APS1012 Management of Innovation – Final Team Projects, Fall 2011

What Stops Small Companies getting Big?

Being big does not necessarily mean being successful; nor does being successful necessitate being big. However, there is something to be said for being both big and successful. A number of big and successful companies across five industries were studied and the common factors – both within each sector and across-the-board – were identified. Two small companies, one that had failed and the other with a strong growth record, were then examined to see whether the aforementioned factors had been applied.

The focus has been to determine why certain companies acquire steady state growth without getting better, and other companies essentially fail. Is it possible to identify the management strategies that make companies successful? In any company's success story there are trials and tribulations which may be dealt with by applying innovative strategies. The common factors determined from the analysis of the five industries discussed previously are summarized, ranked, then scored based on how commonly they occur. Amongst the most important common factors to success are to start the business with just one specialty, and to focus completely on mastering that product or service. Another factor is to use innovative technology; a company without innovative technology in rapidly developing markets cannot survive. Continuous development of innovative products and services, and a focus on new technology will lead to success.

Companies should study opportunities for expanding their range of services according to market and customer needs, and should increase their scope and area of expertise through partnership or acquisition of other companies. Once a strong local presence is achieved, the next step is for companies to go national or international and open themselves to whole new markets.