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Obstacles of growth in SME´s

- What do the obstacles consist of and how do the companies overcome them?

Bachelor Thesis
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Preface

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Summary

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Title: Obstacles of growth in SME's -What do the obstacles consist of and how do the companies overcome them?

Background and problem: Growth has recently been a subject of extensive discussions. The field of research in entrepreneurship and growth has had a rapid development during the last two decades, though fragmented and unconnected. In most small businesses the normal case is lack of willingness to grow. Therefore the question arise, what obstacles have the selected growth company's experienced during the growth period, and how have the difficulties been solved?

Purpose: The purpose with this paper is to make a descriptive study and thereby present the difficulties and obstacles a SME can meet during the years of growth. Furthermore an account is given for how the company has solved the experienced difficulties.

Delimitations: The study is delimited to *small and medium sized enterprises* (SME's) selected from the growth list Gaseller in "Dagens Industri" 2003. The questions are limited to four areas; organization, management accounting, financing and other difficulties mentioned by the respondents. Due to the small amount of participating respondents, the result will merely be an indication and can not provide general conclusions.

Method: The primary data was collected by qualitative interviews with four respondents, managing directors for each company respectively. This data is summarized in the empirical part with a presentation of each company. The secondary data the authors have used was collected from the Internet and from a database called Gunda at Göteborg University as well as relevant literature to the subject area.

Results and conclusions: The conclusion and the answer of the main question is that the major difficulties can be derived to the area organization. The most important issue is to unite the employees in the task of achieving the jointly formulated goals by creating motivation, delegation, involvement and also participation in decision-making. Finally growth companies are active in a constantly changing environment that demands a great amount of flexibility and incessant adjustments.

Future areas of research: A study of former growth companies, which in spite of initial growth have gone bankrupt. Furthermore an interesting subject would be a deeper study of the unwillingness of growth and external financing i.e. pecking- order theory versus control and independence. Finally, a study focused only on the main problem area, the organization.

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1 Introduction

To facilitate the comprehension of the chosen problem area a presentation of the topic's background will be made. To approach the problems which the thesis is focused upon it is followed by a discussion of the topic. Subsequently the purpose and the delimitations of the thesis are described. Finally the disposition is accounted for in a figure in order to give a survey of the thesis's structure.

1.1 Background

Growth has recently been a subject of extensive discussions. The field of research in entrepreneurship and growth has had a rapid development during the last two decades (Davidsson & Delmar, 2002). In addition the knowledge of growth companies is fragmented and unconnected (Davidsson et al, 2001:147). From the perspective of the society, growth companies are of great importance due to the fact that growth in small and new companies is the single most important source for opportunities of labour (Davidsson & Delmar, 2002). Consequently, a high economic growth and increased employment are elevated priorities in the economical politics (SOU, 1998:93). According to a research made in year 2000 projects are assumed to, through the exploitation; create organisational growth and consequently growth in society in large (Olson et al, 2000). A governmental report in 1998 stated the importance of public organizations promoting local collaboration to facilitate information spreading with the aim on *small and medium sized enterprises* (SME) (SOU 1998:92). The municipals of Västra Götalands region have founded a department called Tillväxt 2000 with assembled knowledge of growth and business activities in general. The assignment is to identify small firms with potential and willingness to grow and thereafter offer assistance, counselling and education in a development program for growth-oriented business managers. The consultants connected to Tillväxt 2000 are well-experienced manager directors with extensive knowledge of these issues (Norlén & Friberg, Tillväxt 2000). Though the companies in this thesis are not members of Tillväxt 2000 and the purpose of contacting this organization was to make comparisons between their experience and the analysis of the thesis.

Several paradoxes can be perceived when studying growth companies. Apart from the fact that they can be found in dwindling businesses, they seem to be less concerned by economic recessions than non-growth-companies. This indicates a capability to find alternative solutions to evade the problems and impediments (Davidsson et al, 2001:11ff). Despite the weak connection between business and growth companies one additional aspect is nevertheless that many of them are to be found in representative growth trades. When looking in a historical perspective one observation is that the numbers of growth companies found in non-growth-trades are more numerous than in traditional growth-trades (Ahrens, 1999:24f).

The environmental effects like recessions and other factors that have consequences on the market, demands a higher level on financial planning (Konkursutredningen, SIND

1985:7). This fact makes it interesting to investigate how these companies use management control. Both internal and external obstructions can affect the company's growth. What kind of influence it gives is determined by the background variables that can be size, age, trade affiliation and choice of strategy concerning growth (Barth, 2001:234).

The current existing circumstances in Sweden indicate a tendency for less willingness to grow compared with other countries. This is partly explained by external obstacles as adverse conditions due to institutional factors. Such factors can be; existing laws and regulations within taxation, labour market, results of wage negotiations as well as the situation on the capital market. However, these circumstances have in recent years been improved (Davidsson et al, 2001:12). It is not merely the external conditions that affect growth. Also internal impediments such as absence of standard procedures and methods, competence of the employees or unwillingness to expand on the owner's behalf can have an impact on growth. When a business is growing, the number of employees and the complexity is increasing and this leads to a limitation of control (Berggren et al, 2001:252). This factor is a common cause for refraining from additional expansion among many entrepreneurs. Due to this, only a minority of all small firms manage to attain sufficient growth in order to become a larger company. In spite of the importance of this decisive motive the entrepreneur's willingness to grow is not taken into consideration in the majority of previous research. In the cases when this variable was included a connection between willingness and growth has been shown (Davidsson et al, 2001:146f). The external and internal obstacles are treated in more detail in chapter 2.

There are two different forms of growth. A company can grow through an organic or non-organic way. Organic growth means that a company grows through internal expansion by extending its present production or by new establishments. The non-organic growth is when a company grows by purchasing other existing firms (Davidsson et al, 2001:89). Concerning growth companies they are distinguished by an average minimum growth of 25 per cent annually of the turnover during a number of years through organic growth i.e. not through acquisition (www.ahrens.se). To act rapidly is a prerequisite for growth. Further distinctive features are a strict focus on product and market, few and obvious aims along with visions and values of greater importance than long term- plans and budgets. This leads to that the driving force is derived from both the top as well as from the bottom of the organization (Ahrens, 1992:14f).

1.2 Discussion of the problem

When starting out a business it requires, apart from a strong vision and commitment, a leadership focused on risk-taking and profit (Adizes,1989:42). During the period of growth and continuous development the co-workers needs to be enthusiastic and possess a willingness of alteration. A fast decision-making and the ability to take hasty actions are also of great importance during this period. This implies a further aspect on the changeable and dynamic environment that a growth company and its co-workers operate in. In a large extent the internal factors are crucial for the growth in a company as the factors mentioned above. If the situation is converse, these internal factors could

constitute internal obstacles or difficulties (Ahrens, 1992:15, 214). A definition of obstacles is “circumstance that makes it impossible or obstructs any activity or development” (Nationalencyklopedin). This definition also allows the obstacles to be defined as difficulties and might consist of many different forms of factors. Further internal obstacles can be the lack of routines and models for management accounting and control systems, difficulties to attract qualified employees or unwillingness to growth by the business leader or manager (Barth, 2001: 236ff).

Also financial delimitations can constitute an obstacle that indicates the discrepancy that might arise between the need for financial resources and the willingness of the creditors to provide the same, this is called financial gap (Winborg, 2000:84ff). According to Tillväxt 2000 the most common obstacles for SME’s is the financing of the growth (Norlén & Friberg, Tillväxt 2000, 2003-05-19). This leads us to external difficulties that may have an impact on the growth. Example of this can be the limitations of external financing, state of the market, competitors, governmental decisions and the regulation system like e.g. taxation system. Irrespective of obstacle, they have different affects on the company depending on the earlier mentioned background variables (Barth, 2001: 234). Though in the literature it is not evident what the principal and decisive obstacles are. Common for all is that the obstacles must be overcome to survive and to keep growing and by that avoid bankruptcy. This leads the discussion closer to the main question for the thesis.

The company’s growth can have different character. It can be planned through a strategic choice e.g. actively seek a product or idea that has a potential for growth. In this way the growth becomes partly deliberate and controlled. Though, the situation might be the opposite i.e. an opportunity shows up and the company takes up the gauntlet. This mode of growth becomes unplanned and thereby uncontrolled (Ahrens, 1992:28f). Depending on the type of growth the company experience it affects the form of difficulties that appears. As the collecting of primary data was made by open interviews a problem arises in predicting what kind of difficulties that will be specified by the companies. This cause the authors not to lock the formulation of the problem by denominate the difficulties as solely internal or external. This reasoning leads to the main question of the thesis:

What obstacles have the selected growth company’s experienced during the growth period, and how have the difficulties been overcome?

The main question leads, as a logical consequence, to that a large number of difficulties might appear. To manage, structure and subsequently analyse the collected qualitative data, the authors' chose to focus on three areas of sub-questions; organization, management accounting and financing. Apart from this the respondents are given the opportunity to state any other possible obstacles the companies have met or avoided.

- *How has the organization developed and been adjusted during the period of growth?*

In the concept organization the authors put aspects in a wide range that might occur from the interviews with managing directors from the selected companies. This might concern how the business is organized and how it has developed and been adjusted during the growth period. But also if any organizational changes have been made e.g. new positions has been added or modification concerning responsibility, leadership, demands on qualifications at new appointments and award system. The concept also concern how the company is organized physically i.e. classification of departments etc.

- *What kind of management accounting has been used during the period of growth?*

Accounting is the language for both financial and non-financial information to the interested parties. Financial accounting is the information that provides the external interested parties with necessary information and can be called external accounting. On the contrary management accounting can be designated as the internal accounting though it concerns the information within the organisation to facilitate making better decisions and improve efficiency (Drury, 2003:4f).

The managerial function of control consists of measurement, reporting and subsequent correction of performance (Drury, 2003:9). This could be different type of control accounts, budgets and profit measurements. According to the theory, management control contains "the work aimed at planning, carrying out, controlling, evaluating and adapting the company's activity in the ambition to achieve objectives of both financial and non-financial character" (Ax et al, 2001:52). Economical goals might be in economical terms like profitability, liquidity and solvency but it can also be of non-economical character like customers, quality, time and development of products. These goals are not uttered in financial terms but they are also of a financial kind and nevertheless of minor importance (Samuelson, 2001:22). In phases of rapid growth, quick acting and decision-making are essential due to the lack of time. As a consequence of this, the follow up becomes very important and can be done by measuring the profitability (Ahrens, 1992:17).

By using calculation a clear picture of the costs is obtained. What kind of calculation has been used and how have they been changed or exchanged during the growth period? Concerning budget there is a debate taking place, which is questioning the existence of the budgeting by routine. As the growth companies are acting in a variable environment and it's needs are changeable, the question is whether this is a useful tool for these companies. If that is the case, how is the follow-up done? If traditional budgeting is not used, what are the alternatives (Winborg, 2000:84ff)?

- *How has the growth been financed during the period?*

Many entrepreneurs have a very strong driving force to retain control of their business. This is closely linked to the independence it gives with the use of only internal financing. The pecking-order-theory involves an unwillingness of admitting an external financier into the business (Berggren et al, 2001:252). Previous studies show that this preference of internal financing is due to the presumed information asymmetry between the financier and the manager. This creates a financial gap when it is supposed that the business manager has more knowledge of the real value of the business than the financier, which can lead to an under-valuation of the shares. As a result of this asymmetry it is argued that many financiers might hesitate to finance the business. In addition to this, factors such as size, line of business and geographical location also affects the choice of financing. For instance, the use of bank financing is larger if the business is located in a small town where the proximity and accessibility of local banks are higher (Winborg, 2000:84-94).

1.3 Purpose

The purpose with this paper is to make a descriptive study and thereby present the difficulties and obstacles a SME can meet during the years of growth. As a part of this a description is made of the connection between the found obstacles and the previous mentioned sub-questions the organization, management accounting and financing and also other potential problems. Furthermore an account is given for how the company has solved the experienced difficulties. As discussed in section 1.1, the background variables of the company like size, age, what business affiliation and choice of growth strategy are decisive for the effects internal and external obstacles have on the company.

The number of respondents is only four, where three of them are service companies and only one is active in the constructing business. This makes it impossible to make any conclusions derived to the specific businesses. Therefore, any comparison of similarities or differences can only be described between the four companies. This is also correlated to the frame of reference in chapter 2 in order to identify any similarities or differences compared to what is known previously.

1.4 Method

Initially the intention of this work was to examine former growth companies that later on went into bankruptcy. The purpose was trying to point out possible connections between bankruptcies as a logical consequence of the financial decisions. Though difficulties occurred in finding a selection of companies where both criteria's, growth and bankruptcy, were fulfilled. The alternative then became to study existing growth companies and possible difficulties or obstacles they had faced during the years of growth. By obtaining secondary data through literature and earlier made studies it lead to a generally formulated main problem; obstacles and difficulties during years of growth. As this issue covers multiple areas within business administration the authors have chosen to mainly focus on obstacles and difficulties concerning organization,

management accounting and finance. In addition there is one open question regarding optional subjects. The selection of companies is not statistically randomised but is based on the criteria for the growth list “Gasellerna” in “Dagens Industri”(DI). This list is open for any company fulfilling the criteria.

- A minimum of four public made annual reports
- A minimum of 10 employees
- Turnover exceeding SKr10 millions
- Continuous increased turnover the latest three years
- A minimum of a duplicated turnover during the same period
- Have a positive total result during the four years
- Only organic growth, e.g. not through acquisitions and merging

Besides this, the authors added a criteria regarding geographical location to Västra Götaland. After a first selection 30 companies were contacted in two different business, constructing and services as they were frequently represented on the list. Out of the 30 contacted companies only four were positive to participate in the empirical study and their answers are presented in chapter 4. As the selection of respondents is limited the stability is negatively affected which is treated more in detail in section 3.5. Through personal interviews with open questions the primary data was collected. The respondents were respectively company’s managing director who ought to have a good knowledge about the company’s difficulties during the specific period. Finally an order of precedence is made of the five largest difficulties experienced and this also represents a small quantitative element in the study. The processing of the material is done by structuring and categorising the information from previous research, which is treated in chapter 5. The complete method is treated in chapter 3.

1.5 Delimitations

The study is limited to include a number of SME’s with 10-96 employees selected from the growth list in the paper “Dagens Industri” 2003. The figures are based on 1998-2001 financial reports. During the interviews some facts emerged that did not pertain to this period and is therefore excluded in this paper. The reason why only small and middle-sized firms are taken into account is that the main part of organic growth is within this group. As statistical methodology is not taken into consideration in the selection of respondents, the result will merely be an indication and cannot provide general conclusions. In addition it is not possible to cover all aspects in this subject, consequently the paper is limited to the three chosen area, organization, management accounting and financing. Further, there is a fourth area named other difficulties apart from the three areas mentioned above. In this section the respondents were given the possibility to bring up any affecting subject of their choice.

1.6 Disposition of the thesis

After the opening part, chapter 1, the further disposition of the thesis is as follows:

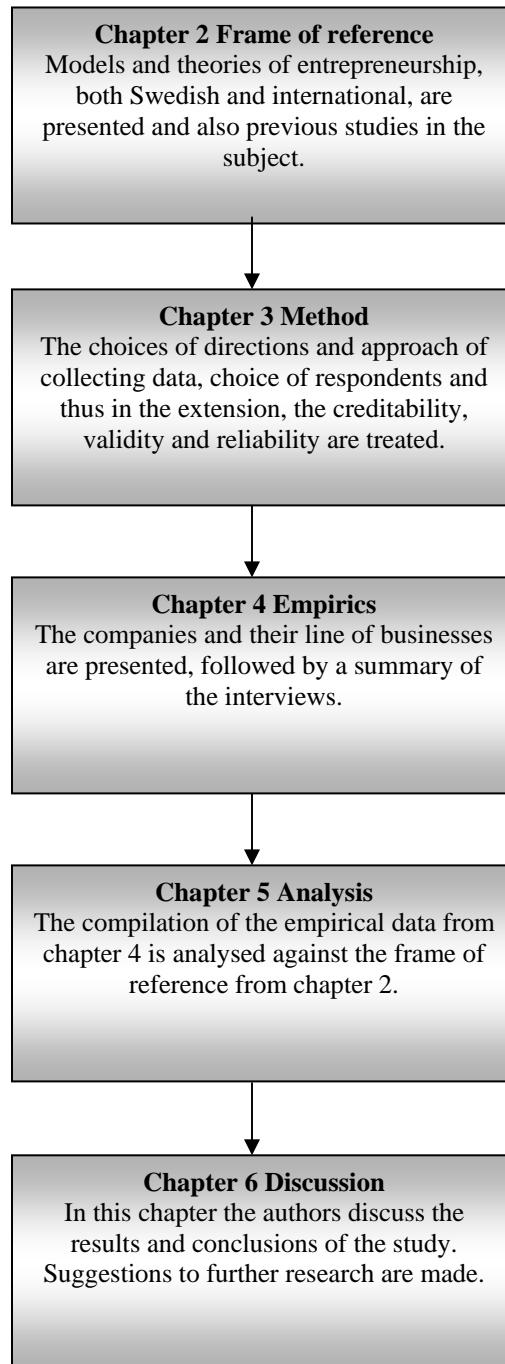


Figure 1: Own developed version of the research process.

2 Frame of reference

This chapter consists of Swedish and international theory concerning growth companies, science and models that can be connected to growth companies and obstacles for growth. The theory is treated under each subordinated problem; organization, management accounting and financing

2.1 Entrepreneurship -Swedish and international theory

During the last two decades the field of research concerning entrepreneurship has had an immensely upswing both in Sweden and internationally. One of the pioneers in this field was Erik Dahmén who in 1950 did a work on the “Entrepreneurial Activity and the Development of Swedish Industry 1919-1939”. This work has had a great impact on the following research and is frequently quoted both in Sweden and internationally. Davidsson and Delmar have made a compilation of seven propositions regarding companies’ possibilities of growth. This is based on Swedish conditions but can also partly be applied to international circumstances.

- Growth in small and new businesses constitutes the single most important source of employment.
- Young companies have growth to a larger extent than older companies and also a more rapid growth.
- The growth is stronger in businesses where many new companies enter.
- The growth in young and small companies is organically, compared to the growth in older companies that is achieved by acquisitions.
- Growing companies have a greater probability of surviving than similar non-growing companies.
- Only a very small portion of all companies does grow.
- The willingness to growth on the behalf of the business leader is essential for the growth.

The last mentioned fact about the leader’s motivation for growth is a constantly recurring statement in many surveys as a fundamental prerequisite for expansion. For many business leaders growth and expansion means disadvantages due to a feeling of loss of control and independence by allowing external parties to participate. Also expectations like an increased bureaucratisation and a negative affect on the work environment causes many business leaders to desist from expansion or else finance the growth by internally generated funds (Davidsson & Delmar, 2002).

To be able to manoeuvre a company toward certain objectives, there is a need for instruments of control. These can be of different character such as hard or soft instruments and are classified into formal system, organization and less formal system

- Formal system of control. This could be different type of control accounts, budgets and profit measurements.
- Organizational structure. Which can be referred to the form of organization, allocation of responsibility and system of reward.
- Less formalized elements like the company's culture, education and building up for competence (Ax et al, 2001:68).

2.2 Organization

The structure of the organisation includes many aspects. Some of the most central parts are; forms of organization, division of responsibility and the reward system. During a period of growth there may appear new conditions for the company to adjust to. These new conditions may demand more formalized govern, altered ways of spreading information or new job positions or different qualifications.

There are two different ways to organize a company, the vertical and the horizontal perspective. In the vertical perspective there are several different forms of organizations; the functions-, divisions-, matrix- and the line-organization. Jointly for these is that they have divisions superior or subordinated. The financial control system is a tool for the management to control and direct the subordinated divisions through for example allocation of responsibility. In the horizontal perspective the divisions are divided into a chain of value, where the direction of the financial control is toward the customer. In this perspective the management is focused on processes through the company's organizational functions (Ax et al, 2001:74ff). When recruiting employees the main issue is to find a suitable individual for the position who shares the values of the company. In fast growing companies it does not necessarily mean the best-qualified person as this changeable environment benefits more from flexibility and the capability to adjust to new circumstances (Ahrens, 1992:190). As mentioned in section 1.2 internal factors like these could constitute an obstacle for growth.

A further tool is the system of reward, which is an instrument for the management to affect the employees to turn their efforts and attention towards the main issues. Another instrument of control, according to organization, is allocation of responsibility, which can be through profit-, result-, revenue- or cost-centres. These centres are saddled with different financial demands, which the management have the authority and ability to impinge on. (Ax et al, 2001:81). Concerning less formalized instruments like culture and education it may be of importance due to the turbulent conditions in fast growing companies. That and the rapid pace creates a constant learning and a sense of success. Other important affecting factors are the self-confidence this creates and the automatic rationalization that comes from the lack of time. All together this leads to a highly motivated company culture that is essential for the growth (Ahrens, 1992:17).

The management in a smaller business with about half-dozen employees can be fairly informal but when the number of employees reaches from 6 to 25 there is a need for both a delegation of tasks and also a certain amount of and subdivision. Beyond this point there is a growth barrier due to the delegation of authority that has to take place to make the organization work. Delegating management functions is not only closely linked to the owner's willingness to let go of some control but also to realize her or his own limits. This could be a contributory factor to why so few firms pass beyond 20-25 employees (Chittenden et al, 1993:152).

2.3 Management accounting

A study of users of accounting information in SME's shows that the main users are owners, managers, tax authorities, lenders and venture capitalists who are becoming an important group of users (Olson et al, 2001:10).

Management accounting implies processing data and results in information that concerns the external as well as the internal environment. The information system of the company is formulated to support and be used for steering.

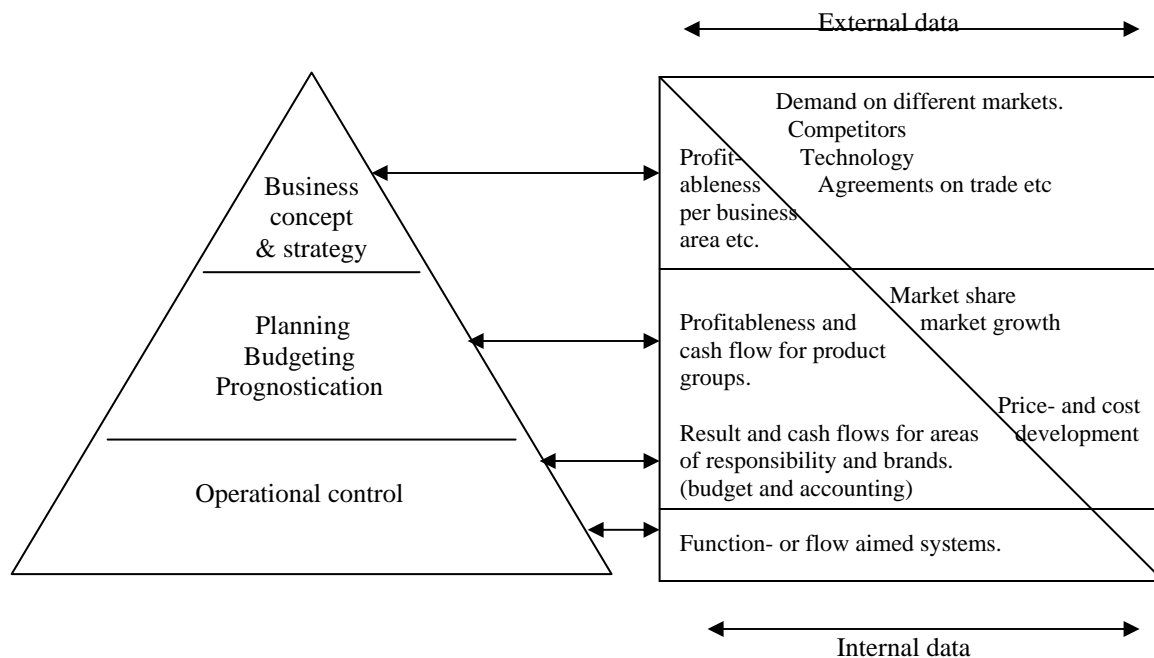


Figure 2: The formal system of control. Adapted from Samuelsson.

Management accounting consists of several parts that controls different issues. At the peak of the figure there are the overall questions considering what dimension and direction the business concept and strategies shall have. Though this area usually is determined for a long-term period it is discussed whether it should be considered as a formal control system or not. However, in a strongly variable environment it can be of great importance to currently reconsider the strategies, which makes these questions

belong to the formal system. On the intermediate level the strategies are formed into business plans considering for example market, product, capacity or financing. Measuring instruments like profitability, liquidity and solvency is formulated in the process of budgeting and forecasting which is continuously followed up. For these instruments both external and internal information is needed. In the task of estimating possible sales on different markets the external information is vital. On the contrary the internal information is crucial in evaluating the costs and revenues the sales will yield. The budget process requires internal data, which is followed-up with the outcome and thereafter adjusted. As growth companies are acting in a strongly variable environment and the needs are changeable the use of budget as a tool can be questioned. If a growth company uses this tool, the follow-up is important. The essential in this phase is to evaluate the budget against the outcome as a basis for discussions and modification. Finally at the bottom there is the handling of more recurrent and detailed issues that is to be treated in each division of the company on a daily basis. Each division has their own management- and control system suitable their need (Samuelsson, 2001: 31-49).

As accounting information is retrospective information and the entrepreneurs are dealing with uncertainty, the accounting information has a minor part in decision-making. Furthermore there is a distinction between hard and soft information, where hard information consists of quantified and analytical methods like business ratios and soft information of visions, ideas and values. Principally hard information is used in defensive strategic processes and soft information in offensive strategic processes. This leads to that management accounting can only be used to a limited extent in offensive strategic processes (Olson et al, 2001: 10). This can be challenged in an article. The author Hans Englund emphasizes the importance of using business ratios as a tool for predicting future insolvency and possible bankruptcy. In the study Swedish companies listed on the stock exchange were tested (Englund, 2003). The use of financial planning routines is according to previous research depending on the manager's level of formal education and prior experience (Winborg, 2000:63).

2.4 Finance

In chapter 1 the subject of financing growth versus retaining control and independence was treated. Smallness, youth and independence are often associated with limited means, which can form an obstacle for growth. Several components have an influence on the growth such as the willingness to grow, the companies own prerequisite and finally the external environment. Recent studies points out that this willingness to grow is not usually the normal case in most companies. On the contrary, both starting as a small business as well as remaining so, characterizes a majority of small and young companies (Davidsson & Delmar, 2002:8ff). If the business leader is growth-oriented there are some important aspects to consider e.g. the use of financial planning and to have a future-orientation in identifying potential opportunities and through that secures future cash flows. Paradoxically the rapid growth will cause the company to spend less time on these essential matters, as more urgent issues constantly are priority (Winborg, 2000:61f; Drury, 2003:7). Many business leaders are driven by a limited maximum acceptable loss rather than expected profit. As a result of this the management might desist from

expansion. Other possible obstacles for growth are those linked to control and independence. If the organization becomes too extensive it may cause difficulties for the leader to single handed keep the control (Davidsson & Delmar, 2002:8ff). The pecking-order-theory involves an unwillingness of admitting an external financier into the business (Berggren et al, 2001:252). This could lead to less independency but also decreased control when external parties have influence on decision making and saying. Looking from the financier's perspective there is an information asymmetry. From this angle a financial gap appears due to the manager's wider knowledge about the real value of the business caused by the fact that the manager posses all the information and the financier only has access to what is reported on the market (Winborg, 2000:84f). A complicating fact in this context is that small firms compared to large companies, have lesser resources to use on financial reporting which increase the information asymmetry (Olsson et al, 2001:8) Conclusively do a greater part of smaller companies stay small in spite of good business concepts and growing potentials (Davidsson & Delmar, 2002:8ff).

The researcher Henrik Barth has summarized external and internal obstacles in a model containing four squares based on character and origin. The four classifications are internal-, external-, material- and immaterial obstacles thus without any specific connection or correlation between them (Barth, 2001:236ff).

The character of the obstacles

	Material	Immaterial
Origin		
Internal	Lack of routines and methods, for instance; control systems for inventory.	Unwillingness of expansion, lack of competence or management.
External	Lack of external capital, insufficient infrastructure, unfavourable rule system.	Negative opinion of entrepreneurship, a tendency of wanting more secure employment.

Figure 3: Obstacles of growth in relation to the its origin and character. Adapted from Barth.

The authors sense a restriction by dividing the obstacles in four isolated components and will therefore liberate the boundaries and by that acknowledge possible interactions between them. An example of this could be that in order to use and understand management accounting as well as analyse the results, the person in question must posses a certain amount of knowledge. Consequently the material financial tools are connected to the immaterial knowledge see no1 in figure 4. Another example is concerning financing which can be either internal or external or as shown in the figure as no 2 a combination of both. The third illustration shows a situation where the state of the market is declining and the customer company is forced to cut down on their expenses. This means diminishing revenues for the selling company, see no 3 in figure 4.

This model (figure 4) is used in section 4.6 to illustrate the difficulties in order of precedence, according to the respondent's answers.

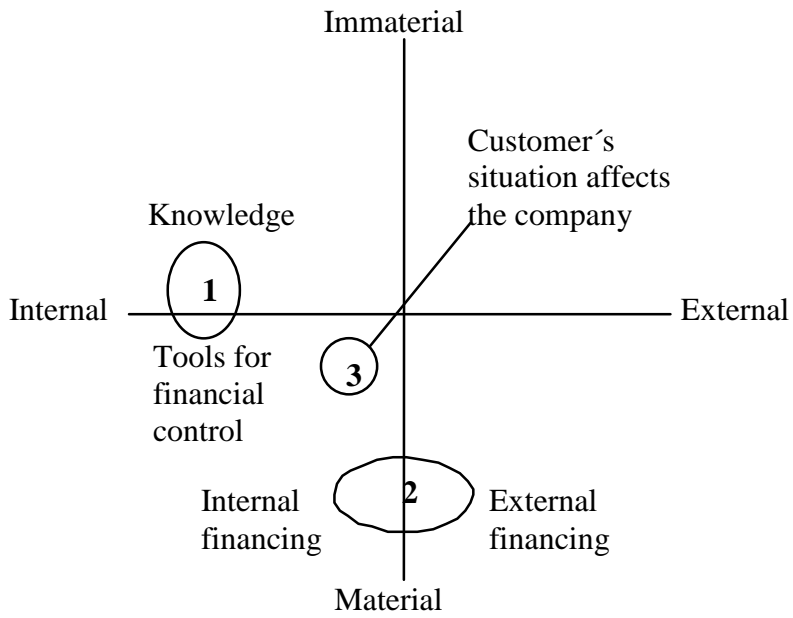


Figure 4: Obstacles of growth. An adapted version of Barth's model.

3 Method

In the process the method is a tool for achieving the objective to answer the stated problem and through that provide an increased understanding and awareness of barriers to growth. This chapter explains what type of study the work constitutes and what method is used. Furthermore the validity and reliability of the results are accounted for.

3.1 Introduction

Initially the purpose of this thesis was to make a closer study of growth companies. This consisted in the task to choose a number of growth companies from Svenska Dagbladets (SVD) growth list in 1997 and making a follow-up of these companies concerning respectively development, their present state and the decisions and choices made to get there. In addition also make an attempt to identify possible similarities or differences between them. Though a difficulty occurred as a majority of the companies on this list 1997 were active in the computer business and in the end of the 1990's. went bankrupt as a result of the high technology crash. As the main reasons causing the insolvency was due only to external circumstances it could possibly affect the outcome of the study whereupon this idea was abandon.

Though the topic of growth companies and bankruptcy still was interesting it led to the next initiative. This was to study companies located in the region, that for some reason in spite of initial growth gone bankrupt. After extensive search in databases and after contacting several authorities like the Enforcement Service, the Patent and Registration Office, the County Administrative Board and finally SVD it appeared to be an unfeasible task. A contact with the Western Sweden Chamber of Commerce resulted in an opening as another list with regional companies could be used. The list is called the Gasell list and is published in DI. The final alternative course of action then became to focus on the possible obstacles or difficulties growth companies have met during their development and how these were solved. To facilitate the understanding of the topic growth companies and it's driving forces, a survey of the problem-area is introduced in chapter 1. In order to collect the needed data, qualitative interviews were done with the managing director in each company. The line of action is presented in section 3.3.

3.2 Chosen method

A small study is an often-used method in analysing business decision-making processes. This means examining only a few objects considering various aspects and by that attaining a deeper understanding. This is a small study withholding only the answers of the four chosen respondents. Owing to this the conclusions will merely indicate if there are any possible close points of similarities or differences between them and not providing general conclusions. A difficulty in case studies is avoiding deceptive and cursory glance on the subject. This is the result due to the access-problems (Eriksson & Wiedersheim-Paul, 1999: 103ff).

When making a study the capability to organize, systematize and interpret the collected data is of great importance. In doing this, the method is to be considered as a helpful tool. By using a method it also facilitates achieving the given goals and through that also creates a greater understanding. The guiding principle when choosing method is the purpose of the study. Secondly the decision has to be made whether to have a quantitative or a qualitative approach (Holme & Solvang, 1991:11ff; Trost, 1997:7).

With a quantitative method the information is presented in figures and therefore makes it possible to examine a larger amount of objects. This provides wide-ranging description and a generalization can be made. However, there are some disadvantages with this approach. First, the lack of depth in the study as only a few aspects can be considered. Second, the method is standardised and therewith directed by the researcher, which gives less space for the respondent's own reflections, which can reduce the validity of the answers. This method answers problems likes how often, how many or how common, which was not of importance for this study (Merriam, 1994:83; Holme & Solvang, 1991: 89ff; Trost, 1997:15f).

The only quantitative element in this paper is the part where the cards provide the experienced difficulties in an order of precedence. To sum up what had been said and to find out what difficulties the respondent considered as the most important ones, the interviewer made a note on a card for every difficulty the respondent mentioned during the meeting. When all three areas were discussed the respondent was asked to place the five main difficulties in order of precedence and to motivate the choices. Through this procedure a story will arise about how these difficulties had an impact on the company through the years of growth.

If the issue is to identify a pattern, course of action or to bring about an increased comprehension the qualitative method is preferable. The advantage of this method is that it focus on the totality perspective, were the social process and coherences is scrutinized and described. A further advantage is that this method provides an increased flexibility in the interaction between the researcher and the respondent. Using qualitative methods it is desirable with flexibility when the investigated connections are complex. A further advantage with a qualitative method is the ability to conduct a dialogue during the interview and to make corrections and further improvements during the phase of investigation. This as the questions can give liberty for individual interpretations were possible elucidations might be necessary and through that create a confidence between the respondent and the interviewer. The interview occasion also gives a possibility to further nuances through interpretation of the respondent's body language. Some of the disadvantages in using this method are the problem in getting time for the interviews, high costs related to travels and certain difficulty in asking delicacy questions, as the anonymity is limited. Another disadvantage is the so-called "effect of the interview" which can affect the outcome. This effect is the parties' conscious or unconscious mutual affect during the interview (Holme & Solvang, 1991:84-95; Trost, 1997:15f; Eriksson & Wiedersheim-Paul, 1999:86).The determining factor for which method to use is the purpose. The purpose of this paper is to render and describe the possible obstacles and

difficulties growth companies might have to confront. Therefore the qualitative method is suitable as it corresponds to the authors which to elucidate the respondents opinions and values and not aiming at generally conclusions.

3.3 Collecting data

There are two types of information to collect. The first type is secondary data, which is characterised by the fact that someone else has collected it and published it for a different purpose. The second type of information is collected by the user for a specific purpose and is called primary data.

The secondary data the authors have used was collected from the Internet and from a database called Gunda at Göteborg University. This database offers among other things; earlier made studies such as essays and working papers, company facts and newspaper articles and possibility to search for relevant literature to the subject area.

The primary data was collected by a qualitative interview with each company's respectively managing director. This data is summarized in the empirical part with a presentation of each company. Consequently this part is based on a survey of primary data (Dahmström, 2000:59). Due to a low number of participating companies, the result is not general applicable and the comparison can only be made between the four companies. Therefore, no general conclusions will be derived to the specific businesses. In the analysis the primary data will be weighted against the theories and previous studies treated in chapter 2.

The interviews were carried out by an unstructured method with open questions. The informal nature of this type of interview provides a dialog with the respondent and a greater wideness than a structured interview, where the answers are predetermined and therefore also limited (Fontana & Frey, 1994: 365). The purpose with this was to give the respondent opportunity to express his or hers opinion on the matter and furthermore to give an opportunity for possible attendant questions. In order to achieve reliability the respondents received exactly the same information about the subject's angle of incidence before the interview (appendix no 1) and the questions were not available to the respondents until the interview occasion. Furthermore a tape-recorder was used to facilitate a character of discussion and to achieve a high verification in the empiric part. The interview was instituted by asking the respondent to give an oral history of the growth-period 1998-2001. Then proceeded with the three sub areas and the difficulties arising from each one of those. Finally the respondent placed the five main difficulties in order of precedence and answered some background facts (appendix no 2).

3.4 Experiences from interview

At the first interview the guide started of with the background questions, which only required very short answers. The following part was one wide question, concerning all three areas; organization, financial tools and financing (appendix no 3). The objective was to give the respondent an opportunity to both complex and substantial answers. Nevertheless this questioning-order led to that a start with short answers affected the

respondent's continuous answers to be of limited extent. Furthermore the second question was too extensive which made it difficult to keep focus and therefore essential information might easily be neglected.

For this reason the guide was modified with the background questions at the end of the interview, and initiated by an open account of the company's development during the period and the second part was divided into the three areas. This was made in order to stimulate the amplitude of the discussion. Furthermore the authors apprehended the situation as if the first respondent interpreted the term obstacle as an insurmountable difficulty. This might be due to when being successful it often includes an ability to overcome possible problems occurring on the way. For this reason the term obstacles was exchanged into the term difficulties. These mentioned factors could also affect the validity and reliability of the paper. According to this, when performing a survey in the future it is recommended to make a pilot study in order to make necessary improvements and re-constructions. Finally the use of cards in order of precedence turned out to be a well-functioning element to summarise the difficulties that emerged.

3.5 Reliability and validity

There are several important factors to consider when choosing what sources to use. Firstly the main issue is to choose which sources are suitable for the subject of the essay. Next step is to verify the information's authenticity and who the originator is. When using secondary data this becomes even more pressing due to the distance between the source and the recipient (Holme & Solvang, 1991:141ff) In this paper a major part is based on secondary data and these factors mentioned above has been taken into consideration in order to obtain accurate information.

To achieve an indication of the uncertainty of the conclusions, the authors should make themselves a subjective apprehension about the reliability and validity of the sources. The reliability indicates the essentialness of the source and the validity if it is free from systematic errors of measurement. A source is valid when it measures what it is intended to measure (Eriksson & Wiedersheim-Paul, 1999:151).

With reliability referees to how authentic and solid the result in the paper is independently of the author i.e. that the survey can be conducted again, by anyone else and by the same approach, and still show similar results. Though there is some scope for different outcome, as the paper is based on a qualitative method where the interpretation might alter depending on who the investigator is.

The validity is the most important demand on a measuring instrument as it shows the instruments ability to measure what it is intended to measure. In this case the instrument is the interview guide. Concerning qualitative interviews the objective is to get at what the respondent mean or how he or her apprehend the situation. In order to increase the validity, the interviews had an open character with a scope for discussion (Eriksson & Wiedersheim-Paul, 1999: 38ff. Trost: 101). Four interviews were performed with respectively company's managing director. All four respondents were very familiar with

their company's development. Each interview's duration was between sixty and ninety minutes. To minimise errors of measurement they were performed with a recording machine to increase the validity by listening to the dialog several times. In addition the interview guide was read by, and discussed with, the tutor of this paper. The modification of the interview guide after the first interview, mentioned in section 3.4 was made to accomplish a satisfying reliability and validity. A negative side effect of this could be a decreased comparability among the chosen companies, as the answers in the first interview possibly did not achieve the same depth as the following three.

4 Empirics

In the following chapter a brief presentation of the participating companies is made. This is followed by the results from the qualitative interviews, where the respondent's experiences of the company's growth and development during the period 1998-2001 and the difficulties connected to this. The respondent's answers are divided into the three sub-questions organization, management accounting and financing. The résumé of the replies is entirely based on the precise answers given by the respondents and do not contain any contributions from the authors. In this chapter the authors consider it necessary to elucidate all the different subjects in connection with each area. Therefore a brief illustrative introduction is made linked to each subject. The respondents did not disapprove to appear by full name, but the companies are presented anonymous as this was stated in the initial contact.

4.1 Presentation of the companies

Company A

The company was founded in 1988 and constitutes today a group of companies. The founder is the managing director and still the main owner of the group that is active within the education and consulting business. In 1995, after working single-handed for 7 years, a deliberate growth decision was made. Five-year plans including circumstantial direction and aims like the number of employees a certain year were made, and to pursue these decisions had high priority. For instance the recruitment of staff were not adjusted to the amount of assignments but followed the directions and aims according to the plan. The development has gone from a turn over in 1997 of SKr2.7 millions and 3 employees to SKr10.4 millions and 11 employees in 2001. The growth rate for the entire period, 1998-2001, according to the Gasell list was 289 %. The solidity of the company has changed from 43.1 % in 1998 to 69.4 % in 2001.

Company B

The company is a division within a group of companies owned by 6 partners, and it was founded in 1995. The managing director worked in the Mother Company before he got the assignment to start up and supervise this division. In 1999 an opportunity to purchase staff from another company emerged and after this purchase the company grew rapidly. The demand for the services they offered was large and combined with the circle of customers the mother company already had in their possession the initial position was excellent. The decision to grow was not deliberately made but the earlier mentioned advantages along with an opportunity where a long-term contract from a large customer turned up started the extensive growth. The growth rate is 468 % for the entire period according to the Gasell list. The turn over in 1997 was SKr3 million and in 2001 SKr17.3 and the number of employees augmented from 4 persons in 1997 to 27 in 2001. The solidity of the company has change from 22.7 % in 1998 to 2.4 % in 2001.

Company C

The owner started a computer consultant business in 1997 and a year later when two more people increased the staff, the company was founded. The structure of the ownership today is that 3 persons own 2/3 and the staffs own the rest. The original idea was to continue to be a small firm with fellowship and close communication and thereby facilitate the decision-making. In the end of 1998 the staff in total was four people and at this point a deliberate decision to grow was made. As the company continued to grow an external member of the board, who later became the managing director was recruited in 1999. At this point a formalization of the organization was done with delegation of responsibility. Three-year-plans were made in detail concerning strategies, directions, aims, number of employees etc. The turn over went from SKr5 millions and 5 employees in 1998 to almost SKr13 millions and 14 employees in 2001. According to the Gasell list the growth rate for the whole period 1998-2001 was 346 %. The solidity of the company has changed from 50.9 % in 1998 to 57.9 % in 2001.

Company D

The company was founded in 1981 and represents today a group of companies and is active in the construction business. From the origin there were 2 owners but at present time only one remains left. Today it is a family company where the sons are working as directors. At the 90's when the market was down, the company started a program for education in order to avoid noticing staff and keep them busy until the market turned. In 1996 the "Vision" of the company was declared and it stated how the company should function in the future. The key words in the vision are thrust and openness and they are communicated to everyone in the organization. In addition a model of business was made in 1996/1997 that contains; early entrance, openness, trust and partnership. The growth has been a deliberately made choice, which was stated in a strategy meeting. In 2001 the company opened an office in Gothenburg, thus their hometown contains an insufficient market. The company has deliberately chose not to have a few large customers in order to avoid being dependent to one single customer. Furthermore collaboration exists with other companies e.g. a Danish and American company.

The growth rate during the years 1997-2001, according to the Gasell list, was 130 % and the turn over increased from SKr182.7 millions to SKr419.7 millions. 1997 the number of employees was 80 and in 2001 they were 96. The solidity of the company has changed from 26.3 % 1998 to 31 % 2001.

4.2 Organization

In this part the structure of the organization is presented in a wide sense. This might concern how the business has been organized, developed and adjusted during the growth period.

Company A

The educational background of the executive is studies in chemical engineering at Chalmers University of Technology. The main function of the post as a managing director in the company is coaching the staff in the right direction and besides that, part time in operational activities. Consequently a major part of the responsibility was delegated to each employee. This is due to the variable environment that calls for extensive authorities that gives liberty for decision-making and by that also wide responsibility for every decision, as there are no fixed rules and manuals to follow or blame. If a situation occurs where a person's knowledge and experience is inadequate, it is customary to consult the colleagues. As individual members of the staff possess special knowledge in different areas, this situation could arise. The executive believes that if the number of employees exceeds 20 persons a restructure might be needed in order to maintain a well functioning organization.

In the executive's opinion the largest difficulty was to constantly recruit enough new assignments. One strategy to overcome this problem was to engage more employees than existing tasks, in order to stimulate the staff to work more energetically and by that attract new engagements. The employees are technicians and not salesmen or businessmen, which was a difficulty needed to overcome. This was closely connected to the issue above as it affected the possibilities to attract new assignments. Thus has a strategic choice been made by always putting an effort into performing a good quality that the customer can be satisfied with. In addition a kind of price guaranty was offered in order to obtain an element of security on the customer's behalf. "Satisfied customers become good ambassadors"

Internal information and communication was functioning with a staff up to four persons. When the number of employees exceeded four people difficulties did arise and at this point a restructure of the organization was necessary. The issue of communicating the knowledge within the organization has not been entirely successful and could therefore be considered as a kind of difficulty.

According to the executive of company A, there has been no difficulties concerning recruiting qualified personnel as the most important factor is the employees attitude and everything else can be taught afterwards. Also to have an understanding for people in various situations is vital. Further more they are not over-dependent of a few individual customers which otherwise could constitute a difficulty in times of recession. The company used a reward system, based on profit equally divided among the employees.

Company B

The executive has a degree in marketing combined with a diploma from IHM- Business School. He has worked within the mother company for 12 years and at the present position since 1998. The role as the managing director is to act as an administrator and works manager as well as in the running business. As the company grew the pressure on the executive increased and it became more and more difficult to manage. When the number of staff increases it comes to a point where the need for delegation and someone concerning for the administration arises. Thereby the executive could focus on “in-house” matters and the most important contacts with the customers. One problem with this was that the executive lost control over the organization. Though every new employee was expensive and the profit diminished, which made it difficult to employ more staff. At the number of 15- 16 employees everything was easier, even more profitable and a stronger sense of community was obtained. At this moment and when a peak aroused this was managed by hiring external staff, which was a more winning concept thus the problems with the unions could be escaped.

As mentioned above, the unions were a large problem. According to the executive it was one of the main obstacles though the union demanded piece wages and not per hour wages and when calculating prices this led to difficulties. The union created problems even concerning the reward system. The company had a reward system with the objective to increase the awareness of costs, collaboration and motivation through sharing profit. The unions worked against this and it was a problem to unit all the unions in a general system for all the staff without consideration of the level of wage etc. The purpose was to affect the employees to be more aware of costs, which were an extensive problem, but also to be more participating. This however turned out to be a problem as it created greediness.

Company C

The executive's background is a degree in Business Administration at School of Economics and Commercial Law in Gothenburg. The managing director's main function is to develop the company, find customers and achieve a balanced amount of assignments. The executive is also responsible of the building of the company's culture. From the start in 1997 to 2000 the work was mainly traditional consulting activities with a decentralized organization where the responsibility was divided between all the personnel. As the decision to grow was made in 1999 and the external member of the board was recruited the elaboration of the three-year-plan took place.

In the draw up of the strategies and aims, all the personnel were involved. Due to the realization of this plan and as the business grew; the need of central management was increased. This difficulty was solved as the new external member of the board received the post as managing director in May 2001 and through this a centralization of the organization took place. This led to a decreased responsibility and thereby also less participation in decision-making on the employee's behalf. The executive believes that if the number of employees exceeds 20-25 the business will have to be divided in order to be well functioning.

A focus on the customer is important, as this is a prerequisite in order to stay in business and receive a salary. Therefore the work of both the consultant and the manager is indirectly also as a salesman for the business. By performing a good quality in their assignments long-term relations with the customer can be obtained and this is what the company strives towards. This has worked well but could otherwise constitute a problem.

In 1999 there was a problem to recruit new staff that was solved partly by contacts but also by lowering the claims concerning competence.

Another difficulty is the communication within the organization, which is increasingly complicated as the number of personnel grows. Both to give information that reaches all the staff and also provide a sense of involvement and enthusiasm is a problem when a major part of the employees are working outside the office. In order to improve this they organized meeting every second week in the office and sometimes conferences.

Something that could pose a risk in consultants business is if the employees leaves the company in order to become the customers own employee. To avoid this a clause was written into the contract and as a consequence, this has not constituted any problem.

Concerning new positions in the organization due to the actual growth was as mentioned the executive and also a part time administrator. The structure of the hierarchy is simple with only two levels, the executive on the top level and all the others on the level beneath. There is also a managerial body with the executive and two other people where all major decisions are discussed and made. The remaining staffs has freedom with responsibility where each consultant makes his own decisions concerning working hours, purchases etc. and then takes the full responsibility for them.

Since the start of the company there have been two kinds of reward systems in order to encourage the employees, which has worked well. One is based personally on the revenue a person have contributed with through his or hers assignments. The other is a joint system where if the profit exceeds the aim; a part of it becomes a bonus. Finally all employees are offered partnership in the company. This is considered as a strategy to create commitment and participation, which is essential for a successful growth.

Company D

The educational background of the executive is construction engineer combined with courses in law and economics. The main function as managing director is ordinary undertaking for the executive combined with personnel questions. The executive's opinion is that "the organization becomes what the people within it create it to be". Many decisions are delegated and the executive never interfere in others people's decisions, as long as it is not severe mistakes.

Furthermore the executive considers the structure of the organization to be fairly flat, where the administration is minimal and everyone controls for example the purchasing process for his or her own procurements. In order to create social and personal

relationship that ties the organization together they have joint activities for the staff. One example of activity is an annual trip to Denmark where even the partners are invited.

Each recruitment includes a training process where both practical and theoretical education is included. Though education is made currently as the growing process requires altered qualifications. The company used an award system for the group of salaried employees. Thus the persons employed under a collective agreement use a system with piece salaries. Furthermore the unions demands negotiations every second week which was very ineffective and has been a large obstacle for the development of the company.

The vision was long-termed and some parts were currently altered. Combined with this there were strategy meetings where the aims concerning profits were made. The plans were made every 3 years and by judging the market they could be realistically made. The plans contained among other things what resources and how many employees were needed for the future volume. Above all the works managers and technicians were short supply on the market, which was an obstacle for growth as this caused difficulties in employing qualified personnel. Occasions have occurred when the company had to turn down an offer due to the lack of personnel. Except from customary recruiting procedures as advertising and through contacts, which was not enough, the company started to buy services from other companies and entering partnerships. This strategy had a further objective, i.e. to avoid being affected by the economic fluctuation and not employing a large amount of staff. A strategy was to obtain a good reputation by doing things a little bit better and a guaranty of good quality.

4.3 Management accounting

The purpose of this part is to find out what tools for accounting the company has used and if there has been any difficulties concerning management accounting. If that is the case, what do the difficulties consist of? This includes concepts like budget, calculation and profit measurement.

Company A

Budgeting is only used in one division of the company where the break-even point is essential. Otherwise prognostication and follow-up was the most frequently used tool. Thus the system for this was not sufficient enough to make reliable prognostications. As a complement monthly closing and balancing were done. The company did not use any methods of calculation or cash management, but did have economical objectives concerning growth and profitability.

Another important issue, according to the executive, was to survey the situation in the environment concerning e.g. competition and development on the market like new trends and signals. From this general outlines for what strategy to aim at e.g. segmentation and the supply of products.

Company B

The budget used in the company was, last years budget plus 5 %. Budgeting was difficult to use for the projects due to the fact that they have large costs with a large amount of money tied up in the early stage of a project. They made monthly economical reports to obtain control and larger investments were decided in the managerial body.

The project leader and the salesman made a calculation and a payment plan prior to each project. Due to the difficulty to make payment planes that fairly matches the costs for the projects, analysis of divergence was made each month in order to minimize the risk and reducing the tiring up of capital. In order to counteract this, a payment plan called 30-40-30 rule was used which means that 30 % is paid at the ordering point, 40 % at delivery and the remaining 30 % when the project is completed. An important issue was to make post calculations after each project in order to become more efficient and learn from committed mistakes. Problems concerning this occurred when a project was unsuccessful. In this situation it was difficult to evaluate, as the employees rather blamed the co-workers than admitted the mistakes and thereby learning from it. This led to certain difficulties in co-operation. Despite of these problem the executive stated that this had great relevance, and was one of the main parts in the company's success.

The system for ordering-routines was not satisfying due to the lack of match up to the article numbers they use. The problem consisted of the accounting program for the projects not being possible to match with the program for the storage. Even systems concerning costs for staff and chargeable time in order to obtain a fair account per employee was difficult to achieve. A further difficulty was that the lack of cost awareness led to that not all details in the performed assignments were accounted for which led to decreased revenues. This was, to a certain extent, attended to by follow- ups.

As the organization grew, the control system was insufficient, which led to leaks in the handling of invoicing and orders and as a consequence of this the company lost a lot of money. One problem was that the lead-time for invoicing increased substantially. Further accounting tools that were used was profit-measurements and liquidity budgets but no cash management was used.

Company C

The company made individual calculations per employee concerning salaries, pensions, social duties etc. and this indicated the minimum revenue needed to cover the expenditures. Overhead costs were divided by contributions, which was covered by the surplus. During the period 1998-2001 this was attended to by the executive. There are no big investments in this business that causes heavy costs. The only major costs are salary costs, which was covered by the liquidity. The consultant's computers are included in the calculations and investments for the continuous competence development was also accounted for.

In order to support the long-term aims a yearly business plan was made which also included a financial budget based on prognoses and historical data. It was essential to aim for an amount of assignments in relation to the capacity therefore this was one of the

company's used loading rate. Also the turnover, cash flows and profit margin was important ratios for the company as well as follow-up meetings with the customers in order to secure a good quality and a satisfied customer.

Company D

To accomplish anything, the importance of having objectives cannot be enough pointed out. Liquidity and profitability are important issues in these aims. In this business the management accounting is a bit special as every project is accounted for as a separate company with its own accounting, though within the company's accounting system. Balancing was made during every project due to the project costs including the local manager's costs. After that the overhead costs for administration etc was added.

Initially there was a problem in finding a computer system for piece wages, as the existing systems on the market were adjusted to larger companies. The company managed to function without this and during 1998 they got a well-functioning computer- and management system. Budgeting was a routine procedure where the budget for the year to come was stated in December according to the aims stated at strategy meetings. Thereafter balancing was made every third month in order to see if there is a need for any adjustments. Calculation was frequently used e.g. self-cost system, detailed calculations, rough calculations and balancing toward the calculation. A project starts with a tendering calculation and thereafter a production calculation is made which later on is used in the balancing during the project. Business ratios were not used as tools to direct the business, as the company not is listed on the stock exchange. Instead they made profit goals in percent and in money.

4.4 Finance

Concerning the financing of the business the issue is whether internal or external financing is used and if the choice was a strategic decision or a mere coincidence due to other circumstances.

Company A

As this company provides services and does not act in the line of production, it is not capital-intensive and only requires working capital. Due to this the financing has not caused any problems. By continuous plowback i.e. reinvestment, the money stayed within the company and increased the liquidity. Through this the expansion was facilitated and financed only by internal means. This internal financing was a deliberate choice made by the owner.

Company B

Like company A, this company acts on the service market. No external financing was used. This was due to the owner's previous experiences and can be considered as cautiousness on their behalf. The company was very solid and had high liquidity.

There was a certain internal collaboration among the companies within the group, where internal debiting with internal prices was used. This was negative for the company as the technicians are expensive. In addition this affected the wages for the employees due to the reward system, but it was solved by a calculation of what the company had contributed with in the group.

Company C

The company have not experienced any difficulties due to financing. It has been a deliberate choice to only use internal financing. In addition new issues of shares have been made for the new partners. Cash flows and means were built up in 1997-1998 and have since then constantly improved due to the following profits. In the beginning the salaries were kept fairly low and through this the money stayed in the company and the liquidity increased. One difficulty in the consultant business is the interval between when the employee receives his salary to when the customer pays the company but this was however set right by the high liquidity. They had a mixture of fixed prices and current accounts in order to spread the risks as fixed prices are connected to high profits but also to high risks.

Company D

This company use both internal and external financing, as this line of business is capital intensive and requires a large amount of means in each project. As the company operated in a small town, and the executive had an old established contact in the bank the external financing did not cause any problems. In addition the balance sheet was very strong which also increased their credibility at the bank. Furthermore the cash flow was good except from some seasoning variations i.e. after the vacation period. Every project had a pay-of plan in order to avoid the tying-up of money.

4.5 Other experienced difficulties

Other possible difficulties like competition, marketing, state of market or laws and systems of regulation.

Company A

The state of the market had an impact on the business. In a recession when companies need to minimize their expenses, consulting is often one of the first costs to be reduced and instead solved internally.

Concerning legislation and systems of rules the respondent considers this society to provide a good climate for entrepreneurship. A possible obstacle is if the leader fails to arouse enthusiasm for growth in the organization.

Company B

The mix of competence led to diverse problems, as the executive had to negotiate and meet agreements with all the unions. When the state of the market went down, there were many qualified people on the market, which led to that many of the companies buying

services employed their own staff. Consequently the company lost long-term contracts and were forced to cut down on the amount of employees.

Company C

The company had experienced some difficulties due to a declining state of the market and in relation to the price level. In order to neutralize the effect of this they kept a steady midlevel price and by that they did retain a major part of their customers.

A possible problem is the somewhat exposed position it gives by being too dependent on a few customers but the circle of customers is quite steady. By offering a high quality a good reputation is obtained and this provides word of mouth marketing, which was of great importance to attract new customers. The executive believes this relation-based marketing, good quality, the company's attitude, honesty and commitment towards the customers are the key issues for being successful. Finally it is conclusive to have a sense of community within the company.

The legislation and law systems are considered as obstacles as the high taxes and social fees prevent new recruitments. This obstacle contains the combination of these systems and the salary level of the staff, which made it difficult for the company to reduce the price in times of recession.

Company D

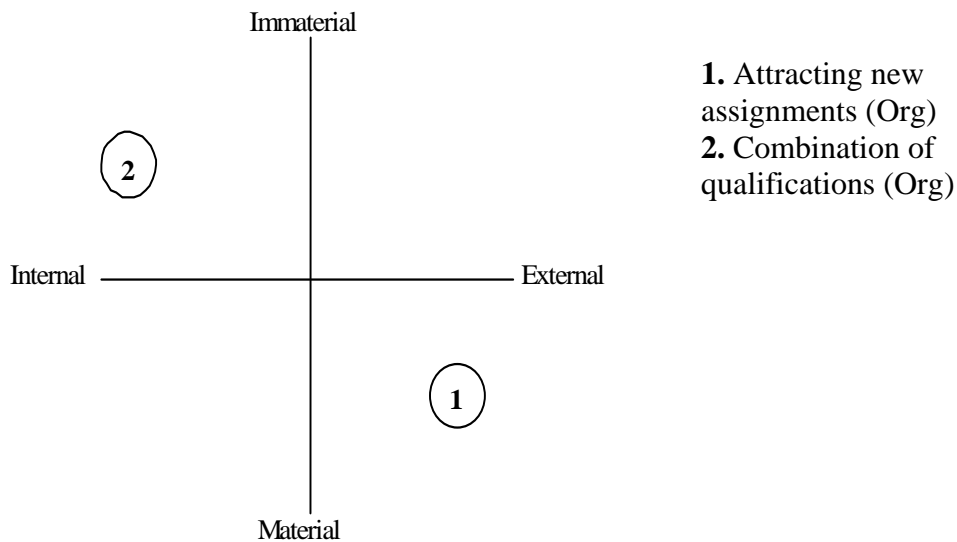
The political environment has a great impact on the business as it is very much controlled by rules and government grants. A large obstacle was the bureaucracy concerning plan issues as it takes very long time, sometimes up to 5 years, to get a plan controlled and determined.

The executive considers marketing in local activities as important, and the company have for a long time been a sponsor of several associations where the employees are members and also the local student's union in the town This was considered as a kind of staff welfare and creates a social environment.

4.6 The difficulties in order of precedence

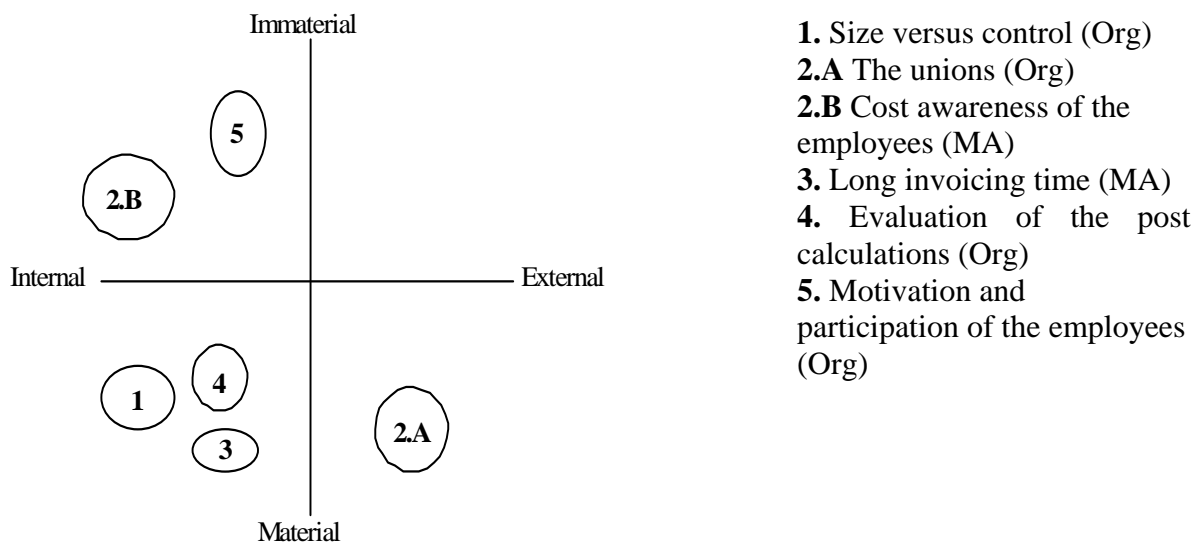
In this part the respondent was asked to put the 5 main difficulties in order of precedence. This means that not all the difficulties mentioned in the interviews are treated here. In the figures only the original problem is presented i.e. the resulting effects are not included here. Abbreviations used in this section is; Organization= Org, Management accounting= MA, Other obstacles= OO.

Company A



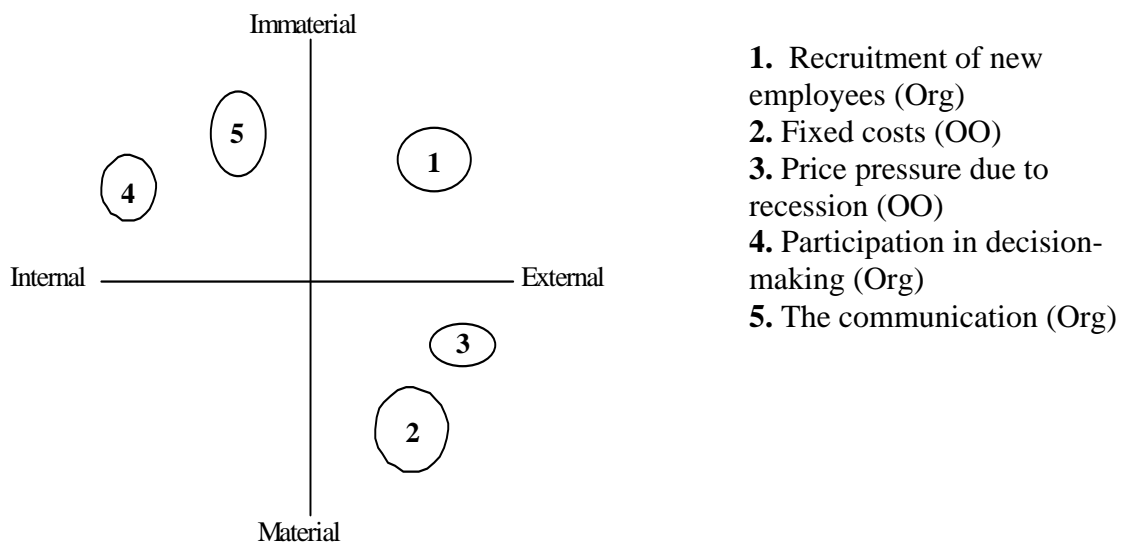
The respondent in company A could only identify two difficulties. The main problem is to attract new assignments, which also is connected to the employee's ability of marketing themselves and the company's services.

Company B



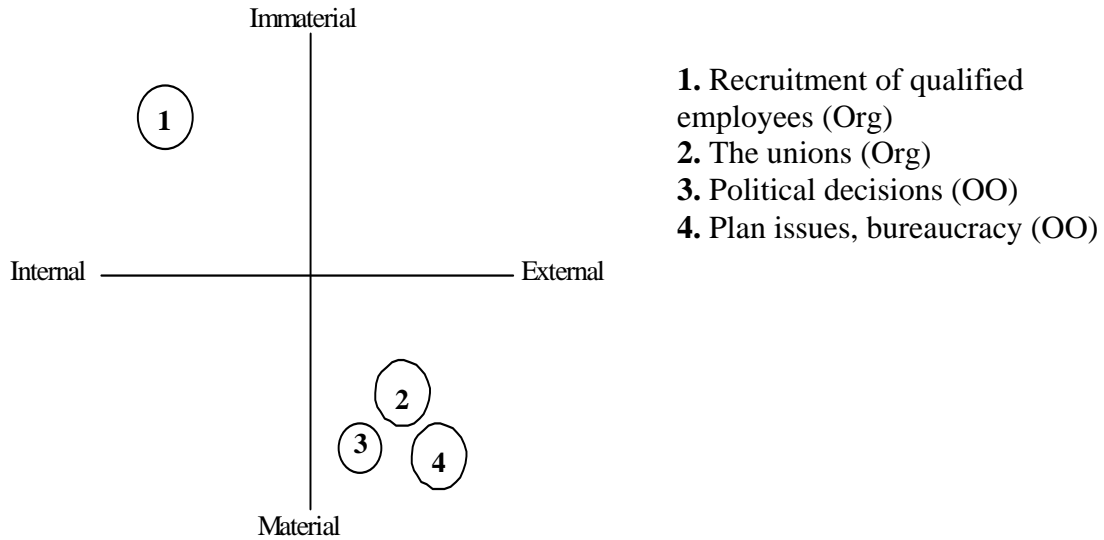
When the size of the company exceeds a certain level, control is obstructed. This is due to that the communication and the survey of the situation becomes more difficult as the number of employees increases. Jointly on second place came two obstacles. First, when several unions are involved, difficulties arise from different interests and perspectives, which cause co-ordination problems. Second, the lack of cost awareness led to that not all details in the performed assignments were accounted for. A further difficulty due to the increased size of the organization is that the lead-time for invoicing increased substantially. The evaluation is crucial but problems occurred when a project failed. In the evaluation situation the co-workers found it difficult to admit mistakes and learning from it. The purpose of initiating the reward the system was to achieve motivation and increased participation of the employees thus it caused unexpected problems.

Company C



In the time of prosper a recruiting problem of qualified personnel occurred. The legislation and law systems are considered as obstacles as the high taxes and social fees in combination with high salary level prevent new recruitments and price adjustments as the fixed costs are high. This problem combined with a recession leads to the next problem that constitutes a difficulty on the company's behalf to further reduce the prices. The responsibility and participation in decision-making was deteriorated by the centralization of the organization. Along with the company's growth, side effects like decreased communication possibilities arises.

Company D



The respondent in company D could only identify four main obstacles as shown above. The main difficulty was to find qualified work managers and technicians that limited the growth. Union's demands for negotiations every second week constitutes a major inefficiency problem. In this line of business the political environment as well as bureaucracy highly affects the company's conditions and thereby represents an obstacle.

In some aspects the positioning of the obstacles can be difficult to determine. This is partly due to the simplification of the model. On one hand the simplicity constitutes a limitation but on the other hand a model including all details would be too complicated and advanced to use in this context. Obviously the effects from the obstacles will arise in several following stages within the company. The authors deliberately leave this out, as it would decrease the model's lucidity. Therefore the figures contain only the origin problem, though more far-reaching conclusions can be made due to the side effects that occur. For instance the main obstacle for company A is to attract enough new assignments. As a consequence, this affects the revenues defined as internal/material obstacles, which accordingly in a long-term aspect could reduce the possibility of growth. If the origin obstacle is evaluation of the post calculations, as mentioned in company B, placed as internal/material this affects the company's capability of continuous improvement. As an extension of this, the company fails in control and thereby loses money. In the long run the growth, once more, is affected.

5 Analysis

The purpose of this chapter is to analyse the results from the interviews and compare to the theory accounted for in chapter 2.

5.1 Organization, the spirit of togetherness within the company

All four companies have started out as small firms and as the organization grew they noticed a need for restructure of the organization. Company A, C and D made a deliberate decision to grow and thereafter made long termed strategic plans for the growth. Company B did not make a deliberate choice to grow. Instead they came across an opportunity to by staff from another company, which initiated the growth. According to theories presented in chapter 2, the willingness to growth is essential and decisive of whether the company will grow or not. The other way to obtain growth is by a situation were a sudden opportunity appears (Ahrens, 1992:28f). This was the case in company B.

Concerning the structure of the organization similarities can be identified in company A and C. Both companies are acting in similar businesses and have more or less the same number of employees. The organization is fairly flat and to a large extent the responsibility is delegated. Company B and D also emphasise the importance of delegation though they have a larger number of employees and the hierarchy consist of some additional levels compared to A and C. With increasingly size of the company the same control can no longer be withheld. Company B mentioned this as its main difficulty. Likewise the case of delegation, also the size of the company darkens the survey and a dividing up is necessary. The alterations that have been made concerning the structure of the organizations are minor. A necessitate for extended administration has occurred for all four companies as a consequence of the growth. In Company C the owner realised that an external executive could bring new perspectives and thereby have positive affects on the business. The theory shows that the reason why few firms pass beyond 25 employees is related to the delegation of management functions. This is not only linked to the owner's willingness to let go of some control but also to his or hers ability to realize their own limits (Chittenden, Robertson, Watkins, 1993:151).

The attitude of the co-workers in sense of flexibility and the capability to adjust to turbulent conditions is essential in terms of growth. Therefore a suitable individual for the position who shares the values of the company is more important than qualifications (Ahrens, 1992:190). This especially emerged in the interviews with company A and D as they pointed out the importance of finding the right person and instead educate internally afterwards. With employees with the right attitude the task of providing services with good quality and thereby receiving satisfied customers is facilitated. The marketing method according to "word of mouth" is based on content customers, which is the most important marketing tool for all four companies in the study.

Concerning less formalized instruments like culture, education and motivation is of importance due to the turbulent conditions in fast growing companies and therefore it is essential for the growth (Ahrens1992:17). This was mentioned by all the respondents in the interviews and was also a subject for attending strategies. For example all four companies use a reward system in order to increase the motivation of the staff. Other encouraging methods were offering partnership in order to obtain participation and commitment (company C). In addition company C also mentioned organizing conferences. By arranging joint activities and small trips with respectively spouse invited, the motivation and spirit of community is augmented (company D).

These examples mentioned above illustrate less formal elements i.e. internal soft values like culture etc. More practical cases are e.g. the unions and difficulties to recruit new personnel. Company C and D have experienced this and to solve the problem both used informal contacts. As this was insufficient they had to find alternative methods. Company C lowered the claims concerning competence while company D bought services from other companies and also signed partnerships.

By summarizing the empirics concerning the structure of the organization, the question how the organization has developed and been adjusted during the period of growth can be answered. The empiric shows that all four companies have been compelled to make adjustments. However, what kind of changes the four companies have made varies. Three out of the four companies have deliberately chosen to grow and all of them have at some point been compelled to make adjustments. Common for the whole group is, in line with what the theory states, the expressed importance of delegation, involvement and participation in decision-making. Consequently they all have strived to maintain a fairly flat organization.

5.2 Management accounting, a difficult tool?

As accounting information is retrospective information and the entrepreneurs are dealing with uncertainty, the accounting information has a minor part in decision-making. In a strongly variable environment it is essential to continuously reconsider the chosen strategies.

Concerning formal system of control, like budgets and profit measurements, all four companies use profit measurements, budgeting, prognostication, balancing and evaluation as tools. According to the theory follow-up is essential considering the extreme variable environment and changeable needs. Due to this the use of budget as a tool can be questioned (Samuelsson, 2001: 31f, 48f). All respondents commented the importance of follow-ups and this was made continuously. Company B made follow-ups for each project which caused some difficulties in evaluating the post calculations and also led to certain difficulties in the co-operation. Concerning budgeting company B, C and D use comprehensive annual budgets combined with prognoses and historical data. In Company A, budgeting is only used in one part of the organization i.e. where the break-even point is essential. However, company A pointed out the importance of making an annual survey of the environmental situation including competitors. According to

Samuelsson in the task of estimating possible sales, the external information is vital. Company C mentioned an alternative method, i.e. by calculating the cost of every employee, which provides the minimum revenue to be achieved.

There have been difficulties in adjusting the computer systems in order to keep pace with the growth. Concerning the difficulty for company A, it consisted of insufficient basic data to produce reliable prognostications. Regarding company B the difficulties origin was the ordering and invoice system and system concerning cost for staff and its chargeable time. The same topic related to company D consisted of difficulties in finding a system for piece wages. No difficulties related to this subject emerged in the interview with company C.

The answer to the question what kind of management accounting the companies have used during the growth period are mainly profit measurements, prognostications, balancing and evaluation. Budgeting was used more or less by all four companies. The importance of follow-ups is described in the theory and was also mentioned by the four respondents. The theory emphasise the importance of examining the external environment but this was only mentioned by one of the respondents.

5.3 Financing, control and independence

The theory points out smallness, youth and independence as often associated with limited means, which can form an obstacle for growth (Davidsson & Delmar, 2002: 8ff). Many business leaders are reluctant to let go of control and independence and might therefore desist from external financing, which is called “Pecking-order theory” (Berggren et al, 2001:252). According to Tillväxt 2000 their experience shows that financing often constitutes the main obstacle of growth for SME’s. Though, the respondents have on the contrary stated the financing to be without any problems at all. Three of the four companies have made deliberated choices to use only internal financing. In the line of business that Company D is acting, large amounts of capital are tied-up in each project. This causes a great need of money, which is difficult to finance internally; as a consequence, a combination of internal and external financing is used.

The question *how the growth has been financed during the period* can easily be answered as none of the respondents have experienced difficulties concerning this issue, which thereby might be in conflict with the theory. The three respondents with only internal financing did deliberately choose this alternative.

6 Discussion

In this chapter a discussion is made about the results of the paper after connecting the empirics with the frame of reference. This is the part where the authors have the possibility to reflect upon the outcome.

The analysis elucidates some facts in line with the theory, but also conditions in contrary of what the theory states. As earlier stated the number of respondents participating, limits the extent of the conclusions and this might affect the validity of the paper.

Organization

Why is organizing in a company an important issue? As the company grows the conditions changes and finally the organization reaches a level where the control and survey is deteriorated. Consequently a reconstruction is necessary where new positions and reallocation of responsibility are needed. At what level this takes place is questionable but the theory states somewhere between 6 and 25, while the two respondents mentioning this, asserts 20 and 25 respectively due to their companies conditions. The reason why the boundaries varies might be due to that the theory treats the issue in more general terms and the respondents speaks out of the company's perspective. The authors presume this is a reflection of the specific line of business and the companies' own conditions. There are certain key words frequently recurring in this subject; control, independence, flexibility, company culture, strategies and common goals, devotion and enthusiasm and finally the willingness of growth.

The theory states that only a minority of all SME's do chose to grow and that one of the most important issues is the willingness to grow. This is due to the unwillingness to let go of the control and independence. The four companies in this paper have already passed this barrier as they made a deliberate decision to grow which can be interpreted as a reason for their success. The authors agree with the theory that the willingness is of great importance though in combination with enthusiastic and devoted staff.

As mentioned above the employees are a crucial factor in a growth company. To find the right person for a position is of greater importance than the right qualifications. Other vital characteristics are; the attitude of the employees and thereby the company culture, flexibility and capability to adjust to the existing turbulent environment in a growing company. To achieve this, a need for well-defined aims and strategies to reach the goals is essential. Tools to increase motivation, participation, commitment and sense of community are; encouragements like reward system, offering partnership, joint leisure activities outside work like e.g. small trips.

Apart from the issue of control and the sense of safety the independence provides, an image is conveyed where the firm turn into an extension of the owner. Thereby the business often becomes a lifetime achievement to later on be passed over. Two of the respondents also expressed the joy of reaching the planned goals.

A major part of the main obstacles described by the respondents can be derived to the sub question concerning the organization. The obstacles concerning the employees are the unions, recruiting of new personnel, motivation, participation, communication, and finally combining of qualifications. The last remaining obstacle is due to the structure of the organization i.e. the size of the organization versus the control.

Management accounting

Accounting information is based on historical data and as the entrepreneurs act in a constantly changing environment, this information has a minor part in decision-making. During the interviews the authors could sense a certain amount of reluctance against management accounting which can be due to what was initiating in the beginning as the company started. SME's are often started off by one or two persons doing what they do best i.e. crafts manlike work which in most cases do not include any deeper knowledge in business administration. The entrepreneurs often possess both visions and good ideas but lack the comprehension of the financial language. Previous research shows the importance of using business ratios and lack of this is the main cause of insolvency. In order to overcome this difficulty the company would serve from involving an external specialist e.g. a mentor able to assist with counselling and education in this matter. This is what Tillväxt 2000 offers their members by the mentorship consultancy. The employment of the executive in company C can be considered an example of this, as he was an externally recruited member of the board with knowledge in business administration. All four companies has, in line with the theory, realised the importance of follow-ups as this is made continuously. Only one of the respondents mentioned management accounting as a main problem, and this was due to the difficulties in adjusting the computer systems along with the changing needs.

Financing

The theory claims that SME's are often associated with limited means, which can form an obstacle for growth. How is the financing problem solved, is there a choice at all, or are the companies reduced to what the market offers? Three of the four participating companies are completely financed by internal means. The fourth company possesses a strong solidity, which facilitate the issue of external financing. The deliberate internal financing can be derived to the pecking-order theory that claims an unwillingness to give up the control but to maintain the independence. The most surprisingly part in this study is the fact that none of these companies have experienced any difficulties concerning financing. This result might not show the entirely correct picture of the growth companies actual situation as the four chosen companies are to be considered very successful.

The conclusion made by the authors after completing this study and the answer of the main question is that the major difficulties can be derived to the area organization. This is an extensive subject with a wide complexity including several different areas, but the most important issue is to unite the employees in the task of achieving the jointly formulated goals. This emphasise the importance of internal communication and thereby to create motivation delegation, involvement and participation in decision-making.

These four companies may have a more extensive awareness of these facts than in normal case. Despite of the recent years of recession, they have managed to stay focused on this, which may possibly be the cause of success. This is a central issue to consider in these times of decreased resources and rationalizations, combined with the modern phenomenon “burned out” among employees.

Growth companies are active in a constantly changing environment that demands a great amount of flexibility and incessant adjustments. Therefore the authors agree with the scientist Charles Darwin that already in the nineteenth century stated:

“It’s not the strongest of the species who survive, nor the most intelligent, but the ones most responsive to change”

Charles Darwin

6.1 Future areas of research

This thesis has treated successful growth companies and their difficulties. During the way the authors have discovered interesting angels in studying growth companies. As this is not considered in this paper, it is still left to investigate.

- The original idea was to study former growth companies, which have, in spite of initial growth, gone bankrupt. This is a fairly unknown topic and would therefore be most interesting to investigate. What obstacles or wrong decisions has led to the bankruptcy and are there any similarities between the selected companies? This could, by increased knowledge of affecting factors and risks occurring during rapid growth. By helping prevent future insolvency for SME's it can, in the long run, also affect Swedish growth.
- A further study of the unwillingness of growth and external financing i.e. pecking- order theory versus control and independence. This could be done by a combination of a quantitative and a qualitative study and thereby have a more profound approach.
- As the result of this paper indicates the importance of a well functioning organization, this could represent a problem area of its own. The study could take different perspectives depending on chosen issue. As the internal information is essential, one aspect could be to investigate how the companies create a motivating and absorbing internal environment in spite of the turbulence surrounding.

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Appendix 1

Handelshögskolan vid
Göteborgs Universitet

Tillväxtföretag

Vi är två studerande som skall skriva vår avslutande uppsats på den Integrerade Civilekonomutbildningen (ICU) på Handelshögskolan vid Göteborgs Universitet. Ämnet den skall behandla är hinder under tillväxtåren och ekonomiska beslut i samband med detta och organisationens utveckling, sett ur ett ekonomistyrnings-perspektiv. Vi har valt att begränsa oss till två branscher; Bygg- och servicebranschen. Därmed kommer vi att intervjua flera företag i respektive branscher

Detta är ett ämne som ligger i tiden, vilket gör det särskilt intressant. Efter en inledande studie av marknaden och med hjälp av DI:s tillväxtlista "Gasellerna" har vi valt ut Ert företag som passande för vårt uppdrag och vi skulle därför vara mycket glada om vi fick möjlighet att träffa Er.

Vår fråga är om Ni kan tänka Er att deltaga genom en kortare intervju (ca 1 ½ tim) med VD eller motsvarande, som kan ge en ekonomisk överblick några år tillbaka i tiden. Genom en anonymisering av givna upplysningar kommer de enskilda företagens svar inte att kunna identifieras.

Vår önskan är att få genomföra dessa intervjuer någon gång under veckorna 18 –19 dvs mellan den 28/4 och 9/5.

Svar om ev. deltagande önskas så snart som möjligt, dock senast tisdagen den 29/4. Vi är tacksamma även vid svar om ett icke-deltagande för att på så vis underlätta vår urvalsprocess.

Vid eventuella frågor eller funderingar är ni välkomna att kontakta någon av oss eller vår handledare Lars-Eric Bergevarn, Universitetsadjunkt Företagsekonomiska Institutionen.

Med förhoppning om positiv respons!

Mvh

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Appendix 2

Vi tyckte det var intressant med tillväxtföretag och varför vissa företag lyckats men andra inte. Vi vill med vår uppsats analysera vilka hinder som uppstår på vägen när man växer och vad man gjort för att övervinna dessa. Med hinder menar vi svårigheter som uppstått vad gäller tex brist på finansiella medel, kompetens, kommunikation och ansvarsfördelning eller svårigheter att kalkylera eller utvärdera uppdrag.

Intervjuguide,

Del 1: Inledning

Berätta med egna ord hur företaget utvecklats under perioden 1998-2001.

Del 2: Öppen diskussion inom de tre delområdena

1. Vilka svårigheter/hinder har du/Ert företag upplevt i *organisationen* under tillväxtperioden 1998-2001, och hur har de lösts?

Följdfrågor

Organisation

Organisationsstrukturen i vid mening. Det kan gälla hur man organiserat verksamheten, hur den utvecklats och anpassats under tillväxtåren samt affärsidé och mål utveckling.

Hur organiserades verksamheten 1998-2001?

Rent fysiskt, dvs indelning i avdelningar, funktioner eller grupper?

Var det en planerad eller oplanerad utveckling?

Om det skett organisatoriska förändringar, såsom nya befattningar, har det lett till åtgärder vad gäller ansvarsförhållanden, ledarskap, kompetenskrav vid nyanställningar samt belöningsystem?

2. Vilka svårigheter/hinder har du/Ert företag upplevt vad gäller *ekonomiska styrverktyg* under tillväxtperioden 1998-2001, och hur har de lösts?

Ekonomiska styrverktyg

Definition på ekonomistyrning (Ax, Johansson, Kullvén,2001)

”Det arbete som är inriktat mot att planera,

Budget

rutinmässig?

Syftet?

Vem upprättade?

Uppföljning, hur ofta?
av vem?

Vilken betydelse?

- *Stor vikt*- avvikelser leder till analys
- *Mindre vikt*- används en del eller enbart i samband med bokslut

Kalkyler

Vilka användes
vanligen?

Ex.självkostnads- eller
bidragskalkyl.

Har både för- och
efterkalkyler använts?

Varför/varför inte?

Har de ändrats tex vad
gäller fördelningsbaser
av omkostnader?

Avkastningsmätt

Vilka avkastningsmätt/
nyckeltal används?

Hur ofta?

Vilken betydelse har de
för styrningen i
företaget?

3. Vilka svårigheter/hinder har du/ Ert företag upplevt vad gäller *finansiering* under tillväxtperioden 1998-2001, och hur har de lösts?

Finansiering

Många entreprenörer föredrar en intern finansiering för att därigenom bibehålla sitt oberoende.

Hur har verksamhetens tillväxt *finansierats* under tillväxtperioden 1998-2001?

Intern/extern finansiering?

Var det medvetna val eller ej?

Fanns en drivkraft att vara oberoende?

Del 2: Övriga hinder

Hinder, utöver de ovan nämnda, som Du/Ni upplevt under tillväxtperioden 1998-2001 och hur de övervunnits?

Detta kan gälla tex konkurrens, produktutveckling, marknadsföring, konjunkturen 1998-2001 samt lagstiftning och regelsystem.

Del 3: Rangordning mellan alla de behandlade hindren

Rangordna de fem viktigaste/största hindren företaget haft under tillväxtåren 1998-2001, med största hindret som nummer ett i ordningen.

Genom rangordningen framkommer en bild av företagets händelseförlopp, dvs en berättelse.

Del 4: Bakgrundsfakta

Respondent

1. Befattning:
2. Formell/praktisk utbildning:
3. Anställningstid i företaget (år):
4. Anställningstid i nuvarande befattning (år)
5. Vilka funktioner har VD?
 - Tjänstemannafunktion,
 - Arbetsledande funktion,
 - Arbete i löpande verksamhet

Företaget

6. Företagets ålder:
7. Antal årsanställda:
8. Ingår företaget i en koncern? Vilken?
9. Är företaget familjeägt?
10. Huvudsaklig verksamhetsinriktning: tjänsteftg?
11. En eller flera huvudprodukter?
12. Branschtillhörighet:

Appendix 3

Intervjuguide

Bakgrundsfakta

Respondent

13. Befattning:
14. Formell/praktisk utbildning:
15. Anställningstid i företaget (år):
16. Anställningstid i nuvarande befattning (år)
17. Vilka funktioner har VD?
 - Tjänstemannafunktion,
 - Arbetsledande funktion,
 - Arbete i löpande verksamhet

Företaget

18. Företagets ålder:
19. Antal årsanställda:
20. Ingår företaget i en koncern? Vilken?
21. Är företaget familjeägt?
22. Huvudsaklig verksamhetsinriktning: tjänsteftg?
23. En eller flera huvudprodukter?
24. Branschtillhörighet:

Del 1: Öppen diskussion inom de tre delområdena

1. Vilka *hinder* har du/ Ert företag upplevt under tillväxtperioden 1998-2001, och hur har de *lösts*?

De områden som frågan begränsas till är *organisationen, ekonomiska styrverktyg samt finansiering*.

Följdfrågor

Organisation

Organisationsstrukturen i vid mening. Det kan gälla hur man organiserat verksamheten, hur den utvecklats och anpassats under tillväxtåren samt affärsidé och målutveckling.

Hur organiserades verksamheten 1998-2001?

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Ekonomiska styrverktyg

Definition på ekonomistyrning (Ax, Johansson,
Kullvén,2001)

”Det arbete som är inriktat mot att planera,

Vilka *ekonomiska styrverktyg* användes och har de ändrats under tillväxtperioden 1998-2001?

Budget

rutinmässig?

Syftet?

Vem upprättade?

Uppföljning, hur ofta?

av vem?

Vilken betydelse?

- *Stor vikt*- avvikelser leder till analys
- *Mindre vikt*- används en del eller enbart i samband med bokslut

Kalkyler

Vilka användes

vanligen?

Ex.självkostnads- eller bidragskalkyl.

Har både för- och

efterkalkyler använts?

Varför/varför inte?

Har de ändrats tex vad gäller fördelningsbaser av omkostnader?

Avkastningsmätt

Vilka avkastningsmätt/nyckeltal används?

Hur ofta?

Vilken betydelse har de för styrningen i företaget?

Finansiering

Många entreprenörer föredrar en intern finansiering för att därigenom bibehålla sitt oberoende.

Hur har verksamhetens tillväxt *finansierats* under tillväxtperioden 1998-2001?

Intern/extern finansiering?

Var det medvetna val eller ej?

Fanns en drivkraft att vara oberoende?

Del 2: Övriga hinder

Hinder, utöver de ovan nämnda, som Du/Ni upplevt under tillväxtperioden 1998-2001 och hur de övervunnits?

Detta kan gälla tex konkurrens, produktutveckling, marknadsföring, konjunkturen 1998-2001 samt lagstiftning och regelsystem.

Del 3: Rangordning mellan alla de behandlade hindren

Rangordna de fem viktigaste/största hindren företaget haft under tillväxtåren 1998-2001, med största hindret som nummer ett i ordningen.

Genom rangordningen framkommer en bild av företagets händelseförlopp, dvs en berättelse.