


Surviving Against The Odds – How an Emerging Economy's SMEs Use the Value of Social Networking and Strategic Alliance

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Background and Context

- Oil discovery in Guyana
- Larger Central Budgetary allocations
- Flocking of multinationals
- Expansion of portfolio by pre-oil multinationals
- Incumbent Guyanese firms – SMEs & resource poor

What's the issue?

- Will the mass incursion of multinationals spell the end of indigenous Guyanese firms, if not how will they compete?

What does the literature say? - Theoretically

Dominant view

- Competing on positionality in industry (Porter)
 - Position in industry
- Competing on resources (Wernerfelt & Barney)
 - VRIN resources and capabilities

Emerging views

- Action-based perspective (Madhok & Marques)
 - Focus on specific activities in one's business model
- Composition-based view (Lou & Child)
 - Creative use of open resources and unique integration of capabilities
 - Enhanced speed and price-value ratio that suits mass market consumers

What does the literature say? Empirically

- Focus on resources disadvantages firms' entrance into markets with strong incumbents (Wernerfelt, 2022).
- Attainment and use of strategic flexibility (Kumar & Khanin, 2023)
- Superior market understanding (Singh & Wagner, 2019).
- Capability perspective (Fabrizio et al., 2022)
- Customer involvement (Anning-Dorson, 2023)

What does the literature not say or is sparse on?

- Sparse on how disadvantaged incumbents successfully defend their turf.
- Lacks empirical research on compositional and activity-based perspective.
- Little research in a fast-growing economy context

Research Question

- How do incumbent Guyanese disadvantaged firms survive against comparatively endowed foreign firms?

Why should we care are this research?

- Provide insights into how disadvantages firms can successfully navigate their competitive space.
- Empirical application of ABP
- Insights into business model reconfiguration
- Context that is under researched

Method

- Illustrative caselets
 - Company Sigma; a construction company
 - Company NU; a construction company
 - Company Iota; an industrial safety company
- Multi-source data collection
 - Interviews and archival data

Findings

- Company Sigma
 - Avoid direct competition
 - Quick mobilization and completion of job on time and little or no variance
 - Building a professional network
 - Competitive compensation packages for key employee

Findings

- Company Nu
 - Embracing strategic alliances as a way of working.
 - Employing state-of-the-art support systems

Findings

- Company Iota
 - Building excellent relationships with various stakeholders.
 - Entering a joint venture
 - Exhibiting flexibility and speed in customer service

Findings

Caselet	Strategy	Extension of prior research
Company Sigma	<ul style="list-style-type: none"> – Avoiding frontal competition. – Deliberately leveraging networks to be “in the know.” – Efficiency, focus of delivering projects on time and on budget. 	Networking as a viable activity that facilitates novelty of services and products.
Company Nu	<ul style="list-style-type: none"> – Competing frontally. – Adopting strategic alliances as a way of working. 	Strategic alliances as a way of working.
Company Iota	<ul style="list-style-type: none"> – Delayed frontal competition. – Awaiting the right joint venture before competing frontally. 	Legitimizing of a joint venture partner by a trusted institution.

Future research

- All the firms added to their portfolio of offers.

Why did they?

- Are there multiple business models?

Conclusion

- Guyanese firms' survival thus far is based on:
 - Networking
 - Alliances
 - Adoption / adaptation of state-of-the-art support systems