

Strategies for managing complexity in and around small firms: Understanding strategizing in small firms

**Jørgen Gulddahl Rasmussen, Ph.D.,
Professor, Organization & Management
Department of Business Studies,
Aalborg University,**

jgr@business.aau.dk

- What is complexity for small firms in changing environments?
- In what ways do small firms try to handle this complexity?
- How can strategizing in a practice perspective be used to interpret such actions?
- Are there healthy and efficient ways to deal with complex strategy in small firms?

markets,
technologies,
and knowledge
that are fast
developing

Creating
meaning
bearing
contexts



stretching their
organisational and
managerial
competences
dramatically

cultural and identity
factors that have
developed from its
small size

Complexity and contexts

interpretation

phenomenon

context

paradigm

- through reduction → informal common sense made by the leading member(s)
+ concrete relations
- difficult is to change the paradigm = a niche position
- Small firms 'are', in this sense making perspective, their product, their marketing, and their specific ways to involve customers
- All in one basket, and no second opinion

Strategy and small firms - an oxymoron? .

- interaction between the environment, the goals and the resources of an organisation
- change in context and even in paradigms
- unstructured, context driven and sometime context questioning, communication processes
- emergent issues + incremental actions
- demands change in the main trajectory of the firm, and in this way change important common sense
- strategic challenges often become rather fuzzy

Why not only operational change? – using experiences

- The problem of critical mass
- Difficult to make a strategic change when it seems mostly needed
- To create 'sense breaking'
- Practical forms of assistance
- The need to involve the rest of the organisation