore, presumably, the level of technology in their company must be high to be able to develop their product and receive the above mentioned awards mostly for innovativeness.

They seem to mostly have features of Stage 3., Attainer, of microbusiness growth (table 2). Even though, their management style seems to be more flexible, the extent of their formal systems is minimal to nonexistent, like in Stage 1. How they evaluate their growth portrays this rather well.

We are looking for goals. We do not have a system now, but what should determine our growth are the sales comparing the current with the previous ones. (Study pals, interview 06.01.2017)

During my traineeship one of my tasks was to help Study pals apply for public funding. I had a strong feeling they still lack formality and planning.

I have sent various emails to Study pals to do a new pitch. They do not seem to care about funding or they are not keen on doing good work. Sometimes it is frustrating to see that a company with so much potential does not have an eye for detail nor focus on doing good quality work. (Field note 30.11.2017)

On the other hand, perhaps they did not need the funding. However, it clearly gave the impression that they are not focusing enough on the quality of administrative work. So, it comes with no surprise that their main focus is to simply staying alive, such as in Stage 3, because they are still in the product development phase.

Now we are finishing with the development of our star product. Then we have to finish developing our temperature sensor. (Study pals, interview 06.01.2017)

However, it seems that Study pals' strategy is to pursue competitive advantage with a focused differentiation strategy (Porter 1985).

My boss explained to me that Study pals started in the wine sector finding a niche with low entry barriers and lots of potential to innovate. (Field note, 09.09.2016)

On the other hand, their long-term goal implies that they are aiming for a larger scope and are not aiming for a clear niche market. Hence, it seems that they are aiming towards gaining competitive advantage with a differentiation strategy with a high price.

Their goal is to make the most out of the funds, sell, expand to other markets and industries, and cut down the prices of their products. (Field note 30.11.2016)

I do not want to say the price yet. It might scare someone. (Colon, interview on radio 13.08.2017)

This gives some indication to what their growth strategy may be even though they themselves were not able to explain a clear growth strategy. Instead they explained some general long-term goals ambiguously. (Study pals, interview 06.01.2017)

...an objective of the company is to have a strong presence in the wine industry, as well as expand to other industries oriented to the control of processes. (Study pals, interview 06.01.2017)

Mendoza also explains that they have already had plans to grow internationally and they have had sales outside the country a while back. They have a plan to establish their presence better in Argentina and they were contacted by a seller that is now marketing their product in Uruguay, who has plans sell their product in Chile as well. He has experience in the wine industry, so they have high expectations for this new contact in helping them grow. (Mendoza, interview 06.01.2017) It is hard to tell whether they will succeed in growing internationally. Nonetheless, seeking experienced professionals to help with internationalization may be seen as enhancing their possibilities.

It may be seen that they would benefit from a multi-professional team, not only in terms of internationalizing, but also in administrative tasks as well as accounting. However, Mendoza adds that they benefit from being part of Fide and getting information from the business incubator to help them with these aspects. (Mendoza, interview 06.01.2017)

A brief analysis of the company attributes impacting growth will be demonstrated in the following table below, after which, the entrepreneurial story of Study pals will continue with a focus on distinct networks affecting growth.

Table 15 Analysis of company attributes of Study pals based on theory presented in table 4

Characteristic	Description
Formality and planning	Study pals is a formal business, registered legally in Argentina. It appears they are not investing time on planning clearly.
Technology	They seem to have a high level of technology to develop their product and service.
Innovation	Their product seems to be very innovative considering they have received various prizes from different organizations for their innovativeness.
Finance	Study pals is a young company that is not yet profitable. Their main source of finance is private. They have received financial rewards. They have had good access to finance from the start.
Growth-oriented vision and mission	They are still in the process of defining the structure to their venture, though they seem to be committed to growth and make decisions with growth in mind. They do not have any clear growth vision or mission statements.
Motivation to grow	Study pals has strong motivation to grow by establishing their presence better in Argentina. They are clearly eager to internationalize to new markets and they sought professional help for expansion.
Qualified employees	Study pals has well-educated employees in the area of engineering, but they could benefit from a more multi-professional team. They seem to have good access to a highly qualified labor pool within their industry.

Study pals see networking as a powerful way to share knowledge.

...you find more people that are in a similar situation like you, there are more brains, more ideas and that can bring very positive results. (Study pals, interview 06.01.2017)

Study pals is well connected and most of the contacts are through Colon and his father. Some examples of distinct professional contacts who help them grow are enologists, entrepreneurs, international business development professionals and accountants. (Colon, email 30.08.2017)

Study pals mention advantages of being a part of the community at the business incubator, Fide. Having a physical work space, facilities, getting funding more easily and

the support from other entrepreneurs in the same situation are the most valuable aspects for this team. They also feel they need to meet schedules better and it has helped them form their idea into a company that's not working from someone's garage. (Study pals, interview 06.01.2017)

A brief analysis of the Study pals' networks impacting growth will be demonstrated in the following table below, after which, their entrepreneurial story will continue with a focus on the company-specific macroenvironmental factors.

Table 16 Analysis of networks of Study pals affecting growth based on theory presented in table 5

Characteristic	Description
Social and professional network	Study pals is well connected. They have a variety of distinct professional contacts that help them grow. They benefit from being part of the business incubator, Fide. physical work space, facilities, getting funding more easily and the support of the community of people in the same situation.
Inter-firm cooperation	For <i>horizontal linkages</i> , they mention a contact, who helps in the area of sales in Mendoza and another contact, who is helping to expand to Chile. In terms of <i>supporting markets</i> , they have various professional consultants who help them grow.

Reflecting back on my experiences and this research, the general overview of doing business in Argentina in my opinion is rather challenging. According to the following statements, I am not the only one thinking so.

Argentina is a complicated country... There is corruption. There is always someone who wants to take advantage of others. We are used to that, you live with that, so it does not even affect you. (Mendoza, interview 06.01.2017)

Argentiniens are used to changes and in order to work in this country you cannot get stressed from change, you have to change all the time. Renew your plans, be flexible and always be prepared that the worse can happen. (Field note from workshop at Fide 19.09.2016)

This mentality of being prepared for the worse came somewhat as a surprise to me at first. However, after living in Argentina this became familiar to me as well. (Field note, 01.12.2016)

Despite the more negative aspects of the macroeconomic environment, Study pals explain some positive changes about to happen. They explain that the government is aiming to enhance their support to entrepreneurs, for example through providing additional funding. (Study pals, interview 06.01.2017)

Moreover, in order to succeed in Argentina, Mendoza offers a few tips.

The key components to success in the Argentinian market are contacts, lots of motivation and finance. Also having a good team that motivates you and flexibility, because there are constant changes and surprises. (Mendoza, interview 06.01.2017)

These tips seem to be quite universal, which is an interesting observation. Perhaps, there is not that much difference in the key components for success between distinct countries. Further research should be carried out to determine whether there are differences or not.

A brief analysis of the company-specific macroeconomic factors impacting growth will be demonstrated in the following table below, after which, Study pals' growth strategy will be presented.

Table 17 Analysis of the macroeconomic environment by Study pals

Characteristic	Description
Macroeconomic factors constraining growth	<ul style="list-style-type: none"> • Constant surprises the economy • Corruption • People taking advantage of you
Macroeconomic factors: how to respond to constraints	<ul style="list-style-type: none"> • Having lots of contacts • Motivation • Finance • Having a good team that motivates you • Flexibility
Macroeconomic factors supporting growth	<ul style="list-style-type: none"> • Government enhancing support to entrepreneurs

With the information presented above, we may conclude that Study pals is a new venture and thus does not directly fit into having one particular growth strategy demonstrated in figure 3. This is because they are at a phase where they are searching for different opportunities. However, they have a strong emphasis on expanding to new markets inside the country as well as abroad. Thus, their growth strategy is closest to *business expansion* through growth orientation, where the company expands to new markets with present products or usually with some modifications to the characteristics

of the present products. Furthermore, the empirical evidence show additional key elements related to their growth strategy: co-creation and networking.

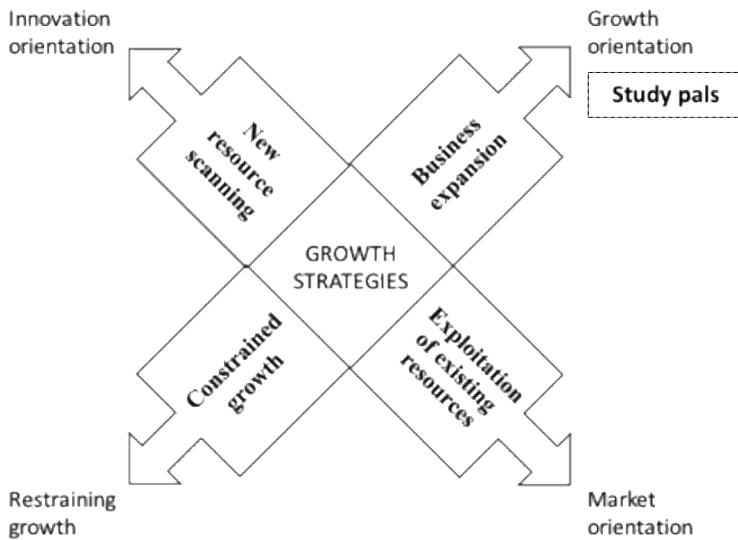


Figure 8 Growth strategy model of Study pals based on theory presented in figure 3

5.3 "Infinite imagination"

Creativity and imagination were this team's building blocks to move from an idea into a business. Empirical evidence presented offers a unique insight on how this team is ahead of one's time in comparison to the majority of microbusinesses in Argentina by harnessing the power of crowdfunding for building a born global business.

Examining the material found online on the company, they seem to be very professional and I have a feeling they will bring something new to my research. (Field note, 23.10.2016)

I had a strong feeling from the beginning that this company might offer unique evidence on how growth may be pursued in a challenging business environment. However, even though the company has its roots in Argentina, it is officially registered in the U.S.

I was surprised to hear it is officially registered in the U.S. for the purpose of crowdfunding, but because has its roots based in Argentina and registering the company abroad was a strategical decision for enhancing growth possibilities, I think it offers a valuable insight and should be included in this research for that reason. (Analytic note, 10.02.2017)

I named their company Infinite imagination reflecting on my thoughts about how they invented their product and how they are constantly searching for new ways to develop their business.

The product itself emerged when I shared a room with my brother with a shared table light...solely because of our need and want to add features to it that we would like to have in the room...and we thought this idea was a good opportunity. (Sandoval, interview 10.02.2017)

To specify, Infinite imagination focuses on providing intelligent home and furniture solutions. Their goal is to create intelligent homes with smart everyday objects, such as furniture.

It was founded in 2015 by four men. Among them are Sandoval, an electromechanical technician with advanced studies in agronomic engineering; computer engineer Fuentes; industrial designer Mercado and product designer J. Sandoval, the brother of Sandoval. (Sandoval, WhatsApp 12.07.2017) It is evident that the founders have a wide range of different educational backgrounds, which may be seen as enhancing the diversity of knowledge this team possess.

At least for Sandoval it is obvious his family has influenced him to pursue with his ideas and become an entrepreneur.

Many of my relatives are independent, they have their own businesses. I have influences from the way I was raised by my family and their lifestyle to always be proactive and search for opportunities. Thus, I do not feel very comfortable working in a company for someone else. (Sandoval, interview 10.02.2017)

This highlights the impact his relatives have had in him becoming an entrepreneur and knowing what it takes to build your own business. Also, he has prior entrepreneurial experiences, which has further enhanced his understanding of entrepreneurship.

After my university studies, I started my own business of manufacturing merchandising products, mainly souvenirs, so that students visiting different cities on their graduation trips can buy. That was my first venture and then Infinite imagination. (Sandoval, interview 10.02.2017)

Sandoval has prior work experience in private companies in areas such as car rental and services. Fuentes has previous work experience developing radar systems and

satellites for the Argentine Ministry of Defense. Mercado, who currently lives in the United States, has worked for IBM's research laboratories, and J. Sandoval has worked as a product designer. (Field note, 06.02.2017) It is evident that the founders have diverse prior work experiences, which may also be seen as enhancing the team's know-how.

It is rather clear that they have planned out very carefully how to manage their team and the individual roles of each member. Their management style appears to be a bit vague. However, using software as a management tool to divide and oversee tasks, is something of particular importance for a spread out team and interesting to note.

...we are a bit fragmented. This is because I am in Chile, participating in StartUp Chile with Infinite imagination. Also, because Fuentes, Trevino, Ibarra are in Córdoba and are more involved in the development, electronics and software. Then there is Mercado in San Francisco, who is responsible for the product and J. Sandoval, my brother is in Colombia, who is managing the production. So, usually J. Sandoval or I go to Córdoba for a week or two, once a month, something like that. Today they work from our office, we have divided roles depending on the profile that each one of us has, more business, development, software, electronics or product. And then we manage and assign tasks through software. Usually we use Asana, with objectives and with very specific tasks that must be delivered. So, usually each person has more influence in their own area and some decisions are taken together about where you want to go with product development or how some crisis is resolved, but usually everyone is more or less focused on their specific area of work. (Sandoval, WhatsApp 12.07.2017)

They seem to be very task-oriented, The management style is closets to direct supervision, which implies they are at Stage 1, Starter, of microbusiness growth (table 2).

A brief analysis of the entrepreneur characteristics impacting growth will be demonstrated in the following table below, after which, the entrepreneurial story of Infinite imagination continues with a focus on the company attributes affecting their growth.

Table 18 Analysis of entrepreneur characteristics of Infinite imagination based on theory presented in table 3

Characteristic	Description
Gender	It is not evident that there is a link between the gender of the entrepreneurs and the company growth.
Educational background	It is evident that the founders are all highly educated and have a wide range of different educational backgrounds, which may be seen as enhancing the diversity of knowledge this team possesses. They also have good English skills, which enable them better possibilities to enter into English-speaking markets.
Relevant industry and work experience	It is evident that they have unique and diverse work experience related to their industry, which is beneficial to their microbusiness due to gained knowledge.
Entrepreneurial experience	Infinite imagination is the second venture for Sandoval. His relatives, who have businesses, have influenced his decision to become an entrepreneur and him knowing what it takes to build your own business. This suggests he has an advantage in knowing what it takes to launch a venture and he is more aware of not making costly mistakes. Prior entrepreneurial experiences of the other members were not mentioned.
Size of founding team	Having a large team in their case seems to impact strongly with the team possessing more talent and knowledge.
HRM practices	Defining responsibilities and tasks among founders and employees with the help of software may be seen as a strategical HRM practice.

Infinite imagination created the world's first smart nightstand. The product has very innovative qualities.

I have never seen a similar product before. You can charge your phone, tablet or smart watch either wirelessly or through USB. You can lock and unlock the drawers with their mobile App. It has integrated lamps and Bluetooth speakers. (Field note, 14.10.2016)

On that account it is possible to assume that the technology behind their product must be of high level and innovative as well. Also the personalities of the Sandovals is a rather important factor.

The Sandovals have very curious personalities and researched for innovative ideas how to finance their product. Do their curiosity, they came across these crowdfunding platforms and decided to give it a go. (Analytic note 20.02.2017)

At the first glance, it seemed to me that Infinite imagination is not putting too much efforts into planning.

We have some established metrics that indicate that we are growing, but they are very basic, since our growth may be calculated with unit sales, because we manufacture a hardware product. (Sandoval, interview 10.02.2017)

However, after talking with Sandoval in-depth about their business and their plans, I had a completely opposite view.

Sandoval talks very clearly about his business and everything seems in my opinion to be planned out carefully and as a team they always look for new opportunities to take their business to the next level. (Analytic note, 10.02.2017)

The following information further supports this view. As the first crowdfunding did not meet their expectations, Infinite imagination made a strategic choice to hire a multi-professional team to further enhance their team's know-how and expertise needed for growth.

The crowdfunding was not as successful as we predicted and that is when we decided to grow our team by looking for people with different experiences in different areas, such as electronics and software that we could not fulfill and then in 2016 we launched a new crowdfunding campaign at the beginning of the year. And that is how everything is taking a new form and we are growing faster. From then on, we finished developing the new product that we sold more than 660 units through crowdfunding and we are in the process of starting to deliver the first units. (Sandoval, interview 10.02.2017)

When I interviewed Sandoval he was currently in Chile, because they were accepted to the Startup Chile program. They received \$30,000 (USD), an acceleration program and

a mentoring network. (Sandoval, interview 10.02.2017) He clearly sees the benefits brought to them by the program.

I value the help through the program in making connections with people who will help you work on your product, your company and develop the market where you sell your products. (Sandoval, WhatsApp 12.07.2017)

They have participated in other programs as well for entrepreneurs globally, like the IKEA boot camp and MASISA investment portfolio Chile. (Company website, 19.05.2018) Applying to different programs seems to be a strategic choice for expansion.

Accelerator programs are the next step, which not only provide you with funds, but also connections and contacts for market development. They help you in finding the market where you are able to grow sales. (Sandoval, interview 10.02.2017)

As Sandoval describes, their company is at an early stage of development and, therefore, it seems that they have even more features of Stage 1, Starter, of microbusiness growth (table 2). The company strategy may, therefore, be described as simply to exist just as Sandoval describes himself.

The strategy to get returns in these early stages was to get funds from government agencies that promote, or actually, that help us to survive. (Sandoval, interview 10.02.2017)

Moreover, they are not able to live off the sales they generate right now, but it has to be taken into notice that they are at a very early stage of development.

Additionally, they are focusing on overcoming the typical key challenges at the Starter stage.

...to develop the market where the customer is and purchasing power and keep the development teams where it is more economically possible to maintain them. (Sandoval, interview 10.02.2017)

However, they may be seen as far more evolved through finding modern ways to grow their business, such as crowdfunding and acceleration programs than the traditional companies in Stage 1 (table 2).

Moreover, in addition to the founders, Infinite imagination has three employees, who are engineers in computer sciences. They were chosen on the basis of needing developers,

having the strongest connection with them, and they showed the most enthusiasm towards their project. (Sandoval, interview 10.02.2017)

A brief analysis of the company attributes impacting growth will be demonstrated in the following table below, after which, the entrepreneurial story of Infinite imagination will continue with a focus on distinct networks impacting growth.

Table 19 Analysis of company attributes of Infinite imagination based on theory presented in table 4

Characteristic	Description
Formality and planning	Infinite imagination is a formal business registered legally in the United States. It appears they are devoting time for planning and constantly searching for modern ways to grow their business.
Technology	The technology behind the product is very innovative. The new and advanced technologies seem to help Infinite imagination compete in fast-growing and dynamic markets.
Innovation	Infinite imagination has made the world's first smart nightstand and their new product has new features.
Finance	Infinite imagination has been able to access to needed finance for the company through crowdfunding, sales, government subsidies and through different acceleration programs. However, they are not able to live off their business yet.
Growth-oriented vision and mission	Even though, the company has not defined their growth through vision, mission and value statements; it is very clear that all decisions are made with growth in mind.
Motivation to grow	Infinite imagination decided to regroup their team in order to grow their business by improving their product. The company has a clear objective to grow and the founders' decisions are made with growth in mind.
Qualified employees	Infinite imagination has three employees, who are engineers in computer sciences. The team is comprised of employees and founders with needed knowledge and diverse know-how. They have been able to access to a highly qualified Argentinian labor pool with a lower cost than having employees from the U.S.

As mentioned above, Infinite imagination has taken part in different acceleration programs. I was in contact with Sandoval during the time they took part in the Startup Chile program.

The program has a large network of contacts and they help you get contacts specifically to meet your company needs. We mostly found it

helpful in getting a contact who is in the U.S. dedicated to importing and marketing a very similar type of product in the same field. This contact taught and guided us a lot with best practices, what should be done and what type of approach should be taken to the different types of channels. (Sandoval, WhatsApp 12.07.2017)

The only other major contacts they have are with ministries or the governments with entities that provide public funding for development, such as FONSOFT of the Ministry of Industry of Argentina and CORFO of the Government of Chile (Sandoval, WhatsApp 12.07.2017)

Infinite imagination have now launched the second version of their product through Kickstarter, which is the world's largest global crowdfunding platform focused on creative projects. Sandoval explains that through the funding they received, they were able to move to other markets outside the U.S as well.

At the moment, our company is constituted in the United States, we have a subsidiary in Colombia and we are about to create a subsidiary in Chile. As a starting point, our intention is to further develop the US market to start and then to make more global growth. Currently, 80% of our sales come from the United States and the other 20% comes from Nordic countries. (Sandoval, interview 10.02.2017)

The most intriguing insight on Infinite imagination, is that crowdfunding has provided them the means to becoming a born global business, which means they directly entered into different markets and internationalized after starting their business. Furthermore, the information provided points to them pursuing competitive advantage with a differentiation strategy, in which a company seeks competitive advantage in a broad range of industry segments (Porter 1985). This serves as a basis for their growth strategy.

A brief analysis of the Infinite imagination's networks will be demonstrated in the following table below, after which, their entrepreneurial story will continue with a focus on the company-specific macroenvironmental factors.

Table 20 Analysis of networks of Infinite imagination affecting growth based on theory presented in table 5

Characteristic	Description
Social and professional network	Startup Chile program helped them in creating good professional and social connections and contacts needed for growth. They also received additional funding from the startup program.
Inter-firm cooperation	<p>In terms of <i>vertical linkages</i>, they have subsidiaries in Colombia and soon in Chile as well, which decrease the risk and cost associated with entering into new markets. Using crowdsourcing to fund most of their business, may be seen as a vertical linkage as it is a linkage with their customers that decreases risk with entering into new markets.</p> <p>As <i>horizontal linkages</i>, they have links with entities that provide public funds for development, such as FONSOFT of the Ministry of Industry of Argentina, CORFO of the Government of Chile.</p>

Infinite imagination develop software and hardware in Argentina and have most of their team there. However, they see obstacles with producing their hardware in Argentina and explain why they have gone global.

... there are no great barriers that limit the development of software in Argentina as there is in hardware with the subject of taxation, importation and so forth. In that area, it is much easier to be successful, since it is not necessary to go to another country in order to reduce costs on taxes that in terms of hardware, are a heavy burden. (Sandoval, interview 10.02.2017)

Therefore, their long-term objective is to keep the development teams in Argentina where it is more economical to maintain them. So, at this early stage they are still working mostly in Argentina, but their long-term objective is to produce their product in their main market, the U.S., and only keep the development team in Argentina to reduce costs in the export of hardware. (Sandoval, interview 10.02.2017)

Sandoval also explains that in general the situation for entrepreneurs is improving, but there are still many things that need to be enhanced, such as tax reduction and legal flexibility. According to their view, the entrepreneurial field is more developed in Colombia and Chile for example. Therefore, it is easier for them to focus on those markets instead of the Argentine market, where they would be strongly affected by how the Argentine market can survive. (Sandoval, interview 10.02.2017)

Table 21 Analysis of the macroeconomic environment by Infinite imagination

Characteristic	Description
Macroeconomic factors constraining growth	<ul style="list-style-type: none"> • Tax burden on hardware products • Lack of legal flexibility • Companies are strongly affected by how the Argentine market is able to survive
Macroeconomic factors: how to respond to constraints	<ul style="list-style-type: none"> • Registering company abroad • Crowdfunding • Understand the Argentine market
Macroeconomic factors supporting growth	<ul style="list-style-type: none"> • Overall situation for entrepreneurs is improving, such as tax reductions and legal flexibility • For them keeping the development of hardware and software in Argentina is a cheaper option • Argentina provided them with public funds, for example FONSOFT

Infinite imagination may be considered as a "digitally born global microbusiness". These types of microbusinesses are able to expand more rapidly and profitably to customers on a global scale with the help of digital platforms, and thus are not restricted to conducting business in their home market. This phenomenon is relatively new in Argentina and provides additional information as to how a company may be able to tap into new methods of growth coming from a developing country. With the information presented above, we may conclude that Infinite imagination does not directly fit into having one particular growth strategy demonstrated in figure 3, rather, their growth strategy possesses mainly qualities of *business expansion* and *new resource scanning*.

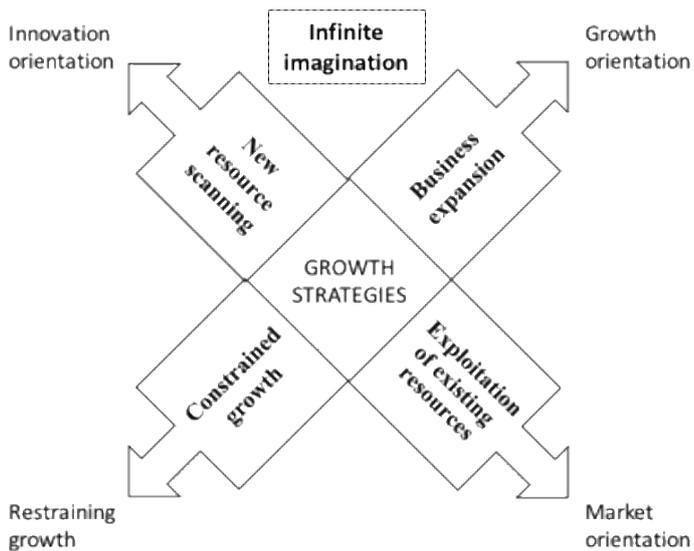


Figure 9 Growth strategy model of Infinite imagination based on theory presented in figure 3

5.4 “Visionaries”

"Visionaries" are people, who are creating the future with wisdom and clear vision. This group of entrepreneurs are not only motivated by the typical ideas of success, but they also want to make a difference in their society that reaches beyond financial gains. The empirical evidence shows that they are aiming for growth by diversifying their business and monitoring their costs.

Estrada's contagious enthusiasm and belief in their company first caught my attention. (Field note, 05.09.2016)

Therefore, I had the first thought to start observing his business more carefully. I named this company of two male entrepreneurs as the “Visionaries”, because their idea grew out of a vision to make a difference in the world, and they pursued that idea with enthusiasm.

I always say that I am a romantic entrepreneur, because when you feel you're in love, you feel butterflies in the belly. And somehow, I lost my sleep thinking of the idea (saying in Spanish, meaning he was so enthusiastic), because I think it always aligned with the principles and values in which I believe in. (Estrada, interview 11.01.2017)

Visionaries is a sustainable business that has social and environmental impact. They make toys for children from recycled cardboard.

For us measuring success does not only involve business, we also care about measuring social and environmental impact. (Estrada, interview 11.01.2017)

Thus, their goal is not merely getting financial gains, but also making a positive impact on the society and the environment. In fact, there is a growing number of companies in Argentina focusing on a positive environmental impact. (Analytic note, 24.10.2016)

The other clear trend among the ecofriendly SMEs of our country is the fabrication of products made from recycled or reused materials. An interesting example is that of Baumm, they make brand backpacks and bags from paragliding material. (Pymes magazine, 01.01.2017)

So, we may conclude that Visionaries is following the rising trends. It is certified as a B company, and their story gives a distinct perspective on conducting business that goes beyond financial gains.

We believe that through our business we are able to change the reality in which we live in...Bringing happiness to children while taking care of the environment and giving opportunities to people who have less... (Company website, 30.03.2017)

That has been the fundamental thought behind their business. Estrada came up with the initial idea while he was participating in a course on creating a company in the National University of Córdoba.

...this was a business idea for a business model we had to do, canvas style. And we worked with that idea with my group. Surfing the internet, I found that there was a trend in Europe for toys made from cardboard. And I began to investigate. Looking into how a child may develop in taking care of the environment, I felt it was something I wanted to invest time on and was a mission to fight for. (Estrada, interview 11.01.2017)

However, Estrada did not have any prior experience from the toy industry nor how to work with cardboard. He contacted some of his friends, who had experience and decided to go forward with the idea. (Field note, 19.10.2016)

Estrada built a team with two other men and together they founded the company in 2010. Currently, two of the original founders are running the company, 32-year-old industrial designer Estrada and 36-year-old electronic and sounds technician Mora.

Meza was a professor and he helped us fundamentally in the development of the products. After a year, Meza left to continue other projects and we were alone with Mora and that's how it all started for Visionaries. (Estrada, interview 11.01.2017)

Estrada has previously worked for five years in logistics in the factory of Renault and he has also worked in the international supply department. Mora has previously done diverse types of jobs not only in his profession. (Estrada, Facebook messenger 12.07.2017) Estrada and Mora seem to have diverse job experience prior to starting their business.

Prior to founding Visionaries, Estrada also had a year-and-a-half venture as a consultant in the optimization of productive processes related to industrial engineering. He had trials in other ideas as well, but they did not spark like Visionaries. (Estrada, Facebook messenger 12.07.2017) Therefore, he has prior entrepreneurial experience, which may be beneficial in understanding what it takes to launch a business and avoiding costly mistakes. In addition, parental entrepreneurship seems to have a relevant impact on their decision to becoming entrepreneurs.

My mother also had her own business, a small local pharmacy, which initially inspired me to work as an entrepreneur. Guzmán's family has a family business selling animal foods where he has worked as well. (Estrada, Facebook messenger 12.07.2017)

Estrada is often asked to talk at different entrepreneurial events in Córdoba, because he has a talent for motivating others to have their go at entrepreneurship. The founders have also divided their responsibilities and roles accordingly. Therefore, Estrada is in charge of sales, marketing and product design. Whereas, Mora is in charge of everything that is related to the production, logistics and purchases. (Estrada, interview 11.01.2017)

Estrada and Mora believe it is important to have people working with them who share their company values of creating a positive impact on the society. Visionaries also see employment as a way to enhance their social impact.

They have also partnered with organizations in order to hire people in vulnerable situations in their lives with the goal of creating positive impact on the employees, their families, and the society. (Field note, 19.10.2016)

A brief analysis of the entrepreneur characteristics affecting growth will be demonstrated in the following table below, after which, the entrepreneurial story of Visionaries continues with a focus on the company attributes affecting their growth.

Table 22 Analysis of entrepreneur characteristics of Visionaries based on theory presented in table 3

Characteristic	Description
Gender	There is no clear link between the gender of the entrepreneurs and company growth.
Educational background	Both founders are highly educated. In Estrada's case, this may be a reason for his high self-confidence. Their education may have enhanced their skills and abilities, but not as strongly because they do not have a business related to their expertise. However, they have multi-professional knowledge, which may enhance the team's diversity in skills and abilities.
Relevant industry and work experience	Their prior work experience may provide them with diverse knowledge even though it is not related to the same industry as their business.
Entrepreneurial experience	Estrada has prior entrepreneurial experience, which may be beneficial in understanding what it takes to launch a business and avoiding costly mistakes Parental entrepreneurship seems to have a relevant impact on their decision to become entrepreneurs.
Size of founding team	The size of the team seems to impact the diversity of professional knowledge positively.
HRM practices	Defining clear roles and dividing tasks among founders may be perceived as a strategical HRM practice. They create positive impact on the society through selective hiring.

Visionaries is a formal business registered in Córdoba, Argentina. They are part of the business incubator Fide, which most importantly, helped the Visionaries with initial funding. They received governmental funds, credits and subsidies needed for growth. Currently, they are self-sufficient, and they are growing without the help of governmental subsidies. They have also received funding through various awards. One of the most recent ones was the Schmidheiny award, which is given to social entrepreneurs with demonstrable impact on their communities and the region. (Field note, 12.09.2016) It is important to note that governmental funding helped them get started and abled them to

work full-time on their business from the beginning, and therefore, had a significant impact on their initial growth.

Visionaries face rather fierce competition, which came to me as a surprise.

Initially, I thought they have a unique product and the competition is low. However, to my surprise there were others producing very similar type of products. Even with a similar design. (Field note, 12.11.2016)

Despite the heavy competition, they have managed to establish themselves well in the market. They have 93 points of sales across Argentina, mostly in the capital Buenos Aires, where they have 43 points of sales. (Website of Visionaries, 01.10.2016)

They make contemporary designs and incorporate stories in their blog with their products. They go to different trade fairs and Estrada promotes his products very well by speaking publicly every time he gets a chance. His company is well-known in Córdoba and appears in the local news as well. But more than the product, the social and environmental impact of the company is what makes their company stand out. (Analytic note, 05.09.2016)

Visionaries produces all their products themselves and then distributes them mainly to the different points of sales. (Estrada, interview 11.01.2016) Moreover, they seem to be well-organized, and they have long-term goals as well as strategies to reach them.

...we measure the turnover and the quantity of products sold per year. This past year, 2016, we grew in the total turnover, we grew in profitability per product, but we sold fewer products. Despite having sold less, we improved the costs, we improved the prices of sale and the strategy of market penetration. Then in the end we ended up doing better. (Estrada, interview 11.01.2017)

Above all, it is clear they have used market orientation as their growth strategy during the previous year, 2016. As mentioned previously, they also have goals of making positive impact on the society and the environment. They seem to have a clear plan on how they will reach these goals.

Today the success of our company is measured mainly by the turnover and by the net profit, from the economic point of view. From the environmental point of view, we have a goal of reaching "zero waste", meaning that we

do not generate waste. In other words, all the waste generated by Visionaries can be recycled again. We are currently at 94% and the goal of this year, 2017, is to reach 98%. For this we have a strategy for changing the designs and production processes to eliminate certain components that have no way of being recycled. And from the social point of view, we are going to launch a product that is going to be entirely manufactured by urban recycling cooperatives, who work with “cartoneros”, cardboard waste pickers and recyclers. (Estrada, interview 11.01.2017)

Above all, it is rather clear that the social and environmental goals of the company also play a major role in the technologies used to produce their products and the innovative ideas they are implementing. Therefore, analyzing their level of technology and innovativeness is quite complicated. The machines they use for production work well. However, with limited knowledge and time I did not know exactly what to compare them to in order to analyze their level. (Field note, 19.10.2016)

All things considered, it appears that the extent of formal systems may be described as developing and strategic planning is rather extensive. Visionaries are also building and focusing on a more formal structure. This implies they are best described to be at Stage 3, Attainer, of microbusiness growth (table 2). The key issues in this stage are for the owners to either decide to keep their company stable and profitable or invest in expanding. It is rather clear that they are aiming for expansion.

...we have desire to continue, the desire to grow. We are part of a living being. I believe that all companies are living beings, where if it does not grow it dies. That is why we have that challenge and the desire to grow constantly professionally, personally and with the business and choosing this path also means a way of life. (Estrada, interview 11.01.2017)

Nonetheless, in order to grow and internationalize, it is somewhat evident that they might need a novel approach for sales.

I asked Estrada if he had considered selling their designs and letting other companies or consumers produce their products locally to cut costs on distribution. Estrada thought this might be a good idea considering the high costs of shipping and exporting. (Field note, 11.01.2017)

Furthermore, in fact they have already had some international sales, but they are not yet sustainable due to their high logistical costs. To tackle this problem, they are analyzing

the costs of licensing models or franchises. They are currently selling in Chile, Uruguay, and Guatemala. Their goal for the following year is to strengthen their presence in these markets and try to enter Mexico as well. (Estrada, interview 11.01.2017)

Visionaries has a clear growth vision and they have three distinct aspects related to their growth strategy.

...One is to grow in toy stores in the local market, despite the economic downturn. (Estrada, interview 11.01.2017)

This has been their long-term growth strategy. It is strongly related to the *exploitation of existing resources* strategy, which is based on market-orientation demonstrated in figure 3.

Second is to sell to companies in a new way. We want to grow with companies in their value chain. The plan is to work with certain items, such as the toys for the happy box of McDonalds. Leaving from being a supplier and becoming part of the value chain. We are working with an Argentine food chain that has children's menu and we are going to launch a product that assures us an annual demand. If we close a sale like this, it means that every month we have sales and we break the seasonality that is typical in the world of the toy stores, because the toy stores' demand concentrates mainly around the Children's Day and Christmas. The rest of the year the demand is very scarce and that destroys us financially. We are also working with the newspaper "La voz interior" so that every three months we launch a campaign with a toy, we enter its value chain with the goal that they sell more daily and we develop a new product for them. This is another niche that we want to exploit, and we want it to represent a large percentage of sales. (Estrada, interview 11.01.2017)

It appears, they are planning carefully to lower risks and diversify their business to accomplish sustainable growth. They have plans of expanding to new areas of business, which is strongly related to the *business expansion* strategy (figure 3).

And third is the foreign trade, strengthening and selling more in the channels we have today and open one more point. We are going to receive a subsidy for growth in these three areas. We want to grow, but intelligently and diversifying the business. (Estrada, interview 11.01.2017)

This implies that they are focusing on the *business expansion* strategy, which is based on growth, additionally through entering into new markets. This underlines just how important growth is for the Visionaries.

In addition to Estrada and Mora, Visionaries has six employees; two are full time, two part-time and two are freelancers. Their employees have diverse backgrounds and studies.

Villa, who works in administration is studying law. Diandra, who works in sales is an interior designer. Mata working in operational tasks did not finish high school. Guevaro working in marketing has a Degree in Communications. (Estrada, Facebook messenger 07.12.2017)

It appears, therefore, that this team has diverse knowledge. Depending on the time of the year, they also hire five to ten people, who are in vulnerable situations in their lives through cooperatives.

A brief analysis of the company attributes impacting growth will be demonstrated in the following table below, after which, the entrepreneurial story of Visionaries will continue with a focus on distinct networks impacting growth.

Table 23 Analysis of company attributes of Visionaries based on theory presented in table 4

Characteristic	Description
Formality and planning	Visionaries is a formal business registered in Argentina. They seem to invest time on planning and building a more formal structure of their business and growth.
Technology	The production machines work well. However, it is unclear whether they have a high level of technology. The social and environmental goals of the company play a strong role in the technologies used to produce their products. It is evident that focusing on selling designs instead of products may increase their productivity levels and their competitiveness.
Innovation	The social and environmental goals of the company play a major role in the innovative ideas they are implementing. New product offerings and especially their public appearances seem to enhance their business reputation. The variety of product offerings increases the company's revenues.
Finance	Visionaries was able to get governmental funds, credits, and subsidies in order to grow at the early stage of their microbusiness. Now they are growing self-sufficiently. They have also won various awards, which have provided them with additional funding. Thus, they have been able to access needed finance.
Growth-oriented vision and mission	The owners are committed to growing their business financially as well as its social and environmental impact, even though they do not have a clear vision and mission statement for growth.
Motivation to grow	The owners have clear desire to grow and believe if they do not grow their company will die.
Qualified employees	The team has diverse knowledge having employees with diverse backgrounds and studies. They also hire people who are in vulnerable situations in their lives. Thus, they are able to access a highly qualified labor pool as well as make social impact through HRM practices.

Visionaries has been part of the business incubator Fide since the year 2013. In addition to getting more easy access to funding, they received support to get their business up and running.

Fide helped us a lot at the beginning. We entered Fide with an idea and not a business. We had sold very little and we still had a very hand-crafted

process. They helped us define the business...think of our business concept, a business strategy and that helped us a lot in the first two years of our business' life. (Estrada, interview 11.01.2017)

It is interesting to note that a government-funded institute may help microbusinesses grow and develop through knowledge sharing and improving access to funding.

They are strongly connected with associations and cooperatives around the whole country. In addition to hiring workers through cooperatives, they also sell products to them. (Estrada, interview 11.01.2017) Visionaries has also been one of the B companies to create an association focused on social entrepreneurship and it is the first network in Córdoba for social entrepreneurs. (Visionaries website, 16.01.2017)

Estrada seems to have a very broad social and professional network of contacts. He participates in lots of different entrepreneurial events and he is often networking. (Field note, 19.10.2016) Getting contacts helped them to try out internationalization for the first time.

The first place we went to was Chile...because a girl from Córdoba who lives in Chile wanted to commercialize these types of toys and somehow facilitate the shipment of the products...she ended up taking most of the merchandise herself while travelling with her own transport. (Estrada, interview 11.01.2017)

It was a rather good option to start out with, because Estrada adds that logistics is their major challenge with exportation.

...we have very cheap, but bulky products. For example, our product costs three dollars, but shipping costs 30 dollars. (Estrada, interview 11.01.2017)

That is also the reason why networking was essential in testing the Guatemalan market as well.

I met this person in an event in Chile. I traveled to Guatemala (to see her) and she said that she wanted to be a broker for sustainable projects, like ours. Chatting created something... she became a distributor of Visionaries' products. With her, we worked hard on the logistical costs, and we ended up in distributing the smallest products unassembled and we finished assembling the product at the destination. In this way we

increased the delivery capacity by 35%. In other words, we reduced the logistics costs by 35%. (Estrada, interview 11.01.2017)

Furthermore, offering cheap products mainly to the Argentine market and having a business limited to the toy industry, implies that they are pursuing competitive advantage with a focused cost leadership strategy (Porter 1985), which serves as a basis for their growth strategy.

A brief analysis of the Visionaries' networks will be demonstrated in the following table below, after which, their entrepreneurial story will continue with a focus on the company-specific macroenvironmental factors.

Table 24 Analysis of networks of Visionaries affecting growth based on theory presented in table 5

Characteristic	Description
Social and professional network	Visionaries has a wide social and professional network, which has helped them fuel growth. The business incubator Fide helped them identify their business concept, their business strategy and receive funding.
Inter-firm cooperation	In terms of <i>vertical linkages</i> as described before they have 93 points of sales across Argentina. They have developed initial commercial relationships with contacts abroad and they are in the point of testing international sales. In terms of <i>horizontal linkages</i> , they have strong connections to different associations and cooperatives. They also created the first organization for social entrepreneurs in Córdoba with four other companies. For <i>supporting markets</i> , they have found experienced mentors that provide them with help.

I cannot understand why Argentina has so much potential yet faces so many challenges. They have vast natural resources, from energy and water to an enormous potential for food production. (Field note, 25.10.2016)

Estrada claims that the main problem in Argentina is the lack of confidence that has resulted from numerous crises.

...we (citizens) have been heavily punished for political decisions. So, I think Argentines lack credibility in the country. This makes everything more complex, because the basis of business is trust, and building that

trust is a challenge when negotiating...Argentina has its complications due to all the economic changes which in turn generate distrust in the eyes of investors. (Estrada, interview 11.01.2017)

This is a reliable argument according to my personal experiences.

I asked a Finnish investor what he thinks about investing in Argentina via email. He said he does not trust the country and he would not invest in the country due to the political and economic instability. (Field note, 08.09.2016)

However, Estrada also sees a positive side to facing these types of challenges.

On the other hand, it is also good because it's practice, to be able to sell with someone or create a business with someone. It makes you use your best tools for negotiating also in places where things are more simple and it is more easy to build trust. (Estrada, interview 11.01.2017)

Estrada's vision of the future is far from positive. He says that with the new government the economic conditions have gone worse.

Decisions have greatly affected consumption, favoring large economic groups. The reality is that I have clients who have closed their premises. I have spoken with other toy producers and last year it was not positive and will be less in the near future. The current situation is negative. (Estrada, interview 11.01.2017)

Most entrepreneurs I met believed in a positive change, therefore, Estrada's point of view is surprising as well as interesting. Furthermore, Estrada sees all entrepreneurs need certain elements for success.

Have a lot of flexibility and adaptability. But not only in Argentina. The world in general lives very fast changes. Faster than our minds can accept or understand... (Estrada, interview 11.01.2017)

Lastly, Estrada explains that one their strategies of survival and growth is diversifying the business by internationalization and not be dependent on only one market. (Estrada, interview 11.01.2017)

Currently nearly 95% of our sales are within Argentina and 84% of sales are in toy stores. We want to reduce the percentage of sales to toy stores to 70% and not depend so much on the Argentine economy and consumption of ordinary people, which in our particular field changes rapidly in accordance with the financial situation in our country since toys are not a commodity. We want to focus more on selling to businesses. And we want to improve our growth abroad and our goal is to increase our sales by 10% by focusing on more stable economies. (Estrada, interview 11.02.2017)

This proves just how important it is for Argentine microbusinesses wanting to grow, to plan and analyze how they can reduce risks and to compensate for crises within their home market.

A brief analysis of the company-specific macroeconomic factors affecting growth will be demonstrated in the following table below, after which, Visionaries' growth strategy will be presented.

Table 25 Analysis of the macroeconomic environment by Visionaries

Characteristic	Description
Macroeconomic factors constraining growth	<ul style="list-style-type: none"> • Lack of confidence that has resulted from numerous crises and political decisions • Economic changes generate distrust, which reduces the amount of investments • Current and near future political situation does not seem to be favorable for the toy industry
Macroeconomic factors: how to respond to constraints	<ul style="list-style-type: none"> • Lots of flexibility and adaptability • Reduce risk through diversification in different countries • Access multiple markets to compensate for crises
Macroeconomic factors supporting growth	<ul style="list-style-type: none"> • Learning to use your best tools for negotiating

With the information presented above, it is evident that Visionaries' growth strategy has features from two different strategies demonstrated in figure 3. It is a mixture of the strategies *business expansion* through growth orientation and *exploitation of existing resources* through market orientation.

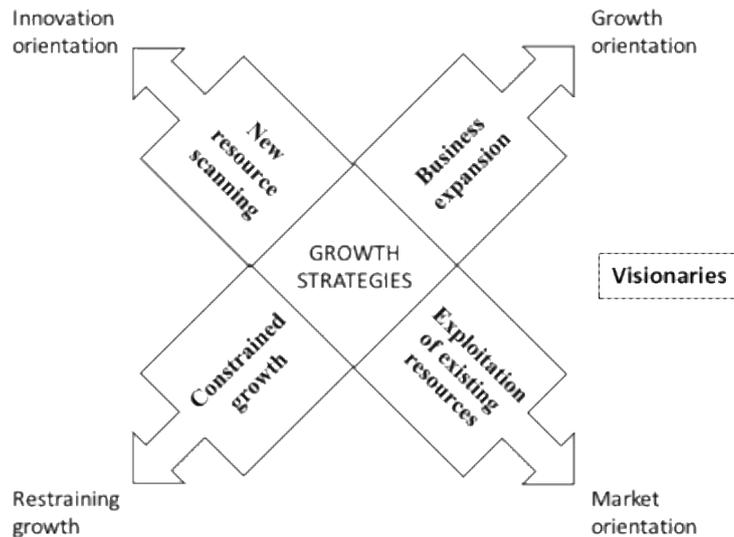


Figure 10 Growth strategy model of Visionaries based on theory presented in figure 3

5.5 “Wholehearted couple”

Living wholeheartedly is described by Dr. Brené Brown (2010) as having courage to tell your story and be yourself, having compassion for yourself and others, the ability to connect with others and leaning into joy. This is a story of two entrepreneurs named as the “Wholehearted couple” to reflect the above-mentioned qualities they have when conducting business. This couple started out as necessity entrepreneurs, but quickly set a new trend in their area of business and grew into an SME by focusing on “*how you do*”, rather than “*what you do*”.

Wholehearted couple is a business of two greengrocers in the center of Córdoba, Argentina. It is the oldest company in this research giving a very different kind of insight on how it has been for a company to conduct business in Córdoba for 26 years. Currently, they have approximately 700 clients per day. (Luna, interview 11.02.2017)

Comparing to other fruit and vegetable stores, the quality of products is higher, the customer service is incredibly nice and helpful, and the store is visually very inviting. (Field note, 24.10.2016)

For the reasons above, I was their daily client for a period of six months. I wanted to know how locals felt about the store as well.

I asked people in the line why they go there and are willing to stand in line for such a long time. They told me that want high quality of the products and they feel strongly connected to the place. (Field note, 24.10.2016)

It seemed as a strategic choice of the owners to invest time and effort on the quality of their customer service, and in turn build customer loyalty.

Our idea was for people to enter the premises and feel that they are in Disneyland, that the experience of buying is positive. In this country where there are problems of great crisis and huge need of money, the sensation of going to a place and feeling like you're getting something good, you are not being robbed and you are given more than the merchandise is something out of the ordinary... We always say that if a customer walks five blocks to get to your business and passes by four other greengrocers, you should put a red carpet when they come to your business, it is a luxury for your business. (Luna, interview 11.02.2017)

Their ability to attract customers and offer higher quality products than other local stores were the main reasons I chose their company for this research. I also believe they may provide very useful information about microbusiness growth in Argentina, because they have been able to grow into an SME despite the various crises they have been faced with. From the information provided above, it seems that they are pursuing competitive advantage through differentiation focus (Porter 1985).

Wholehearted couple was founded by a couple Luna and Sol in 1991. At the time, they set up the business Luna was 19-years-old and Sol 21-years-old. What motivated them to launch the business was the desire to build a better future for themselves.

...we mortgaged 15 years of our youth. It was a plan that we did, because we had absolutely nothing and delayed having children, family and everything, to set up a base that would allow us to offer our children a good education and everything. (Luna, interview 11.02.2017)

They also used their own savings to initially set up their business, and their business idea came from finding an option they saw that was possible to do with their resources.

We saved about a year and a half, we saved a small capital, which at that time was ARS \$ 1400. And we started to see what business we could put up... We did research and that is how we came up with the idea for a business we could install with the smallest possible capital... (Luna, interview 11.02.2017)

Furthermore, the products they sold were cheap to purchase.

...Fruits and vegetables are the cheapest in what is edible, you do not need refrigeration machines.. (Luna, interview 11.02.2017)

Therefore, it is rather clear that initially their idea rose from a necessity, and they were necessity entrepreneurs. The couple had prior entrepreneurial experiences working together before they set up their business.

When we were 18 and 20, we had a kiosk in partnership with a person who invested the capital and we did the work. We were very young, and the partnership experience was traumatic, because we were ripped off, and we were left with nothing when the partnership ended. (Luna, interview 11.02.2017)

Even though the experiences were not perceived as good, they may be seen as valuable in terms of learning from past failures and mistakes. After the partnership ended, both of them were able to obtain more knowledge and know-how through work experience.

...I was a secretary during the day for a construction company at age 18. Sol had to quite his studies in mechanical engineering and had to work as a waiter many hours in a club. We started to save money. I made machine copies (typewriter) after work... I received the same salary as in the construction company. At night I went to university to study psychology. (Luna, interview 11.02.2017)

Both of them have a high level of education and from different fields. Furthermore, due to their hard work and perseverance, they were able to get premises to start their business.

It was a complicated time, because there was a lot of demand to rent, then they asked for a month of deposit, a month in advance, two proprietary guarantees and no one rented premises for greengrocers. Greengrocery was always, and more at that time, a dirty business in the sense that the owners usually did not take care of the cleanliness. At that time (1990) because of the great demand they had for local properties, when you told the owners that you wanted it for a greengrocer, everyone rejected you. (Luna, interview 11.02.2017)

That is not much of a surprise from personal experience. I still perceived the other greengrocers in the area as dirty. (Field note, 24.10.2016) They had a close contact that they convinced to get the premises from.

In order to convince him to rent the premises I told him that our grocery store would not be like they were all at that time in Córdoba, which would be a new concept, without things on the floor. And finally, he offered us a guarantee and helped us to rent the premises. (Luna, interview 11.02.2017)

It is clear that this contact played an important role in getting their business started. After receiving the premises, they decided to build the store themselves.

...set up the business in a single place with things made by ourselves, wood and curtains made by me by hand. We built it in the same place of the current business, but it was only one fourth of the current size.

They have clearly grown from that starting phase of their business by mainly focusing on providing good customer service.

...We were not thinking about whether we sold or not, how much we sold or how much we carried. We were focused on the people who came to our place to be happy. (Luna, interview 11.02.2017)

It is evident that creating added value to their customers through good customer service has been one of their key strategies in building their business.

It does not matter if you sell potatoes, jewelry, pencils or vegetables, what matters is that you do it well. ...although the margin you get from how much you buy, and sell is important, it matters that it is good and pleasing the customer regardless of the item. If you do well, things are going to go well, whatever you do. The important thing is the how you do it, rather than what you do. (Luna, interview 11.02.2017)

This message of “how you do, rather than what you do” is incorporated in the title of this research as well. With this thought in mind, they were able to grow their business, which in turn abled them to improve their standard of living.

We were happy we were able to move in together...Sol used to live with five other people and I used to live in a dormitory for the poor. (Luna, interview 11.02.2017)

Their business started to grow without them even realizing it, because they worked so passionately hard. Eventually they hired personnel to help. Their family and friends were also part of their growth.

On Sunday afternoons, we closed and brought home vegetables to make salads to sell them the next week. In our family and groups of friends they knew that we always met, but that we were working. So they came to our house and some were making barbeque and the others helped us prepare salads and sell them. So, our growth began by sharing it with our social environment. (Luna, interview 11.02.2017)

After four years of business Luna and Sol grew their business buying an adjacent bookstore, and after a year they installed a butcher shop. After that initial growth, Argentina was hit with a very strong crisis in 2001. The country ran out of money and started to use a financial instrument, "Lecor", which was virtual, but they did not have the same value as physical money. The problem Sol and Luna encountered was that it was hard to get the Lecor to circulate into the market because they were paid at a lower price than they were nominally worth, and that is why many places refused to accept them as payment. At that time people were paid 60% of their salary with Lecor and had a hard time using it in the market.

Sol and Luna had strong ties with their clients and would have felt ashamed had they not accepted Lecor as payment. So, they decided to accept it and give the change back in Lecor when possible and if not in pesos. They calculated that they would lose 10-15% in profits because their suppliers did not accept Lecor either. They decided to take the loss and put a sign that "Lecor is received and change is given back". People began to spread the word and Wholehearted couple began to get new customers and those customers never left. In the end, this decision helped them increase sales and they started to expand and employ more people.

Employment did not come without challenges, such as theft, people taking advantage or not doing their work. So, they carefully started to plan their operations and finally they became an SME (small and medium-sized company). After getting more income Luna explained how they took their business to the next level:

When we were married, many of our clients came to church. It was very emotional to see that they dressed up just to see us. When I got pregnant,

the first three months I did not buy anything for my daughter, because the porters of the buildings gave me perfumes, the grannies knitted many things. So, our growth as a family, was accompanied by many people and the growth of the work team as well. The business began to become a point of reference for the concept of greengrocer's and butcher's shops. There was no other greengrocery and butchery like this, because since we started we determined that always after a certain period of time, we would close for 15 days and renew everything. Every time the business opened again it felt like it is another business, but with the environment as always. The last big investment we made was four years ago, when we closed for two weeks. Now we are a team of 18 people and we must prepare for that, because we must pay the salaries and everything without money that enters during the renovation period. A year before the actual renovation we began to work on the project, so that during those days of closure we worked in teams of three, 24 hours a day, to meet the objectives during the closing days. We made plans for the architecture, furniture, lighting and marketing, changing everything to make it much more attractive, functional and comfortable. In the end, we went up another step in the professionalization of the business. (Luna, interview 11.02.2017)

Luna adds that in order to recover from their renovations it took around three years every time. It was not the most economical choice she explained but said they do not want people feeling bored of coming. They always keep the same values of conducting business but doing renovation to make their business more modern helped in differentiating with strong focus on quality and good service. She also adds that due to the strong competition, they never lower their prices but focus on the quality. Luna adds that she could stay out and comfortable with the business, but she is constantly looking for improvements. A lot of their customers have good purchasing power and live outside the center in private areas. So when they close the shop during siesta time, this is when they take orders to their houses. Sometimes they amount to two and other times ten, but the decision to offer this service was not for economic reasons because they were doing well nor that it was convenient, it was because it was a part of differentiating with good service from the competition.

Luna and Sol have a very clear structure of their business and also the roles of all employees. Luna has the advantage of studying Psychology and Marketing in the University so understands people and communication. She is in charge of the administration part and human resources while her husband Sol is in charge of how everything works in the shops. Luna says managing 17 employees is not easy and in addition to paying salary she takes the time to sit down with each and every one of her

employees to discuss their lives and review how their work could be improved and so forth. She keeps close relationships with them and also sets the boundaries. She said that there is a huge risk in having employees and explained more in the following way:

The vast majority of the businesses that are around us, are businesses that started at the same time. Most of them are owners of their businesses that have not grown their business further to avoid hiring employees. There are many people who start a business, which does not become an SME, never progresses or grows due to the risk of having employees. The situation is very complicated. Here a fixed employee, who has been with you for eight, ten or more years, is almost impossible to fire even if he does his job wrong. If you fire him, you must expect to pay a huge cost. Also, on the other hand, if there were no laws that protected employees, it would be exploited by the business sector. But both positions are bad as here too, labor laws implemented in this way, make many people not want to hire or in fact, hire employees "in black", meaning illegally. Social payments are very expensive, having an employee legally as corresponds with laws is a super high cost. Having illegal employees is a huge risk that can destroy your company. The laws guarantee the employees the work and in the public sector it is even worse, if you have a fixed contract, no one can ever fire you. (Luna, interview 11.02.2017)

When asking Luna about how she keeps her employees committed to their work in addition to giving salary above average and giving bonuses, she responds that:

We always focus on taking time to listen and talk about the lives of our employees. About their families, their plans and support those who deserve it for their work, commitment and loyalty with interest-free loans to realize their plans. We have gotten some unpleasant surprises with people that we have supported. You will never have a team where everything is great, there are fluctuations, but always, most of us are in the same boat. So, when you do something that is not right, most react. When these things happen they hurt, but most of the time the effort is rewarding. It is worth risking, although in some situations you get hurt. (Luna, interview 11.02.2017)

Now there is a man who recently retired and what is important is that if they do well, they have the door open for what they need, and they can come back anytime. In all these years, we have only had problems with

two people and that is a record, employing people usually causes a lot of conflicts in Argentina. (Luna, interview 11.02.2017)

There is an employee who has been with us for 10 years and he has had different positions and we went up and today has a good salary. But the last two years he began to have the urge to finish high school, and we motivated him to do it, because it makes us happy that our employees want to advance. Once that ended, he was motivated to repair electrical and electronic things inside the premises. Now he told us that he feels he has completed a cycle and wants to dedicate himself to working full time in repairing equipment. We do not want to lose him, he knows the business well, he is a super loyal guy, he could retire with us. He is now 31 and we regret not being able to offer him anything else, but we encourage him to start, he is at an excellent age and we support him even with his CV to apply to the type of work he really wants. I do not want to lose him, but I do not want to have him with us if he wants to work on something else. We want our employees to feel supported in what they want to do. (Luna, interview 11.02.2017)

Luna explains that they have put efforts in the administration side of their business and are now focusing on improving staff training:

Last year we digitalized all the internal processes, there are computers in the cashiers and the payments go directly to our bank accounts. There were people who had credit in order to buy and then we had no way to confirm their debt. Today we have processes for that procedure. When professionalizing the administration areas, it brings more work, but we also have more control. The next step we want to take is staff training. Today everything is oral and there are things that are not working, so I call and talk. (Luna, interview 11.02.2017)

Furthermore, the structure of their company is very organized also in terms of the tasks of their employees. Luna and Sol are the directives and make most decisions concerning the company. They have separate legal and accounting advisors and use them when needed. They have a general manager who looks after the supervision, customer service and has control of the orders. Usually it is one person. They have staff focused on purchasing and it is supervised by Sol. Some of the staff are in sales helping customers and taking care of the shop and two people are at the cashier taking in purchases.

Luna also adds that they always put effort in making their employees and clients feel like a part of a big family. For example, during the World Cup when Argentina was playing, they would use the shop to watch soccer. They made *choripans*, local sandwiches with chorizo sausages, and offered them to locals. All types of locals from doctors to cleaners came to their place to watch the games in their screens. Similarly, they offer small gifts, other activities, videos etc. for special days for the locals. They also listen to the clients well. If a client asks for some product that they do not yet have that suits their category of products, they immediately start searching where they could find those products in order to deliver them to the customers.

Though Luna explains that they still make a lot of efforts toward the company, they are not pursuing growth as much as when they were younger.

There came a point where we were asked to open more branches in the north and different areas or to stop professionalizing this location. At that point, we decided to limit ourselves to achieving family life, playing sports and traveling as a family. (Luna, interview 11.02.2017)

She continues saying that they value their free-time more than ever before. Nevertheless, Luna explains that:

There are many things to develop, branches, franchises, among others and for the moment we are in the area of digitalizing all internal administrative and financial processes. Also, we are investing in advertising in the media and this year we did it in a time when the channels offer you promotional prices. We have been on the radio and television. (Luna, interview 11.02.2017)

Luna adds that they are making these efforts to further professionalize the business and prepare it for the next generation. She is open to her two children taking over the business one day but makes no assumptions they will do so. In addition, their mission is to satisfy their customers by always offering fresh and high-quality products, in this way contributing to the welfare of the local people. Their vision in return is to continue to grow permanently, invest in technology and their physical space in order to continue offering high quality products and having a strong customer fidelity, which they see as investing in being the leader in their field.

I asked her to explain what are the key elements that an entrepreneur needs in order to be successful in Argentina, and with years of experience, she explains that:

Argentina is a very complicated country because of the amount of economic fluctuations, it is very difficult when you are in a period of crisis and if you are not very structured, everything is very complicated. In the countryside, there are times when it is full of money and there are times when they do not earn a peso, because of climatic issues, taxes, retentions, whatever it may be the cause. For that reason, you need to have a particular way of reacting to the fluctuations, when you are in a positive position, you should know that it is going to end sometime. You have to anticipate, you have to save, you have to start to see the signs that things are turning as you already know here, every 10 years or so everything falls. The complicated thing is not that it falls, but, when that happens, it changes the whole game. Because every 10 years everything is national and then everything falls, meaning that the national industry falls, and everything starts to enter from outside the country. (Meaning that every ten years protectionist policies take place and after it fails there is a shift towards liberalization in trade) So, it is very difficult to project in the long term here. (Luna, interview 11.02.2017)

In our particular business area of food, we are not as exposed to risks like other areas for example businesses with foreign products, that is much more complicated. Our item is fantastic, because fruit and vegetables are the cheapest foods, and meat is a strong part of our culture. Lately, because meat has been very expensive, there are other alternatives appearing like chicken or pork. It is an area in which even in times of crisis people continue to consume it, perhaps it is consumed a little less, but people will not skip it. That makes our business always viable. (Luna, interview 11.02.2017)

At the level of power, generating a venture I think there is no formula. It is something more universal, everything depends on where you stand and how you face the situation. There is no magic formula if you want to do well in something, you must put a lot of work, a lot of desire and a lot of strategy and analysis. We never go on holiday without visiting the local greengrocer's shop. We take lots of photos to give us ideas, some which we will implement whilst others we won't. We enjoy it and want to improve ourselves. (Luna, interview 11.02.2017)

Our idea was finally that we took an undervalued area, not well positioned socially, and we set a trend - not because we want to set a trend, but

because of the way we developed it. At a business level, I find it hard to consider my company as an SME, for me Wholehearted couple, my groceries and butchery, are all part of something smaller. Our ultimate goal at business level is to make money. There are a lot of actions to be taken that we have learned along the way on a human level, with employees, with clients, and with business infrastructure, which is going to impact on the financial side. But money does not have to be the target, because otherwise, you lose the main objective. (Luna, interview 11.02.2017)

This is the success story of Wholehearted couple and the *Wholehearted couple* in short. There was so much information available that the company provided, which could be used to make a more thorough analysis. From the information provided above, it is more or less clear that they are at Stage 5, Mature, of microbusiness growth (table 2). The key problem in this stage is to consolidate and control the financial gains brought by rapid growth while maintaining the advantages of being small, such as flexibility and entrepreneurial spirit. At this stage, it is important to professionalize the company's formal systems with tools such as budgets, strategic planning, management and objectives and standard cost systems. Wholehearted couple's systems are extensive and well developed. The owner and the business are more separate both financially and operationally. Wholehearted couple has the advantages of size, financial resources and competent managers. There is a lot to learn from their story as to how one may grow a microbusiness in Argentina.

The information is used in the following analysis, which has been done for all other companies as well. Here it may be more strongly seen what factors have actually helped them grow. This serves as a good example for other microbusinesses pursuing growth.

Table 26 Analysis of entrepreneur characteristics of Wholehearted couple based on theory presented in table 3

Characteristic	Description
Gender	Wholehearted couple was founded by a couple. Their personal life is linked strongly to their business, business strategy, growth and growth strategy. Gender may be seen as a factor impacting their growth in terms of them having children, and after that their motivation to grow decreased as they became more family-orientated.
Educational background	Luna has a Bachelor's in Psychology; Sol has studies in Mechanic Engineering. Especially Luna's education has had a major impact in her role as an employer. She knows well how to manage her employees and keep a close relationship with them but also with enough distance. In addition, she is very smart in knowing how to keep their clients emotionally committed to buying from their business and understands the value of customer service more strongly than in the other companies. Thus, education does clearly impact their entrepreneurial skills and enhanced their abilities to grow their business.
Relevant industry and work experience	Their previous work experiences provided them with finance to put up their business. Neither of them had previous work experience in the same field of their business, so they had to learn everything from the basics. Nevertheless, previous work experiences did give them more knowledge of how to manage their business.
Entrepreneurial experience	Their experience working in partnership in a kiosk improved their entrepreneurial knowledge. It also clearly gave them an advantage in knowing what it takes to launch a new venture and were more likely to avoid costly mistakes.
Size of founding team	There are two owners: Luna and Sol. More than other factors, being a couple have provided them with stronger psychological support from one another to work towards mutual goals of improving their quality of life through their business.
HRM practices	They have 17 employees and are well-managed. The factors affecting the ability to maintain a growth-oriented strategy in HRM practices in their case are, selective hiring, performance-based incentives, staff training and relationship-oriented leadership. In addition, offering interest-free loans to their employees had obvious impact in their ability to grow into an SME.

Table 27 Analysis of company attributes of Wholehearted couple based on theory presented in table 4

Characteristic	Description
Formality and planning	Wholehearted couple is a formal business registered in Argentina. It has been in business for 26 years and it is a small business. They have conducted business in a flexible way adapting to the changes in Argentinian macro environment. The well developed and extensive formal systems have undeniably increased their opportunities and possibilities to grow. Also, their very clear business and strategical growth plans have clearly increased their possibilities to reach their growth objectives and enhanced the success of their company.
Technology	Wholehearted couple digitalized all the internal processes. Investing in new technologies has increased the company's competitiveness and workforce productivity.
Innovation	Wholehearted couple set a new trend in the business of greengrocers by offering luxury products with a high focus on excellent customer service. In addition to constantly supplying new products and services, they also renew the shop's architecture, furniture, lighting and marketing after a certain period of time to make the store more attractive, functional and comfortable. This approach to constantly innovating their business, has increased the company's revenues and the constant supply of new products and services has enhanced their reputation.
Finance	Luna and Sol saved a small capital in order to initially set up their business. In the beginning, they were more or less necessity entrepreneurs, but since then they have grown their business into a small business and now have enough finance to not only grow their business but overcome bigger financial crisis as well.
Growth-oriented vision and mission	Their mission is to satisfy their customers by always offering fresh and high-quality products, in this way contributing to the welfare of the local people. Their vision is to continue to grow permanently, invest in technology and their physical space in order to continue offering high-quality products and having a strong customer fidelity, which they see as investing in being the leader in their field.
Motivation to grow	Currently, they have decided to limit their growth a bit in order to concentrate more on their family. Nevertheless, they are committed to improving and professionalizing their business further.
Qualified employees	Wholehearted couple has 17 employees. They have separately legal and accounting advisors and use them when needed. Their staff have learned the tasks through staff training and they do not expect any particular education level or previous work experience. In their case, getting committed employees has had an impact on growth.

Table 28 Analysis of networks of Wholehearted couple affecting growth based on theory presented in table 5

Characteristic	Description
Social and professional network	After being in the field for such a long time, Luna and Sol have built very strong connections with their clients, employees and suppliers. Also, their social network has been involved in their success. These networks have evidently helped them have access to additional know-how and customer recommendations, which in turn have fueled their growth.
Inter-firm cooperation	<p>They have strong <i>vertical linkages</i> with their suppliers and buyers.</p> <p>In terms of <i>horizontal linkages</i>, it may be important to understand that they are always communicating with other businesses nearby. they have strong relationships with entrepreneurs of all types and have formed their own collaborative structures.</p> <p><i>As supporting markets</i>, Wholehearted couple has legal and accounting advisors.</p>

Table 29 Analysis of the macroeconomic environment by Wholehearted couple

Characteristic	Description
Macroeconomic factors constraining growth	<ul style="list-style-type: none"> • Labor laws are biased towards employees so strongly most small companies do not grow due to the risk of employing employees. • Very complicated country because of the amount of economic fluctuations. The complicated thing is not that it falls, but, when that happens, it changes the whole game. • Very difficult to project in the long term • The politics change towards foreign products (taxes etc.) making the competition at times increase and others decrease
Macroeconomic factors: how to respond to constraints	<ul style="list-style-type: none"> • Relationship-oriented leadership • Have a clear business structure • Save money and anticipate that everything will fall every 10 years • Their area of business is least affected by crises and globalization
Macroeconomic factors supporting growth	<ul style="list-style-type: none"> • Adjusting the business to meet the economic changes during a crisis in the made it easy to build strong customer relationships and increase fidelity

According to the information above, Wholehearted couple has grown from a microbusiness to a small business and still keeps on growing with a strategy that

according to the growth strategy model demonstrated in figure 3 can be identified as *exploitation of existing resources*. This mean that their growth strategy is based on market orientation. They have taken many risks, they are flexible, and they are always into discovering innovative ideas to transform their business. They are strongly focused on providing higher quality products and differentiating themselves by offering unique value to their customers. They have been able to build strong customer loyalty and their customers perceive their products and services to be unique even though the physical products are mainly the same as their competitors'.

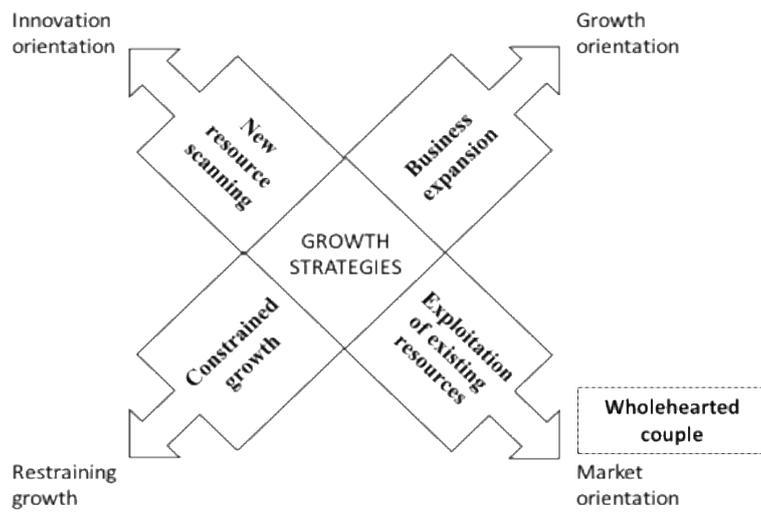


Figure 11 Growth strategy model of Wholehearted couple based on theory presented in figure 3

5.6 “Vibrant optimists”

Growing your business big with huge profits is attractive for some, but not for all entrepreneurs. "Vibrant optimists" do not aspire to be big, rather, they want to stay small with lower risk and keep their flexibility to survive crises. This empirical evidence questions whether growth is always good and where do the companies that would rather stay safe than grow stand in the importance for Argentina's economic growth.

They are two highly energetic, female entrepreneurs, who view the world in a very positive and optimistic way. (Analytic note, 08.09.2016)

The 34-year-old Lara and the 32-year-old Ayala also describe themselves as a bit crazy in the sense that they are extremely optimists, hardworking and organized. (Lara and

Ayala, interview 09.01.2017) For those reasons, I named their company as the Vibrant optimists.

They started out with the concept of transmitting positive and fun emotions and then they thought about what products they could offer. (Field note, 09.01.2017)

Their products capture this essence through colors and unique designs. Vibrant optimists was founded in 2009. It is a microbusiness that focuses on making everyday products with sustainable fabrics. They produce different types of bags, wallets and objects where you can store your belongings. (Company website, 03.02.2017)

Lara and Ayala are both Industrial Designers graduated from the National University of Córdoba and both have some studies in Entrepreneurship Management. (Lara and Ayala, interview 09.01.2017)

Our studies allow us to work independently. All the courses prepared us well for what we do, and we focused on learning what is necessary to start our own business. (Lara and Ayala, interview 09.01.2017)

Thus, it is clear that their educational background enhanced their entrepreneurial skills and abilities, and even more strongly because they have a business related to their expertise.

Before founding their company, Lara has worked for Movistar, a telephone company and for a software company, Autodesk. Ayala has had several jobs from working in trade to working in designing and administrative tasks in a company that makes stainless steel furniture. (Lara and Ayala, interview 09.01.2017) Therefore, their prior work experience includes both work that is related, as well as not related to their field of business. In general, their prior work experiences may be seen as enhancing their business growth potential through gained knowledge.

They were mostly motivated by the fact that they could work independently and create something of their own. They did not have any prior entrepreneurial experiences before starting their company. Ayala's grandfather has his own shoe factory. However, both Lara and Ayala add that it has not directly influenced them or given them the understanding of putting up their own business. (Lara, WhatsApp 26.07.2017)

Lara and Ayala both emphasize that for them their work environment is very important for them.

The production environment is also very positive and conveys our essence. (Lara and Ayala, interview 09.01.2017)

Particularly we always try to have a quiet work environment where everything is practical. In the sense that we do things on time and in order without any pressure or discomfort. (Lara, WhatsApp audio 26.07.2017)

Their management style is rather vague, and they seem to be more task-oriented.

We give them the possibility of handling their tasks freely, so they manage their time more than anything, but, under the conditions that we have set forth. For example, we have certain times to do a task, but the way our employees manage that time to finish the tasks is the responsibility of each individual. (Lara, WhatsApp audio 26.07.2017)

However, their management style is closest to direct supervision, which implies they are at Stage 1, Starter, of microbusiness growth (table 2).

A brief analysis of the entrepreneur characteristics affecting growth will be demonstrated in the following table below, after which, the entrepreneurial story of Vibrant optimists continues with a focus on the company attributes affecting their growth.

Table 30 Analysis of entrepreneur characteristics of Vibrant optimists based on theory presented in table 3

Characteristic	Description
Gender	They are the only company that is only founded by women and they are not as keen on growing their business and are more cautious with taking risks compared to the other companies, which will be described in more detail in the following sections.
Educational background	Lara and Ayala are both Industrial Designers from the National University of Córdoba and both have some studies in Entrepreneurship Management. It is evident that their educational background enhanced their entrepreneurial skills and abilities, and even more strongly because the founders have a business related to their expertise.
Relevant industry and work experience	Their prior work experience includes both work that is related as well as not related to their field of business. In general, their prior work experiences may be seen as enhancing their business growth potential through gained knowledge.
Entrepreneurial experience	They do not have prior entrepreneurial experiences. Ayala's grandfather has an entrepreneurial background that has not impacted them in any way.
Size of founding team	The size of the team seems to impact positively on the amount of industry-specific expertise.
HRM practices	Ayala and Lara emphasize the importance of their work environment.

Vibrant optimists is a formal business registered in Argentina. Both owners have been able to live off their company for a while now, even though, their salaries in comparison to working for a larger company in their field are well below average. (Lara and Ayala, interview 09.01.2017)

The relationship of responsibilities and quantity of work is not in proportion to the income we get. But we do it for the pleasure derived from this. We prefer to do this for what we earn and not another type of work for more money. (Lara, WhatsApp audio 26.07.2017)

Also, they explain that if they need more money for personal use, they charge their clients more for their purchases to increase their salaries. (Lara and Ayala, interview

09.01.2017) It is important to note that their prices are flexible and based on their personal needs, which is rather surprising.

Lara and Ayala focus their time on the tasks at hand and do not devote time to planning.

We organize data about what we have done, we have all the details of sales, expenses, revenue, the number of customers, the number of products we have sold, but nothing processed for analysis. We never take the time to process all that information. The problem is that we cannot add more tasks than we already have. It ends up being more important for us to keep producing and is too administrative of a task for use. It is always postponed, because we prioritize other tasks. (Lara and Ayala, interview 09.01.2017)

It is clear that the extent of formal systems is minimal to nonexistent. Furthermore, Vibrant optimists do not engage their employees to work together towards improving their business performance.

They motivate their employees, but do not see it as being relevant to have meetings together to plan and think about the success of their company or how their business should be managed. They said they should grow to be able to do that. (Field note, 06.12.2016)

Overall, it is clear that they are mainly focused on the daily tasks and do not focus on strategical planning. Therefore, it seems that they have features of Stage 1, Starter, of microbusiness growth (table 2).

The most important aspect of their technology are the sewing machines. The machines they have are quite traditional and not very advanced in a global perspective. There are more efficient machines that make bigger fabric.

They are very expensive but very efficient printing directly on the fabric, in comparison to the process that we do today of stamping on paper and that later we pass that to the fabrics. The difference is more than anything in time and quality... At the end of the day, we are quite comfortable with what we have. (Lara, WhatsApp 26.07.2017)

However, on an Argentinian standard, the level of technology of their company is rather good. (Lara, WhatsApp 26.07.2017) On that note, their business could work more efficiently. However, due to the high cost, they are not able to get more updated technology.

The lower level of technology, also impacts the innovativeness and the demand of their products.

Personally, I can identify that they have their unique style and the designs in the fabrics and products, but I also see that the competition is a heavy burden. Most of the similar type of products I found in the markets were produced in China for a smaller price. In Argentina there is not such a strong customer loyalty towards buying domestic products in this particular area of business. When observing this and asking locals in general about their opinion, they said that one reason is definitely the cost factor. Most people do not have that much to spend and would rather choose the cheaper option. (Field note 04.11.2016)

Though from personal experience of having their products at use, the quality of their products is good and that is something that may differentiate them from many of the cheaper substitute products. (Field note, 18.02.2017)

Around three to four years ago Vibrant optimists received governmental funding, called *Capital Semilla*, that totaled to the amount of 20,000 Argentine pesos (USD \$ 1130 | € 962). During that time Lara explains that it was a good amount of money and that allowed them to buy good machines and raw materials that they needed. Later on, they received another government funding, *Pack Emprendedor*, in order to buy raw materials. They ordered the raw materials but due to a strong financial crisis in Argentina, the prices of the raw materials rose so quickly that they had to return the funding because they did not have the additional money needed to buy the raw materials. (Lara, WhatsApp audio 26.07.2017) Therefore, it is evident that one of the biggest downsides in receiving public funding is that the changes in inflation from the period of applying to the period of receiving funding is not taken into account.

It is very clear Lara and Ayala are not aspiring to grow their microbusiness into a large company.

We talk a lot about what we do, how we are, and where we are going. In all sincerity, we do not aspire to be a big company that sells everywhere, because we also like our pace of life. If we aspire to grow more, to sell more, it would be best to grow with the people we have, but not to be bigger as a company with more people. (Lara and Ayala, interview 09.01.2017)

This implies that they are not pursuing growth and, therefore, their strategy would be *constrained growth* demonstrated in figure 3. Further evidence is provided by their attitude towards internationalization.

...we do not have business abroad and we do not think about it either. But we had a moment when we had sales in Chile. It is difficult and not convenient for us right now because of the expenses and the organizing that it requires. We have had enquiries from Brazil and from Colombia, but the truth is, with our organization we cannot prioritize to use time for administrative tasks. (Lara and Ayala, interview 09.01.2017)

Nevertheless, contrary to solely restricting growth, Vibrant optimists have a vision for increasing their sales. They want to have more visibility, especially online, with a focus on promoting the quality of their products. They are thinking of new ways of selling and are going to create catalogs. One of their goals is to offer more working hours for their current employees and in that way, give opportunities to their employees to work full-time in the area of work which they aspire to do. (Lara and Ayala, interview 09.01.2017) It is clear they have more to exploit in the Argentine market.

...Argentina is a super large market and we have not yet established ourselves in the market that fast. We have presence in almost all the main cities of the country. Our product suites for a variety of businesses and we still have a lot to exploit here. (Lara and Ayala, interview 09.01.2017)

Given the circumstances, it seems that they are pursuing competitive advantage through differentiation focus (Porter 1985). However, this is left unclear as it is hard to understand what their company is aiming for.

With the business theme, we basically focus on selling more when there is a crisis, but it sounds a bit strange to say that we are dedicated to doing business. (Lara and Ayala, interview 09.01.2017)

Vibrant optimists has three part-time employees in their workshop as well as three family members who collaborate with them part-time according to the demand of products. They have chosen their employees mostly on the basis of their motivation.

Regarding the employees, we take into account that they are practical, especially that they are good people, that they have a good mood, good vibes and good energy. (Lara, WhatsApp audio 26.07.2017)

In other areas, such as Community Management, we focus a little more on education related to the subject and, or experience with other jobs that have done before. For what is sewing we do not have these requirements,

because it is a fairly easy job and there are many things we can just teach how to do them. Most of all, we need people who are willing to learn everything, because the product has a development mode and that is learned directly in the workshop. (Lara, WhatsApp audio 26.07.2017)

The main work they offer their employees is in production. It seems that it is a job mostly learned, while working. Therefore, they do not need highly-educated employees for this type of jobs.

A brief analysis of the company attributes impacting growth will be demonstrated in the following table below, after which, the entrepreneurial story of Vibrant optimists will continue with a focus on distinct networks impacting growth.

Table 31 Analysis of company attributes of Vibrant optimists based on theory presented in table 4

Characteristic	Description
Formality and planning	Vibrant optimists is a formal business registered in Argentina. They focus their time on the tasks at hand and do not devote time to planning or measuring their performance.
Technology	The technology at use is at a good level in Argentina, though not very advanced globally. They cannot get more updated technologies due to high costs. Therefore, they have lower productivity levels, which decreases their competitiveness.
Innovation	They have a unique style and design for their products, which helps them differentiate themselves in a business area where competition is a heavy burden. Their costs are comparably high. Though, it is evident they constantly offer new products, which increases revenues and enhances their business reputation.
Finance	Vibrant optimists received public funding to start their business. Later, they had to return another source of public funding for raw materials due to inflation. They still face difficulties in accessing or receiving needed finance to sustain and grow their business. Their prices are flexible and based on their personal needs.
Growth-oriented vision and mission	They are not clearly growth-orientated. It is evident they do not make all their decisions with growth in mind.
Motivation to grow	Vibrant optimists does not aspire to be a big company. They are only focused on growth inside Argentina. They are motivated to sell more when there is a crisis, but they are not dedicated to doing business, which has a clear negative impact on the growth of their business.
Qualified employees	They have employees as well as family members working for them. They do not need highly-educated employees for the type of work they are offering.

Interestingly, after they received a place in the business incubator Fide, they were fully committed to working on their business, which is an example of how a government-funded institute may help businesses grow.

Lara quit her job in 2009 and started working from day zero full time. And I started full time two years after the start. I was part-time for a year and then another year dividing days between Vibrant optimists and another

job. We started working from our homes and then we started looking for a place to have our workshop. But it was not until we arrived at Fide, that we started working seriously, about 3 years ago, in 2014. (Ayala, interview 09.01.2017)

The business incubator seems to have high impact on their business success.

With regard to personal and professional contacts in organizations, we are part of the business incubator Fide. We have received great support and help regarding the work space, organization and the possibilities of improving and making mistakes within Fide. Outside of the business incubator, we do not belong to any other circles. Yes, we are closely in contact with the Sello de Diseño Cordobés and some other organizations, of which we are not part of, but we are very attentive to what happens. (Lara, WhatsApp audio 26.07.2017)

They also see that being part of the business incubator Fide gives you an opportunity to be part of a community with other entrepreneurs and have help from the staff, which they value a lot. Especially when they first joined Fide, they received information where to ask for consultations. They have some outside consultants helping as well. (Field note, 27.09.2016)

Currently they sell their products through 46 different point of sales across the whole country. Most of them are design stores. They also have their own online store. Vibrant optimists works towards keeping their company and products visible through social media, mainly through Facebook and Twitter. (Company website, 29.07.2017)

Table 32 Analysis of networks of Vibrant optimists affecting growth based on theory presented in table 5

Characteristic	Description
Social and professional network	They are part of the business incubator Fide, which has helped them find consultants among other things. Also, being part of the community they are surrounded with other entrepreneurs which clearly helps them access additional know-how, which in turn fuels their growth. They use social media to strengthen their networks.
Inter-firm cooperation	They have <i>vertical linkages</i> with 46 different point of sales. For <i>horizontal linkages</i> , they are closely in contact with the Sello de Diseño Cordobés and some other organizations, of which we are not part of, but nevertheless also gives them additional know-how. In terms of <i>supporting markets</i> , they have had consultants, which they talk about in general.

Lara and Ayala see that one of the major challenges in starting their business was communicating with their customers.

At first it was difficult for us because we did not know how to talk to our customers. We had very private clients. As our product is quite relaxed, with good vibes, the people who consume it are the same way. We did not make such formal deals. At first it was difficult to understand how to do it, but it was because it was difficult for us to talk to our customers. (Lara and Ayala, interview 09.01.2017)

Many local small businesses face difficulties due to the economic and political instability. They have interesting coping mechanisms.

Most local restaurants and cafés either lack prices on the menus or have them handwritten. This is because it is very common to change the prices at times even daily according to the value of the Argentine peso. (Field note, 05.09.2016)

Vibrant optimists state that they only change their prices when the production costs go up and not due to suspicions of macroeconomic changes. (Lara, WhatsApp audio 26.07.2017) This is contradictory to the information provided before, when they stated that their prices are flexible and based on their personal needs.

Nonetheless, it is clear that being flexible with receiving payments is an alternative way for the Vibrant optimists to adapt to financial crises.

What we did was talk a lot with our customers. They did not want to close their businesses and needed products and we could help in the sense of being flexible in payment methods. Things we did not accept before. We were also very flexible with our economy in Vibrant optimists. Not taking out all the salary at the beginning of the month for example, I did not use my salary until the end of the month so that we could invest that money. We try to be flexible, too, without losing money. (Lara, WhatsApp audio 26.07.2017)

Times of crisis, clearly affected them psychologically.

It's a lot of pressure, mostly with the girls in the workshop. You do not get used to living in crisis, we never put bad energy, we just did it. (Lara, interview 09.01.2017)

Yes, it was very stressful to think about if we could not continue working with any of the girls any more, or what could happen if we could not arrange to make it work with anyone. We asked ourselves that every day and we had thousands of plans. But we reorganized working hard, we all had to adjust to endure the year. The fundamental thing is not to fall into despair, and to always think that we can do it. (Ayala, interview 09.01.2017)

The structure we have also helps us to be flexible. Perhaps, with a more rigid structure it is less possible to adjust to problems, like in a larger company. That is what lead us to think of not wanting to grow to the corporate level. We are looking for ways to grow but maintain this flexibility. But, the more commitments you have, the more fixed expenses you have to maintain. (Lara and Ayala, interview 09.01.2017)

It is important to note that one major reason they do not want to grow big, is the ability to stay flexible to these changes in the macroeconomic environment. They clearly see that staying small is a way to get through the rough times. Therefore, there are several view points as to why they do not want to grow.

As a recommendation when committing oneself to doing business in Argentina, Ayala and Lara emphasize a few key points.

Be flexible, optimistic. In general, for an employee or entrepreneur in Argentina you need to always go forward, look for what makes you feel good. In Argentina, you must work hard, and you must be willing to get dirty and do the hard work. Having good ideas and knowing how to speak well to get people to follow you also helps. It is also essential to find a good employee or partner. (Lara and Ayala, interview 09.01.2017)

A brief analysis of the company-specific macroeconomic factors impacting growth will be demonstrated in the following table below, after which, Vibrant optimists' growth strategy will be presented.

Table 33 Analysis of the macroeconomic environment by Vibrant optimists

Characteristic	Description
Macroeconomic factors constraining growth	<ul style="list-style-type: none"> • The level of technology is lower and comes at higher price compared to other countries in their field • Crises increases uncertainty • They do not want to grow in order to keep flexibility to survive crisis
Macroeconomic factors: how to respond to constraints	<ul style="list-style-type: none"> • Perseverance • Be in close contact with customers • Be social and get people to follow you • Have a flexible business structure • Be flexible with taking your own salary • Look forward, be optimistic and do not fall into despair

According to the information provided above, it is clear that Vibrant optimists does not have a clear strategy for growth nor do they wish to grow into a big company. Nevertheless, they seem to want to grow within Argentina.

They do not fit directly into any of the growth strategy models demonstrated in figure 3. Nevertheless, the fact they are not pursuing growth would be more or less in the strategy of *Constrained growth* but taking into account that they do wish to grow a little and are growing within the country they would fit into the strategy of *Exploitation of existing resources*. For those reasons, their growth strategy may be placed in between these two strategies.

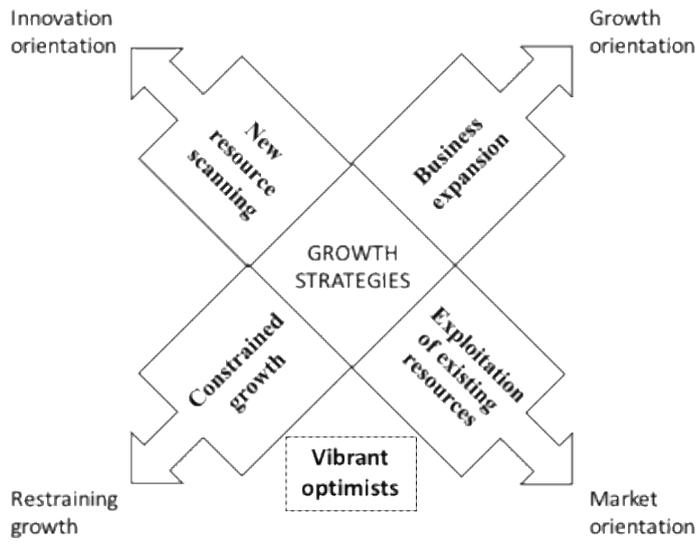


Figure 12 Growth strategy model of Vibrant optimists based on theory presented in figure 3

6 DISCUSSION AND CONCLUSION

This chapter includes the discussion and conclusions of this research. The results are compared to already existing theories and academic literature, and the main points will be demonstrated in tables.

6.1 Entrepreneur characteristics affecting growth of Argentine microbusinesses

The empirical evidence supports previous findings in literature (e.g. Coleman & Cohn 2000; Laguir & Den Besten 2016; Barringer et al. 2005) that entrepreneur characteristics influence the performance and growth of microbusinesses. The entrepreneur characteristics chosen from growth literature were gender, educational background, relevant industry and work experience, entrepreneurial experience, size of founding team and HRM practices. The results will be discussed in short and compared to already existing theories and academic research. At the end of this section, the conclusion on entrepreneur characteristics affecting growth the businesses will be presented in table 34. New results will be demonstrated with the color blue in table 34.

6.1.1 Gender

Gender inequality has been a topic of discussion from research on businesses to economic development. Therefore, it was seen as an important characteristic to study. No clear link between gender and company growth was found directly in the results on the businesses that have only male entrepreneurs. However, all of the companies owned by men were highly motivated to grow their businesses and the only company, Vibrant optimists, owned by solely female entrepreneurs does not want to grow more than to offer their current few employees with full time jobs. These findings are strongly in line with Nichter and Goldmark (2005), who argue that women more often choose not to grow their business than men.

The Vibrant optimists do not aspire to grow, because they want to remain flexible to withstand crises. Therefore, these findings support prior studies in the literature (Cliffa 1998, Parker 2009, Nichter & Goldmark 2005, Alonso-Almeida 2013, Laguir & Den Besten 2016), which state that women's businesses seem to grow slower than those owned by men in developing countries. The findings are even more strongly in line with the study of Cliffa (1998), because the only female entrepreneurs of this study, are more cautious than men of taking risks associated with growing their business.

Unlike previous research, a more careful analysis of gender revealed that stagnated growth was related to family-orientation. Wholehearted couple did not want to grow rapidly in order to spend more time as a family after having children. Therefore, the impact of family-orientation on microbusiness growth is noteworthy to study further.

6.1.2 Educational background

According to this research, educational background was seen as an important factor in several ways. It is important to note, that Argentina is a country where all people have access to free public higher-level education. Higher education was seen as enhancing industry-specific knowledge, where the owners had studies related to their field of business. Therefore, the findings may be seen as supporting prior research (Barringer et al. 2005; Colombo & Grilli 2005), that claim education enhances entrepreneurial skills and abilities, and even more strongly if the founders have a business related to their expertise. However, the results for some of the businesses indicate that having founders with diverse educational backgrounds is equally important as it enhances the diversity of knowledge the team possess, even though their education is not directly related to their area of business. Therefore, in this research higher education is in general seen as enhancing entrepreneurial skills and abilities, regardless, of whether it is related to their area of business or not. Moreover, based on evidence from Visionaries, higher education may be linked with higher self-confidence. This research, therefore, agrees fairly well with Arenius and De Clercq (2005, 252).

Unlike earlier research, language skills were also one factor that stood out in this research. Only for Infinite imagination and Dream team, English language skills were highly important for internationalization. Interestingly, language skills were not important for the other four businesses, because they were expanding nationally and to other Spanish-speaking markets. Therefore, language skills did not impact the growth opportunities for the majority of businesses. Curiously, this is related to the vast amount of business opportunities and the large size of the Spanish-speaking market within Latin America. Further research may be beneficial for understanding why, how and where the lack of language skills do not impact company growth.

6.1.3 Relevant industry and work experience

For Dream team and Study pals, relevant industry and work experience was linked with better growth potential for their business through gained knowledge and established

networks of business contacts, which reinforces earlier literature (e.g. Colombo & Grilli 2005; Barringer et al. 2005; Laguir & Den Besten)

For Infinite imagination, especially diverse work experience was beneficial for them. This reinforces earlier research (Stuetzer et al. 2013). However, the results did not confirm earlier findings (Barringer et al. 2005) that it help them establish professional networks. Similarly, Vibrant optimists had work experience related to their field, but it did not help them gain professional contacts.

For Visionaries and Wholehearted couple, their previous work experiences unmistakably enhanced their know-how, but as it is from a different field of business, it has not helped neither of the companies to gain professional networks for their companies.

This research provided unprecedented evidence that previous work experience gave many of these entrepreneurs the possibility to establish a company through savings. Hence, further research on how prior work experiences impact the possibilities to establish a company may be seen as beneficial.

6.1.4 Prior entrepreneurial experiences

In general, the results of this research showed that prior entrepreneurial experiences were strongly related with knowing what it takes to launch a venture, as well as, more likely being able to avoid costly mistakes compared to entrepreneurs with no prior experiences. The results are, therefore, consistent with prior research (Gompers et al. 2005; Barringer et al. 2005).

What was most particular in the case of Argentina, was that almost all the companies had family members with businesses of their own. Not high-developed, fast-growing businesses, but nevertheless, it became clear that having your own venture in Argentina is not such an exceptional choice for a career or part-time job. Furthermore, this research offered additional evidence, that parental-entrepreneurship was seen both as impacting and not impacting the decision of becoming an entrepreneur.

6.1.5 Size of founding team

Size of founding team clearly impacted all of the cases. Especially, getting psychological support and having distinct talent within the team were evident for most of the businesses, which reinforces earlier research by Barringer et al. (2005). Most businesses started their business with their own savings or sharing salaries from other jobs, which are fairly well in line with findings of Barringer et al. (2005)., that larger teams possess more resources.

However, contrary to the results of Barringer et al. (2005), it was not evident, in this research, that larger teams possess more professional contacts.

6.1.6 HRM practices

Selective hiring was the most common practice for all other companies except Study pals and Vibrant optimists. It had a clear impact on business growth through additional know-how, and these results are in line with earlier research (Barringer et al. 2005)

Stock option plans were not provided by any of the companies and, therefore, the results do not reinforce earlier research (Barringer et al. 2005) in this particular practice.

Performance-based incentives were only part of Wholehearted couple's HRM practices helping to maintain a growth-oriented strategy. Therefore, the results reinforce earlier research (Barringer et al. 2005) to a small extent.

In the case of Wholehearted couple, staff training and relationship-oriented leadership were seen as positively relating to business growth and performance, which reinforce earlier research (Kotey & Sheridan 2004, 480).

The results of this research widen our understanding of HRM practices. Firstly, Wholehearted couple commits their employees by offering interest-free loans. Secondly, for Dream team, Study pals and Visionaries defining the roles of each founder has had clear impact on their growth. Infinite imagination uses specific software for dividing their tasks. Study pals also emphasized a knowledge sharing environment enhances their performance.

Table 34 Entrepreneur characteristics affecting microbusiness growth in Argentina

Characteristic	Description
Gender	<p>Women's microbusinesses seem to grow slower than those owned by men. Female entrepreneurs are more cautious than men of taking risks associated with growing their business, and more often choose not to grow their business.</p> <p>Unlike previous research, a more careful analysis of gender revealed that stagnated growth was related to family-orientation.</p>
Educational background	<p>Education enhances entrepreneurial skills and abilities. Higher education may be linked with higher self-confidence.</p> <p>Language skills did not impact the growth opportunities for the majority of businesses due to the possibilities for growth in the large Spanish-speaking market.</p>
Relevant industry and work experience	<p>There was inconsistency in whether relevant industry and work experience increased networks of business contacts. The results provided additional support that this characteristic increased growth potential through gained knowledge.</p> <p>This study provided unprecedented evidence that previous work experience gave many entrepreneurs the possibility to establish a company through savings.</p>
Entrepreneurial experience	<p>Prior entrepreneurial experiences were strongly correlated with knowing what it takes to launch a venture and being able to avoid costly mistakes.</p> <p>Parental-entrepreneurship was seen both impacting, as well as, not impacting the decision of becoming an entrepreneur.</p>
Size of founding team	<p>Larger teams have more talent and stronger psychological support. Having more than one founder improved access to financial resources in the establishment phase, as the owners shared the salary received outside the company with one another. On the contrary to earlier research, it was not evident, that larger teams possess more professional contacts.</p>
HRM practices	<p>Selective hiring impacts business growth by additional know-how. Performance-based incentives help to maintain a growth-oriented strategy. Staff training and relationship-oriented leadership have positive impact on business growth and performance.</p> <p>Employee commitment via interest-free loans, defining the roles of each founder, specific software for dividing tasks and a knowledge sharing environment were seen as strategical HRM practices.</p>

6.2 Company attributes affecting growth of Argentine microbusinesses

Company attributes have strong impact on the success and growth of the businesses presented such as Barringer et al. (2005), Nichter and Goldmark (2005), and Demir et al. (2016, 447) have pointed out. The characteristics chosen from growth literature were: formality and planning, technology, innovation, finance, growth-oriented vision and mission, motivation to grow and qualified employees. The results will be discussed in short and compared to already existing theories and academic research. At the end of this section, the results on company attributes affecting growth will be presented in a table 35.

6.2.1 Formality and planning

Formality is referred to businesses that are legally registered (Nichter & Goldmark 2005, 20). All companies were formally registered, therefore, this research lacked unregistered businesses to compare them too. Hence, this research failed in getting results on the benefits of a formal business. However, Infinite imagination served as an example of how registering your company should also be considered as a strategic choice for growth. This is a surprising result that emerged from the data, that should be further researched.

The results reinforce findings by Mazzarol et al. (2009, 338), that most small business owners avoid formal business plans until it is required from them. The businesses, which are most high-growth-oriented, are focusing on having a more structured approach to planning, which confirms with earlier research (Bracker et al. 1988; Gundry & Welch 2001).

The results show planning is a very important factor in reaching growth objectives and that it is related to company success. This is consistent with earlier findings (Barringer et al. 2005, 672).

6.2.2 Technology

Technology is referred to how the company has invested in already existing or emerging technologies. The first statement from previous findings (Nichter & Goldmark 2005) was that high level of technology has high impact on the productivity levels. Overall, the results in this research supported this to a small degree, as this was not evident strongly in this research. It was most strongly evident in the case of Wholehearted couple and Vibrant optimists. For Wholehearted couple, investing in digitalization of their

internal processes clearly impacted workforce productivity. Vibrant optimists, on the other hand, clearly stated they do not have finance to invest in higher quality technologies. This is in complete agreement with earlier research by Gundry and Welsch (2001, 465), who argue, that in general, microbusinesses see the potential in investing in technology but lack resources to invest in them. The second statement from previous findings (Barringer et al. 2005) was that new and advanced technologies help the company compete in fast-growing and dynamic markets. All of the results are in complete agreement with this statement.

6.2.3 Innovation

Overall, the results of this research reinforce earlier research (Barringer et al. 2005), that innovation increases the company's revenues and enhances business reputation through constant supply of new product and service offerings.

A more thorough analysis revealed, that for individual businesses winning awards for innovativeness and public appearances, seemed to stand out as factors enhancing business reputation more clearly than a constant supply of new product and service offerings.

6.2.4 Finance

Finance refers to the ability to access needed finance for the business (Nichter & Goldmark 2005). This research is in full agreement with earlier research, that microbusinesses in developing countries do not receive loans or credits as easily as in the developed countries (Nichter & Goldmark 2005), and that these entrepreneurs typically start with their own savings (Nichter & Goldmark 2005; Maiangwa 2013,1).

Governmental financial support has helped most of these businesses grow. Vibrant optimists' and Dream team's cases, extended our knowledge on the unfavorable side of receiving public funding; long waiting period and not taking inflation into consideration., Study pals has received private funding and serves as an exception. Furthermore, some businesses have been able to access needed finance winning awards, which was not presented in earlier research as an option for funding.

6.2.5 Growth-oriented vision and mission

Wholehearted couple is the only company, which reinforces prior research (Leuthesser & Kohli 1997), that a clear growth-oriented vision and mission statements may be seen as

necessary in helping a company form its identity, purpose and direction. All the other businesses, which account for the majority, are growth-oriented, committed to growth and make decisions with growth in mind. However, they lack a growth-oriented mission and vision statements. Therefore, contrary to earlier research (Leuthesser & Kohli 1997), the results show that a business may not need statements in order to be growth-oriented.

Vibrant optimists is the only company, that is not committed to growth and that does not make decisions with growth in mind. They also lack a growth-oriented vision and mission, which may further reinforce prior research (Barringer et al. 2005).

6.2.6 *Motivation to grow*

Motivation to grow is defined by Barringer et al. (2005) as a business being committed to growth. This refers to the extent the company sees growth as an objective, as well as, being a determined choice of the founders. All other companies except for Wholehearted couple and Vibrant optimists are clearly committed to growth. Wholehearted couple and Vibrant optimists support earlier research (Mckelvie & Wiklund 2010; Storey 1994; Wiklund et al. 2003) that many businesses do not want to grow. The results reinforce earlier research (Perren 1999) that the owner's growth motivation is vital in small businesses where their influence is strong.

6.2.7 *Qualified employees*

Qualified employees is related to the geographic location for getting access to a qualified labor pool, which in turn refers to the qualities of the employees such as education and previous work experiences (Barringer et al. 2005). In general, all of the companies have been able to access a qualified labor pool to meet their requirements. The results in this research, are in line with previous findings, the diversity in skills and education (Parrotta et al. 2010), and employees' know-how or ideas (Koch et al. 2013) has relevant impact on business performance.

In Visionaries' case, they are able to make social impact by offering work to people in vulnerable situations in their lives. Wholehearted couple and Vibrant optimists are the only companies that do not expect any relevant prior work experience or education from their employees. In the case of Wholehearted couple, offering staff training and keeping their workers committed to their jobs, are the most important aspects related to their employees, which impact their business performance.

Table 35 Company attributes affecting microbusiness growth in Argentina

Characteristic	Description
Formality and planning	<p>This research failed in getting results on the benefits of a formal business.</p> <p>Registering your company should also be considered as a strategic choice for growth.</p> <p>Most small business owners avoid formal business plans until it is required from them. High-growth-oriented businesses focus on having a more structured approach to planning. Planning is a very important factor in reaching growth objectives and it is related to company success.</p>
Technology	<p>High level of technology has high impact on productivity. New and advanced technologies help the company compete in fast-growing and dynamic markets.</p> <p>In general, microbusinesses see the potential in investing in technology, but lack resources to invest in them.</p>
Innovation	<p>Innovation increases company's revenues and enhances business reputation through constant supply of new product and service offerings.</p> <p>Winning awards for innovativeness and public appearances seemed to stand out as factors enhancing business reputation more clearly than a constant supply of new product and service offerings.</p>
Finance	<p>Microbusinesses in developing countries do not receive loans or credits as easily as in the developed countries, and these entrepreneurs typically start with their own savings.</p> <p>Government funding supports microbusiness growth, but is often subject to problems with long waiting period and inflation. Awards may provide additional funding.</p>
Growth-oriented vision and mission	<p>Contrary to earlier research, a business may not need vision and mission statements in order to be growth-oriented.</p>
Motivation to grow	<p>Founders clearly need to have motivation and make a determined choice to grow their business in order to grow. Many companies do not want to grow.</p>
Qualified employees	<p>It is evident that having qualified employees has impact on business performance.</p> <p>The results also demonstrate the importance of staff training and commitment of employees.</p>

6.3 Networks affecting growth of Argentine microbusinesses

One downside, regarding this research, was that it had limitations collecting data on the importance of networks. The limitations were that either the companies did not fully understand to provide all the information needed, or they merely decided not to. Furthermore, many of these networks are more informal and, thus, it was complicated to get access to this data. However, despite the limitations, the findings do provide evidence, that networks are an important part of microbusiness growth. The network characteristics chosen for this research were social and professional networks as well as inter-firm cooperation. The results will be discussed in short and compared to already existing theories and academic research. At the end of this section, the results on networks affecting growth will be presented in table 36.

6.3.1 Social and professional network

The results concur with previous research (Barringer et al. 2005; Nichter and Goldmark 2005; Jack et al. 2008, 126), that social and professional networks contribute to having access to additional know-how and capital. Being part of a government-funded business incubator or startup program enhanced entrepreneurial opportunity recognition, therefore, this reinforced findings in prior research (Lee et al. 2001, 620; Jack et al. 2008, 126). They also helped broaden professional networks. In general, the businesses seemed to have wide social and professional networks, which did in fact, impact their growth positively. Also, as Wholehearted couple is not part of any governmental program, it is even more evident, how they emphasized the importance of social and professional networks throughout the whole research.

6.3.2 Inter-firm network

Inter-firm cooperation included vertical linkages, horizontal linkages and supporting markets, which were described in detail by Nichter and Goldmark (2005). In short, vertical linkages are commercial relationships between businesses and their buyers and suppliers. All of the businesses except for Study pals did bring up some examples of their vertical linkages.

Vertical linkages played a vital role for Dream team, Infinite imagination and Visionaries in internationalizing to different markets. The results reinforce earlier findings, that a company may overcome the lack of foreign market knowledge by forming business networks (e.g. Schweizer 2012; Björkman & Kock 1995; Coviello & Munro

1995). Visionaries, Wholehearted couple and Vibrant optimists have strong vertical linkages within Argentina. Similarly as mentioned in earlier findings (Nichter & Goldmark 2005), these linkages facilitate growth by expanding business opportunities and by lowering risks and costs associated entering into new markets.

Horizontal linkages mean the cooperation between similar companies (Nichter & Goldmark 2005, 12). The results did not provide in-depth knowledge on how horizontal linkages impacted the growth of Argentine microbusinesses. All of the businesses provided information on different types of horizontal linkages. Mainly, the businesses either work together with or are part of different organizations, such as cooperatives and associations. Wholehearted couple is an example of a company that has formed their own collaborative structures. The results show that these linkages mainly help access information, which supports earlier findings by Nichter and Goldmark (2005, 12).

Supporting markets mean different kind of services that provide consulting, advice, information or training (Nichter & Goldmark 2005, 12). The results gave preliminary information, but to fully understand the role of supporting markets, a more thorough research would be needed. Dream team and Vibrant optimists explained that they have used consultants. Dream team has used a consultant for strategic planning and they have further widened their knowledge by taking training courses themselves. Study pals and Wholehearted couple have used an outside accountant. Wholehearted couple also mentioned using a legal advisor. The results demonstrate that supporting markets are important for Argentine microbusinesses. However, how and to what extent is left open.

Table 36 Networks affecting microbusiness growth in Argentina

Characteristic	Description
Social and professional network	<p>Social and professional networks contribute to having access to additional know-how and capital.</p> <p>Government-funded startup program or a business incubator helped broaden professional networks and enhanced entrepreneurial opportunity recognition.</p>
Inter-firm cooperation	<p><i>Vertical linkages</i> play a major role in facilitating growth of Argentine microbusinesses conducting business within the country as well as for companies internationalizing to new markets.</p> <p>The results did not provide in-depth knowledge on how horizontal linkages impacted the growth of Argentine microbusinesses. Mainly, <i>horizontal linkages</i> help access information.</p> <p>The results demonstrate that supporting markets are important for Argentine microbusinesses. However, how and to what extent is left open.</p>

6.4 Macroeconomic factors affecting growth of Argentine microbusinesses

The macroeconomic environment according to the results, plays a key role in the growth of Argentine microbusinesses. I wanted to present an insider view on how these microbusinesses view the macro environmental factors that mostly affect their business and especially growth. It is, of course, important to note again that these companies are all working in different fields and that is why some factors are more specifically affecting that field or that type of business.

One downside of the methodology used, was that as there was a limited number of businesses. The conclusions should, therefore, be treated with caution and they serve more as indication to what may be the most common factors. To understand the macroeconomic environment more holistically, common factors constraining growth, supporting growth and how to respond to these constraints for each company will be demonstrated.

6.4.1 Macroeconomic factors constraining microbusiness growth in Argentina

There were six macroeconomic factors constraining growth that stood out from the rest. As the questions were open, all the respondents talked openly about the constraining factors and they were not demonstrated as options, but brought up by themselves. The most common macroeconomic factors constraining growth of the investigated microbusinesses are demonstrated in figure 13.

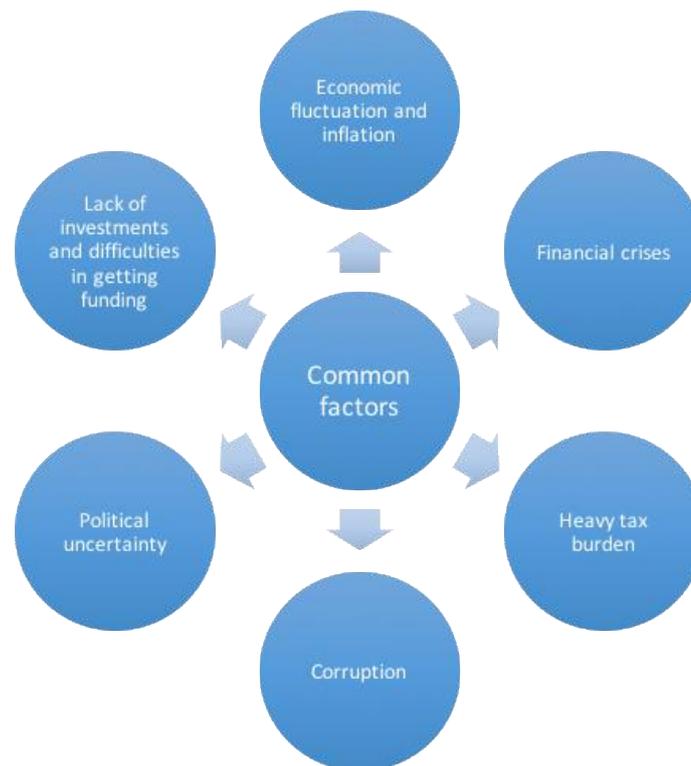


Figure 13 Most common macroeconomic factors constraining microbusiness growth in Argentina

There were other factors, that were brought up by only individual companies. As this is only a small research, these were not included in figure 13. As it became clear in the findings, the political decisions are highly related to the macroeconomic environment. Therefore, they were added to the macroeconomic factors. Within a larger study, a clearer differentiation between the factors would be recommendable.

These findings concur with earlier findings (Ayyagari et al. 2008) that corruption, inflation, lack of finance and political instability impact the growth of businesses. Results concur with prior research, that heavy tax burden or i.e. what Nichter and Goldmark (2005) refer to as the regulatory and institutional environment, may stagnate growth of small businesses. Financial crises were the only factor, which was not mentioned separately in earlier literature presented in this research. So, overall the factors seen in

Argentina do not differentiate from developing countries in general, as they all portray similar issues.

6.4.2 Macroeconomic factors supporting growth

In order to understand the macroeconomic environment more holistically, also macroeconomic factors supporting growth were demonstrated for each company. First of all, it is important to note, that the same factors seen as supporting growth by other companies, may be seen as stagnating growth by others.

Study pals sees that the government is making changes to support entrepreneurs more with additional funding. They received more finance through winning awards. Infinite imagination also supports this idea, by saying that the overall situation is improving, such as tax reductions and legal flexibility, even though they do point out the lack of legal flexibility being a constraint. Infinite imagination has also received public funding. Furthermore, for Wholehearted couple ,the fidelity of their customers has been a major factor supporting growth and fidelity was most strongly built during a period of one of the worst financial crises.

Second, it is important to understand that not everything is black and white. Dream team clearly states, that crises are a major problem, but they also see the positive sides in it. They explain that crises make existing entrepreneurs reborn and more dedicated. By this they mean that entrepreneurs need to constantly innovate, be flexible and change. Thus, a very interesting perspective on the positive sides of financial crises helping these microbusinesses evolve is presented.

Lastly, all these entrepreneurs see positive sides as well, which are highly important to understand ,when building and strengthening the entrepreneurial community. The government-funded business incubator, Fide, is seen as helping entrepreneurs in getting access to physical space, facilities, creating valuable contacts, getting public funding more easily, and make an idea into a business. Also, being part of an entrepreneurial community helps create personal and professional contacts, work hard, meet schedules and receive support. Infinite imagination also sees that startup programs help in accessing contacts and receive funding for growth. These positive factors, related to governmental institutes, help understand how microbusiness growth may be supported successfully.

6.4.3 How to respond to the macroeconomic factors constraining growth of Argentine microbusinesses

Regarding the macroeconomic environment, the most relevant issue is how businesses respond to constraints. As all these companies face obstacles outside of their control, they also have coping mechanisms. From this research, it became clear that many of these coping mechanisms are at a more company-specific level, even though, some aspects may be common. It is questionable whether these factors are only limited to entrepreneurs in Argentina, as many factors are seen within many other academic sources. These coping mechanisms below in figure 14.

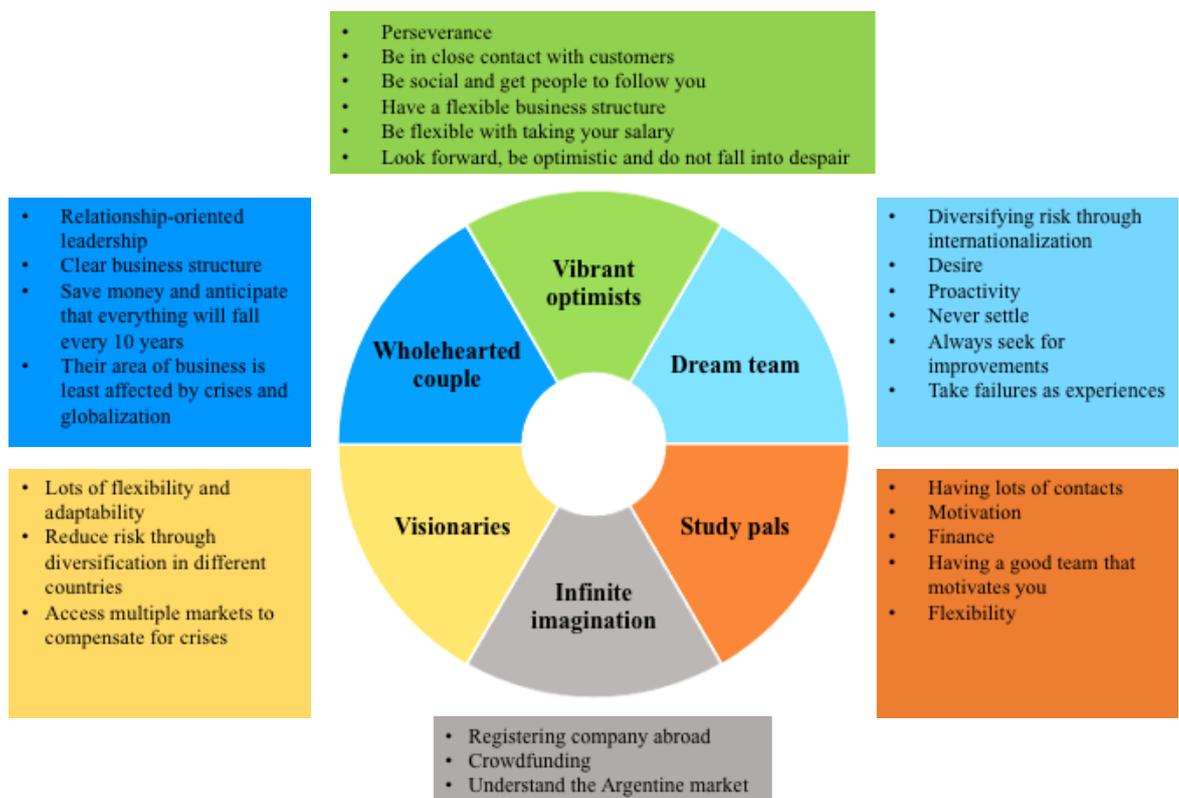


Figure 14 How to respond to macroeconomic factors constraining microbusiness growth in Argentina

This figure represents company-specific coping mechanisms. These ideas will widen knowledge on how some Argentine entrepreneurs are able to survive and some even grow during the worst financial times, and how they prepare themselves for the new struggles to come. It would be very interesting to compare these results to entrepreneurs' responses from developed countries. This research has not presented previous research on these coping mechanisms. Nevertheless, it serves to give a very in-depth view of these six businesses on how one may succeed in the Argentine business market.

6.5 Growth strategies of Argentine microbusinesses

After careful analysis of how these microbusinesses are pursuing growth, the growth strategies of each company will be demonstrated below in figure 15. This model has been adapted from a growth strategy model created by Leminen and Westerlund (2008, 27).

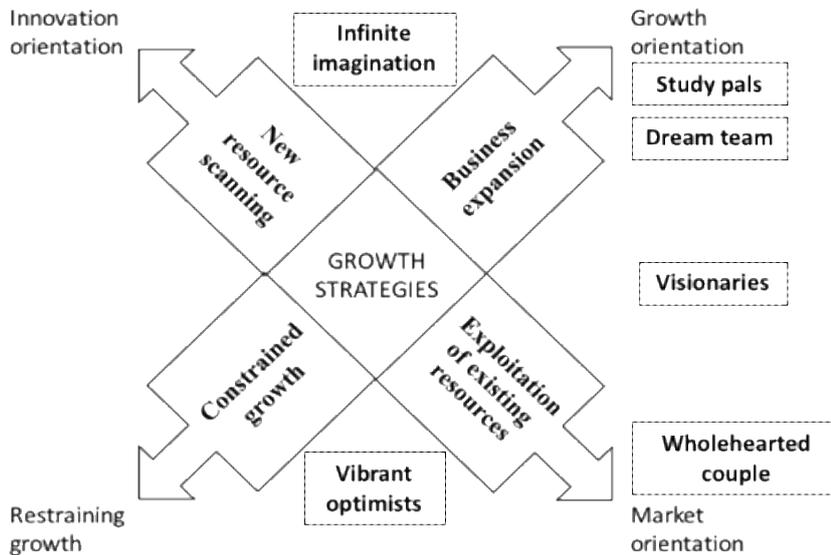


Figure 15 Growth strategies of Argentine microbusinesses

Initially, I thought that the entrepreneurs would recognize themselves, which type of growth strategies they are pursuing. Though, it quickly became evident, that most of the entrepreneurs did not explain clearly their growth strategies, but it was up to me as a researcher to identify from the information provided what type of strategy they were aiming for. For some cases, this analysis was complicated to make as some of the businesses, such as Vibrant optimists, did not devote time for planning, which correlated with previous literature on small businesses lacking clear plans. Also, when identifying, which strategic option the entrepreneurs were aiming for, it was not a clear cut.

Most of the businesses had at least some features of various strategies or for some their strategies were more clearly in between two different strategies. One explanation for this is that many of the businesses are at an early stage of development (figure 16) and are in the phase of searching for a suitable growth strategy.

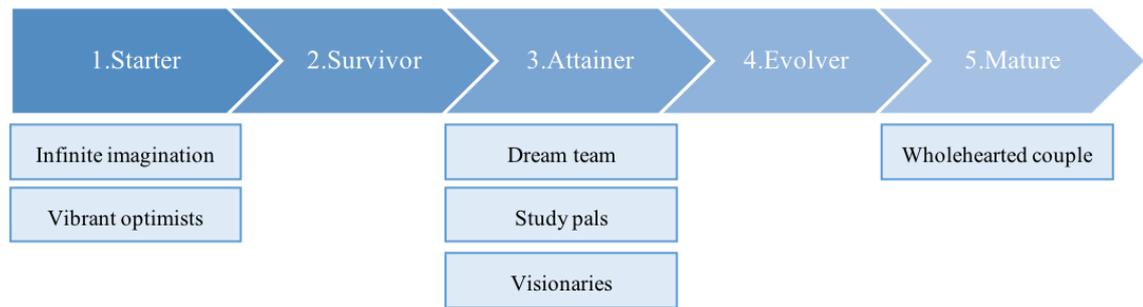


Figure 16 Stage of growth of researched businesses

The businesses in these early stages, may be testing out different strategic options and after further analysis choosing the most appropriate one to pursue. Another explanation may be related to the business environment. Overall, it seems that in a harsh and constantly changing business environment, you need to be flexible with your growth strategy as well. Especially in the case of Vibrant optimists, they are limiting their growth in order to have flexibility to survive crises.

The most intriguing observation to emerge from the data related to growth strategies was how Infinite imagination was pursuing growth. Infinite imagination provided information on a new growth strategy for Argentine microbusinesses, which is worth mentioning also as a separate growth strategy even though it mostly had features of new resource scanning and business expansion. Yet, their growth strategy clearly stood out of the existing literature and I have referred to their company as a "digitally born global microbusiness". This meaning that these types of microbusinesses are able to expand more rapidly and profitably to customers on a global scale with the help of digital platforms that offer microbusinesses a digital global entrepreneurial ecosystem. This phenomenon is relatively new in Argentina and provides additional information as to how a company may be able to tap into new methods of growth in a developing country.

7 RESEARCH EVALUATION AND RECOMMENDATIONS FOR FURTHER RESEARCH

The purpose of this research was to examine how Argentine microbusinesses pursue growth and distinguish their main growth strategies. This was an ethnographic study conducted in Argentina during the fall of 2016 and spring 2017. The main research methods used were non-participant observations, participant observations and in-depth, semi-structured interviews with a life-story approach.

As a researcher, I did not give the respondents any prior information about possible ways to pursue growth nor on growth strategies as this research adopted an explorative and flexible design. The results varied to some extent from one company to another. That is why the company-specific results were presented separately. Nevertheless, there were some common results as well. However, the potential limitations described below should be taken into consideration. In spite of that, this research is a needed step towards enhancing our knowledge in this specific area.

7.1 Research evaluation

There are a variety of different analyses for what qualitative research is and what are the key elements. According to Tuomi and Sarajärvi (2009, 20), the results of the research may never be separated as being objective from the researcher as the researcher is the one deciding the research design, which is solely dependent on the researcher's understanding of the phenomena. This meaning that the results are never purely objective and being a researcher this has be taken into notice when talking about objective methods of researching. The research is in some way bound to be subjective in nature. During the research I tried to be as objective as possible. This was easier to accomplish after leaving the field site.

One key strength of this research was my ability to build relationships with the participants through ethnographic research. With some cases, these relationships were stronger than with others and turned into friendships as well. I let them know the research goals and objectives and received the consent to conduct research on their companies. I also received consent to publish any information online on their companies for others to see. The names of the companies and entrepreneurs were changed, and I did not add any personal stories that the participants did not want to publish online. Some entrepreneurs did talk about very personal issues that they later told me were too personal to publish so respecting their wishes I did not add that to this research.

Measuring reliability is a real problem in qualitative research. It is one of the classic evaluation criteria in quantitative research and it is related to the consistency in research

in the sense that another researcher can replicate your study and come up with similar findings. (Eriksson & Kovalainen 2008, 292.) In this research, the factors attributing to growth and the growth strategies are strongly related to the current stage of development of the businesses, the current macroeconomic environment and the current situation of the entrepreneurs' lives. In that sense, the results may differ applying the same research to the same companies later on or other companies. Nevertheless, this is all taken into account in the research demonstrating the current situation of the businesses. Furthermore, I was consistent with what I was researching and analyzing for each company while keeping flexibility to find out if there were other factors that needed to be taken into account that were not present for other companies. This was done to demonstrate that in the end each company has their own story. Also, choosing a range of different companies makes the information more transferable.

The ambassador of Finland in Argentina, Teemu Turunen (interview 07.02.2017), explains that the "...main thing for Finnish companies is the Spanish language. They need to know Spanish language. That's sort of the entering here one should know or at least get somebody who knows it". Similarly, excellent Spanish language was the key to investigating these businesses. It is extremely hard to get the information needed and also use external sources without good Spanish language skills. I also found that I needed good translating skills in order to portray the right message said in Spanish.

7.2 Limitations of study

Although this research reached its aims, some limitations affect the generalizability of the results of this study due to limits in time and resources. This research was done in Córdoba and Buenos Aires on six businesses. So, this study is limited to the number of businesses and their location. The results may not be generalized to represent all the microbusinesses of the entire country of Argentina nor all Argentine micro entrepreneurs. Furthermore, the microbusinesses do not cover all types of industries, though in order to get more industry-wide information all the microbusinesses chosen for this research were chosen from distinct industries. The specific limitations concerning the results were discussed throughout in the discussion and conclusion part of this research.

The findings may not translate to represent all of Argentina however, the results and the research design may be widely applicable when breaking new ground in the research of microbusiness growth in Argentina. With this in mind the results from a smaller study can be provided more quickly and the data from this well-designed small study may be applied to design a larger confirmatory study. Furthermore, combining additional methods of data collection could have increased the range and depth of the analysis. The

next step in order to extend the scope of knowledge, would be to build a stronger overall evidence base through extended research.

7.3 Recommendations for future research

There are still many gaps regarding research on microbusinesses in Argentina, how they pursue growth and their growth strategies. This research has raised up many questions in need for further investigation. Due to constant changes in the business environment, these microbusinesses need to keep up with these changes. This means they need to constantly search for new ways to pursue growth and adapt their growth strategies. Especially, Infinite imagination provided an interesting perspective on how this may be achieved. These findings suggest opportunities for future research on how digital platforms may offer microbusinesses in developing countries possibilities to expand more rapidly and profitably to customers globally.

Wholehearted couple served as an example of a more traditional type of small business, which has been able to grow and survive despite various crises for over 20 years. Future research should be undertaken on both successful companies as well on the ones that fail to build a holistic view on microbusiness growth.

More importantly the priority of the research in this area should be, in my opinion, in conducting better research by using a wider set of data and more enhanced analytical methods. This would be the key to building a more comprehensive and diverse picture, and have a stronger impact on the current academic research on the microbusiness sector.

On a wider level, research is also needed to determine what type of measures should be taken by these countries to enhance microbusiness growth. This research provided examples of how government-backed entrepreneurship programs have successfully helped microbusinesses grow. The prospect of being able to access this type of data, serves as a stimulus for future research in this area as well.

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APPENDICES

Appendix 1: Framework for semi-structured interview questions (Originally in Spanish, translated into English)

Theme	Questions
Background of entrepreneurs	<ul style="list-style-type: none"> • Names and ages • Education • Job experiences • Entrepreneurial experiences and interests • Job responsibilities • Why are you inspired to work in the area of entrepreneurship? • How would you describe yourself?
Background of company	<ul style="list-style-type: none"> • What does your company do? • When did you start your company? • How did you come up with your business idea? • How many people are in your company and have you hired people to work for you? • Are you able to make a living from your company? • How is your salary in comparison with working for a larger corporation? • Do you have a system to evaluate the growth of your company? • Do you have operations abroad? • What is your goal and how would you describe the success of your company?
Functioning in Argentina	<ul style="list-style-type: none"> • Please describe what it is like to function in the Argentine business environment. • What are the key elements an entrepreneur needs in order to succeed in the Argentine business environment?
Company growth	<ul style="list-style-type: none"> • What are the survival and growth strategies of your company?
Business incubator Fide (only for microbusinesses as part of Fide)	<ul style="list-style-type: none"> • How does FIDE support and improve the growth and innovation of your company?