Dynamic Strategy in High Growth Firms

*The importance and implication of dynamic strategy development in phases of high growth.*
ABSTRACT

Purpose – The presented research aims to explain, describe and analyze the process of dynamic strategy development in high growth firms. Accordingly the research seeks to investigate how dynamic strategies are used within high growth firms and how strategic learning affects the process.

Design/methodology/approach – The authors present a review of theoretically relevant studies of high growth related to strategy, and two original studies examining the impact of dynamic strategy on high growth. A theoretical framework for the study of dynamic strategy processes is developed. The study comprehends eight interviews divided over five high growth firms, where high growth is defined by the OECD (2008) standard.

Findings – In the study, the researchers find significant evidence for the active and deliberate use of dynamic strategy in the high growth firms of the study. The implication of strategic learning on the dynamic strategies is found to be substantial. The findings show that dynamic strategy development are used to a large extent and considered vital for achieving growth within the high growth firms of the study.

Research/theoretical implications/limitations – The findings demonstrate that dynamic strategy development is actively used in high growth phases of the firms studied. This has implications on the extension of previous research, as it shows the actual use of dynamic strategy and further emphasizes the importance of strategic learning within this process. With the important limitation that the study is considered too small to generalize over a larger population, which implies that further research on the subject is needed.

Managerial implications – The findings provide guidelines for managers of how to handle strategy development in high growth, however due to the previous limitation this is presented as the way the high growth firms within this study handles this development. The guidelines could be used by anyone in managerial positions, thus increasing the understanding of how high growth firms handle strategy.

Originality/value – The research demonstrates that the use of dynamic strategy development is active within the study, and considered important in achieving and expanding high growth phases.
Acknowledgements

Thanks to our supervisor Bertil Hultén, Professor at the School of Business and Economics - Linneaus University, for the assistance in the ongoing development of the research. Further a big thanks to the interviewees at respective firm for the participation in this study, your inputs are highly valued.

Keywords

Dynamic strategies | Dynamic strategy | Dynamic strategy development | Dynamic strategy framework | HGF’s | High growth firms | Achieving growth | Strategic learning | Creative search | Strategy process | Dynamic environments |
# Table of Contents

**ABSTRACT**

**1 INTRODUCTION**

1.1 Background

1.1.1 The characteristics of high growth firms

1.2 Problem Discussion

1.2.1 Prior research on dynamic strategies and high growth

1.2.2 Research gap

1.3 Research questions

1.4 Research purpose

1.5 Delimitations of the research

**2 METHOD**

2.1 Scientific approach

2.2 Qualitative research

2.3 Empirical study

2.3.1 Selection of companies

2.3.2 Respondents

2.4 Data collection

2.4.1 Primary data

2.4.2 Secondary data

2.5 Research quality

2.5.1 Validity

2.5.2 Reliability

2.6 Data analysis

2.7 Method discussion

**3 THEORETICAL FRAMEWORK**

3.1 Dynamic strategy

3.1.1 Strategy development as a process

3.1.2 Dynamic strategy framework

3.1.3 Formation of strategic intent

3.1.4 Responsiveness and search

3.1.5 Strategic learning

3.2 Additional views on dynamic strategy development

3.3 Strategy and strategic learning

3.3.1 Foundations of strategic learning

3.3.2 Strategic learning framework

3.4 Theoretical synthesis
REFERENCES .................................................................................................................. 116

APPENDENCIES ............................................................................................................. I

  Appendix A .................................................................................................................. I
  Interview questions .................................................................................................... I
  Appendix B .................................................................................................................. I
  Questionnaire ............................................................................................................ I
  Appendix C .................................................................................................................. I
  Literature study ......................................................................................................... I

List of figures
  Figure 1 Annual growth average – turnover ................................................................. 17
  Figure 2 Annual growth average – employees .............................................................. 17
  Figure 3 Combined model of strategy formation ......................................................... 32
  Figure 4 Revised version of – Strategy: a dynamic process ....................................... 34
  Figure 5 Revised version of – The integrated strategic learning framework ............ 44
  Figure 6 Model dynamic strategy framework ............................................................. 47
  Figure 7 Dynamic strategy model for managerial implications ............................... 109

List of tables
  Table 1 Presentation of companies................................................................................ 19
  Table 2 Conducted interviews..................................................................................... 21
1 INTRODUCTION

The introduction chapter describes the concept of high growth, explains how high growth relates to the creation of economic value, and presents factors known as drivers of high growth. Further the research problem and previous research are presented, defining the theoretical gap and the relevance of the research phenomena. In the end research questions and purpose are presented.

1.1 Background

High growth firms (HGFs) are a selected group of companies displaying growth at a level beyond the average firm. They have been found to contribute with significant influence on their respective economies - recent research states that high growth firms create disproportionately large shares of employment, while the average firm has a limited impact on the economy. (Acs and Mueller 2007; Henrekson & Johansson 2010, 2010; Davidsson and Henrekson 2002; Halabisky et. al., 2006, OECD 2010; Coad et. al., 2014).

The business community has recognized the importance of high-growth firms for their contribution to economic growth and job creation. A recent study by Parsley and Halabisky (2008) states that HGFs are of utmost importance to the Canadian economy; the study shows that high and hyper growth firms accounted for 4 percent of continuing business between 1993 and 2003, but on the other hand were responsible for 45 percent of net jobs created. Henrekson and Johansson (2010) concur that HGFs generate a disproportionally large share of net jobs in most economies, including the Swedish. In addition, Acs and Mueller (2008) found that the tremendous impact of the HGFs on net employment seems not only to be temporary but in many cases long-lasting.

Additional importance is given by the fact that recent studies shows that HGFs produce important spillovers to the nearby region; which in the long-term affect employment growth rate of other companies in the region (Van Praag and Versloot, 2008). This entails the important insight that these firms might be able to create wealth and regional growth over
OECD (2010) presented in one of the most comprehensive studies of high growth firms, consisting of data from more than fifteen countries around the globe, that the firms show a remarkable tendency to withstand global economic and financial crisis. When the world economy moves into a regression these firms seems unaffected and continues to produce economic growth. Therefore, HGFs contribution to economic growth and job creation has been found to be even more disproportional during times of economic decline (OECD, 2010). Accordingly, OECD (2010) declares that high-growth firms played an important role in withstanding the most devastating effects of the economic crises in many countries and regions. Their promising potential for job creation and their contribution to economic growth during times of economic decline has drawn the attention of researchers and policy makers. The importance of high growth firms influenced the Europe 2020 strategy which mentions the support of fast-growing small and medium-sized enterprises (SMEs) as an important pillar. Accordingly the report states that the interest in fast-growing firms is motivated by the fact that they are perceived as important drivers of economic dynamics, economic growth and employment generation (European Commission, 2010; OECD, 2010).

1.1.1 The characteristics of high growth firms

According to OECD (2008, 2010) the definition of a high-growth enterprise is a firm which has achieved growth by 20% average per annum, growth measured in turnover or employees, with at least ten employees at the start of the period. The OECD definition is preferable since it excludes companies with questionable growth, i.e. due to firm size and age (OECD, 2008).

High growth represents a transitory phase in the life of the achieving firm. High growth was found to be an exceptional event that can occur in the life of virtually any firm and at any time (OECD, 2010; Tillväxtanalys, 2009). OECD (2010) accordingly concludes that high growth can be a very disruptive event for a firm because of the sudden pressure on managerial, financial and technical resources. To further enhance this Parker et. al. (2010) found that HGFs operate with very limited available resources in rapidly changing environments. The changing environments and the opportunities derived from this are also seen as important factors of high growth by Parker et. al. (2010).
OECD’s (2010) research further showed that factors influencing high growth are heterogeneous; every firm is affected by a different combination of growth enablers (Delmar et al., 2003; OECD, 2010). Research shows that growth enablers are both internal and external. The external are mainly: size of the company related to industry belonging (Delmar et al., 2003), significance of industry belonging (Davidsson and Delmar, 2003; Halabisky et al., 2006), country belonging (Bravo-Biosca, 2010). From the internal perspective of the firm, the influential factors have mainly been found to be innovation in products and processes (OECD, 2010; Baldwin and Gellatly, 2006) and strategic direction (O’Regan et al., 2006; Parker et al., 2010, Keen and Etemad, 2012).

Researchers such as Mohr et al. (2014), Parker et al. (2010) and Keen and Etemad (2012) have provided implicit support for the impact of strategy as an influential factor of growth. Keen and Etemad (2012) argues that strategy is most likely an explanatory factor of rapid growth when other factors fail to explain. Within the same field Parker et al. (2010) found that growth rates of HGFs in different periods are not independent. Using best practice strategies creating growth in one period, in a later period showed negative effects. Thus the study of Parker et al. (2010) concluded that the same strategies did not exert a consistent influence when used in different time periods. These results support the argument that the use of dynamic strategies by firms can explain high growth.

1.2 Problem Discussion

Parker et al. (2010) concludes that previous best practice strategies are very unlikely to foster firm growth in a changing environment, especially over time. The same study showed that high growth firms are often operating in this type of environment.

Consequently the importance of developing strategies for achieving high growth (Parker et al., 2010) creates some major dilemmas for firms involved in the situation. Firstly, it is a well-known fact that organizational change and major strategic re-orientations are difficult and often a source of inertia within organizations (Burgelman, 1991, Parker et al., 2010), thus particularly difficult over short time spans. Simultaneously, research indicates the importance for HGFs to accomplish major strategic re-orientations in short time spans to achieve high growth (Parker et al., 2010; Tell, 2012). Accordingly, the combination of both creates a
paradox for HGFs, as internal strategy change is a slow process while the firms are required to
develop rapid strategic changes to be able to achieve high growth. Further, Parker *et. al.* (2010) found that best practice policies of one period are counter-productive in a later period and that this reflects the importance of managing strategy dynamic and flexible. This implies that superior performance in fast strategy development and creation of dynamic strategies in response to the environment might be explanatory factors of high growth and thus the performance of high growth firms. However it is still unclear how these fast growing firms manage to cope with the above dilemma and achieve advantages through timely adaptations of strategy in accordance with changes in the external environment.

Further problems related to the expected importance of dynamic strategies is the fact that it is easy for high growth companies to get stuck in a pattern of simplistic thinking, meaning that the focus of strategy will be on the factors that caused the firm to grow initially (Tell, 2012). This dilemma is further enhanced by the constraint of scarce resources which is typical of small firms. It is therefore found to be difficult for the firm to find time to focus on strategic issues (Tell, 2012). *Imitating past strategies* hereby results in future inflexibility and most possibly declined growth. The problem in this situation is that the small fast growing firm may end up to be stuck in the *paradox of its own success*. Such success, according to Tell (2010), makes organizations lose the ability to recognize and respond to environmental demands. This implies that dynamic strategies are important to achieve high growth, thus it is important to increase the understanding of how successful high growth firms handles the development of dynamic strategies in order to achieve growth.

HGFs accordingly need to develop strategy in times of high growth, fast expansions and with the limitation of scarce resources (Tell, 2012). The high growth firms show tendencies of being able to handle this situation more effectively than the average firm (Parker *et. al.*, 2010). At the same time Tell (2012) concluded that the nature of scarce resources and time constraints in growth periods forced firms to only use about 13% of their time in strategic activities. This implies the assumption that HGFs learn how to develop strategies more effectively by learning from previous strategy development. This is another argument for the importance of this study, do high growth firms have ways of strategic learning from previous strategy development that allows them to more effectively develop new strategies in
accordance with the environment. This implies that there could be a relation between dynamic strategy development and strategic learning.

1.2.1 Prior research on dynamic strategies and high growth

Prior research of dynamic strategies and the link to high growth is not extensive although researchers including Parker et. al. (2010), Tell (2012), Keen & Etemad (2012), Verreynne and Meyer (2010) all have provided implicit support for the link between strategy and high growth.

Parker et. al. (2010) started their research of high growth by trying to prove how different managerial and strategic factors affected high growth. They were unable to prove clear significance between the use of one type of strategy and high growth; instead the findings of their research revealed that high growth firms used dynamic strategies. This implied that high growth was achieved by a constant change of strategy, “Most powerfully of all, we showed that firms are unlikely to be successful if they attempt to draw lessons from observing growth in one period and applying these lessons routinely at a different point in time.” (Parker et. al., 2010:223).

Thus Parker et. al. (2010) showed that “routine application of static best practice strategies is unlikely to foster firm growth in a changing environment” (Parker et. al., 2010:224). Further the conclusions of Parker et. al. (2010) implied that best practice policies of one period was counter-productive in a later period, and that sustained growth over a longer period of time required timely adaption of strategies, both externally and internally. Accordingly Parker et. al. (2010) concluded that dynamic strategies, timely adapted to changes in the environment, in response to new opportunities explained high growth patterns within their sample. Parker et. al. (2010) states that dynamic strategies are important to achieve growth. However there is nothing concluded in the research of how dynamic strategies actually are developed and used.

Tell (2012) confirms Parker et. al. (2010) findings as the study shows that a simplistic strategy, a focus on the very things that caused the firm to grow initially, has direct negative effects on growth in later stages. To be stuck in simplistic strategy harms the ability of the firm to recognize and respond to environmental demands (Tell, 2012) which is also supported
by Coad and Hölzl (2010) as their research state that fast growth in one period in no way guarantees superior performance in the long/longer run.

The study by Tell (2012) states that the use of dynamic/flexible strategy development is important in order to recognize and respond to environmental changes, this is supported by Alpkan et. al. (2007), Verreyne and Meyer (2010) and Parker et. al. (2010). The research of Tell (2012) concludes that it is important to further extend the knowledge of how firms develop flexible/dynamic strategies.

The previous research concludes that dynamic strategies has a relevant effect on firm performance and more importantly high growth rates, however the research does not study the actual process of dynamic strategies within high growth firms. Coad et. al. (2014) states in their latest summarization of modern research on high growth firms that the field of strategy clearly is underdeveloped.

1.2.2 Research gap

Coad et. al. (2014) states that there is an evident lack of research concerning the internal features of high growth firms. According to the authors, the research today is insufficient in the fields of how organizational innovation, management styles and foremost firm strategies affect high growth. Cutting edge research within the field of high growth firms are today starting to touch upon strategy as an important factor for explanation point. Mohr et. al. (2014) investigates “The Role of Alliances in the Early Development of High-Growth Firms” as to whether alliance strategies could be related to rapid firm growth. Colombelli et. al. (2014) focuses on the contribution of knowledge creation and innovation to high growth firms, asking the question if high growth firms follow explorative or exploitative strategies.

At this point, to our knowledge, there has been no research performed on the actual processes of dynamic strategy in high growth firms and the connection to high growth patterns. As seen in the above sections the relation to high growth has been proven by research but the actual use of the dynamic strategy process of developing strategies has never been studied, to our knowledge. Our interest as researchers in the subject is derived from the latter; it is according to us both important and interesting to study whether high growth firms actively perform dynamic strategy development and the connection to high growth rates.
In addition, to our knowledge, there has been no research yet investigating the relation between strategic learning and development of dynamic strategies in high growth firms. Strategic learning should in theory improve dynamic strategies through increase recognition of opportunities (and threats) in the external environment, resulting in faster responsiveness and higher dynamism in the strategic development (Farjoun, 2002). Strategic learning has been proven to have positive affect on firms in different studies including Kuwada, (1998), Farjoun (2002), Anderson et. al., (2009) and Doz and Kosonen (2010). However the relation to high growth has not been studied. Even more interestingly Doz and Kosonen (2010) states that strategic learning should have the greatest positive effects in fast changing environments and in times of disruptive change for a firm.

1.3 Research questions

Concluding from the background and problem discussion we have found that there is an essential relation between high growth and the use of dynamic strategies. This implies that the development of dynamic strategies is one explanatory factor of high growth. To further develop the understanding of how HGF´s uses dynamic strategies and the importance it constitutes on phases of high growth, the overall research question is formulated as:

*How do the use of dynamic strategies explain phases of high growth within high growth firms?*

To answer the overall research question the topic is *divided into two sub research questions.*

The *first sub research question* seeks to identify the most critical aspects of dynamic strategy development in high growth firms. Thus it investigates in which ways dynamic strategies are used in HGF´s during times of high growth.

*How do high growth firms use dynamic strategy development processes in phases of high growth?*

The *second sub research question* analyzes whether high growth firms *gain knowledge from strategic learning,* thereby creating enhancing responsiveness and enhanced dynamism in
their strategic development. The notion of strategic learning is important in the dynamic strategy theory; this study seeks to research its importance in high growth phases.

How do strategic learning enhance the process of developing dynamic strategies in high growth firms?

1.4 Research purpose

Subsequently, the purpose of this thesis is to explain, describe and analyze the process of dynamic strategy development in high growth firms. Accordingly the research seeks to investigate how dynamic strategies are used, how strategic learning affects the process and if dynamic strategies are an explanatory factor of growth (in the sample). Moreover the aim is to provide further input to the research of high growth firms and recommendation as of how to improve strategy development in firms in order to achieve increased growth.

1.5 Delimitations of the research

The delimitation set by the researchers is exclusionary decisions made during the development of the research subject.

The first delimitation is made in the choice of problem, the problem chosen is the study of how high growth firms use dynamic strategies (dynamic strategy development) in phases of high growth this includes what effects strategic learning has within this process. This implies that we choose to only study dynamic strategies (as a process), all other theoretical notions of strategies has been excluded. Accordingly only the process of developing dynamic strategies and strategic learning in accordance with the theoretical framework presented are of interest.

The second delimitation is made in the choice of companies. We choose to only study high growth Swedish firms by the selection criteria (OECD, 2010) presented in section 2.4. Further the research seeks to exclusively study the use of dynamic strategies within high growth firms, no comparisons will be made to other firms.

The third delimitation is made when choosing to only study the effects of one growth factor, the combination of factors affecting high growth is not of interest within this research.
2 METHOD

The following chapter will declare for the method used, which entry point the researchers have towards this study, how companies and interviewees have been selected as well as how empirical data has been collected and processed. The goal of this section is to bring transparency to the contents of this report and under which conditions it has been performed.

2.1 Scientific approach

According to Hyde (2000) there are two general approaches towards scientific research; induction and deduction. The inductive approach is founded on observations and, through research, seeks to generalize these. The deductive approach, contrary to the inductive, is founded on generalizations which are tested to see whether they apply to specific instances or not (Hyde, 2000). A third research approach which is described by authors as a combination of the inductive- and deductive approach is the abductive research approach (Andersen, 1990; Dubois and Gadde, 2002; Alvesson and Sköldberg, 2008). According to Dubois and Gadde (2002) a combination of deduction and induction creates an interaction between theory and empirical data. This combination of the two approaches contributes to a deeper analysis and further comprehension of the phenomena. The authors state that a process where theory is used to analyze empirical data is best performed through systematic combination.

This study has been performed with a deductive research approach where our foundation has been in existing theories. The study began by compiling previous research which sought to explain factors of growth with theories explaining the specific features of HGFs, see chapter 1.3 and 2.4.2.1. Based on our findings one main research question formulated and two sub research questions which sought to describe the development of dynamic strategies in HGFs, see chapter 1.4. Thereafter, based on previous research, a theoretical framework was developed which was able to provide answers to our research questions, see chapter 3. We later sought empirical support for our research questions through eight qualitative interviews, see chapter 4.
The inductive approach was not seen as applicable as we did not seek to generalize empirical observations towards a larger population but rather seek empirical support for the research questions derived from previous research. The abductive approach was not perceived as appropriate as we sought empirical evidence of a theoretical phenomenon. Neither was the systematic combination as described by Dubois and Gadde (2002) perceived as useful as we believe it to be more appropriate when seeking to explain a phenomenon which is founded on previous empirical observations.

2.2 Qualitative research

Researchers commonly distinguish two different types of research methods; qualitative and quantitative (Yin, 2014). In business research, the most widely used of these is for the most part the quantitative method as it is considered more trustworthy in terms of reliability and validity (Dul & Hak, 2008; Gibbert, Ruigrok & Wicki, 2008; Yin, 2014). However, despite its inability to provide reliable generalizations, the qualitative method has been used to provide pioneering insights (Gibbert et. al., 2008).

Our choice of research method lies in the study’s purpose, to describe and analyze the process of dynamic strategy development in high growth firms, and the research questions presented in chapter 1.4. Hence, the purpose of this study is to create an understanding and deeper insight through qualitative interviews for a specific phenomenon which has been inadequately researched in the past. We therefore claim that a qualitative method is the best choice of method. Our perception is that the qualitative method provides us with a greater opportunity to achieve the purpose of this study which is to create an understanding of this phenomenon.
2.3 Empirical study

2.3.1 Selection of companies

When selecting companies for the empirical study it was perceived as necessary to determine which companies that could be included in the study according to a number of criterions. First and foremost the OECD definition of a high-growth enterprise was used. This definition was found to be appropriate as it excludes companies with questionable growth, i.e. due to firm size and age (OECD, 2008).

OECD (2008) defines a high-growth enterprise as a firm which has grown by a 20% average per annum, growth measured either in number of employees or turnover, according to one of the following equations:

\[
\frac{\sqrt[3]{\text{turnover}_{(xx)}}}{\sqrt[3]{\text{turnover}_{(xx-3)}}} - 1 > 0.2
\]

\[
\frac{\sqrt[3]{\text{employees}_{(xx)}}}{\sqrt[3]{\text{employees}_{(xx-3)}}} - 1 > 0.2
\]

Figure 1 Annual growth average – turnover (OECD, 2008:61)  
Figure 2 Annual growth average – employees (OECD, 2008:61)

When selecting companies the average turnover per annum was used as the growth parameter, see figure 1. This parameter was perceived to be the best choice as previous research (Parker et. al., 2010; Tell, 2012; Coad et. al., 2014), on which this study is founded, studies growth in financial terms rather than number of employees, see figure 2. When calculating the annual growth rate (turnover) we used both figures from 2009 to 2012 and the annual growth rate (turnover) during the company’s highest period of growth during the past ten years. Figures from 2009 to 2012 were used to present the growth of these firms with the newest data available, see table 1. The companies highest annual rate of growth, table 1, (turnover) was measured to provide an overall view on the growth rate of these companies.

OECD (2008) uses an employment threshold of ten employees to exclude very small and your firms from distorting the definition. OECD (2008) therefore does not define a four year old company which has increased from one to four employees as a fast growing enterprise. There is no threshold concerning employees when using turnover as an estimate of growth according
to the OECD (2008); however, it is recommended to use the same threshold to ensure a certain level of legitimacy. We have followed this recommendation and have therefore not included companies that fall below this threshold, see table 1.

OECD (2008) further excludes companies that: are younger than three years, has achieved growth through merger or a take-over. These are factors which according to OECD (2008) can increase employment and turnover significantly but should not be considered factors of high growth. We have therefore not included any companies younger than three years or have merged or been taken-over recently.

To increase the possibility to draw conclusions from the empirical data we choose to include companies operating in different industries. By using this criterion the possibility of growth or potential strategies to be solely caused by the industry in which the companies operate was significantly reduced. If we were to analyze companies that are very similar we would face the dilemma whether eventual similarities in strategy development is related to high growth or if it is determined by firm industry specific factors. This criterion therefore gives us greater freedom to view possible similarities in strategy development between the case companies as related to their growth. In table 1 below we have presented further information on each company taking part in this study. Each company has been given a fictional name, in relation to their area of business, due to requested anonymity.
<table>
<thead>
<tr>
<th>Company (fictional names)</th>
<th>Area of business</th>
<th>Year founded</th>
<th>Employees</th>
<th>Turnover 2012 (Mil SEK)</th>
<th>Annual growth average (turnover) 2009-2012</th>
<th>Highest annual growth average (turnover) past 10 years</th>
<th>Position of interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRMtech</td>
<td>Digital solutions and consultancy in the area of HRM</td>
<td>2001</td>
<td>25 (2012)</td>
<td>45</td>
<td>26.8%</td>
<td>38.3%</td>
<td>CEO/Co-owner</td>
</tr>
<tr>
<td>MEDIAtech</td>
<td>Digital solutions for editorial planning, digital presentation, archiving etc.</td>
<td>1999</td>
<td>32 (2012)</td>
<td>66</td>
<td>31.1%</td>
<td>36.5%</td>
<td>Founder/CEO</td>
</tr>
<tr>
<td>SEAtech</td>
<td>Offshore installation and maintenance of power cables</td>
<td>2006</td>
<td>15 (2012)</td>
<td>91</td>
<td>32.1%</td>
<td>32.1%</td>
<td>Founder/CEO Financial manager</td>
</tr>
<tr>
<td>METALtech</td>
<td>Sells thin wire for use in printers, conductors, antennas etc.</td>
<td>1935</td>
<td>21 (2012)</td>
<td>51</td>
<td>37.8%</td>
<td>37.8%</td>
<td>CEO</td>
</tr>
<tr>
<td>CNCtech</td>
<td>Consultancy work in development, modernization and capacity enhancement of CNC-machinery</td>
<td>1990</td>
<td>21 (2012)</td>
<td>46</td>
<td>33.2%</td>
<td>33.2%</td>
<td>Co-owner</td>
</tr>
</tbody>
</table>

Tabel 1  Presentation of companies. Information gathered from www.ad.se and company websites. Due to requested anonymity the name of each firm has been replaced with fictional names.
2.3.2 **Respondents**

When selecting interviewees the main criterion was that the interviewee was in a position with insight in the company’s strategic decision making. Focus was therefore directed towards CEO’s and owners. At least one of the interviews at each company was with a person in an executive position; such as CEO or owner. Other interviews were determined to be appropriate due to company characteristics and recommendations from the company. Additional interviews were performed with the companies METALtech and SEAtech where three respectively two interviews were performed, see table 1 and 2.

The reason for additional interviews were in the case of METALtech that the CEO handles several other international companies and therefore is not always present at the location of METALtech. It was therefore found beneficial to include the deputy-CEO and marketing manager who also took part in strategic decisions. In the case of SEAtech an additional interview was included due recommendation of the CEO who perceived that the financial manager could provide additional insights on their strategic decision making.

2.4 **Data collection**

There are according to Andersson (2004) two main types of data used in academic research, primary and secondary data. Primary data is collected by the researchers themselves for the purpose of a specific study (Merriam, 1994). Merriam (1994) mentions several sources of primary data, such as: field investigation, interviews, documentation and observation. This study is builds on several sources of secondary and primary data, secondary data was predominantly used in the early stages of this study while our analytical parts of this study focuses on primary data.

2.4.1 **Primary data**

Primary data has been collected through eight qualitative interviews from five companies, see table 2, with the purpose of getting an understanding of how strategy is applied and developed in fast growing companies. The strengths of using interviews to collect primary data are according to Yin (2014) that data is focused and insightful.
Hence, the personal encounter allows the researcher to both target the specific topic and take the personal views of the interviewee into account. The interviews as method contain potential risks and weaknesses mentioned by Yin (2014), such as: faulty answers due to poorly formulated questions, response bias, inaccurate data due to poor memory, bias between the interviewee and the interviewer.

Table 2, Conducted interviews

<table>
<thead>
<tr>
<th>Company</th>
<th>Interviewee</th>
<th>Date</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRMtech</td>
<td>CEO/Co-owner</td>
<td>2014-04-24</td>
<td>60min</td>
</tr>
<tr>
<td>MEDIATEch</td>
<td>CEO/Founder</td>
<td>2014-05-02</td>
<td>60min</td>
</tr>
<tr>
<td>SEATEch</td>
<td>CEO/Founder</td>
<td>2014-05-08</td>
<td>60min</td>
</tr>
<tr>
<td>SEATEch</td>
<td>Financial manager</td>
<td>2014-05-08</td>
<td>25min</td>
</tr>
<tr>
<td>METALtech</td>
<td>CEO</td>
<td>2014-04-23</td>
<td>60min</td>
</tr>
<tr>
<td>METALtech</td>
<td>Deputy CEO</td>
<td>2014-04-23</td>
<td>50min</td>
</tr>
<tr>
<td>METALtech</td>
<td>Marketing manager</td>
<td>2014-04-23</td>
<td>25min</td>
</tr>
<tr>
<td>CNCtech</td>
<td>Co-owner</td>
<td>2014-04-28</td>
<td>45min</td>
</tr>
</tbody>
</table>

There are according to Merriam (1994) three common ways of designing a qualitative interview; unstructured, structured and semi-structured. The fundamental difference between the designs is to which degree the interviewee is allowed to speak freely or if the interview is based on predetermined questions.

The interviews in this study were semi-structured with questions derived from our theoretical framework to provide an overall structure to the interview. When determining the structure for the interview we reflected upon the 4 potential problems and risks (Yin, 2014; Thomsson, 2011); (1) limited time to conduct the interview, (2) inability to compare results from different interviewees, (3) misinterpretation between the interviewer and the interviewee, (4) important information being left out.

(1) Time restriction was a determining factor to why we did not choose to adapt an unstructured design. Having no predetermined questions can easily cause the
interview to deviate from the subject which can become a time consuming process. During our interviews which were 30-60 min we did not experience any shortage of time and were able to cover all our predetermined questions. Interviews with CEO’s lasted 50-60 min while interviews with i.e. marketing managers and deputy CEO’s lasted 25-50 min (see table 2).

(2) Questions for the interviews were based on our theoretical framework and were therefore structured within the following theoretical areas: operating environment, dynamic strategy development and strategic learning. Each area contained 3-8 underlying questions which more specifically elaborated our theoretical framework. By following the same structure in each interview we found no difficulties to compare the results from each interview.

(3) We did not experience any significant difficulties when interpreting the answers provided by the interviewees, nor did we perceive the interviewees to misinterpret the questions asked. When confusion concerning i.e. definitions and theoretical terms occurred we provided objective explanations to the interviewee. Likewise, when we as interviewers did not fully understand an answer we asked the interviewee to elaborate.

(4) Deviating from the subject, earlier mentioned as a potential risk in the unstructured interview, pose a risk when looking for specific information. This risk can cause the interviewer to get information irrelevant to the study. On the other hand can a fully structured interview can cause the interviewer to leave out relevant information which wasn’t apparent when the interview form was constructed. We therefore sought to provide the interviewee with the ability to freely ad input to the predetermined questions but not to the extent that the interview deviated from the study’s purpose.

The above mentioned potential problems and risks motivated our choice to adapt the semi-structured design for our interviews. By using this design we are able to better control the time aspect of the interviews as well as our ability to compare our results from the different case companies. The semi-structured design could also reduce the
risk of misinterpretation and leaving out important information as it provides an opportunity to develop questions and answers more than the structured design.

As a part of the interview a questionnaire was used, appendix B, asking the interviewees to what extent they believed seven factors of growth had influenced their growth process. Factors of growth included in the questionnaire were industry belonging, firm size, firm age, innovation, strategic orientation, firms existing network and firm ownership. The seven factors of growth were presented on a sheet with a scale ranging from 1-7 where 1 implied a low influence and 7 a high influence. The factors influencing growth were elaborated from the findings we made in our pre-study with the addition of strategic direction which is most closely related to the subject of this study.

The purpose of the questionnaire was to let the interviewee answer whether or not strategic orientation was perceived as an important factor of growth in addition to six other factors derived from pervious research (Delmar et. al., 2003; Davidsson and Delmar, 2003; Halabisky, et. al., 2006; Bravo-Biosca, 2010; OECD, 2010; Baldwin and Gellatly, 2006; O’Regan et. al., 2006; Parker et. al., 2010; Keen and Etmad, 2012). Strategic orientation was therefor purposely placed as the fifth of seven factors in the questionnaire to increase its independence among the remaining factors. The interviewee was allowed to subjectively interperate each factor while explaining their reasoning through a discussion. This approach allowed us the obtain a greater insight in the interviewees perception of what has caused their firm to grow. The questionnaire was presented in the beginning of each interview to avoid the interview itself from affecting the answers. If the questionnaire were to be presented after the interview itself we saw a potential risk in previous discussions on strategy influencing their perception of strategic orientations influence on growth.

2.4.2 Secondary data

Secondary data is data that, unlike primary data, has not been collected solely for the purpose of this specific study but can be used to support or increase the understanding of our findings (Andersson, 2004). Our use of secondary data is concentrated to our pre-study (literature review), theoretical study and selection of companies. The use of
secondary data has received criticism related to its reliability which according to Kvale (1997) is caused by difficulties determining its accuracy and trustworthiness.

Based on our pre-study (literature study), see chapter 2.4.2.1, we were able to detect a lack research on fast growing companies and their potential application and development of dynamic strategies as a factor of their success. This in-depth study also aided us in selecting which theoretical frameworks were most relevant for our study. We therefore consider our theoretical framework to be founded on the most up-to-date research within this field as well as our own perception of relevant theories based on our pre-study.

When selecting the companies we made use of secondary data from the data base www.da.se containing financial information and company websites. Using this information we were able to determine whether or not the companies fit the criterion for this study, see chapter 2.4.

2.4.2.1 Literature study

Before we defined our research questions and determined our research method we conducted a pre-study in form of a literature review on previous research, see appendix C. Galvan (2009) claim that a well performed literature review should be comprehensive and up-to-date. Further Galvan (2009) argues that only articles and research from academic journals is legitimate in the process of creating a literature study. We implemented this rule with the one exception of a major report from the international organization OECD.

The creation of the literature study presented in the upcoming pages began with the overall study of factors affecting high growth rates. We looked at articles concerning the subject of high growth factors. From that broad perspective the theoretical base was narrowed to factors considered in the latest research. In this way we started from the foundation of research in the field and worked our way to the latest research. All articles have not been included but rather we started adding articles related to the subject of strategy, this in an attempt to keep the study reasonably short. In accordance with Galvan (2009) key search word were formed and used so that all articles consists of the
same key theoretical aspects on the subject – meaning that it exists a relationship between the articles. All the articles are closely related to the subject of high growth, and relates to the subject of this research. The articles helped formed the subject of this research and thus theoretical gaps and problems concerning this research were derived from this literature study.

The literature study presents the articles starting from a broad perspective than tapering them towards the specific subject of this study. The idea behind this is that the reader should be able to follow how the subject emerged and what articles and research it relates to. Accordingly it starts out with major articles concerning high growth with relation to strategy, but also other factors derived from research. It then progress slowly towards the absolute latest research on strategy and high growth, towards the end the articles that constitute the absolute building blocks of the research are presented. This round up the literature study, thus all the latest research on this specific subject of dynamic strategies and the relation to high growth has been presented.

2.5 Research quality

Validity and reliability are according to Merriam (1994) two factors that always should be taken into account when performing scientific research. These two factors are crucial when determining the quality and trustworthiness of the study and should therefore be transparent throughout the study (Merriam, 1994). In the following section, these terms will be elaborated and account the how they have been incorporated in this study.

2.5.1 Validity

According to Merriam (1994) is validity determined by how accurate the study reflects reality. Validity is therefore, to a large extent, determined by the authors gathering, handling and interpretation of collected information. Researchers that advocate the quantitative research method directs critic towards the qualitative method concerning this risk (Denzin & Lincoln, 2011). The critics argue that the qualitative method easily becomes subjective and impressionistic; and is therefore unreliable. The cause of these potential difficulties is according to the critics related to the human factor which is present in interviews during case studies. We cannot deny that there is a possibility of
subjective impressions being left by researchers when conducting a qualitative study, there are however measures that can be taken to reduce the risk (Merriam, 1994).

One method elaborated by Merriam (1994) which we have used to increase the validity of this study is triangulation. This method implies a continuous search for different sources of information. We argue our pre-study which consisted of an extensive review of previous research has increased the validity of the study’s theoretical foundation. We were, during the early process, able to determine which parts of research on fast growing companies that has become well established and which parts that lacks previous research and empirical evidence. We have, to the extent possible, interviewed multiple persons in each company; unfortunately this has not been possible for all case companies due to practical implications. However, we do argue that our empirical data is to be considered trustworthy due to the use of multiple cases and the organizational position of our interviewees.

Participant control is a method to increase validity proposed by Guba and Lincoln (1981) where the empirical data is confirmed by the interviewees. This method allows the researcher to confirm that the interviewee has not been misinterpreted or that important information has been lost in the research process. We have exercised this method by allowing the participants take part of the information related to their company that has been used in our research. The use participant control has also allowed the interviewees to provide their thoughts on the credibility of our results and how well it reflects their view of reality.

Another aspect of validity is external validity which is described by Merriam (1994). External validity is the extent to which a study can be applied in another situation, meaning; to what extent the result can be generalized. Generalizations made in qualitative studies are according to Yin (2014) mainly analytical generalizations. The goal of an analytical generalization is not to i.e. generalize the likelihood of a phenomenon in a specific population, such as statistical generalizations, but rather to generalize and expand theories.
2.5.2 Reliability

A qualitative study’s reliability is determined by the extent to which it is designed so that it can be repeated to achieve the same result (Yin, 2014). This implies that the study has to be transparent, well-structured and as free from subjective influences as possible. To be as transparent as possible we have based our study on a thought through method which describes our course of action as closely as possible. We also believe that our problem discussion, chapter 1.3, and literature study (see chapter 2.4.2.1), declares for the reasoning behind the theoretical framework which further enhances the transparency of this study.

An obstacle when ensuring the reliability in a qualitative study is according to several researchers (Denzin and Lincoln, 2011; Andersen, 1990) the subjective perceptions of the interviewees. These perceptions can for instance cause the interviewee to answer the same question differently from one time period to another. We determine this factor especially important to consider as previous research has shown that the type of companies that are included in this study are subjects of rapid change both internally and externally. We can not ensure that the study is free from the subjective perceptions of our interviewees apart from our own reasoning and discussion with the interviewees during the interview. We have, however, tried to limit our own subjective impressions by interpreting empirical data as close to the actual statements of the interviewees as possible; as well as using our theoretical framework to analyze this. Further explanation of our interpretation and analysis of empirical data follows in chapter 2.7.

To further enhance the transparency we present our own pre-knowledge of this subject in chapter 2.5.2.1 to declare for our point of entry to this study.

2.5.2.1 Researchers pre-knowledge

Prior to this study we have researched topics which we believe to be of importance to this study, involving i.e. SMEs, strategy, innovation and networks. Our most recent study (Bååth and Wallin, 2013) analyzed how a selection of Swedish SMEs used innovation to enter the North Sea oil market. The previous research concluded that it was through innovation and flexible strategies that these SMEs were able to penetrate
an otherwise closed network. It was during this past study that we first approached the concept of dynamic strategies and were able to relate this concept to firm success/growth. The researchers benefitted from the prior knowledge when constructing our theoretical framework, preparing our interviews and in the overall understanding of the subject.

The pre-knowledge was beneficial in understanding previous research and theories as we were familiar with most of the theoretical foundations these were based upon. Previously studied areas such as strategy formation, organizational learning and dynamic strategies greatly increased our ability to grasp the previous research constituting our theoretical framework. Furthermore, we found our previous research on Swedish SME’s useful when understanding and applying existing theories. It was beneficial to relate previous research and theories to practical cases from our research. We perceive that this opportunity both enhanced our understanding of previous research and our ability to establish a relevant theoretical framework, research questions and interview material.

2.6 Data analysis

Merriam (2000) define the goal of data analysis as “Data analysis is the process of making sense out of the data” (Merriam, 2009:175). Thus, making sense out of the data is according to Merriam (2009) to provide answers to your research questions. This is according to the author done by consolidating, reducing and interpreting the empirical data. In this study we have used an analytical technique referred to as pattern matching (Yin, 2014) when interpreting our empirical data. Pattern matching is a technique where empirical data is compared to a predetermined pattern. In our study this pattern is constructed in our theoretical synthesis, chapter 3.5. We have analyzed our empirical data in relation to this pattern to find linkages between the empirical data and our theoretical framework to provide answers to our research questions.

Our first measure when handling our empirical data was to transcribe and translate each interview. By transcribing the interviews we believe we were able to condense the data in our empirical chapter to contain information relevant to this study. Transcribing our
recorded interviews also gave us the opportunity to overlook our data to reduce the possibility of relevant information being left out.

We have chosen to display our empirical data according the following themes: strategy formation, emerging strategy and strategic learning. The themes are derived from our theoretical chapter, a method referred to as “modelization” by Fejes and Thornberg (2009). Fejes and Thornberg (2009) describe modelization as a process where a theoretical model is created by analyzing existing theories. The theoretical model helps divide the empirical data to show or explain connections. We believe that such a division of empirical data will make the steps we have taken towards our conclusions more obvious and transparent. The themes we have used correspond throughout empirical and analytical chapters which will enable the reader to step-by-step follow how we have handled and interpreted our empirical data.

2.7 Method discussion

This study adapts the qualitative method (Yin, 2014) which has been a source of both opportunities and limitations. The qualitative method gave us the opportunity to analyze how the interviewees perceive their firm use what researchers define as dynamic strategies (Moncrieff, 1999; Sirén, 2010). After having conducted this study we believe that the qualitative method was necessary to analyze this subject with the limited amount of prior research. Due to the limited prior research the existing model by Moncrieff (1999) had to be revised by further extending the aspect of strategic learning (Sirén, 2010). We consider this qualitative study able to describe how development of dynamic strategies can occur in HGF’s; though, the results are not generalizable these results towards a larger population. Further research in form of a quantitative study would therefore be necessary to generalize the findings.

A vital part in this study has been the eight qualitative interviews performed with interviewees of different positions across five companies. In three of these companies the unit of analysis was holistic while there were two respectively three units of analysis in the two remaining (Yin, 2014). We do not believe this to be a factor which undermines the study’s conclusions and argue that eight interviews across five companies is a satisfactory amount for this study to provide reliable conclusions. More
than one interview at a single company was performed to provide further empirical support when this was seen as necessary. These supportive interviews were mainly performed when it was believed that these would add further insights concerning the research questions. These supportive interviews were found to be useful and did provide additional views on strategy. We therefore believe that it could have further improved the quality of the study to perform supportive interviews with more, if not all, companies.

A question that arose during this study was if it would have been meaningful to conduct case studies as described by Yin (2014). The benefit of case studies would be a more in-depth description of how the theoretical framework can be applied on the individual case. If we were to conduct case studies this would have demanded far more extensive research on each firm. It would then, due to the study’s time constraints, not be possible to include as many firms. It was therefore found preferable to instead conduct fewer interviews with more firms to achieve a more diversified empirical study.
3 THEORETICAL FRAMEWORK

The chapter includes the different theoretical contributions which constitutes the theoretical framework of the research. The first measure is to declare for the concept of dynamic strategies. The chapter later moves to the importance of strategic learning as a part of dynamic strategies. The theoretical framework has been developed in order to study the use of dynamic strategy development as an extension to previous research.

3.1 Dynamic strategy

3.1.1 Strategy development as a process

Henry Mintzberg is considered to be a pioneer within the field of strategy has since 80’s reformed researchers view on strategy formation. Mintzberg (1973) was the first researcher to introduce the term strategy-making, defined as a process. The theoretical concept defines the strategy-making process as all activities that firms engage in to formulate and enact their strategic mission and goals.

Mintzberg (1985) amplified the strategy-making process in proving that, contrary to previous belief, strategy does not have to be formulated but can emerge and be formed by ongoing events - this mode of strategy-making is termed adaptive.

Mintzberg and Waters (1985) views strategy as a process that starts with intended strategy and ends with realized strategy (figure 3). By analyzing and comparing the intended and realized strategies of an organization the authors claim that there is a lot to be uncovered about the process in between, the strategy formation. Mintzberg and Waters (1985) distinguish between two main types of strategy formation; deliberate- and emergent strategy (figure 3).
The purely deliberate strategy is according to Mintzberg (1987) characterized by thinking, reasoning, rational control, systematic analysis of competitors, markets, etc.; hence the purpose of this strategy is according to be realized as intended. Mintzberg and Waters (1985) mention three conditions that have to be met in the purely deliberate strategy: (1) intentions have to exist and be articulated in detail (2) the intentions of the strategy have to be known to all within the organization, (3) the intentions have to be realized precisely as intended. Mintzberg and Waters (1985) criticize the deliberate strategy in two areas. The environment has to be perfectly predictable or controlled by the organization for intentions to be realized exactly as intended, and that the strategy does not foster learning.

The perfectly emergent strategy is, contrary to the deliberate, according to Mintzberg and Waters (1985) founded on involvement and harmony, and develop through long experience and commitment. The emergent strategy can according to the authors have an absence of intentions and is therefore focused on consistency in actions over time. Due to the mentioned characteristics this type of strategy fosters strategic learning. Strategic learning forms through a process of learning derived from realization of strategies which reforms firms’ knowledge banks. The aspect of learning influences the formation of intended strategy, in theory Mintzberg and Waters (1985) argues that
learning will improve the formation, especially in the ability of adapting to the environment.

Mintzberg and Waters (1985) conclusion is that it is rare to observe any of these two strategies in its perfect form in any organization due to their limitations. The authors therefore claim that strategy formation usually contain a mix of the deliberate- and emergent strategies, sharing characteristics from both. The main findings are that strategies that are adaptive are formed in relation with the environment or in response of the same. The strategy-making process is presented as being under partial control of the organizational leaders who often sets the limits to the strategies or an overall objective. The process of strategy formation is then fulfilled by adaptation of strategy to external forces and possibly an unpredictable environment. (Mintzberg and Waters, 1985)

Mintzberg and Waters (1985) research on strategy-formation as a process also included the important notion of strategic learning; the aspect of strategic learning changed the view on strategy-formation. The truly adaptive strategy-formation process was created by adding the learning perspective. Thus strategy-formation was no longer viewed as a static process, rather the notions of learning from realized strategies were proven to enhance the strategic-formation process.

3.1.2 Dynamic strategy framework

Moncrieff (1999) adds to the strategy as a process framework by implementing a dynamic view of strategy through the use of Mintzberg strategic formation theories. Moncrieff (1999) with support from Mintzberg (1974) creates the dynamic strategy framework from the conclusion that not all intended strategies are realized, and further not all realized strategies were intended. Often a major part of the realized strategies, if not all, are emergent in nature. (Moncrieff, 1999)

The framework provides a new model of strategy as a dynamic process. This process firstly involves the formation of strategic intent, secondly the alignment of action with intent, and the response to emerging issues, as well as the strategic learning which is profoundly implicated in all three processes and a vital part in the framework. The dynamic strategy process framework implies a new view of strategy. According to
Moncrieff (1999) it is most useful when analyzing firm strategies that are affected by dynamic environments, thus it allows researchers to analyze how strategic intent/intents are formed, how action are aligned with intent, and most interestingly how responsiveness to emerging changes/issues in the environment affects the strategy development.

The model of dynamic strategy development is thoroughly based on the strategic processes of Mintzberg (1985). It uses the labels of intended, deliberate and emergent strategies, as well as the improved notion of strategic learning. These blocks create a new model of strategy as a dynamic process presented below, figure 4. (Moncrieff, 1999)

Moncrieff (1999) derives three sources of strategic outcome affecting the strategic development of firms: firstly implementation of earlier strategic intent, secondly deliberate responses to issues emerging within the competitive environment and thirdly the results of the actions of people working in ignorance of the strategy but contributing to the implementation of strategy.

These three categories cover Mintzberg (1985) intended, emergent and deliberate strategies. Accordingly the first is directly linked to the intended and realized strategy –
strategic formation. The second is truly an emergent strategy - established in responses to emerging opportunities and threats in the environment. The third situation Moncrieff (1999) labels strategy in action, it is the outcome of the actions of many people throughout the organization affecting strategy. It is created by knowledge brought by personnel in the firm; Moncrieff (1999) argues that this is important for the firm even though it rarely becomes formalized (written down) strategies. This type of strategy making modifies the previous strategic intent without being deliberate extensively analyzed decisions by the firm. The actual implementation and use of the dynamic strategy process will be further discussed below, related to figure 4.

3.1.3 Formation of strategic intent

Moncrieff (1999) argues that the dynamic strategy process starts with the formation of strategic intents. Traditionally strategic schools tend to put much emphasis in analysis or visioning as sources formations of strategic intent. The dynamic strategy framework however identifies several other influencing factors associated to the notion of strategic learning and individual influences. Firstly the framework emphasizes the fact that people do not enter the process of strategy development as empty vessels but they bring prior learning, experiences, assumptions and beliefs which will affect their perception of favorable strategic intents. Secondly strategy formation almost always involves a group of people from the firm, often with different views of the issues at stake affected by their position within the firm. (Moncrieff, 1999)

The dynamic strategy framework thus adds two elements to the process formation strategy at an early stage, therefore it involves four elements: Analysis of current internal and external settings, visioning of future preferred position, the influence of individuals and social group aspects.

Analysis provides the firm with objective data which is important since it creates a tension between the actual data of analysis and the beliefs of individuals this is likely to stimulate innovative thinking. Moncrieff (1999) thus argues that analysis is at the core of strategy formation and reformation, but it is by no means the whole story. The vision set by the firm forms the long term strategic reasoning, but the framework argues that the vision is no more than simply a vision. In dynamic environments the vision could be
strived for but it is very unlikely that it will be achieved, thus it is only useful to create creativity in strategic formation.

What makes the dynamic strategy framework unique at the stage of strategic formation is the addition of influences from individuals and the learning from previous experiences. The framework puts emphasis on these influences since previous experience of the individuals involved in the strategic formation process will affect their assumptions and interpretation of the data analysis as well as the current situation of the firm. Further the strategic formation is influenced by a great deal of strategic learning, both organizational and individual. This will be further developed in later paragraphs. (Moncrieff, 1999)

3.1.4 Responsiveness and search

The next phase of strategy development involves aligning the organization with the strategic intents. The dynamic strategy framework differs from traditional views at the stage of strategic implementation. It is at this stage it gets really dynamic. The dynamism is derived from the responsiveness of the firm to external changes. The framework highlights the importance of responsiveness to emerging opportunities causing emerging strategies to develop, but equally important the rejection of strategies (unfulfilled strategies) that does not fit as the external environment changes. The process of response to emerging strategy changes are an always ongoing process, especially in dynamic environment. The responsiveness to emerging opportunities requires sensing, awareness and a readiness for action. The sensing and awareness are often found in organizations in forms of data gathering and analysis of the environment. (Moncrieff, 1999)

Moncrieff (1999) argues that sensing begins at the very boundaries of the firm and it is the role and responsibility of everyone that are interfacing with the external environment (i.e. customers, suppliers, regulators, etc.) This make everyone in position of this interface important in discovering external opportunities and making the firm attentive to upcoming required and/or anticipated changes. The framework is further developed by the addition that strategic awareness in creating dynamic strategies requires the ability to set apart operational and strategic emerging issues. Thus strategic
awareness requires both insights within the internal setting of the firm and foresight into external new opportunities. It also requires courage to move to the next stage and challenge the current strategy. (Moncrieff, 1999)

In addition to the above, the dynamic strategy framework adds that the ability to respond to emerging strategic issues (opportunities) requires more than just flexibility within the firm. Moncrieff (1999) develops the framework even further and introduces the term agility to describe the capacity for achieving fast strategic change. The agility aspect of dynamic strategy carries implications of both flexibility and responsiveness. It suggests that emergent strategy requires considered and managed change. Above all Moncrieff (1999) argues that organizational agility requires managers to always seek new strategic directions and to never think they have finally got it right. This implies that managers and the organization must always be ready to respond to changes to create strategies that are truly dynamic.

3.1.5 Strategic learning

The last important stage of the dynamic strategy framework implies strategic learning. The process of strategic learning are derived from Mintzberg and presented by Moncrieff (1999) as the result of deliberate decisions to modify or replace some aspects of earlier strategic intent. The implementation of strategy and the use of it create strategic outcomes; these are important cause of the effects they constitute on strategic learning.

The process of strategic learning are according to the framework tightly coupled to the notion of agility, including responsiveness and flexibility in the strategic development. Strategic learning is the process from which responsiveness and flexibility could be enhanced. Through strategic learning, both organization and individuals enhances the knowledge of strategy thru experienced based learning. This process makes strategic decisions faster and the familiarity of the situation based on previous experience makes strategy changes appear without moving back to strategic intents. Moncrieff (1999) argues that strategic learning is of outmost importance in enabling the firm to achieve agility and truly dynamic strategies. The strategic learning aspect makes the firm increasingly able to detect and react to opportunities, through an increased knowledge
derived from strategic outcomes and unfulfilled strategies. The framework for strategic learning will be further developed in section 3.4.

3.2 Additional views on dynamic strategy development

Markides (1999) definition of dynamic strategies carries close resemblance with Moncrieff (1999) defining strategy as an always ongoing process of change and adjustment. Accordingly the firm must while competing in its current position, also continuously search for new strategic positions. This considering the fact that the old position eventually matures and declines. The firm must slowly make a transition to a new position, then while fighting it out in the newly acquired position, it must again as early as possible start to search to discover another viable strategic position to colonize. According to Markides (1999) this is the true meaning of being dynamic in the strategic process.

The identification of other viable strategic positions in its industry is of utmost importance for the firm and often new strategic positions emerge simultaneously (opportunities), this implies that the firm must attempt to manage several positions simultaneously - developing a successful strategy is a never-ending process. Firms must continuously question the basis of their current strategies and the assumptions behind these, this due to the spring of new possible strategic positions emerging from the environment most ceaselessly. Accordingly Markides (1999) argues that established companies must always be on the lookout for new positions and unexploited strategic positions. A strategy adopted on the basis of prevailing industry conditions, is most certainly not a guaranteed game plan for the future, especially not in times of high growth. Accordingly firms needs to continuously revisit and challenge its answers to strategic questions in order to remain highly flexible and responsive to environment changes. (Markides, 1999)

Seteroff and Campuzano (2010) emphasizes that the dynamic strategies model retains the underlying traditional model of strategy. The view of dynamic strategy emphasizes relationships between elements rather than the traditional sequential approach. The strategic plan must be flexible and adaptable to changes and new opportunities. An interesting aspect is the fact that the approach of dynamic strategies is believed to be
scalable and the process of forming dynamic strategies should be able to achieve as the firm grows. (Seteroff and Campuzano, 2010)

The last aspect presented by Seteroff and Campuzano (2010) is the time and effort dedicated to strategy development in smaller contra larger firms. In smaller firms the time and effort that could be devoted to development of the strategic plans will be less; this controls how much traditional tools of analysis that could be used. The point being made is that as the firm grows, more resources will traditionally be devoted towards formal analysis. This might affect the dynamic strategies development negatively thus leading the company into more linear strategy processes. Traditional analysis methods are argued to be of help, but they must be implemented in a way that they do not affect the adaptability of strategy.

3.3 Strategy and strategic learning

3.3.1 Foundations of strategic learning

The perspective of strategic learning advances the current strategy literature by adding a consideration to strategy development (generation) as a process including strategic learning. Accordingly strategic development must include learning as a vital point. (Mintzberg, 1994; Mintzberg and Lampel, 1999; Mintzberg and Waters, 1985; Thomas et. al., 2001). The strategic learning perspective develops strategic reasoning that concludes in an increased responsiveness to challenges posed by a changing/dynamic environment. Accordingly strategic learning enables firms to continuously integrate organizational experiences and knowledge into newly developed strategies. Enabling firms to more effectively manage strategic development and reconfiguration in accordance with a changing environment. The notion of strategic learning is a vital part in the process of firms’ strategic development, thru strategic learning firms are able to more effectively scan the environment and respond to detected opportunities. (Kuwada, 1998, 1991; Griff, 2001)

The theory of strategic learning is based upon the emergent view of strategy development process presented by Mintzberg (Mintzberg and Waters, 1985; Mintzberg, 1994; Mintzberg and Lampel, 1999). Mintzberg (1994) argues that strategic learning
forms strategies thru learning from previous experience of the firms’ actions and implementing this knowledge. Thus the strategic learning is based on the actions taken by the firm and the outcome of these, the learning occurs from observing the firms actions. Thru this process an increased understanding of strategic decisions is achieved. (Mintzberg et. al., 1998).

Farjoun (2002) argues that strategic learning could be more important in strategy formulation than conducting formal analyses of the firms’ strengths and opportunities. Strategic learning is seen as a key contributor to the modern view of strategy, where strategy implies an adaptive coordination towards a fast changing environment.

Doz and Kosonen (2010) amplifies the theory as they states that especially in a fast-changing external environments and in cycles of fast growth, firms do need to respond to information and opportunities presented in the external environment faster than the formal strategic planning theory will allow. The argument is that in these types of changing environments, the strategic learning approach is a superior method when developing and redesigning strategies. Accordingly it enables strategic responsiveness and high agility of the firm, this by enabling firms to effectively detect changes in the environment and fast responses to emerging opportunities. Further the authors argue that strategic discontinuities and disruptions is a natural part of firms life, usually they call for changes in the strategic orientation. Further the researchers presents the finding that over time, once efficient firms, seemed to naturally evolve into more stable strategy processes, thus creating rigidity. This situation is potentially harmful for the firm operating in a changing environment - resolving this contradiction thru strategic learning, resulting in increased agility and responsiveness in the strategic process was therefore found to be vital. (Doz and Kosonen, 2010)

The correspondence found in various aspects of the strategic literature implies a general principle - development of responsive and dynamic strategies in relation to emerging opportunities and changes is closely linked to the notion of strategic learning (Kenny, 2006). Thomas et. al. (2001) argues that strategic learning comprehends double-loop learning where a firm analyses its existing position in the environment and modifies its existing procedures and strategies in a continuous process. The double-loop learning
processes are argued to be important when the firm faces new unfamiliar challenges and thus strategic learning enables firms to obtain higher levels of necessary adaptation to the new situation. Strategic learning should accordingly enable the firm to make adaptations to strategies effective, through the created internal strategic knowledge (Anderson et. al., 2009, Thomas et. al., 2001).

In this study we will research strategic learning as strategic-level process therefore defined as strategic learning process within the dynamic strategy development. Thus it relates to the firm’s ability to process strategic-level knowledge in a way that refines its ways of renewing and adjusting strategies.

3.3.2 Strategic learning framework

Sirén (2010) develops one of the most throughout frameworks for the study of strategic learning as a process. The framework is based on research by Kuwada (1998) and Thomas et. al. (2001) and integrates the both to create a framework for analyzing strategic learning. Essentially Sirén (2010) argues that strategic learning is a strategic-level process enabling firms to survive in unpredictable and fast changing environments. Thus it relates to the firm’s ability to process strategic-level knowledge to efficiently renew and develop strategies to stay ahead of the competition.

The framework the researcher develops consists of influences from most of the strategic learning research available as of today (Figure 5). Sirén (2010) framework consists upon some core elements of strategic learning. First there are three levels where strategic learning could possibly occur (individual, group and organization), secondly the main learning (knowledge) processes linking these levels are strategic knowledge creation, distribution, interpretation and implementation, and then also the author adds an underlying cognitive processes including creative search for strategic options and strategic sense-making based on internally generated knowledge.

The strategic learning process starts with the creation of strategic knowledge at an individual or in some cases group level. Accordingly strategic initiatives are most likely to emerge among employees that in direct contact with changes in market conditions or other external factors. This implies that knowledge potentially is created in different parts of the organization by different people at different levels of the firm. Although
strategic knowledge is most likely to occur and be created by employees that directly interact with the firm external environment, and the key informants of change being suppliers, agents, distributors, competitors or customers. (Sirén, 2010)

Once a strategic initiative is born at the individual level, it must be acknowledged and transferred to the next level to generate a larger impact in the organization. This process of transferring knowledge creates interactive and constructive actions from which new collective organizational knowledge is created. This implies that strategic learning is formed thru a process of interactions between individuals, groups and the whole organization. Thru these interactions strategic learning is socially constructed and has a collective nature from the comprising of different knowledge processes on different levels of the organization. (Sirén, 2010).

The framework by Sirén (2010) then creates a framework for the analysis of the core knowledge processes forming the strategic learning process. These are derived from previous research and used to define the processes underlying the strategic learning processes. Sirén (2010) defines these as; strategic knowledge - creation, - distribution, - interpretation and - implementation.

*Strategic knowledge creation*; Sirén (2010) considers knowledge creation to be the starting point for the strategic learning process within firms. The framework considers knowledge creation as (active) scanning of the external environment in order to identify important changes or issues that might subsequently affect the firm. The knowledge creation processes are driven by individuals within the firm, thus external environmental changes are most likely to be discovered by employees in direct contacts with this situation (previously mentioned). The knowledge creation process is fueled by individuals that search the environment and conducts activities that are outside their current strategy development. These individuals are actively scanning the external environment in search for changes and opportunities that might occur. These individuals engage in activities that are outside of the scope of the current strategy development and thus create knowledge. (Sirén, 2010)
Sirén (2010) argues that the process through which individuals engage in exploratory knowledge-creation activities is derived from what previous research names creative search processes – a deliberate search for opportunities. This implies that the creative search processes is in not restricted by the present strategic orientation. Instead the creative search information collection often leads the firm in the opposite direction, into situations that might break the boundaries of the current strategic thinking and development. (Sirén, 2010)

Strategic knowledge distribution; New strategic knowledge that remain in an individual constitute minor impact on the firm strategic development. Thus strategic knowledge needs to be distributed. This knowledge distribution refers to the internal spread of strategic knowledge. Strategic knowledge distribution is argued to activate knowledge interpretation activities.

Strategic knowledge interpretation; Knowledge interpretation is defined as the process in which knowledge are understood, thus creating an understanding at the firm level. Knowledge interpretation is closely linked to the concept of strategic sense-making. This concept refers to the process that enables the firm to understand the relevance and usefulness of developed strategic knowledge, the process is cognitive and thus adaptive and influenced by different individuals. (Sirén, 2010)

Sirén (2010) argues that the sense-making of knowledge interpretation is extensively important in the process strategic learning, this thru the implication of diverse interpretations of information from different individuals. This interpretation process creates sense-making thru the influence of different interpretations from individuals and the common interpretation this process forces. This implies that conflicting assumptions and alternative interpretations must always be considered, they create useful insights and knowledge. (Sirén, 2010)

Strategic knowledge implementation; Effective strategic implementation is accordingly of outmost importance since this is where action is taken. The previous interpretation leads to a decision which in turn is implemented within the strategic development of the firm. Strategic knowledge implementation refers to the institutionalization of
knowledge into the strategies and also into the organizational memory of the firm. Organizational memory is the base of prior knowledge that is embedded in the firms’ memory and functions and more importantly can be retrieved for future decision-making, improving strategic sense-making.

The knowledge implementation process most importantly includes the actual test of the applicability of the strategic decisions in the firm. The developed strategic initiative is tried in action and evaluated. Viable initiatives will be realized as strategies, whereas others might be reconsidered and thus moving back to the interpretation or previous stages to be further considered and developed.

Furthermore it is important to note that Sirén (2010) considers strategic learning to be a learning capability, therefore it is argued that creative search for changes and strategic sense making are vital processes influencing strategic knowledge development. This implies that the development of strategy is a progressive process. Thus as strategic knowledge develops in the firm; strategic situations will be less disruptive. The learning process accordingly enhances the strategic development processes of the firm thru an increased understanding of different situations. (Sirén, 2010)

![Diagram](image-url)  
*Figure 5 Revised version of – The integrated strategic learning framework (Sirén, 2010:501).*
3.4 Theoretical synthesis

Recent research by Parker et al. (2010), Tell (2012), Coad and Hölzl (2010), Coad et al. (2014), Verreyne (2005), Keen and Etemad (2012), shows that strategic orientation and strategy development are important factors in achieving high growth. Parker et al. (2010) and Tell (2012) further provides evidence that dynamic strategies are of importance for achieving high growth. The research does however not state how high growth firms achieves dynamic strategy processes and what effects strategic learning might have within this process. The derivation of the problems concerned within this research is further explained in the problem discussion and the literature study. Accordingly the theoretical framework only presents the actual tools of the study, consisting of the framework of dynamic strategy by Moncrieff (1999) which builds on Mintzberg (1985) and the framework of strategic learning by Sirén (2010). Figure 6 and the upcoming paragraphs further explains the use of the framework within the study.

In order to perform studies on dynamic strategies this research needs to move back to the very foundation of strategy and the strategy formation as a process, presented by Mintzberg (1985, 1994). This implies that the researchers do not search to investigate the effects of different types of strategies and their individual effect on high growth. Rather this research aims at developing a deeper understanding of strategy development as a process and the link to high growth.

The framework started off by presenting strategy and strategy formation as a process (Mintzberg, 1985) thus forming the foundation of the theoretical framework. Mintzberg (1985) creates an adaptive strategy-formation process consisting of intended, deliberate and realized strategies, with the influence of emergent strategies and strategic learning leads to the later steps of the theoretical framework.

The framework presented by Moncrieff (1999) adds to Mintzberg (1985) by viewing strategy as a dynamic process. This framework allows the research to examine whether the studied firms are dynamic in their use of strategy, and in what ways. The strategic learning aspect of the framework by Moncrieff (1999) is an interesting aspect, however quite underdeveloped. Thus the framework has been extended by the addition of strategic learning presented by Sirén (2010); this framework enables a more pervading
analysis of the influences strategic learning constitutes on the strategic development processes of high growth firms.

The frameworks by Moncrieff (1999) and Sirén (2010) exhibit great similarities in the way they address strategy and especially strategic learning. Both consider strategy development as a process, (irrespective of the actual strategies used). The process of creative search (external knowledge) derived from Sirén (2010) is connected to the emerging opportunities in the dynamic strategy framework. The process of creative search helps advancing the firm’s strategic knowledge thru the discovery of emerging opportunities and strategic options. Both frameworks emphasize that the process of finding opportunities and react to them will be further enhanced and more precise by strategic learning. Individuals in contact with the external environment are highlighted in both frameworks as important in finding new opportunities and threats. Accordingly strategic knowledge creation processes are driven by individuals in both frameworks.

The process of strategic sense-making (internal knowledge) is linked to the process of forming strategic intents and the whole process of strategic learning in the dynamic strategy framework. The internal knowledge is enhanced by strategic outcomes and the process of learning from emerging opportunities and unfulfilled strategies. In both frameworks the process of strategic development (strategic intent – Strategic sense making) is made increasingly effective by strategic learning. This results in more responsive and agile processes of strategic development, by the use of learning from previous strategies. It also implies that the development of strategy is a progressive, as strategic knowledge develops in the firm; different strategic situations will tend to be less disruptive. This is the foundation of strategic learning present in both frameworks. Further both frameworks stress the importance of considering the presented processes as always ongoing – thus dynamic.

The above resemblance between the both frameworks allows a reliable study thru the merging of two frameworks. This merge is necessary due to the fact that the dynamic strategy framework of Moncrieff (1999) indicates the importance of strategic learning; however it presents an unsatisfactory framework for the study of its implications. The
framework for strategic learning by Sirén (2010) allows the research to fulfill the study of the effects of strategic learning on dynamic strategy development.

In this study the most important implications derived from the theoretical framework is the possibility to study the dynamism of the strategic process through the dynamic strategy framework presented in figure 6. From the start, the framework studies the formation of strategic intent, then moves to the impact of emerging opportunities which creates emergent strategies. The stage of strategy in action will not be studied, instead this will be included in the implications and learning it derives in strategic outcomes will be emphasized. The strategic outcome results in strategic learning processes that also affects creative search for opportunities. Creative search for opportunities is a vital part of the study, included in deriving learnings from strategic learning processes and affecting emergent strategies. The strategic learning process framework by Sirén (2010) should enhance the dynamic strategy process by making it more responsive and increase the speed of strategic development. Further the unfulfilled strategies will be studied to some extent

Strategic learning

Figure 6, Model dynamic strategy framework; Revised and combined version of – The integrated strategic learning framework (Sirén, 2010:501) and Strategy: a dynamic process (Monecrieff, 1999:274)
The framework allows the study of how dynamic strategy development is used, where emerging opportunities could be detected and reacted to in short time, often without moving back to the formation or reformation of strategic intents. This process is highly responsive and changes strategies through the reaction and action to emergent opportunities (or threats). The last notion enables strategy development to achieve the most dynamic strategy-processes, being highly responsive to the environment. The framework further allows this research to study if high growth firms become increasingly good at finding opportunities in the external environment and if the strategic learning processes increase the speed of reaction to these.
4 EMPIRICAL DATA

The chapter that follows contains the empirical data which has been collected from the interviews with HRMtech, MEDIAtech, SEAtech, METALtech and CNCtech. The chapter is structured using the themes: Strategy formation, Emerging strategy and Strategic learning.

4.1 Formation of strategic intent

The CEO of METALtech found strategy development on a philosophy where the best possible long-term assessments are made for 5-10 years into the future. These assessments do not necessarily have to be specific or documented but guides the direction of short-term decisions so METALtech do not deviate from its long-term path. According to the CEO this is a philosophy which has been helpful when METALtech has i.e. experienced that the market development is unclear. However, the CEO (METALtech) states that specific opportunities that emerge are of interest, these usually do not stretch further than 3 years into the future.

The marketing manager (METALtech) states that they do have thoughts on where the company should be in the future, but that it becomes more difficult to stick with long-term strategies due to fast changes. However, the marketing manager of METALtech claims that you need to have a thought behind all your strategies.

“Even if you have a long-term strategy you need to pay attention to your surroundings. If you have a long term goal it can be the same after a year or so, but you can notice that some alterations have been made in the process even if the overall goal is the same.”

Marketing manager, METALtech

The deputy CEO states that METALtech strive for strategy to be a continuous process within the company; and that METALtech cannot afford to stand still in its development. According to the deputy CEO fast growth is a very costly process even if
it often is not perceived as such. Expanding also means that customers may be more demanding which requires more resources on METALtech’s end; such as employees, machinery etc. Both the CEO and deputy CEO of METALtech argue that without reinvesting in the company it is likely that the customers’ demands will surpass METALtech.

“If we stand still with the same resources our customers will surpass us, and it’s not we who determine the product specifications. The customers determine that themselves and then we have to deliver it.”
Deputy CEO, METALtech

MEDIAttech applies a mix of long- and short- and long-term strategies according to the CEO. The CEO (MEDIAttech) states that their long-term strategy is determined by how they see the industry changing in the future. However, in order to follow and adapt to a changing industry it is necessary to use short-term strategies.

“This is important since we consider the development of our customers industry even more than we consider our own when we choose our direction.”
CEO, MEDIAttech

The CEO of HRMtech considers their strategies to be a mix of short- and long-term strategies. Long-term strategies are according to the CEO (HRMtech) focused on how the company wishes to grow and develop; while short-term strategies focuses on capturing specific opportunities.

“I’d say our long-term strategy is that we wish to grow and develop the company. How this is actually done is more based on several decisions made along the way, such as which markets to enter. Our overall strategy might be that we wish to enter new markets, but which markets is made up of decisions along the way. “
(CEO, HRMtech)

The CEO of HRMtech argues that their strategy formation is a process rather than predetermined directions of the firm. In this way it is important to have a vision or a
long-term strategy - however it is not very likely that HRMtech will end up in that particular situation. Instead other opportunities and new ways in the everyday work will lead the company in new directions.

The Co-owner of CNCtech states that working with a long-term strategy is evident for them; but the long-term strategy is usually interrupted due to changing customer demands, which implies that new ways changes the direction of the firm. This is stated by the Co-owner (CNCtech) to be a natural way of the firm:

“We have to be very flexible. But you always have a core idea of which market we wish to target and if we actually can strive to grow as much as possible. But within our strategic framework we have to be very flexible.”

Co-owner, CNCtech

The CEO of SEAtech argues that the firm applies almost solely short-term strategies; strategy is something that is considered a process. Everyday something new could come up, but the firm strives to always stay in the line of their core business. That might be the long-term strategy, but long-term is not something we consider in our everyday work, it is more the matter of what happens in the near future. The CEO (SEAtech) adds that their business field requires adaptation since every project is individual.

4.1.1 Formation of strategic intent – The process of analysis

The formation of strategic intents in METALtech is argued by the CEO to be a process in which the firm tries to involve everyone with special expertise in the firm besides the management team. METALtech also involve people with knowledge in i.e. materials, new applications, business strategy, markets etc. and explain the direction we want to go. METALtech gathers knowledge from various areas within the firm and uses this. The time perspective is also important in this context according to the CEO, sometimes the firm simply does not have the time to make a full analysis of every situation; reaction to some strategic decisions needs to be fast. Analysis is thus argued by the CEO (METALtech) to be important in the formation of major strategic intent changes, especially individual knowledge.
The deputy CEO (METALtech) considers the formation of strategic intents to be a process in which analysis and time perspective is of most importance. Sometimes new ways (customers, applications etc.) changes the business of METALtech very fast because the firm needs to grab the new opportunities quickly. Then there is very little room for analysis, decisions are then made fast in a smaller group according to the deputy-CEO of METALtech.

HRMtech approaches formation of strategic intent through analysis according to the CEO. Analysis is important in the long-term decisions, but then again the firm is affected by many new decisions which in many ways are less analyzed. It is important to analyze every redirection of the firm, but it is impossible to include people from the whole organization in every decision. Thus, some decisions are made with less analysis, often the ones demanding fast responses.

The CEO of MEDIAtech believes that their strategy formation is an always ongoing process, accordingly new decisions needs to be made on the run. MEDIAtech tries to involve at least the management group in all major decisions to get inputs from different people. The CEO of MEDIAtech finds this important since it opens up for different opinions and new ways of thinking.

The financial manager of SEAtech puts forward that individuals and their different ways of interpreting things are important in formation of strategy. This since it allows new ways of thinking and different perspectives to emerge. It is also emphasized that very often due to time and resource constrains; decisions are made by a few individuals. The CEO of SEAtech states that many times new decisions are made by a few individuals, but always with great experience in the business.

The co-owner of CNCtech claims that the input from different individuals is vital in many ways, but for strategic decisions there might not be the time to perform throughout analysis every time. Most of the time the firm needs to act very fast, according to the co-owner, this results in a decision process that comes down to a small group of people within the firm. The individual experience and knowledge are then very important.
“There are not just us that look for the same opportunity, we therefore have to both discover and make a decision faster than our competitors”
Co-owner, CNCtech

4.2 Emergent Strategy

4.2.1 Emergent opportunities - Turbulent vs stable market

The CEO of METALtech states that their environment recently has been changing allot, but it has changed in a direction where they have focused their business. The CEO explains that 6-7 years ago they reformed METALtech to be niched in a way they believed the market would develop in the future. By focusing on one niche, which according to the CEO has been very successful, they can more easily follow the latest technological development. According to the CEO (METALtech) the firm still try to expand the specialization, use different materials and “play wider”, new ideas doesn’t have to come from the firm but can come from universities etc. as well.

“Parts of the business and applications for our materials are remaining the same but those are not of interest for us. While some other parts of the market is developing and changing which is where we have guessed right with our strategy and therefore are moving with it.”
CEO, METALtech

The marketing manager of METALtech claim that market changes primarily in technological development and new customer adaptations. However, the environment itself, in terms of customer survival and economic cycles, is perceived as rather stable. The marketing manager (METALtech) stresses that a large portion of the turbulence they have experienced is caused by their own internal change/development and decision making.

“It has been a large change for us since we have changed our business model in the last couple of years. So for us the environment has changed dramatically especially in
combination with past recession, but as for the environment itself it’s rather stable.”
Marketing manager, METALtech

The CO-owner of CNCtech claims that the environment is stable in some aspects while turbulent in others. The environment is described as stable in terms of customer relations and customer survival but changes rapidly concerning customer needs. The CO-owner (CNCtech) explains that customer needs can change on a daily basis and without responding fast to these changes you do not survive in this industry.

The environment of MEDIAtech is according to the CEO currently undergoing the largest change in a very long time. The newspaper industry is changing both in its structure and distribution which affects our business to a very large extent. According to the CEO of MEDIAtech the turbulence in their environment calls for a high degree of responsiveness towards changing customer needs.

The CEO of SEAtech perceives the industry to be quite stable, this due to the very nature of its settings. The market only presents relatively big orders and projects, compared to other industries. Every new project takes a lot of planning from the customers’ side since they involve a great deal of capital investments. At the same time the market could be quite turbulent in the way that the firm gets several new inquiries in a short time, then this situation needs to be handled. SEAtech are close to the limit of what is possible today the CEO argues, thus resource and time constrains limits the firm from accepting many orders. The CEO (SEAtech) points out that the market is stable by nature, but when it starts to change it is hard (or impossible) to gather new resource in the same pace as needed.

“When the market changes, for example due to new allocations of capital to renewable energy or something alike, we get an enormous increase in inquiries in a short time. The new projects of our customers are often gigantic in comparison. Then the market could be very turbulent, at least from our perspective”
CEO, SEAtech

According to the CEO of HRMtech the market in which they operate often presents changes. The changes described by the CEO (HRMtech) can for instance be
technological development, trends, regulatory changes and new customer needs. The CEO claims that you have to be observant to these changes and fast when responding to them or you will easily fall behind your competition. However, even though these factors can pose a threat which you have to respond to they can also provide opportunities. The CEO (HRMtech) states that they look for opportunities in market changes and try to determine whether it is worthwhile to pursue. You do, however, have to be careful since it is very easy to make mistakes when searching or opportunities that are the result of environmental change.

“In this industry you need strive for growth or you will fall behind and eventually disappear, you can’t be “fat and happy” in this industry. It is not enough to be average; you need to be in the forefront if you want your company to survive.”
CEO, HRMtech

4.2.2 Emergent opportunities - Searching

The CEO of MEDIAtech explains that searching for new opportunities has become increasingly important. Previously MEDIAtech were able to focus on a niche and gain customers by developing a core product but due to market changes their focus has become far more customer oriented. According to the CEO MEDIAtech have to provide a wider range of solutions as well as be more open to make adaptations according to the customers preferences. It is further argued by the CEO of MEDIAtech that the firm tries to find out where the customers have a potential problem and find a solution for it. The opportunity to do this might sometimes be very short depending on the interest of our competitors. MEDIAtech searches for opportunities within new niches where the firms’ expertise can be exploited to grasp new opportunities, but also by developing the existing products and customer relations.

“When we develop new solutions we aim to make it useful for as many of our customers as possible, making solutions for one potential customer isn’t always worthwhile”
CEO, MEDIAtech

The CEO of HRMtech states that their product development is to a large extent driven by the development of their customers. The CEO (HRMtech) states that they strive to
“Grow with the customer” and determine how they should develop their products in relation to customer requests. This is according to the CEO an important part of strategy as you do not initially know everything about what you will need and the needs of the customers; you develop this knowledge along the way.

Searching for new customers, markets to enter and opportunities for development of current products is according to the CEO of HRMtech essential for their ability to grow. The CEO (HRMtech) states that they do search for opportunities to widen their range of products but that this is not their main priority.

“We look for new ways to develop our products. But in this industry it is better focus on a few products, so you stay close to your main idea. I believe it is strength to have a niche and be particularly good at a few areas. This enables us to compete with quality rather than price.”
CEO, HRMtech

The CEO (HRMtech) states that the firm is always open to new opportunities that might arise and will always consider the options available. The CEO of HRMtechs adds that the previous statement might give the impression that the firm does not engage in much product development. Rather the other way the CEO considers HRMtech as being innovative and on several occasions on the forefront of new product development, which now is adapted by most actors.

“We both search the environment for new markets that seem interesting, for instance by looking at how the market for our type of product is at the moment and its potential.”
CEO, HRMtech

The CEO of METALtech argues that it is his experience that small firms always need to search for new opportunities. Without the actual searching the CEO argues that it might be tough to achieve growth, in most cases the opportunities will not present themselves, at least not in the beginning the CEO (METALtech) argues.
The deputy CEO of METALtech states that the search for new opportunities is very important, but this is also where he considers that METALtech experiences the one limitations of being a small organization. The firm cannot always keep up and manage market research with the limited amount of personnel available.

The co-owner of CNCtech puts forward that the firm do search for new ways of approaching the offer to the customers and new products which can open up for new markets. Recently a new line of equipment was introduced that gives new life to the market of automation in industrial producing SMEs. The co-owner (CNCtech) states that the firm is forced to search for opportunities otherwise competitors will surpass them on the market.

The CEO present a view on opportunities where SEAtech is presented with opportunities rather than actually searching. The CEO (SEAtech) adds that during their growth the market has presented them with opportunities. The search for SEAtech is rather derived from trying to figure out potential new customers and projects in the future.

The CEO of METALtech states that even though searching for opportunities is important, especially for a small firm, their ability to do so is limited. This dilemma has also been perceived by the co-owner of CNCtech who relates their limitations geographical distance and available resources. The co-owner (CNCtech) claim that geographical distance to other actors limits their ability to discover new opportunities. These obstacles are mentioned by the CEO of METALtech who claims that it is not easy to find opportunities being a small firm with limited resources.

“We do search for new opportunities, but this is also where we find one of our great limitations of being a small organization. You can’t always keep up and manage market research with the limited amount of personnel we have available for it.”

Deputy-CEO, METALtech

The marketing manager of METALtech states that even though searching for new opportunities is where they find some of their limitations as a firm they have had a
positive development in this area. The marketing manager (METALtech) explains that they have become increasingly offensive in their marketing strategy. METALtech has according to the marketing manager become better at making customer aware of both the company and what they are capable of delivering.

“We try to find the customers' with a little unusual need and inform them of what we are capable of. We do this because this is where we believe that there is a possibility for us to sell our products and services.”
Marketing manager, METALtech

The deputy-CEO (METALtech) claims that they could be able to capture even more opportunities than they do today. It is a question of resources and human capital as determining which opportunities to pursue is a time consuming process. The CEO of METALtech explains that due to their limitations when searching for new opportunities it becomes increasingly important choosing which to pursue.

Like METALtech and CNCtech the CEO of HRMtech describes the evaluation of opportunities as a resource and time consuming process. The CEO of HRMtech therefore states that you need to learn how to recognize which opportunities to respond to. It is according to the CEO (HRMtech) important to be able to quickly determine which opportunities are worthwhile to pursue.

“It is very costly for us to investigate a customer more carefully and what they need and engage in negotiations. You therefore have to think through if it’s worthwhile at a very early stage.”
CEO, HRMtech

The CEO of MEDIAtech states that they do experience limitations in human capital and time in their search for new opportunities but argues that that the firm and individuals learn to make decisions through experience. The outcome of previous decisions derives learning and thus the CEO (MEDIAtech) argues that even a small organization could be effective in the decision process.
4.2.3 Emergent Strategy affecting current strategy

The CEO of METALtech argues that his view on strategy comprehends a plan or a vision of where the firm preferably should be in long-term. But the experience is that a firm very seldom ends up in this position, because it is impossible to forecast the future and new unexpected ways will change the path of the business. The long-term vision helps the firm to stay on course, stay in line of business, however the strategy formation is more a process defined by many decisions among the way the CEO (METALtech) argues. METALtech tries to expand the firms specialization and use different materials and “play wider” as the CEO states, new ideas doesn’t have to come from inside the firm, all new ideas will be considered.

“We try to stay on our course while reinvesting in new opportunities to grow.”
CEO, METALtech

The deputy CEO of METALtech argues that the firm should be led by a vision, long-term goals, but strategy is an ongoing process. The strategy includes finding new possibilities, applications and areas of business. This is how METALtech aims at developing the firm. Accordingly the deputy CEO wants strategy to be a continuous process. Standing still is considered taking a step backwards, there has to be a progressive development within the company, otherwise METALtech will not continue its growth. The deputy CEO (METALtech) argues that there has to be possibilities to find business opportunities outside of current strategy. If an opportunity comes flying by the firm have to be prepared to grab it quickly or it goes away.

The marketing director of METALtech argues that in order to grow as a small company the firm needs to be very flexible.

“It’s essential for our survival. Without a high flexibility we would not survive”
Marketing manager, METALtech

The Marketing manager of METALtech states that the firm needs to have a thought behind all strategies (vision). But it is just as essential to pay attention to your
surroundings, if your market or industry changes the firm needs to be ready to make alternations in strategy. The marketing manager (METALtech) adds that in his view it becomes more and more difficult to keep long-term strategies due to fast changes in the market; the strategies will be affected by these changes.

The CEO of HRMtech argues that the firm has long-term goals and strategies. However, how the firm reaches these goals is more based on several decisions made along the way. Strategies is considered in every decision according to the CEO (HRMtech).

The co-owner of CNCtech argues that the firm needs to be very flexible. The co-owners (CNCtech) view on strategy is that you always need to have a core idea, of i.e. which market the firm wishes to target strive to grow through the core idea as much as possible. Within the strategic decisions however the firm needs to be very flexible and adaptable, making changes in short-term. CNCtech always strives to follow the core idea of business, but this is a quite broad definition according to the co-owner (CNCtech).

The CEO of MEDIAttech states that they always consider long-term strategies when strategies are formed, but the strategies emerge in relation to the development of their customers industries. In this way the strategic development is a constant process, without it MEDIAttech would not exist according to the CEO. The strategies of MEDIAttech demands high responsiveness from the firms’ part. The CEO of MEDIAttech argues that their strategic process seems to be working since they are the first actor in this industry with a product life-cycle that exceeds five years.

SEAttech does not create any long term goals or visions according to the CEO. The strategic work is rather decided in the everyday work, since new opportunities, customers and projects might occur at any time. In this way strategy is a process the CEO (SEAttech) argues, but the firm will stay in the core of its business. SEAttech are specialized in a very small field and within this field the firm is open to new ways of doing things, or new solutions, so in that way the CEO argues that strategic changes might occur at any time.
4.3 Strategic learning

4.3.1 Strategic outcome

The CEO of METALtech argues that the issue of strategic outcome is something that every firm needs to consider. The process comes quite naturally, once something of strategic importance has been completed whatever that might be (i.e. new machines, new products, new major customers etc.) you will have an outcome, whether that is positive or negative does not really matter. Every decision you make will have an outcome and it is important that the firm derives some sort of learning from these, the CEO (METALtech) argues.

The CEO of HRMtech considers strategic outcomes to be a natural part of the strategic process, and the thing that creates a process of strategy. The outcomes is believed to affect the next decision the firm make, again whether the outcome is favorable or unfavorable does not matter, rather that the firm gets new inputs from the outcomes. Thus the effect on strategy is first seen in later decisions the CEO (HRMtech) states.

MEDIATEchs’ CEO states that strategic outcomes are something that the firm could derive much experience from. Strategies needs to be flexible, and one way of making them flexible is by using experiences of what works. The CEO (MEDIATEch) argues that it might also be important to look at the strategic outcomes of the customers, if their strategies changes MEDIATEchs’ needs to change to, at least to try to fit the customers’ next strategic choice.

“When we create our strategies we think about our customers, what is their strategy? How are they going to improve or how should they try to improve? And then we reflect upon what we can deliver for them to achieve this”

CEO, MEDIATEch

The Co-owner of CNCtech also emphasizes strategic outcomes in close relation to customers; the firm will probably get the most experience from receiving inputs from customers. The outcomes are an obvious source of knowledge according to the Co-owner (CNCtech), and the outcomes must affect the firms’ later decisions, all other scenarios are argued to be almost unthinkable. Further it is argued that it is almost
impossible to not make learnings from strategic outcomes, since they very much affect the firms’ performance. The co-owner also adds that it sometimes is problem to find time to derive what was good in many cases, rather you almost always only get the negative aspects – when things work less well.

The CEO of SEAtech argues that the outcomes will always derive learnings, and further adds that learnings are a part of everything the firm and its individuals do. The outcomes might not always be as the firm predicted, both better and worse, but still there are learnings in this situation.

“It is hard to predict outcomes, the firm tries to make analysis but most of the times they will not be right, but we are getting better at it all the time”

CEO, SEAtech

4.3.2 Creative search

The CEO of METALtech states that the search for new opportunities is the one area that needs the most work in a small company. It is not always easy to find out what is going on in the world market working in a rather small company. Also it is difficult since METALtech are looking for quite big opportunities that are worth pursuing. It has to be big enough for us to take technical time to investigate it. However he argues that the process of searching for opportunities is vital for the firms’ survival and sustained growth. Further the CEO (METALtech) argues that in the search process you have to be especially careful when the company is doing well, as people tend to get euphoric and full with enthusiasm which can lead to jumping into decisions which are not fully thought through. The CEO (METALtech) describes this as everyday something might pop up which we evaluate often new customers wants something specific for a single purchase. But METALtech prefers to look for long-term partners where the deal will be self-sustaining. That is why METALtech value their client list according to the CEO.

“The good customers will stay in business. We have to be aware though that something new might come along which replaces our material, or new opportunities in markets might occur, then we need to change”

CEO, METALtech
The deputy CEO of METALtech states that the search for opportunities is essential for the survival of the company in combination with high strategic flexibility. Working close to customers learning from them, and supplying them with solutions, helps METALtech to discover new potential fields of use for the products (opportunities).

Further the marketing director of METALtech considers the search for opportunities to be a work in progress, something that is never ending, and a process of improvement. METALtech today are active visiting conventions and present projects and ideas to potential customers and markets. METALtech approaches new customers with a need which is unusual, thus most important is the information of what METALtech are capable of. The marketing director (METALtech) considers the search for opportunities to be quite selective and based on analysis, however at some points totally new opportunities emerges that the firm had not expected. METALtech have a far more offensive strategy in searching for opportunities as of today, in the way that the marketing director (METALtech) considers that they want to lead their niche today, pursuing new opportunities.

The CEO of HRMtech argues that the firm needs to constantly scan the environment in a process that could be seen as a search. HRMtech searches the environment for how the market for their type of product moves at the moment and the new potential areas of implementation. The search process are more an analysis of the market and its movements according to the CEO of HRMtech.

"We try to analyze our market and media and keep up with it to find opportunities. And I think we are better at this today since many of our projects are similar we are get better and better at recognizing good opportunities. But sometimes we find opportunities that are different from what we have done before which requires a bit more work and dedicated time on our part."

CEO, HRMtech

Accordingly the CEO of HRMtech considers the firms strategic focus to be on gaining of new customer and keeping existing ones by searching the market for new
opportunities. Focusing on these parts enables the firm to grow while expand its opportunities by analyzing new markets.

The CEO of MEDIAttech considers the search for opportunities to be a process vital for the survival of the firm. Historically actors and solutions in the same industry as MEDIAttech have not lasted over time. This is argued to be because previously actors focused on very niched products and services. Unlike these companies, MEDIAttech have survived because besides focusing on existing products and services, MEDIAttech has a broader product scope and considers the current and future needs of the customers. This strategic approach is considered by the CEO (MEDIAttech) to be demanding a high degree of responsiveness from the firm.

“When we create our strategies we think about our customers, what is their strategy? How are they going to improve or how should they try to improve?, creating opportunities with the customers”
CEO, MEDIAttech

The CEO of SEAtech argues that even though their industry is stable in terms of potential customers and technological innovation the search for new opportunities is always ongoing. The CEO (SEAtech) further adds that in many cases, due to the setting of the market, they are presented with opportunities from potential customers. The case is that there are very few firms able to perform what SEAtech do, thus there are only a few competitors in Scandinavia. The CEO (SEAtech) adds that in a way this is a search even though opportunities are often presented to the firm. SEAtech do search for opportunities that might be highly potential in the future, but as of right now the firm cannot handle more business, thus it is more a matter of choosing among the alternatives that seems most promising according to the CEO (SEAtech). In that way it is argued that SEAtech acknowledges the potential of this in the future, but the firm cannot really affect when it will bloom.
“When this industry segment blooms, we are ready to catch it. You always need to be prepared for the future, even though we seem to manage quite well without actually approaching customers we still know in which fields the future potential lies.”  
CEO, SEAtech

The CEO of SEAtech adds that it might be a very different situation that the firm is facing where customers literary are approaching SEAtech with new opportunities. But still you need to pick out which that are the most promising and really take care of your existing customers.

The co-owner of CNCtech states that the search for opportunities is always ongoing. CNCtech are looking for new products, new markets etc. but also needs to be just as observant to the changes within existing customers and markets. It is argued that CNCtech needs to be open to new opportunities and changes since the customers often change direction of their business or needs new equipment to produce to new customers. In this way CNCtech is searching for changes to be able to adapt to them as soon as possible. However as the co-owner states that CNCtech does not have any organized market function, the search is rather conducted by the employees in contact with customers and the market. As an example a new line of innovative equipment, far less costly were discovered almost by accident through discussions with a customers and a search for products satisfying their need. Today this new line looks very promising according to the co-owner (CNCtech).

“This can include choosing a new direct for their business or the level of their involvement with us. And this can change daily. So without being responsive to customer demands and market changes I do not believe this company would still be in existence.”
Co-owner, CNCtech

4.3.3 Creative search – The discovery of opportunities

The deputy CEO of METALtech argues that new opportunities (and threats) are often discovered by someone working close to the markets. Thus the employees that work close to the customers that discover new opportunities, at the same time it is added that
METALtech tries to spread as much knowledge and information as possible throughout the firm. This to improve the ability of employees at any level to discover opportunities, also because METALtech believes that this encourages the employees to get more dedicated towards the company. The deputy CEO (METALtech) further argues that there might be a possibility for especially technical and research and development functions of the company to discover new opportunities even do they work without direct contact with the market. In all cases however it is considered to be individuals that discover opportunities and it is most likely to be employees in direct contact with customers.

The CEO of METALtech argues that it is most likely that new opportunities are discovered by individuals with extensive knowledge of the industry and their products. Therefore, it is considered quite difficult for employees in for example production to discover new opportunities even though they might have many ideas of improvements of the product or production methods. The CEO of METALtech considers the search for opportunities by a few individuals to be an area that requires extensive work in a small firm. Lots of time goes into the search for opportunities, and it puts a lot of workload on a small number of employees. The CEO of METALtech adds that it would be great if anyone in the organization would be able to discover new opportunities and new ways, but it is his personal experience that this functioning is hard to achieve.

The CEO of HRMtech considers the actual discoveries to be made by a few persons, often selling functions of management teams. But at the same time the individual in the organization is important, there needs to be a possibility for everyone to discover and bring about new opportunities. In the case of HRMtech it is argued that other functions could discover new ways of implementation and use of the products but the actual market opportunities builds much on relationship building and the approach to each individual customer and deal.

“It is also important for us to find the right employees that are able to find and determine opportunities themselves. Every decision and opportunity cannot be found through management, we also need employees who are able to do so themselves.”
CEO, HRMtech
The CEO of MEDIAtech argues that it is definitely individuals that discover opportunities (and threats). These individuals are considered to be found in selling or management functions, thus being in direct contact with the market. However it is further argued that opportunities could be discovered by others in the organization, without them knowing about it. The example is people working in closed project teams that comes up with new ways of using the products in relation to a single customer, this creates new opportunities in that this might also open up for further implementations among other customers.

The deputy CEO of METALtech argues that it would be great if opportunities could be discovered by anyone in the organization and communicated efficient. However it is stated that it might be achievable to create this type of opportunity recognition, but it is completely determined by the willingness of the individual employee. Some employees have a strong interest in the company and come up with new ways for it to develop on all levels while some employees do not see an interest in doing so. Further it is argued that this might form into, to many people coming up with new ways, and increased time in decision-making process of what to pursue.

The co-owner of CNCtech simply argues that there are only individuals that creates and identifies new opportunities. Most often individuals in contact with the market, innovation in the industry, customers or suppliers are the ones that make the discoveries.

The CEO of SEAtech states that their organization is so small that it is almost exclusively people that are in contact with the market in one way or another that discover new opportunities. The discovery of new opportunities thus most often derives from individuals. Then again it must be remembered that most of SEAtechs discoveries are made through customers contacting the firm with a potential opportunity. In this way the CEO (SEAtech) argues that the firm discovers new opportunities all the time, and there are different individuals within the firm that makes the discoveries as they are contacted by customers with varying problems.
The financial manager of SEAtech states that most of the times new opportunities are presented to the firm without any warning. Most often the discoveries are made by individuals with different expertise in the company being approach by a customer. That way SEAtech continuously are presented with new application for their business.

4.3.4 Strategic learning – improvements of creative search and strategic decisions

According to the CEO of METALtech the firm uses a management team as a filter of the opportunities when it comes down to whether to pursue the opportunity or not. For METALtech the ultimate goal is to involve employees in the company with the right competencies in the decision-making process. METALtech strives to involve people who can contribute with valuable insights from different functions of the firm in the decision process of new opportunities according to the CEO (METALtech). Thus these employees will have knowledge in their special field that might come out extremely useful in the decision process. Therefore METALtech tries to gather knowledge from various areas within the company. As the CEO (METALtech) states the best way would be if everyone could have their saying, however due to time and resource constrains this is almost never possible. The decision process tends to only involve a few persons in the management group including the CEO (METALtech) with extensive experience from the industry.

The decision making process must according to the CEO of METALtech be fast in a small firm like this. As opportunities fly by there are short time spans in which the firm could be able to catch these. This accordingly leads to the time constraint aspect states the CEO (METALtech). As the time constraint or the time the window for catching the opportunity is short METALtech always needs to improve their way of making decisions. The CEO (METALtech) argues that you definitely learn from previous strategic decisions along the way. The learning aspect is according to the CEO a vital aspect of being able to find and catch new opportunities.

“Of course we constantly look for opportunities, and when they come by in a hurry you have to grab them before it is too late, so you make decisions fast and much based on your previous experiences within similar decisions’.”

CEO, METALtech
The deputy CEO of METALtech argues that learning has naturally affected the firm’s ability to make changes and pursue new opportunities. Thus there has to be possibilities to find business opportunities outside of the current strategy. If an opportunity comes flying by METALtech have to be prepared to grab it quickly or it goes away. The deputy CEO (METALtech) further states that the firm is getting better at picking opportunities, however it is added the right picking is not easy to make and most surely METALtech misses out on allot of opportunities since it is almost impossible to be able to take or analyze every opportunity that flies by.

“Sometimes we just do not notice them, other times we have to let them go away.”

Deputy CEO, METALtech

However the deputy CEO (METALtech) states that they are in his opinion getting increasingly better at choosing opportunities, as the firm makes more strategic decisions’ new decisions gets more structured. METALtech accordingly keeps gaining knowledge from making decisions’ and testing them according to the deputy CEO. Further the CEO of METALtech argues that the whole firm of course learns from previous decisions’ but also individuals which affect the decision-making process. Accordingly it is hard to derive if the firms or the individuals new knowledge affects the process the most, but it is definitely clear according to the CEO that the firm gets better and better or at least more effective at choosing opportunities.

The CEO (METALtech) then adds that in the same manner you need to be a little careful when saying something like that because of the fact that you do not know what would have happened if the company had chosen to pursue some other opportunities. It is also stated in the same manner that the firm has achieved high growth and seemingly has chosen the right opportunities in the past, also the CEO states that METALtech today makes less bad decision. This because of the fact that METALtech has made some bad strategic decisions’ in the past, that has turned out costly.

“We have made particularly one bad decision in the past when we agreed to a deal which demanded some alternations on our part to speed the production process which
ended in chaos. It came with high costs, therefore we a think a little extra carefully in which deals we get into today. But it derived lessons.”

CEO, METALtech

The CEO of METALtech then states that it is important to realize that METALtech have learnt from mistakes, and that the firm needs to learn from these as well as the good ones, even more sometimes. The deputy CEO (METALtech) argues in the same way, a firm is allowed to make a mistake once but not two times. There should always be a derived learning to prevent mistakes from happening again. The deputy CEO believes that METALtech commits fewer mistakes today than earlier; the firm tries to discover mistakes in house before they leave the company. This is something that METALtech works more extensively with today than previously. The deputy CEO argues that Mealtech have made mistakes in the past, but now has systems and knowledge to prevent committing similar mistakes again.

“You can’t make the same mistakes over and over again, you need to learn”

CEO METALtech

“Taking a few punches along the way makes you better at avoiding future ones”

Marketing director, METALtech

Accordingly the CEO of METALtech argues that learning from previous experiences has been a vital point in the growth of METALtech, the path towards growth has been long at first METALtech did not have the knowledge to enter the new markets. That knowledge had to be built. It took METALtech around 4-5 years of learning from different outcomes of decisions before the firm got to a point where they became respected in the market and able to do what was requested. Now people have a great respect of what METALtech does, but building this high profile was a long process according to the CEO (METALtech).

Further the marketing director (METALtech) states that the journey towards fast development and new customers has taught METALtech allot. Especially in what choices of what opportunities to exert, and also importantly what does not suit the firm.
This is important because METALtechs business has become more difficult to manage since more areas of application have been added along the way. However today the marketing director adds that his opinion is that METALtech today has a better way of managing their business, even though more opportunities exist, METALtech have become more observant along the way according to the market director. Part of this is due to learning and investments in technical research on new possibilities, previous decisions have taught METALtech that the firm needs to be on the edge at all times. One vital aspect of this is, according to the market director, the possibility to have the resources to test new products and thus avoid a lot of mistakes, something that is related to the previous experiences of METALtech.

The CEO of METALtech argues that it is his experience, both from the work in METALtech but also in other firms, that learning is an important aspect of achieving growth. The strategy that the CEO (METALtech) prefers to execute is managing by forming visions which and then try to follow and stick with it, but of course the vision is a bit old fashioned and most of the time it will need to be changed. The vision, which is the goal set for the firm, needs to be very open to alterations along the way according to the CEO. The CEO of METALtech concludes that it is important to see a vision in order to make decisions quickly, and to do your homework.

The CEO of HRMtech states that the process of decision to what opportunities to follow is a though one, since the firm gets so many potential opportunities the search process are important however the reaction time is even more important. In the market of HRMtech the CEO argues that the firm cannot afford to be slow in the decision process towards new opportunities. The decisions need to be well thought through, since once the decision is taken it is very costly for the firm to proceed to further investigate for example a new customer more carefully. Therefore the CEO (HRMtech) states that every decision must be thought through if it is worthwhile at a very early stage. This process is often done by in the management section of the firm and is argued to be though due to the time frame in which it must be considered and the amount of opportunities that possibly could be analyzed.
The CEO of HRMtech argues that it is important to learn how to recognize the opportunities. HRMtech many times chooses to turn down deals, but before, the firm makes sure to think through if there are any possibilities to solve what might be preventing the deal. HRMtech do not just pass up an opportunity without thinking it through carefully, the CEO argues that even if opportunities were turned down there is a possibility to learn from what was preventing factors.

Further, the CEO of HRMtech states that much learning has in the managerial decision-making been done by trying things in close relation to customers. The CEO states that HRMtech have more employees today than before in more fields of the business which enables the firm to make better decisions with more potential inputs. Further, the CEO (HRMtech) emphasizes the notion that the market sometimes hold many opportunities and sometimes very few, it then becomes very important to be able to capture the good ones. HRMtech tries to analyze the market and keep up with it to find opportunities. The CEO considers HRMtech to be extensively better at this today than previously, this since many of the projects the firm engages in are similar. Also and quite the opposite to the previous statement the CEO (HRMtech) finds that the firm engage in more types of different projects today and thus it is argued that recognizing of good opportunities are easier since the firm firstly gets more experience in existing fields, but also gains experience in what other opportunities.

“Sometimes we find opportunities that are different from what we have done before which requires a bit more work and dedicated time on our part, but they seem promising”
CEO HRMtech

Further the CEO (HRMtech) adds that some of the most important learnings forms from dealing with what works and what does not work and base what the firm does in the future on these learning. The CEO argues that the process of choosing among opportunities are one of the most important aspects of the firms business, this since HRMtech produces a standard line of solutions but adapted to every customer. It is very important for HRMtech to make good prospects and fast ones. HRMtech gathers many prospects and filter them to find a few good ones in the end. The CEO argues that it is
not just about which choice you make in the end, but also which options you find that you have to choose from. Easy decisions are the ones you are familiar with, the though once are the new ones, but as the firm gains knowledge it is argued that HRMtech gets increasingly good at finding opportunities.

The co-owner of CNCtech finds it necessary to be very fast in the decision making as a fast growing smaller firm. If the firm is going to take part in the fast changes that occur in this market the decision making processes must be up to speed. It is argued that there is not just CNCtech that are looking for the same opportunities on the market, therefore CNCtech needs to both discover and make a decision faster than the competitors. The decision process is therefore formed by fast choices in the management team with influences from others in the firm, but the co-owner specifically states that there is little time for extensive analysis. When an opportunity comes the firm must be ready to make fast decisions.

Further it is stated that most of all CNCtech through their growth phase has become more accurate in search processes due to previous search. The co-owner states that CNCtech has learned to scan the environment for opportunities more effectively, through increased understanding of how the industry and market functions.

“Most of all you become more accurate in your search due to previous search. Before you know how flexible you have to be, how flexible the market is, how often you have to adapt and how fast you have to adapt you can’t make accurate decisions. But the more decisions you make you learn more about these factors and your decisions become more and more accurate. “
Co-owner, CNCtech

The co-owner (CNCtech) adds that in the same time as major opportunities appears it is important to still remain realistic and not engage in anything because that is how you make mistakes. It is also added that the not so successful decisions are important as well because they are the ones that really forces the firm to go in the right direction.
“We have learned from previous decisions where an opportunity seemed very good, but later on it was shown that factors which we at the time couldn’t fully predict made the deal unsuccessful. And I believe this is a mistake which we have learned allot from and are unlikely to repeat. So previous decisions make the decisions you make today more accurate”

Co-owner, CNCtech

The co-owner argues that CNCtech needs to be very flexible in the way they approach new opportunities and strategies. CNCtech thus strives to always have a core idea of which market to target and strive to grow as much as possible. Further within this core strategic idea the co-owner (CNCtech) argues that the company has to be very flexible and open to new ideas and opportunities that emerges.

The CEO of MEDIAtech argues that previously the firm was able to focus on a small niche but now the customers are focusing more and more in other areas which forces the MEDIAtech to deliver a much wider assortment much. Therefore the CEO of MEDIAtech argues that it is a condition to search for opportunities within new niches where the firms expertise can be exploited to grasp new opportunities. Without the creation of new opportunities the firm cannot continue to grow. There is simply not time to stand still and just watch this industry, the firm needs to be in the forefront of the market delivering new solutions. Thus the CEO of MEDIAtech argues that responsiveness and flexibility in strategy and the search for new opportunities are the most important parts for the firms continued growth.

“If we wouldn’t be responsive and flexible we would not exist. Historically in this market, actors and solutions have not lasted over time. This is because they focused on their products and services and focused on developing these. Unlike these companies, we have survived because besides focusing on our products and services we consider the current and future needs of the customers. And this is a strategy which demands responsiveness on our part.”

CEO, MEDIAtech
The CEO of MEDIAtch puts forward that the process of creating strategies and catching new opportunities in many ways are an always continuing cycle. In which the firm must consider the strategies of the customers;

“When we create our strategies we think about our customers, what is their strategy? How are they going to improve or how should they try to improve? And then we reflect upon what we can deliver for them to achieve this.”
CEO, MEDIAtch

Further it is also stated by the CEO (MEDIAtch) that the firm is getting increasingly better at discovery and reacting to new opportunities. By learning from what the firm has done in the past, the process decision-making and reaction is getting faster.

“The decisions we make today are very fast. Earlier we had to think everything through very carefully; today we no longer do this in the same way as before. Today we are more open to giving more of our employees the opportunity to discover opportunities.”
CEO, MEDIAtch

This is argued to be one of the reasons for the firms’ recent growth, through being better at making fast decisions and letting more of the employees make these decisions, to find and react to new opportunities. This is for instance is done through interesting discussions that employees in different projects might have with customers. The CEO of MEDIAtch adds that the responsiveness of the firm is of outmost importance since the industry of their customers is undergoing the fastest changes in nearly 200 years. This creates opportunities for MEDIAtch in many different directions but the firm does not have the resources to pursue everything. Thus the CEO (MEDIAtch) argues that it is important to make fast decisions but also the right ones, a combination that sometime will lead to less good choices. The less good ones are argued to still derive learnings, especially in what not to do – or how not to do things. Still it is argued by the CEO (MEDIAtch) that the firm is getting increasingly good at picking good opportunities, partly because it is believed that the firm gains knowledge of how to search and what to pursue, but also because their product range is extending to include a greater number of products. Then the CEO (MEDIAtch) extends the
discussion by adding that in a way the new products derive from good choices of opportunities, which gives the firm even more opportunities, so most likely a good search and decision-making process are a condition for achieving growth.

The CEO of SEAtech also argues that in times of growth the firm needs to be quite adaptive to new opportunities. In the industry of SEAtech he argues the time you have to analyze and consider decisions are quite long, since orders and projects often are very large. When analyzing large projects and opportunities you need a lot of time so the firm could still end-up in a situation where analysis cannot paint the whole picture. The CEO (SEAtech) argues that there is always never enough time, and often the options are many. Therefore picking the once to pursue is not always easy, but it is definitely made easier by experience from previous decisions. It is further argued that most possibly the knowledge and experience of individuals are the most important factors in making good decisions. The CEO of SEAtech argues that since it is a small organization the individual employees are involved in many decisions. This results in a decision process that involves individual expertise. The individual aspect is viewed as something positive, the time for assembling the group is also very short, which leads to faster decisions.

In this way it is argued by the CEO of SEAtech that learning most positively affects the firm. Thru learning and individual experience SEAtech now has a good picture of what they are capable to achieve. This is emphasized by the CEO (SEAtech) because of the fact that the industry is very unforgiving, one mistake or possibly two then you are more or less out. To know your boundaries is therefore important, but as the CEO (SEAtech) states;

“You could only know what you are capable of through experience”
CEO, SEAtech

Further the CEO of SEAtech believes that through learning you will make better decisions, and you will also make them faster. The combination of the both might seem odd, but the CEO (SEAtech) states that it is like everything the more times you do
something the better you get. Therefore learning from previous outcomes is important in future decisions of direction of the firm.

The financial manager of SEAtech argues that the group of individuals and the different experiences within this group is vital for the decision process at SEAtech, especially in decisions regarding the future path of the company. To have different voices in the process of making bigger decisions are important. At the same time the financial manager (SEAtech) also argues that making big decisions in short time, often regarding multi-million investments, huge potential orders etc. is though and the firm need to learn how to deal with the situation. So far SEAtech has been able to grow and making the right choices, much due to the presence of the knowledge that is derived from the employees, also the different learnings the firm gets from actually being out in the market trying the limits of what is possible with the equipment that the firm possesses today. Learning is argued by the financial manager to probably be a vital point of the firms’ direction decisions, even though you might not think about it in the everyday work.

4.4 Perception of factors for achieving high growth

In addition to the interviews performed in this study, the researchers performed a small survey to receive the perception of which factors that are important in achieving high growth in the sample. The survey ranged from 1 - not important at all, to 7 - of outmost importance. These factors have been derived from previous research, both aged and cutting edge. The factors have been presented in the introduction chapter.

*Industry belonging*

The survey shows that the industry belonging aggregated a score of 4 (4.25). The interesting aspect of the score is that six answers ranked it in the middle (4) or lower, while two answers ranked it at outmost important (7). Out of this, one of the high scores perceived the industry as being important since the firm leads it. Otherwise the industry belonging were not perceived as especially important, the comments made included “*if the industry belonging were important, other firms would also achieve the same growth patterns*”, “*Industry belonging is not very important for growth, rather the competition*”.
has the opposite effect sometimes”. At the same time the comments also included that “of course the industry is somewhat important because it presented the opportunity, but it did not derive growth”.

**Firm size**

Firm size was given an aggregated score of 5, all answers being in the range of four (4) to six (6). The main comment given to the notion of firm size was that it is easier for smaller organizations to achieve higher responsiveness. Thus smaller organizations are perceived as being a good option in the competition against large firms. Some of the comments were i.e. “the small size of our company gives us the possibility to react fast to market changes, while other firms move more slowly, like a huge lump”, “the size of the firm were definitely a driver of growth at least in the beginning since it allows to highly adapt to customers”, “the size of the firm is not very important since we are working in an industry were technical skills are more important than actual size”.

**Firm age**

Firm age was given the aggregated score of 4.5 (4.65), firm age ranged from answers of one (1) to six (6), showing different perceptions of this factor. The answer of one (1) came with the comment “firm age does not matter, my perception is that growth could be achieved at any stage of firms’ life. That is my experience”. While the answer of six (6) was commented by “when you are young it is easy to find motivation once you started to grow”, the more neutral scores of three to four (3-4) included one important comment “We started growing when we were quite small, but today we are much larger and still growing so I do not really see how one or the other is more important”.

**Innovation**

Innovation aggregated a score of 6. Overall innovation received no score beneath four (4), therefore perceived as very important in achieving high growth. The lower score of four (4) was commented by “in our case innovation is not super important, the industry has been doing this the same way for quite some time”. Other comments included in the high scores were; “Innovation is important since we are driving the market”, “Innovation in production and new areas of use are important to us, it gives us new
opportunities”, “If you are innovative in the right way, in the direction of the market you will most possibly achieve growth”.

Strategic orientation

Strategic orientation received an aggregated score of 6 (6.125). Thus strategic orientation was perceived as being of outmost importance in achieving high growth. No score ranged under five (5) with four sevens (7). Some of the comments were; “strategic orientation has helped us grow, you need to know where to go”, “Having strategies for the firm is important to keep on track”, “strategy is of outmost importance since it keeps us on track, even though it may also effect where we are going into different areas”, “strategy is important in every firm, but maybe even more when in times of fast growth, you need to steer in the right directions”.

Firms existing network

Firms existing networks received an aggregated score of 4.5 (4.625). All answers ranged from three to six (3 – 6). The importance given was thus in the middle of the scale. The comments included; “Network are quite important especially our network of suppliers”, “Network could be so many different things, but the network of suppliers and customers are of course important”, “Networks are a natural part of the firms environment, of course suppliers are important for production”, “Connections are always important, but I do not see how the network itself could be a driver of growth”.

Firm ownership

Firm ownership was given the aggregated score of 6 (6.1). No answer ranged beneath four (4), with three sevens (7). The comments included were; “since I am the owner it is hard to say, but it is definitely an advantage to be standing on your own feet without investors”, “Ownership without major investors I think drives growth, since you have to work for your own job – thus motivational”, “Our new owner definitely affected our growth since this company was almost bankrupt back then”.
5 ANALYSIS

To facilitate the understanding of the analysis, the chapter has been divided to follow the division of the empirical data and the theoretical framework. The analysis starts out by emphasizing the main concept presented as important in the theoretical framework.

5.1 Formation of strategic intent

Traditionally strategic schools tend to put emphasis in analysis or visioning as sources of the formation of strategic intent. The dynamic strategy framework by Moncrieff (1999) adds two elements to the process of formation of strategy at an early stage, thus it involves four elements: analysis of current internal and external settings, visioning of future preferred position, the influence of individuals and social group aspects.

Starting from the top Moncrieff (1999) argues that vision set by the firm forms the long term strategic reasoning, but the framework also argues that the vision is no more than simply a vision. In dynamic environments the vision could be strived for but it is very unlikely that it will be achieved, thus it is only useful to create creativity in strategic formation. In this research the empirical data finds support for this statement, since all interviewees but two uses long-term strategies (visions) this way. They create long-term strategies, visions and (on one occasion) core ideas. This proves that there is a long-term thought about strategy in the firms, or at least a formation of more long-term strategies and goals, even though they might not be more than visions in accordance with Moncrieff (1999).

The CEO of METALtech states that the firm makes strategic decisions based on a philosophy where long-term assessments are made for 5-10 years into the future. These assessments do not necessarily have to be particularly specific or documented but guides the direction of short-term decisions so METALtech do not deviate to far from its long-term path. The CEO of HRMtech states that the firms’ long-term strategy is to grow and develop the company and that how this is actually achieved is determined by several decisions made along the way. The CEO of MEDIAttech argues that they apply a mix of short- and long-term strategies. The CEO (MEDIAttech) states that their long-term strategy is determined by how they see the industry changing in the future.
However, in order to follow and adapt to these changes it is necessary to use short-term strategies.

The common denominator among METAL-, HRM- and MEDIAtech is that they all set up long-term goals or visions in accordance with the theory of Moncrieff (1999), but as stated these only serves to create a vision or a path for the firms. All of the interviewees state that it is impossible to strictly manage by long-term strategies in their operations. The deputy CEO of METALtech states they strive for strategy to be a continuous process and that they cannot afford to stand still in their development. The marketing manager (METALtech) states that they have thoughts on where they should be in the future which guides their short-term decisions, but that it is difficult to stick with long-term strategies due to fast changes. In a similar manner the CEO of MEDIAtech argues that in order to follow and adapt to changes it is necessary to use short-term strategies. The CEO of HRMtech argues that their strategy formation is a process rather than predetermined directions of the firm. The CEO (HRMtech) claims that it is important to have a vision or a long-term strategy, however it is not necessarily in this particular situation that HRM-tech will end up. The Co-owner of CNCtech argues like the previous that long-term strategies are used to some extent but it is usually interrupted due to changing environment, which implies that new ways changes the direction of the firm, as the firm has to be very flexible.

The empirical evidence of using long-term strategies in accordance with the framework of Moncrieff (1999) are strong, where long-term strategies are seen as guidance, making a path for the firm, however short-term strategy is considered far more important in the strategy development process. SEAtech is the only firm not following the pattern, the interviewees at SEAtech states that they are almost solely using short-term strategies, strategy is in this case something that is only considered a process. However SEAtechs CEO and financial managers argues that the firm strives to always stay in the line of their core business, which could be derived as their long-term strategy or vision. The empirical data thus shows that long-term strategic formations are used, but it is seldom seen as important. The more important part is the short-term strategies and the process of strategy presented in the examples. In accordance with Moncrieff (1999) the empirical data shows that the high growth firms in this study uses strategy more short-
term or as a process, whereas long-term strategies serve as guidance – they are formed but not extensively used if used at all.

5.1.1 Formation of strategic intent – The process of analysis

The notion of analysis within strategic formation is argued by Moncrieff (1999) to be at the core of strategy formation and reformation. Moncrieff (1999) argues that analysis provides the firm with objective data which is important since it creates a tension between the actual data of analysis and the knowledge of individuals; which is likely to stimulate innovative thinking. Accordingly the dynamic strategy framework at the stage of strategic formation emphasizes the importance of influences from individuals and the learning from previous experiences in the formation process.

According to the CEO METALtech gathers knowledge from various areas within the company for analysis, when there aren’t time constraints preventing this. Analysis and individual knowledge is argued by the CEO (METALtech) to be important in the formation of major changes in their strategic intent. However it is also stated that sometimes the firm simply does not have the time to conduct a full analysis of every situation; reaction to some strategic decisions needs to be fast. Similarly, the CEO of HRMtech argues that analysis is important for decision making, but then again the firm is affected by new decisions which in many ways are less analyzed. It is important to analyze all redirections of the firm, but time constrains makes this difficult. Some decisions are made with less analysis, often the once demanding fast responses.

The time constrains are also emphasized by the co-owner of CNCtech as it stated that in strategic decisions there might not be the time to perform a throughout analysis. Most of the time the firm needs to act very fast which results in a decision process that comes down to a small group of people within the firm. The individual experience and knowledge then becomes very important within this small group; however the co-owner does not see how it would be possible to use more resources in most of the decisions made. The financial manager of SEAtech similarly argues that individuals and their different ways of interpretation are important in formation of strategy. This since it allows new ways of thinking and different perspectives to emerge (short-term). It is also
emphasized that very often due to time and resource constrains decisions are made by a few individuals.

The CEO of MEDIAttech argues that strategy formation is an always ongoing process, accordingly many decisions has to be made quickly. MEDIAttech tries to involve at least the management group in all major decisions to get inputs from different people. The CEO of MEDIAttech finds this important since it opens up for different opinions and new ways of thinking from individuals with different expertise.

Accordingly there is a great resemblance between the empirical data collected and the theoretical framework by Moncrieff (1999). Firstly individuals and their knowledge and experiences are important in the formation of strategy, especially when making fast decision with time constrains. The aspect of time constrains is interesting since it forces fast decision making upon the high growth firms in this study. Within this setting the individual knowledge and expertise becomes vital in order to make the best strategic decisions. Further there is a common denominator in the fact that individual knowledge will challenge and affect the analyzed data. Moncrieff (1999) argues that it is important for individuals to challenge the data of analysis in order to create new thinking. The empirical data however shows that there might not always be time to do this. The data collection is often made by the individuals that makes the decisions, due to the time constrains emphasized in several of the interviews. This implies that the firms tries to involve other employees and their expertise in the strategic analysis, this is preferable the interviewees state. But as seen in the above examples all interviewees state that in many cases it is impossible to implement due to the fast responses needed. Accordingly the process of involving different individuals is preferable in the decision process, but most often restrained by time and resource aspects.

The framework by Moncrieff (1999) puts emphasis on the influences of previous experience of the individuals involved in the strategic formation process. This aspect is also considered by all the interviewees’ as very important, especially as experience is a major factor in making the right decisions when analysis is reduced due to time aspects.
5.2 Emergent strategy

5.2.1 Emergent opportunities - Turbulent vs stable market

The process of response to emerging strategy changes are an always ongoing process, especially in dynamic environment according to Moncrieff (1999). The responsiveness to emerging opportunities requires sensing, awareness and a readiness for action. In this the dynamism of the market and number of emergent opportunities it presents is vital. The interviewees of the high growth firms within this research all perceived their individual market to be dynamic and presenting many opportunities. The CEO of METALtech states that the environment of the firm, recently has been changing allot, but it has changed in a direction where they have focused their business. Today the market of METALtech presents many opportunities especially in new markets and technological development according to the CEO. The marketing manager of METALtech argues the same, that market changes primarily in technological development and new customer adaptations, but in other aspects it is rather stable. However this creates many new opportunities for the firm.

Similar to the perception of the marketing manager (METALtech) the CO-owner of CNCtech claims that the environment is stable in some aspects while very turbulent in others. The Co-owner (CNCtech) explains that customer needs can change on a daily basis and without responding fast to these changes you do not survive in this industry - this is considered both a threat and an opportunity. The CEO of MEDIAtech states the environment facing the firm is very dynamic. The industry is changing both in its structure and distribution which affects our business to a very large extent. According to the CEO of MEDIAtech the turbulence in their environment calls for a high degree of responsiveness towards changing customer needs. The aspect of MEDIAtech trying to change the industry as is stated by the CEO is unique in the empirical data. MEDIAtech are market leaders according to the CEO, thus driving the market forward, trying to derive new opportunities within existing and new markets. According to the CEO of HRMtech the market in which they operate often presents changes. The CEO (HRMtech) claims that you have to be observant to these changes and fast when responding to them or you will easily fall behind your competition. The CEO (HRMtech) argues that it is not enough to be average; you need to be in the forefront if you want to survive you really cannot be “fat and happy” in the industry. It is added that
the environment presents many opportunities and the choices therefore becomes very important.

The only interviewees that do not perceive the environment as dynamic in terms of changes is the ones at SEAtech, according to the CEO the industry is stable. However in terms of new opportunities it might sometimes be very dynamic, with new inquires presenting many opportunities. SEAtech are close to the limit of what is possible today the CEO argues, thus resource and time constrains limits the firm from accepting many orders, picking the right ones is then very important.

In this way all interviewees perceive the firms environment as dynamic, in coherence with Moncrieff (1999). All interviewees state that there is a great deal of opportunities present in the environment. It is a process of searching and choosing the right ones. The environment presents the firms with considerable amount of opportunities, thus all of the firms emphasizes the importance of search and response as vital for the firms achieved and continued growth.

5.2.2 Emergent opportunities – Searching
In addition to the above, the dynamic strategy framework adds that the ability to respond to emerging strategic issues (opportunities) requires more than just flexibility within the firm. Moncrieff (1999) develops the framework even further and introduces the term agility to describe the capacity for achieving fast strategic change. The agility aspect of dynamic strategy carries implications of searching, and the creation of flexibility and responsiveness. It suggests that emergent strategy requires considered and managed change. This implies that managers and the organization must always be ready to respond to changes to create strategies that are truly dynamic, also requires courage to move to the next stage and challenge the current strategy. (Moncrieff, 1999)

The creation of a dynamic strategy process thus implies the need for the firms to create processes of searching the environment for new opportunities (Moncrieff, 1999). In this manner the CEO of MEDIAttech explains that searching for new opportunities has become increasingly important. Previously MEDIAttech was able to focus on a niche and gain costumers by developing a core product but due to market changes their focus
has become far more customer oriented. According to the CEO they have to provide a wider range of solutions as well as be more open towards adaptations according to the customers’ preference, searching for new markets and new implications of the product.

MEDIAtetch searches for opportunities within new niches where the firms’ expertise can be exploited to grasp new opportunities, but also by developing the existing products and customer relations. This has great resemblance to the process of searching within HRMtech, where the CEO states that the search for new customers, markets and opportunities for product development is essential for the ability to grow. The co-owner (CNCtech) states that the firm is forced to search for opportunities otherwise competitors will surpass them on the market. In the same way the CEO of METALtech argues that it is his experience that small firms always need to search for new opportunities in order to grow. The only different view of opportunities is the one presented by the CEO and the financial manager of SEAtech, as both states a different view on opportunities, where SEAtech is presented with opportunities rather than actually searching the markets or industries.

Accordingly all interviewees’ states that the process of search is important for the ability to grow, the actual search process might differ between the firms but they are all constantly scanning the environment for new opportunities. As is stated this is considered to be a vital point in growing, standing still is considered as loosing opportunities.

5.2.3 Emergent Strategy affecting current strategy

The creation of flexibility and responsiveness follows the search process thus the theory of Moncrieff (1999) suggests that emergent strategy requires continued considered and managed change. This considered and managed change is clearly something detected in relation to the firms in this study. On the subject of managed change, the CEO of METALtech argues that his view on strategy comprehends a plan or a vision of where the firm preferably should be in the long-term. The experience on the other hand is that a firm very seldom ends up in this position, because it is impossible to forecast the future and new unexpected ways will change the path of the business. Being open to opportunities and responsive to new business is vital for the firm according to the CEO.
The deputy CEO of METALtech argues in the same way that strategy is an ongoing process. The strategy includes finding new possibilities, applications and new areas of business. This is how METALtech aims at developing the firm. A progressive development within the firm is vital for continued growth. The deputy CEO (METALtech) argues that there has to be possibilities to find business opportunities outside of current strategy and even more importantly if an opportunity comes flying by the firm has to be prepared to grab it quickly or it might go away. In the same manner the marketing director of METALtech argues that in order to grow as a small company the firm needs to be very flexible, it is essential for our survival. The CEO of HRMtech argues in the same way as previous statements, the firm has long-term goals and strategies. However, how the firm reaches these goals is more based on decisions made along the way, accordingly strategies is considered in every decision but the quick responses is often counteracting this analysis.

The co-owner of CNCtech argues the same way that within the field of strategic decisions the firm needs to be very flexible and adaptable, making changes in short-term. CNCtech always strives to follow the core idea of their business but is open to new ideas, market changes and opportunities. The CEO of MEDIAtech has the same view - strategic development is a constant process which MEDIAtech would not exist without. The strategies of MEDIAtech demands high responsiveness from the firms’ part. The CEO of MEDIAtech argues that their strategic process seems to be working since they are the first actor in this industry with a product life-cycle that exceeds five years. SEAtech is the most extreme example since the firm according to the CEO makes strategic decisions in the everyday work, since new opportunities, customers and projects might occur at any time.

The empirical data conforms with the theory by Moncrieff (1999), the strategies within the firms of the study are according to all interviewees described as a constant ongoing process, where new opportunities needs to be responded to rapidly. In this way the high growth firms of this study are matching the theory by Moncrieff (1999) where responsiveness is one of the most vital aspects. They create high responsiveness and are open to new opportunities. Further it should be added that in relation to the previous sections of strategic formation even though it is emphasized throughout the interviewees
that they try to stick to core of business adding small strategic changes as they move along. In accordance with Moncrieff (1999) this makes the firms dynamic in the way they approach strategic processes. The strategic work thus is an ongoing process in accordance with Markides (1999) who states that designing a successful strategy is a never-ending process. Firms must continuously question the basis of their current strategies and the assumptions behind these, this due to the spring of new possible strategic positions emerging from the environment most ceaselessly. It also fulfills the definition by Moncrieff (1999) where it is argued above all, organizational agility requires managers to always seek new strategic directions and to never think they have finally got it right. This implies that managers and the organization must always be ready to respond to changes to create strategies that are truly dynamic. The last notion to always be ready to respond to changes is something that is distinctive within the study, the interviewees’ state that the firms must not only be ready to respond but also, and equally important, try to foresee changes. The search process of the firm thus is a combination of searching for new opportunities and the search for changes that needs a response in order to not be disruptive in the future. Responsiveness and the need to be flexible is a common denominator in this study, one of the distinct aspects of strategy development found.

In the empirical section of emergent strategies the firms also present an interesting aspect related to the time and resource constraints, previously mentioned. The CEO of METALtech states that even though searching for opportunities is important, especially for a small firm in high growth, their ability to do so is limited because of the effects of being in high growth patterns. This dilemma has also been perceived by the co-owner of CNCtech who relates their limitations to available resources. These obstacles are further developed by the CEO of METALtech who claims that it is not easy to find and respond to all opportunities being a small firm with limited resources. Even though the aim is not to detect every opportunity, the CEO of METALtech argues that there might be many major opportunities that are missed. The deputy-CEO (METALtech) claims that they could be able to capture even more opportunities than they do today. Searching and determining which opportunities to pursue is a time consuming process putting much pressure on human resources. The CEO of METALtech explains that due to their limitations when searching for new opportunities it becomes increasingly important
choosing which to pursue. Much like the statements of the METALtech the CEO of HRMtech describes the evaluation of opportunities as a resource and time consuming process. The CEO of HRMtech therefore states that you need to learn how to recognize which opportunities to respond to. It is according to the CEO (HRMtech) important to be able to quickly determine which opportunities are worthwhile to pursue. This is also pointed out by the CEO of MEDIAtech as it is stated that the outcome of previous decisions derives learning and thus through this learning the CEO (MEDIAtech) argues that even a small organization could be effective in the search and decision process.

The aspect of limitations is important in the search process as this implies that the vital aspect of creating agility in the dynamic strategy (Moncrieff, 1999) might be limited. Due to this limitation all the above examples points at the importance of learning - the search process and the responsiveness in decisions improved by learning. Learning in this case might limit the effects of time and resource constrains, through an improved process of search and discovery as is stated by the CEO of MEDIAtech and as will be further analyzed in the next section.

5.3 Strategic learning

5.3.1 Strategic outcome

The implementation of strategy and the use of it create strategic outcomes – the first step of strategic learning according to Moncrieff (1999). The process of strategic learning are according to the framework linked to the notion of agility, including responsiveness and flexibility in the strategic development. Strategic learning is the process from which responsiveness and flexibility could be enhanced. The strategic learning aspect makes the firm increasingly able to detect and react to opportunities, thru an increased knowledge derived from strategic outcomes and unfulfilled strategies. (Moncrieff, 1999)

The CEO of METALtech argues that the issue of strategic outcome is something that every firm needs to consider. The process comes quite naturally, once something of strategic importance has been completed there will be an outcome, whether that is positive or negative does not really matter. The CEO of HRMtech also considers strategic outcomes to be a natural part of the strategic process, what creates a process of strategy. The outcomes are believed to affect the next decision of the firm. It is stated by
the CEO (HRMtech) that whether the outcome is favorable or unfavorable does not matter, rather that the firm gets new inputs from the outcomes. The CEO of MEDIAtech argues in the same way that strategic outcome is something that the firm could derive much knowledge from. Strategies need to be flexible; one way of making them flexible is by using knowledge from previous implementation. The same is argued by the co-owner of CNCtech where strategic outcomes overall are seen as an obvious source of knowledge, the outcomes must affect the firms later decisions, all other scenarios are argued to be almost unthinkable. However the co-owner also emphasizes the time limits especially when deriving positive learnings from good decisions, it is rather easier to see what not went so well according to the co-owner (CNCtech).

The interviewees stated in six out of eight cases that strategic outcomes are very important, and that it actually derives learnings. The main aspect derived here is that strategic outcomes are something that is regarded important. This implies that this is the first step of strategic learning is actively considered within the study. The interviewees points out that the firm needs to learn from strategic outcomes, especially from decisions and implementations that did not turn out successful. This is a diversion from Moncrieff (1999) who exclusively includes only successful outcomes and its learnings in the framework. Accordingly the importance of less successful outcomes seems to be more important than is emphasized in the theoretical framework.

5.3.2 Creative search

Sirén (2010) argues that strategic learning is a strategic-level process enabling firms to survive in unpredictable and fast changing environments. Thus it relates to the firm’s ability to process strategic-level knowledge to efficiently renew and develop strategies to stay ahead of the competition. Sirén (2010) considers knowledge creation (creative search) to be the starting point for the strategic learning process within firms. The framework considers knowledge creation as (active) scanning of the external environment in order to identify important changes or issues that might subsequently affect the firm. This process is named creative search and are of outmost importance for the strategic learning process. Creative search is influenced by previous learning and internal knowledge generated both in the organization and in individuals. To survive in
a dynamic environment Sirén (2010) argues that the firm needs to be active in its search for new opportunities and changes.

The CEO of METALtech states that the search for new opportunities and changes is the one area that needs the most work in a small company in high growth. The CEO (METALtech) argues that the process of searching for opportunities is vital for the firms’ survival and sustained growth. In the same way the deputy CEO of METALtech states that the search for opportunities is essential for the company in combination with high strategic flexibility. Further the marketing director of METALtech considers the search for opportunities to be a work in progress, something that is never ending, and a process of improvement. The search for opportunities is vital for small firms’ growth it is argued, the deputy CEO argues the same way, where it is his opinion that a small firm cannot afford to stand still and just watch the market. The CEO of HRMtech similarly argues that the firm needs to constantly scan the environment in an active search process. HRMtech conducts searches of the environment for how the market of their type of product moves at the moment, and the potential of new areas of implementation. The Co-owner of CNCtech also considers the search for opportunities as always ongoing. CNCtech are looking for new products, new markets etc. but also needs to be just as observant to the changes within existing customers and markets. In the same way the CEO of MEDIAtech considers the search for opportunities to be a process vital for the survival of the firm. The CEO of SEAtech presents a different situation, as the firm is facing a situation where customers literary are approaching SEAtech with new opportunities. Still the CEO argues that the search process considers the need to choose the most promising opportunities.

Derived from the statements of the interviewees there is a strong tendency towards considering the creative search process to be vital for the firm in its high growth phase. In coherence with the theory of Sirén (2010) the interviewees considers the search for opportunities to be of outmost importance for the firm. The statement by Sirén (2010) that firms in dynamic environments needs to be active in their search for opportunities and changes finds strong support in the empirical data. This foremost since the statements presented shows that the firms actively engage in creative search in different ways, and they acknowledge the importance of the same for their continued growth. The
creative search process thus could be considered to be of vital importance within the firms considered in this study. Creative search in accordance with the definition of Sirén (2010) thus is considered vital in dynamic environment. Further there is a clear tendency within the empirical data toward considering active search for new opportunities and changes as one of the most important aspects of growth.

5.3.3 Creative search – The discovery of opportunities

Sirén (2010) argues that the knowledge creation processes are driven by individuals within the firm, thus external environmental changes are most likely to be discovered by employees in direct contacts with this situation. The process in which individuals engage in exploratory knowledge-creation activities is derived from a deliberate search for opportunities (Sirén, 2010). These individuals engage in activities that are outside of the scope of the current strategy development and thus create knowledge. However the ultimate creative search process is argued to be derived from any individual being able to discover new opportunities and changes, then spreading this information for the firm to react upon it. (Sirén, 2010)

The deputy CEO of METALtech argues that new opportunities (and threats) are often discovered by someone working close to the markets, selling and management functions. In the same manner the CEO of METALtech argues that it is most likely that new opportunities are discovered by individuals with extensive knowledge within the industry and products. Accordingly it is considered quite difficult for employees in other positions to discover new opportunities. The CEO (METALtech) further considers the search for opportunities by a few individuals to be an area that puts heavy workload on a small number of employees.

The CEO of HRMtech similarly considers the actual discoveries to be made by a few individuals, often in selling and/or management. But at the same time the individual in the organization is important, there needs to be a possibility for everyone to discover and bring about new opportunities. In the same manner the CEO of MEDIAtech argues that it is definitely individuals that discover opportunities (and threats), these individuals are considered to be found in selling or management functions, thus being in direct contact with the market. However it is further argued that opportunities could be
discovered by others in the organization, without them knowing about it. The co-owner of CNCtech simply argues that its merely individuals that creates and identifies new opportunities, most often individuals in contact with the market or the industry. The CEO of SEAtech states that their organization is small, thus the discovery of new opportunities most often derives from individuals. Similarly the financial manager of SEAtech states that most of the times new opportunities are presented to the firm without any warning. Most often the discoveries are made by individuals with different expertise in the company being approach by customers.

The deputy CEO of METALtech adds the interesting aspect that it would be great if opportunities could be discovered by anyone in the organization and communicated efficient. However it is stated that it might not achievable to create this type of opportunity recognition. The CEO of METALtech is on the same track arguing that the preferable situation would be if anyone could discover opportunities, but it is stated that this might be something that is very though to achieve. This mainly due to the knowledge required about market and products, in combination with constrains in human resources.

Sirén (2010) statement that the knowledge creation processes are driven by individuals within the firm finds support among the interviewees as all argues that there are only individuals making the discoveries. Further the statement that external environmental changes are most likely to be discovered by employees in direct contacts with this situation finds strong support in the empirical data. Exclusively there are individuals in contact with the firms external environment that makes the discoveries, the most common position of these individuals are in managerial or selling functions. The notion by Sirén (2010) that any individual in the organization should preferably be able to discover external changes finds little support among the interviewees. It is argued that this could possibly be a preferable situation, but at the same time it is found to be very difficult to implement. Thus this is not considered as something that the firms actively strive to achieve.

Further Sirén (2010) argues that the search activities that individuals engage in often are outside of the scope of the current strategy development and thus create new
knowledge. This implies that the creative search processes is in not restricted by the present strategic orientation. The empirical data shows that this is twofold; the CEO of METALtech states that the firm searches for new opportunities but relatively close to the line of business (vision), the same goes for the deputy CEO of METALtech as it is stated that finding new possibilities are a natural part of the firms development – also staying relatively close to the field of business. The CEO of HRMtech argues in the same way that the firm tries to discover and catch opportunities, but stays close to the line of the business; major deviations are possible but not likely its argued. The same goes for the statements by the co-owner of CNCtech and the CEO of MEDIAtech, where new opportunities preferably are in line with the current business. However all interviewees state that there could be major discoveries changing the firms path, but this is considered as uncommon. This implies that the search activities conducted by individuals mainly is close to strategy and the current line of business. The empirical data shows that all interviewees consider the creative search process to be quite dispersed, but very seldom outside the line of current strategies. Instead the process of search creates minor deviation to strategy. However part of this is the view of strategy being a process; this implies that many ongoing minor strategic decisions might in the end be major strategic reorientation in relation to the starting position. However the process of minor ongoing changes hides the major changes.

The last statement of Sirén (2010) that creative search often leads the firm in the opposite direction, into situations that might break the boundaries of the current strategic thinking and development – has found minor support. The conducted interviews show that this does not conform to the perception of the firms; major reorientations such as “opposite direction” are not at all common. However there is support for the statement that the creative search process might at least to some extent break boundaries and open up to new strategic thinking and development, although as previously mentioned with less comprehensive deviations. All interviewees consider the search process to have the implication of breaking boundaries and open up new strategic thinking. This is considered to be natural part of the search process since the search often is conducted in areas where the firms could improve or expand their business. Accordingly this is a part of the minor deviations, but also it creates new opportunities.
5.3.4 Strategic learning – improvements of creative search and strategic decisions

Moncrieff (1999) states that through strategic learning both organization and individuals enhances the knowledge of strategy thru experienced-based learning. This process makes strategic decisions faster and in some cases the familiarity of the situation based on previous experience makes strategy changes appear without moving back to strategic intents.

Sirén (2010) argues that the strategic learning process most importantly includes the actual test of the applicability of the strategic decisions in the firm. The developed strategic initiative is tried in action and evaluated. Furthermore it is important to note that Sirén (2010) considers strategic learning to be a learning capability, therefore it is argued that creative search for changes and strategic sense making are vital processes influencing strategic knowledge development. This implies that the development of strategy is progressive. Thus as strategic knowledge develops in the firm; strategic situations will be less disruptive. The learning process accordingly enhances the strategic development processes of the firm thru an increased understanding of different situations. The creative search (external knowledge) and the following analysis and test of strategies derive learnings that increase the firms’ internal strategic knowledge. (Sirén, 2010)

According to the CEO of METALtech the firm uses a management team as a filter of the opportunities when it comes down to whether to pursue the opportunity or not. For METALtech the ultimate goal is to involve employees in the company with the right competencies in the decision-making process. As the CEO (METALtech) states the best way would be if everyone could have their saying, however due to time and resource constrains this is almost never possible. The time constraint or the time the window for catching the opportunity is short, thus METALtech all the time needs to improve how to conduct search processes and decision making. The CEO (METALtech) argues that you definitely learn from previous strategic decisions’ as times goes along. The learning aspect is a vital aspect of being able to find and catch new opportunities. The CEO of METALtech argues that it is his experience both from the work in METALtech but also in other firms, that learning is an important aspect of achieving growth. Further the CEO (METALtech) argues that the firm learns from previous decisions’, but also and
equally important individuals learn, which affect the decision-making process. Accordingly it is hard to derive if the firms or the individuals’ new knowledge affects the process most, but it is definitely clear according to the CEO that the firm gets more effective at choosing opportunities. The CEO of METALtech further states that it is important to realize that METALtech also have learnt from mistakes, and that the firm needs to learn from these as well as the good decisions. The deputy CEO (METALtech) argues in the same way, a firm is allowed to make a mistake once but not two times.

The deputy CEO of METALtech argues that learning has naturally affected the firm’s ability to make changes and pursue new opportunities. The deputy CEO (METALtech) states that the firm is getting better at picking opportunities, however it is added the right picking is not easy to make and most surely METALtech misses out on allot of opportunities since it is almost impossible to be able to take or analyze every opportunity that flies by. The deputy CEO (METALtech) states that they are in his opinion getting increasingly better at choosing opportunities, as the firm makes more strategic decisions’ new decisions gets more structured. In the same way the CEO of HRMtech states that the process of strategic decision making is done in the management section of the firm. The CEO of HRMtech also argues that it is important to learn how to recognize opportunities, and what opportunities are worth pursuing. The CEO considers HRMtech to be extensively better at analyzing opportunities today, this since the firm gains experience from previous decisions and their outcomes. Easy decisions are argued to be the once you are familiar with, the though once are the new once. But as the firm gains knowledge it is argued that HRMtech gets increasingly good at finding and reacting to opportunities. The co-owner of CNCtech similarly points to the importance of being fast in the decision making process once opportunities are found. There is a short reaction time before someone else grabs the opportunity. Accordingly the co-owner of CNCtech finds it necessary to be very fast in the decision making as a fast growing smaller firm, as well as being able to effectively find suiting opportunities. The co-owner states that CNCtech has learned to scan the environment for opportunities more effectively, through increased understanding of how the industry and market functions over time. The CEO of MEDIAttech argues in line with the others, that it is vital to learn from previous strategic decisions also strategic decisions are solely made in the top management. Further it is also stated by the CEO (MEDIAttech) that the firm
is getting increasingly effective at discovering and reacting to new opportunities. By learning from what the firm has done in the past, the process of decision-making and reaction is improving. It is further argued that most possibly there is no limit to what the firm could learn, since there are always new learnings formed by the unique settings of each situation. The CEO (MEDIAtch) extends the discussion by adding that most likely a good search and decision-making process are a condition for achieving growth.

The CEO of SEAtech points to the importance of individuals and individual knowledge and experience as important factors in making good decisions. The CEO of SEAtech argues that since it is a small organization the individual employees are involved in many decisions. This results in a decision process that involves individual expertise. Further the CEO of SEAtech believes that through learning you will make better decisions, and you will also make them faster. The CEO (SEAtech) states that it is like other parts in life, “the more times you do something - the better you get”. Therefore learning from previous outcomes is important in future decisions of direction of the firm.

The above statements give support to Moncrieff (1999) statement that thru strategic learning both organization and individuals enhance the knowledge of strategy thru experienced based learning. Sirén (2010) points out the individual employees’ importance in this process. The interesting aspect is that all interviewees points to the importance of individuals in the decision and learning process. Accordingly the theoretical framework by Moncrieff (1999) and Sirén (2010) is supported by the empirical findings in this study. The aspect of individuals and their importance in both creative search and learning processes is based on the empirical finding that most decisions are made by a few individuals in each firm. In this sense most decisions are made by a few individuals, thus also most strategic outcomes are analyzed by the same individuals. The aspect of the individuals importance is also connected to the time constrains aspect. The shortage of time in many decisions calls for a fast decision process, which is achieved in small managerial groups.

This process according to Moncrieff is important to note that Sirén (2010) considers strategic learning to be a learning capability, therefore it is argued that creative search for changes and strategic sense making are vital processes influencing strategic knowledge development. (1999) makes strategic decisions faster and in some cases the
familiarity of the situation based on previous experience makes strategy changes appear without moving back to strategic intents. The strategic learning aspect makes the firm increasingly able to detect and react to opportunities in this way. Thus in this way the firm learns from previous decisions and accordingly the speed and precision should be increased. Within the empirical data the notion of increased speed and precision is obvious, as seen in the above chosen statements on the subject, all interviewees considers strategic learning to be a vital part of the strategic development process. The learning from strategic outcomes and analysis of opportunities are seen as important sources of knowledge, from which the firms gains internal knowledge. All interviewees state that their opinion is that the firm has become more accurate and faster in decisions, especially when it comes to decisions about opportunities. This is said to be derived from learning of previous decisions. With an increased familiarity within different situations, the reaction becomes faster. The CEO of SEAtech summarizes this in a good way as he states that “the more times you does something the better you will get at doing it” which seems to be the overall perception of the interviewees. All of them emphasizes that the firm needs to learn from previous experiences and ads that this also includes the less successful once.

Further in accordance with Sirén (2010) there is empirical evidence that the development of strategy is progressive. This implies that as strategic knowledge develops in the firm; strategic decisions seem to be less disruptive. Further there is strong evidence within the empirical data that learning process enhances the strategic development processes of the firm thru increased internal knowledge. This makes future decisions less disruptive as a familiarity with different situation. The familiarity of the situation based on previous experience making strategy changes appear without moving back to strategic intents is one of the most important notions in the theoretical framework by Moncrieff (1999). This is something that the interviewees show great resemblance with, also one of the most vital aspects of being dynamic. The empirical data shows that the interviewees consider strategy to be an ongoing process, where small direction changes or minor redirections are a part of the strategy. The deputy CEO states that METALtech strive for strategy to be a continuous process within the company, the marketing manager of METALtech states that alteration to strategy are made in the process over time. The CEO of HRMtech argues the same way as their
strategy development is a process rather than predetermined directions of the firm - defined by decisions along the way; the CEO of MEDIAtech argues that strategic development is a constant process. Within CNCtech strategy development is seen a continuous process forced by a changing market and the short response time on new opportunities the co-owner argues.

All these statements and the relation to the perception that decisions needs to be fast calls for a process in which the high growth firms does not move back to strategic intents to reform strategies. Rather they make strategic decisions among the way that changes the strategic intents retrospectively. The process of making new strategic decisions are made agile by not moving back to reformation of strategic intents (in accordance with the theory of Moncrieff, 1999). The decision process in which the firms does not move back to strategic intents is affected by the time perspective, whereas fast responses to opportunities are argued to be vital by all interviewees. Being fast and flexible thus calls for strategic decisions that do not move back to the change of strategic intents, rather small groups of individuals makes fast decisions that affects the strategic intents in the longer run.

Not moving back to reformation of strategic intents is a vital part of being dynamic in the theory of Moncrieff (1999), a notion that finds strong support in the empirical data of this study. The notion of strategic learning completes the view of strategy as a process in accordance with Moncrieff (1999). The empirical data shows that strategic learning makes the firms dynamic in their strategy development, since it creates process of effective searching and response to opportunities, based in increasing strategic knowledge.

5.4 Perception of factors for achieving high growth

The survey conducted in this research shows that the factors of growth enablers presented in previous research all make sense in the interviewees’ perception of why the firm has achieved high growth paths. Some are definitely less important, but not unimportant. The empirical data and the analysis presented here has no intention of proving or disproving previous research, this analysis is strictly a comparison between
the data found in this sample and previous research. To create further understanding of which growth enablers are important in achieving growth, within this sample.

Among the more surprising results in this research we find the middle score of industry belonging, which previously has been presented by Delmar et. al. (2003), Davidsson and Delmar (2003), Halabisky et. al. (2006) to be one of the main growth enablers. However the answers are spread out, so industry belonging is the one enabler that achieves the highest spread. The most interesting aspect was presented in the comment;” if the industry belonging were important, other firms would also achieve the same growth patterns”. This is an interesting comment on the subject.

The perception of firm size, where the small size of the firm are seen as something positive as it creates higher flexibility. Thus smaller organizations are perceived as being a good option in the competition against large firms. Flexibility is the main common denominator giving this growth enabler a high score.

The highest score and thus the most important growth enabler were strategic orientation, with minor difference to firm ownership and innovation. The high score of innovation is not surprising since OECD (2010) found this to be a significant enabler of growth. Firm ownership is not either surprising, but the comments where quite unexpected where the at least four interviewees commented on the importance of not having major investors or owners. Strategic orientation being the most important growth enabler were commented by the importance of knowing how to keep to the core of business when in times of fast growth, to not fade away into other directions seems to be an important aspect according to the comments made by the interviewees.
6 CONCLUSIONS

In the concluding chapter the findings of the research are presented and discussed. Accordingly the first sub research question will show how dynamic strategy is created and then moving to the second sub research question concerning the implication of strategic learning. Combining the two derives the answer to the main research question, and then theoretical and managerial implications are presented.

6.1 Main research question

6.1.1 How do the use of dynamic strategies explain phases of high growth within high growth firms?

This research investigates how dynamic strategy development is used in high growth firms and thus how high growth phases could be related to the use of dynamic strategies. The analysis presents strong evidence that dynamic strategies is of great importance in achieving high growth. The high growth firms within this study truly are dynamic in their way of developing strategy.

The foremost evidence of this is that the research shows that strategy is an ongoing process highly responsive to a dynamic environment. Strategy is formed through a process of small deviations in response to emerging opportunities and changes in the external environment. This also implies the finding that strategic learning is of outmost importance for achieving dynamism in strategies especially in relation to constrains in resources and time. Strategic learning enables the firms to create effective processes of search and fast responds to opportunities.

The most important finding of the study is, according to the researchers, that strategy and strategic development are considered as being an ongoing process. Strategic decisions are made along the way in reaction and response to emerging opportunities. The use of visions and goals helps the high growth firms stay at the core of business and strategy, but the strategic development is always ongoing. It is forced to be ongoing since the firms are experiencing dynamic environment, when the environment changes.
the firms tries to be highly adoptive changing with it - in this way strategy is a highly dynamic process. By being highly dynamic in their strategies, the firms open up to many opportunities. They are not bound to one way of doing things, new ways are always welcome with the aspect that it needs to stay relatively close to the core. In conclusion all interviewees points out the importance of achieving dynamic strategies in times of high growth, without the implication dynamic strategies it is believed that achieving high growth would be considerably more difficult.

The research presents distinct evidence that dynamic strategies in the strategic development of high growth firm are a key to achieving growth. High growth and dynamic strategies exhibits a close relation since the firms within this study all used highly dynamic strategies in times of high growth, and the use have been deliberate. Dynamic strategies thus are vital for these high growth firms in their strategic development within phases of high growth.

6.2 Sub research questions

6.2.1 How do high growth firms use dynamic strategy development processes in phases of high growth?

There is strong evidence within the empirical data that the high growth firms within this study use truly dynamic strategies in phases of high growth. To facilitate the reasoning in the conclusion the researchers will move back to the theoretical synthesis using the dynamic strategy framework.

Formation of strategic intent; In the formation of strategic intent there is strong evidence of long-term strategy formation being used as visions or goals, providing guidance for the firm. However the conclusion is long-term strategies is seldom seen as important within the high growth firms of the study - it is even highly doubtable that long-term strategies are used at all.

It is further concluded that in most strategic decisions there might not be the time and resources available to perform an extensive analysis. Most of the time the firm needs to
act fast, this results in a decision process that is not to any large extent based on analysis. It is concluded that the individual experience and knowledge is more important in this situation. Accordingly individuals knowledge and experiences are important in the development of strategy, especially in making fast decision within time constrains. The aspect of time constrains forces an accelerated decisions process, decisions needs to be fast, analysis is done, but not extensive. The involvement of other employees and their expertise in the strategic analysis is found to be preferable but at the same time seen as difficult to achieve - restrained by time and resource aspects. The researchers’ opinion is that the firms make analysis in most strategic situations; however it is far from extensive. This implies that most decisions are made by a group of individuals, and based on their individual knowledge and experience. This is a process which speeds up decisions but at the same time creates a situation where few individuals are involved, thus also a lack of other perspectives.

Search and emergent strategy:. The conclusion is that the environment presents the firms of this study with considerable amount of opportunities, thus all of the interviewees emphasizes the importance of search and response to these. In the aspect of creating responsiveness in strategy development, the firms continuously search for new opportunities and changes. This implies that the firms always are ready to respond to changes and opportunities in their development of strategies. It has been found that the firms considers the aspect of responsiveness to not only include the search and reaction to opportunities, but also and equally important, the ability to foresee and react to changes and threats. Responsiveness and the need to be flexible is according to the researchers’ one of the distinct aspects of strategy development within the high growth firms of the study. The responsiveness is closely related to the previous arguing about the need for effective search and fast decisions processes. Following the reasoning behind the search and the creation of responsiveness the vital aspect of time and resource constrains are once again affecting the firms. It is concluded that the firms’ search for opportunities is outmost important in phases of high growth. At the same time the firms ability to do so is limited due to the effects of being in high growth phases, including time and resource constrains. It is accordingly concluded that one of the most vital aspects of being dynamic is to learn how to recognize opportunities and
changes to respond to – the learning process deriving from previous decisions and strategic outcomes is vital in this process.

Strategic learning completing the process: The conclusion is that strategic learning is one of the most distinctive processes within the studied firms. (The process of strategic learning will be further discussed in chapter 6.2.2). The findings are that strategic learning is what makes the firms truly dynamic, which implies that learning from previous decisions and the outcomes enhances future search and decision-making, also the accuracy of decisions. Accordingly there is clear evidence that the use of strategic development processes in these high growth firms implies not moving back to strategic intents to reform strategies - rather strategic decisions are made along the way. The research derives strong evidence of strategy to be an progressive process, where changes and redirections are a deliberate part of the process of strategy.

6.2.2 How do strategic learning enhance the process of developing dynamic strategies in high growth firms?

The theoretical framework by Sirén (2010) forms a base of the study on strategic learning in this research, presented in the theoretical synthesis. It is argued that strategic learning processes should enhance the dynamic strategy process by making it more responsive and increase the speed of strategic development. The framework allows the researchers to study if high growth firms become increasingly good at finding opportunities in the external environment, and if this increases the speed of reaction.

Strategic learning is derived from strategic outcomes, strategic outcomes and learnings is a natural and vital part of the studied firms strategic development processes. The consideration of strategic outcomes within the firms are distinctive. The firms actively work with strategic outcomes and learnings. This implies that the firms have active processes initiating strategic learning, thus there are strong evidence of strategic outcomes being a vital part of strategic learning in the high growth firms of the study.

Creative search for opportunities, changes and threats has been found to be distinctive processes within the studied firms. The creative search and the knowledge creation processes are found to be driven by individuals as the firms consider that all discoveries
are made this way. Further external changes and opportunities are most likely to be discovered by employees in direct contacts with this situation. In the researchers opinion there is almost exclusively individuals in contact with markets, customers, suppliers etc. that makes discoveries - most likely position in the position of managerial or sales functions. The conclusion is that the high allocation of search to managerial positions is due to smaller organizations, time and resource limitations. Further the search processes have been found to be quite dispersed, but very seldom outside the line of current business. Instead the process of search creates minor deviation to strategy, which is a vital part in the view of strategy as a process. This implies that many ongoing minor strategic decisions ends up as being major strategic reorientation in relation to the starting position over time. Limitations in resources and time has been found to impose impediments to search process, as the firms acknowledges that these limitations probably causes many good opportunities to be missed. The limitations is found to be one of the vital aspects as of why the firms consider strategic learning important – they force the firm to effectively learn how to recognize and respond to opportunities. Accordingly to achieve a high efficiency in the search and decision process has been found to be a process that is highly considered by the high growth firms within the study.

The process of learning from strategic outcomes and analysis of opportunities accordingly are important sources of internal strategic knowledge. The firms actively works with learnings from previous decisions and through learning the firms creates an increased familiarity with different situations. Through this increased familiarity the speed and reaction process is enhanced and also accordingly the accuracy of the decisions. It is emphasized that there is a need to learn from previous experiences in order to create efficiency in detecting and reacting to opportunities. This process is given further importance by the experienced limitation of human resources and time within the high growth firms. The problem is not mainly to find opportunities but rather it is the choice among them that seems to be the most vital process. Through the creation of familiarity with how to recognize opportunities and the fast reaction times in respond to these, the firms create a process of strategic development that is truly dynamic and an ongoing process, fueled by strategic learning.
6.3 Theoretical implications

The theoretical implications of this research are made in relation to the previous research presented in the problem discussion. The research aims to develop and extend the research in relation to the statement by Coad et. al. (2014) that modern research on high growth firms and the relation to the field of strategy, clearly is underdeveloped.

Previous research by Parker et. al. (2010) has shown that high growth firms uses dynamic strategies. This implied that high growth is achieved by a constant change of strategy, thus Parker et. al. (2010) showed that “routine application of static best practice strategies is unlikely to foster firm growth in a changing environment” (Parker, 2010:224). Accordingly Parker et. al. (2010) concluded that dynamic strategies, timely adapted to changes in the environment, in response to new opportunities explained high growth patterns within the researchers sample.

The research of this study extends Parker et. al. (2010) conclusions by studying how and in which ways high growth firms’ uses dynamic strategy development. The findings is that they in many ways are truly dynamic by allowing strategy to be a continuous process of change. In accordance with Parker et. al. (2010) the high growth firms within this study adapts their strategies to the environment, mainly in response to opportunities. This is a vital part of their growth. Further the conclusion extends this by also adding that they might react to changes and threats in the environment. In these ways the high growth firms are dynamic in their strategy development. The constant change of strategy that Parker et. al. (2010) also found strong support in the research, where it is found that strategy is constant and deliberate process of change within the firms.

The conclusion thus also finds support for the study by Tell (2012) where it is states that the use of dynamic/flexible strategy development is important in order to recognize and respond to environmental changes (supported by Alpkan et. al. (2007), Verreynne and Meyer (2010) and Parker et. al. (2010)). The research finds strong support for the use of dynamic strategy development within the sample of high growth firms, this in the line of previous research. The main extension to the previous research in this section is the
aspect that dynamic strategy development is not a random process but rather a deliberate process which is perceived as vital for the firms’ growth.

The findings when including the notion of strategic learning, derives some interesting extensions to previous research. The findings are in line with previous studies (not high growth firms) including Kuwada, 1998, Farjoun (2002), Anderson et al. (2009) and Doz and Kosonen (2010). These studies found that strategic learning had positive affect on the firms studied. The same findings have been made in this study where the high growth firms considered learning to be an important aspect of their strategy development. In changing environments and in times of high growth the aspect of strategic learning has been proven to be very important within this study. The deliberate process of deriving learnings is according to the researchers the most interesting theoretical implication. The strategic learning process is found to constitute a major part of creating dynamic strategy development. It has been shown that deriving learning from previous strategic outcomes (successful and less successful) makes the firms increasingly effective in search and reaction to opportunities and changes. The learnings derived from the strategic outcomes makes the firms increasingly fast in searching and responding to opportunities and threats, through an increased familiarity with new situations. The higher responsiveness in both processes is shown to be a vital aspect of being dynamic in this study. It allows the high growth firms to make respond to new opportunities without changing or moving back to formation of strategic intents. Not only does strategic learning derive increased speed, but also the decisions made seem to be more accurate, both of these aspects are linked to the notion of familiarity that the strategic learning derives. Accordingly strategic learning in combination with creative search interestingly seems to be the aspects that allow the high growth firms to achieve dynamic strategy development.

Further findings of the study that derives theoretical implications is, firstly that the high growth firms seems to be considering long-term strategies as visions, goals or objectives. However they are given little or none importance in the strategy development, if they are used they are mostly in use to keep the strategy development within the core idea of business.
Secondly, the resource and time constraints are vital aspects which serves to limit the search process for opportunities but at the same time is argued to force even higher effectiveness within the same process – through increased need for strategic learning.

Thirdly, the importance of individuals within the process of strategic development is obvious, these individuals are often found in managerial positions. The aspect of inputs from other individuals is something that the firms considers as important, but has been found to be seldom used. The preferable situation would be extended use of different inputs as stated, again the time and resource constraints makes this almost impossible to achieve. Accordingly the researchers has identified this as a problem connected to the risk of getting stuck in one way of thinking, the paradox of its own success presented by Tell (2012), without new inputs this is considered an obvious risk by the researchers.
6.4 Managerial implications

The managerial implications derived from this research are foremost connected to the use of strategy as a continuous process. To further explain how the findings could be used the researchers have reconfigured the model used in the theoretical framework to create a deeper understanding of how managers could use dynamic strategies in practice. The managerial implications are based on the findings within the high growth firms of this research. Thus the researchers would like to emphasize that this is not in any way proven to be the way of achieving high growth. Rather it is a model of how the firms within the study approach strategy development in their high growth phase.

Formation of strategic intents; Formation of strategic intents in the long-term sense seems to be a question of forming visions and goals for firms. These are then used as guidance for the firm in the searching and decision-making processes, however the formation and use of these visions and goals has been found to constitute only minor importance. There is little evidence that these are used in anyway but as a

Figure 7; Dynamic strategy model for managerial implications, revised and reconfigured from Sirén (2010) and Moncrieff (1999)
part of guidance in decision processes. They are not unimportant since they create motivation for the firm, thus formation of them is preferred, and managers should form them as wide objectives of a preferable position. But the consideration of them in the strategy development should be minor.

Creative search and decision processes; The step of searching and making decisions is derived from a few individuals that searches the external environment for mainly new opportunities, but also threats and possible changes. These individuals are mainly positioned in managerial and selling sections of the firm. What seems to be most important in order to conduct effective search is extensive knowledge and experience within the market and industry. The search process is vital for the firms’ growth, at the same time it is resource consuming. The consideration between them is clearly in the favor of using the resources needed to create effective search processes.

The search processes is according to the researchers a vital part in achieving high growth. At the same time decision processes are added in the same stage, as clearly there is a tendency towards having to respond fast once an opportunity emerge. The search and decision processes are closely interlinked, thus in practical use they will most likely be a part of the same process. The response time seems to be the key at this stage; fast responses are created through an increased familiarity within the situation derived from strategic learning. In this study the process of search and decision is enhanced by using a small number of individuals, this could be the most effective way of achieving effective search and decision processes. However the researchers would like to point to the importance of getting new inputs from other individuals. This could be achieved by using individual expertise as input, especially in the decision process. This approach is used, even if it clearly is an area of improvement within the study.

Emergent strategy creating the process of strategy; Emergent strategies are created by the process of search and decisions. Accordingly they are reactions to opportunities, changes or threats presented in the environment. The emergent strategies directly affect the current strategy development of the firm. Once a decision is made, the process of getting the new strategy into action is fast, often driven by the management of the firm (same as made the decisions).
4 Strategic outcomes; the strategic outcomes are of high consideration within the high growth firms of this study. Strategic outcomes derived from previous decisions are highly valued and an important step in the learning process. Thus the researchers argue that in this step the firm needs to always consider strategic outcomes, both successful and less successful. The strategic outcomes all derive learnings vital for creating a familiarity with situations of opportunities, changes and threats. In the firms of this study, this is mainly achieved in the managerial sections - often by the same individuals that are involved in the creative search and decisions process.

5 Strategic learning; The implication of strategic learning pervades the whole process, and is without doubt the most important part of creating dynamic strategies. Step two, three, four and to some extent one, are all dependent on strategic learning. Strategic learning through the analysis of strategic outcomes enhances the creative search and decision process. It is mentioned in the analysis that “the more times you do something the better you get”, this seems to be true. The process of strategic learning is active within the high growth firms of this study, they consider past decisions and outcomes to great extent and the process of learning makes them more effective in search and more accurate in decisions. Thus it is of utmost importance to derive learnings from past decisions; they could by no means be ignored. Strategic learning enables the firm to enhance the agility and effectiveness in search and response, also the decisions will be increasingly accurate. The process of strategic learning might be resource consuming, but it greatly enhances the effectiveness of the firms within the study. The implementation of effective strategic learning processes is mainly a matter of acknowledging the importance of strategic outcomes at the first stage. It seems like the process is actively driven by individuals, the process of deriving learnings must be active. It has been difficult to prove how the firms create conditions for achieving effective strategic learning. It is the researchers’ opinion that this process is mainly achieved by the use of a few individuals in the whole process of strategy development. Through the use of the same individuals in search, decisions, analysis of outcomes, these derive learnings throughout the entire process. Thus the process seems to be highly dependent on a few individuals often in managerial positions. The next step
would be to build systems to more effectively store this knowledge within the overall setting of the firms.

Notes on the overall process:

✔ The process of dynamic strategy development within the firms is driven by a few individuals, often in managerial positions. This mainly due to time and resource constrains, the preferable situation are argued to be if more expertise from different sections of the firm could be involved. The fact that most decisions are made by managers however creates great impact of decisions made, to include managers in the process is natural.

✔ It is important to note that the process of the dynamic strategy is based on a series of strategy changes and responses, major strategic reorientations are seldom used.

✔ The strategic learning moving back to strategic intent (left side of figure 7) is something that is of minor consideration. Strategic intents will be changed by the implementation of the strategy process on the right side, but this will unfold naturally. Thus further consideration about long-term strategic intents seems to unnecessary as long as a vision or goals are created.

✔ The unfulfilled strategies are in most cases derived from the opportunities that the firm chooses not to pursue. They seem to derive learnings in the process of making the decisions in step two; however the implication of them as deriving learnings directly to formation of strategic intents is minor.

✔ The process of search and analysis of opportunities appears to be the vital part of strategy development within the high growth firms of this study. Strategy is very seldom written down, but rather an adaptive process, often driven by individuals in managerial positions. Thus it is vital for the managers to effectively spread
the strategic thoughts throughout the firm; this seems to be a vital aspect of strategy development within the study.

✓ There is further little distinction between strategy development and strategy implementation. This due to the short time frames from detecting an opportunity in search process to the actual reaction to the same. The process of development and implementation thus are tightly connected, this is important to note.
LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

By studying the development of strategies in HGF’s we do not seek to fully explain why these firms have attained a high level of growth. Instead, we have sought to explain how dynamic strategies as a factor of growth may explain high growth within HGF’s. The researchers have therefore not made any in-depth research on further external factors influencing growth, such as industry belonging (Delmar et. al., 2003), industry belonging (Davidsson and Delmar, 2003; Halabisky et. al., 2006), country belonging (Bravo-Bisoca, 2010), as well as innovation (OECD, 2010; Baldwing and Gellatly, 2006). However, the questionnaire showed that the interviewees considered innovation as one of the factors with the most influence of growth. Further research is therefore suggested on the influence dynamic strategies and innovation jointly may have on high growth as Baldwin and Gellatly (2006) shows the importance of innovation strategies in phases of high growth. Further the inclusion of other factors and their relation to strategy would be preferable in a larger study.

Furthermore, it is found that all interviewees described a lack of resources as their main impediment towards future growth. The lack of resources was described differently in most cases, but lack of financial capital, human capital and production capacity were predominantly mentioned on the most occasions. This lack of resources was found to prevent the firms search and analysis of emerging opportunities and limit the firm from capturing the full potential of the market. Future research should therefore be directed towards how HGF’s could manage a lack of resources during high growth to potentially enable future growth and sustainability. Interestingly the lack of resources possibly could be an impediment to sustained growth. Accordingly this could be one of the factors affecting the dilemma why growth patterns seldom could be sustained further than a five year period, as presented by OECD (2010).

On the subject of strategy and high growth by the definition of OECD (2010) it would be interesting to further research the strategic development as the firms expands internationally. In this study the process of expanding internationally seems to constitute little or none alterations to strategy, however this is not what this research
aims to study. The aspect is even more interesting as the firms seems to be forced to go international in order to extend their phases of growth. How the internationalization affects strategy, and how this affects strategy development process are interesting subjects for further research.

In the field of dynamic strategy development an interesting subject would be if a growth of the firm in the long run could work as an impediment to continued dynamism in the strategic development as stated by Seteroff and Campuzano, (2010). Research would preferably be directed towards long-term studies of dynamism within high growth firms, accordingly researching the effects of organizational growth on strategy development.

The aspect of strategic learning and its implementation in HGFs is an interesting subject of study. In relation to previous studies, including, Farjoun (2002), Anderson et. al. (2009) and Doz and Kosonen (2010) this research has shown positive effects on growth by use of strategic learning. To further study the implication of strategic learning on strategy development in HGFs could possibly extend this research field. This study supports the importance of strategic leaning in achieving high growth, accordingly further studies on the subject are preferable.
REFERENCES


<http://www.tillvaxtanalys.se/download/18.56ef093c139bf3ef8902a01/1349864222950/WP_2009_05.pdf> [Accessed 23 may 2014]


Yin, R., 2011. *Qualitative research from start to finish*. USA: The Guilford Press.

## Interview Questions

<table>
<thead>
<tr>
<th>Interviewee:</th>
<th>Firm:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part:</th>
<th>Question:</th>
<th>Notes:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>Whats your position at ...?</td>
<td></td>
</tr>
<tr>
<td>Introduction</td>
<td>What's your role in this position?</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------------</td>
<td></td>
</tr>
<tr>
<td>Environment (Operating)</td>
<td>When looking at your experience working in ... do you find your firm's environment stable or turbulent? How?</td>
<td></td>
</tr>
<tr>
<td>Environment (Operating)</td>
<td>Do you consider the industry to be fast changing, calling for high responsiveness from the firm? (in terms of changes in markets, products/services)</td>
<td></td>
</tr>
<tr>
<td>Environment (Operating)</td>
<td>Do you believe that turbulent environments are a condition for fast growing companies? Do you believe it to be an opportunity rather than a threat?</td>
<td></td>
</tr>
<tr>
<td>Dynamic strategy development</td>
<td>How does your firm work with strategic development long-term or short-term strategic intents?</td>
<td></td>
</tr>
<tr>
<td><strong>Dynamic strategy development</strong></td>
<td>Do you consider strategy development to be an ongoing process within the firm?</td>
<td></td>
</tr>
<tr>
<td>----------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Dynamic strategy development</strong></td>
<td>Do you constantly search/scan the environment for new opportunities and changes? How?</td>
<td></td>
</tr>
<tr>
<td><strong>Dynamic strategy development</strong></td>
<td>Are changes in strategic intents and development common within the firms the strategic development processes?</td>
<td></td>
</tr>
<tr>
<td><strong>Dynamic strategy development</strong></td>
<td>How are you able to achieve fast strategic changes?</td>
<td></td>
</tr>
<tr>
<td><strong>Dynamic strategy development</strong></td>
<td>Do you believe that strategic flexibility is a condition for achieving high growth in dynamic environments?</td>
<td></td>
</tr>
<tr>
<td>Dynamic strategy development</td>
<td>Do you often conduct major strategic reorientations in order to align the firm with a changing environment?</td>
<td></td>
</tr>
<tr>
<td>---------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Dynamic strategy development</td>
<td>How do you reconfigure your strategic development to catch these newly discovered opportunities?</td>
<td></td>
</tr>
<tr>
<td>Strategic learning</td>
<td>Do you believe that previous strategic experiences are important in the firms’ strategic choices?</td>
<td></td>
</tr>
<tr>
<td>Strategic learning</td>
<td>Do previous experiences enable you to more effectively seize discovered opportunities?</td>
<td></td>
</tr>
<tr>
<td>Strategic learning</td>
<td>Are employees at all levels of the organization able to distribute knowledge about newly discovered opportunities? Enabling the firm to notice and react to these.</td>
<td></td>
</tr>
<tr>
<td>Strategic learning</td>
<td>Does learning from previous strategic experiences enable</td>
<td></td>
</tr>
<tr>
<td><strong>Strategic learning</strong></td>
<td>Do you believe that each strategic decision and the outcome, enhances your knowledge about strategic development and thereby generates more effective ways of making strategic choices?</td>
<td></td>
</tr>
</tbody>
</table>

Does it enhance the speed of the strategic processes? |
Appendix B

Questionnaire

Please rank the following factors of growth, ranging from 1 (low influence) to 7 (High influence), and their influence on your firm.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Influence</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry belonging</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Firm size</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Firm age</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Strategic orientation</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Firms existing network</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Firm ownership</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>
Appendix C

Litterature study

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Title</th>
<th>Publisher</th>
<th>Year</th>
<th>Main area of research</th>
<th>Method</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debacarer, K</td>
<td>Explaining growth paths of technology-based firms structuring resource portfolios in different competitive environments</td>
<td>Strategic Entrepreneurship Journal</td>
<td>2011</td>
<td>Resource accumulation, Environmental contingencies, Growth paths, Competitive environment, Resource management.</td>
<td>Multiple-case study of 27 young, technology based companies with a high rate of growth. The selected companies came from different industries.</td>
<td>A firm’s growth path is the result of interplay between resource management and the competitive context.</td>
</tr>
<tr>
<td>OECD</td>
<td>Studies on SMEs and Entrepreneurship, High-growth enterprises – What governments can do to make a difference</td>
<td>OECD Annual Report</td>
<td>2010</td>
<td>All factors affecting High growth firms. Summarizing factors of influences</td>
<td>A mixture of quantitative and qualitative research, pooling 25 different research projects from different countries</td>
<td>High growth was found to represent a transitory phase in the life of an enterprise. High growth is argued to be an exceptional event that can occur to any enterprise. Thus, it is not a characteristic of a specific subset of firms, i.e. young, in high-tech sectors, active in international markets, etc. High growth was found to be the result of mixed factors and is normally not to be ascribed only to a single cause. It was found that high growth is likely to be a disruptive event for a small firm, because of the sudden pressure on managerial, financial and technical resources. Empirical analysis points to a trade-off between high-growth and survival.</td>
</tr>
<tr>
<td>Authors</td>
<td>Title</td>
<td>Year</td>
<td>Publication</td>
<td>Methodology</td>
<td>Summary</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>------</td>
<td>--------------------------------------</td>
<td>----------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Acs Z J, Parsons W, Tracy S</td>
<td>High impact firms: Gazelles revisited</td>
<td>2008</td>
<td>U.S. Small Business Administration</td>
<td>Quantitative study</td>
<td>Results of the study sheds light on the characteristics of high-growth firms and changes over time. The results find consistencies that high-impact firms appear to account for the lion’s share of the employment and revenue growth in the economy.</td>
<td></td>
</tr>
<tr>
<td>Etienne S-J, Pierre-André J and Josée A</td>
<td>Factors associated with growth changes in “Gazelles”</td>
<td>2008</td>
<td>Journal of Enterprising Culture</td>
<td>High growth rates of gazelle companies</td>
<td>Studies of 52 Gazelle companies by surveys and interviews over six years. The main variables impacting growth rates identified include adjustment capacity, access to resources, proximity to customers and motivation for growth. They constitute a potential capacity for growth. That potential can be limited or released by changes in the firm’s environment.</td>
<td></td>
</tr>
<tr>
<td>O’Regan, Ghobadian and Galleur</td>
<td>In search of the drivers of high growth in manufacturing SMEs</td>
<td>2006</td>
<td>Technovation</td>
<td>High growth of SME’s, by strategic orientation</td>
<td>Quantitative study of 802 high growth firms. An examination of the findings relating to the operating environment, firm ownership, and competitive factors indicates a high degree of alignment between strategic orientation and factors driving high growth in manufacturing SME’s. Accordingly, proactive prospector strategies seemed to be the most influential factor on high growth in the study.</td>
<td></td>
</tr>
<tr>
<td>Coad, A and Holzl, W</td>
<td>Firm growth: empirical analysis</td>
<td>2010</td>
<td>Handbook on the Economics and Theory of the Firm</td>
<td>Quantitative research of high growth firms</td>
<td>Firm growth appears to be well approximated by a random process. Fast growth in one period does in no way guarantee superior performance in the long run, thus growth rates have little persistence over time and vary a lot even for individual firms over time.</td>
<td></td>
</tr>
<tr>
<td>Delmar, F., Davidson, P., and Gartner W, B</td>
<td>Arriving at the high-growth firm</td>
<td>2003</td>
<td>Journal of Business Venturing</td>
<td>Quantitative research based on previous collected data from several European countries</td>
<td>Primary value of the study is the insight that firm growth is not a unidimensional but a multidimensional phenomenon. It is very likely that factors such as strategies, entrepreneurial motivation, organizational form, financial structure, and various aspects environmental munificence are related to high growth.</td>
<td></td>
</tr>
<tr>
<td>Author(s)</td>
<td>Title</td>
<td>Year</td>
<td>Summary/Research Focus</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coad, A., Daunfeldt, S-O, Hätälä, W., Johansson, D and Nightingale, P</td>
<td>High-growth firms: introduction to the special section</td>
<td>2014</td>
<td>States six facts about HGF’s by summarizing the most recent research: 1. Growth rates distributions are heavy-tailed - most firms do not grow at all, and only a few achieve high growth 2. Small number of HGFs creates a large share of new jobs. 3. HGF’s tend to be young but are not necessarily small. 4. HGF’s are not more common in high-tech industries. 5. High growth is not to be persistent over time. 6. Difficult to predict which firms are going to grow. The results show a lack of research in the fields of the role of entrepreneurs, industry characteristics, management styles and firm strategies in creating high growth and also sustaining high-growth over longer periods.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keen, C. and Etemad, H</td>
<td>Rapid growth and rapid internationalization: the case of smaller enterprises from Canada</td>
<td>2012</td>
<td>Develop a deeper understanding of high growth and rapid internationalization characteristics of HGF’s. The analysis shows that high-growth is not specific to smaller firms, nor is it specific to a particular region. The findings provide implicit support for the impact of management capabilities and strategy as influential factors for growth.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colombelli, A, Krafft, J Quatraro, F</td>
<td>High-growth firms and technological knowledge: do gazelles follow exploration or exploitation strategies?</td>
<td>2013</td>
<td><strong>Gazelle companies, Firm growth, Exploration vs Exploitation, Schumpeterian evolution process</strong> Builds on secondary quantitative data from resources such as (EPO, WIPO &amp; PCT) Gazelle companies usually adopt a mix of exploration and exploitation strategies.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Author(s)</td>
<td>Title</td>
<td>Journal/Source</td>
<td>Year</td>
<td>Focus</td>
<td>Sample Size</td>
<td>Notes</td>
</tr>
<tr>
<td>----------</td>
<td>-------</td>
<td>----------------</td>
<td>------</td>
<td>-------</td>
<td>-------------</td>
<td>-------</td>
</tr>
<tr>
<td>Verreyne, M. L.</td>
<td>Strategy-making process and firm performance in small firms</td>
<td>AUTEC</td>
<td>2005</td>
<td>Strategy processes and firms performance</td>
<td>Quantitative, 504 firms, some high growth</td>
<td>Strategy processes are argued to have a positive effect on firm performance. It seems that firms that perform better are more likely to engage in strategy-making processes. This result is argued to be reasonable given that previous research argued that time and money may be a reason why small firms do not engage or engage less in strategy-making. Considered these issues are solved through high performance, deriving from strategy processes, firms may engage in the strategy making process more actively.</td>
</tr>
<tr>
<td>Verreyne, M.L. Meyer, D</td>
<td>Small business strategy and the industry life cycle</td>
<td>Small Business Economics</td>
<td>2010</td>
<td>Strategy-making process and firm performance</td>
<td>Quantitative, 504 firms, high growth</td>
<td>Results show distinct relations between adaptive strategy-making and small firm performance. Firms which use combinations of adaptive strategy-making processes are more likely to be successful than those focusing on one process exclusively.</td>
</tr>
<tr>
<td>Parker, S.C., Storey D.J and van Witteloostuijn, A</td>
<td>What happens to gazelles? The importance of dynamic management strategy</td>
<td>Small Business Economics</td>
<td>2010</td>
<td>High growth and strategy</td>
<td>Quantitative study containing of surveys over a five year period</td>
<td>The study showed that firms are unlikely to be successful if they attempt to draw lessons from observing growth in one period and applying those lessons routinely at a different point in time. Thus calling for dynamic strategies to be applied in order to be successful.</td>
</tr>
<tr>
<td>Tell, J</td>
<td>Managerial strategies in small, fast-growing manufacturing firms</td>
<td>Journal of Management Development</td>
<td>2012</td>
<td>Managerial strategies in high growth firms</td>
<td>Quantitative, 100 of Sweden's fastest growing firms.</td>
<td>Focus of the very things that caused the firm to grow initially (a simplistic strategy) is hard to let go of even though it is shown to be harmful for the firm. There may be a strong tendency toward path dependent behavior of the firm, the firm that was once fast growing may end up being stuck in the paradox of its own success – which in line with Parker et al. (2010) shows negative effects of firm growth.</td>
</tr>
</tbody>
</table>