

Small Business is Our Business ...
 Small Business Advancement National Center
 University of Central Arkansas
<http://www.sbaer.uca.edu>
 SBANC NEWSLETTER - February 15, 2000

One of the benefits of International Council for Small Business (ICSB) membership. The staff of the Small Business Advancement National Center welcomes the ICSB as one of our sponsors.

YOUNG ENTREPRENEURSHIP CONFERENCE AND
 BUSINESS COMPETITION

The Institute of Entrepreneurship, The Coleman Foundation and Marquette University invite you to attend the 3rd annual Young Entrepreneur Conference and Business Competition on March 23-24, 2000 in Milwaukee, Wisconsin.

The Student Business Competition is a one of a kind opportunity for young people to see businesses which are created and run by other students. For the young entrepreneurs, this is their chance to display their work and compete for \$10,000 in scholarships and cash awards.

Early registration is due by March 10.

Attendance scholarships are available for students who will be attending the entire two-day conference.

To find out more about this conference, visit www.theEplace.org

CALL FOR PAPERS
 THE ATLANTIC MARKETING ASSOCIATION 2000 MEETING
 CALL

The 16th annual meeting of the Atlantic Marketing Association will be held at the Westin Francis Marion in Charleston, South Carolina, October 11-14, 2000. The conference will have competitive papers, special sessions, and a published proceedings.

Deadline for submissions is April 10, 2000.

To find out more about this conference, visit
<http://spectrum.troyst.edu/~ama/>.

CAN SMALL FIRMS FACE BIG FIRM PROBLEMS? MEDIUM-SIZED FIRMS AND THE LIMITS TO GROWTH

This paper was presented by Jonathan Michael Feldman and Magnus Klofsten at the 1999 ICSB Conference in Naples, Italy.

This paper explores how small firms can encounter the problems faced by large firms. While not proposing a universal theory about small firm behavior, we argue that firms can encounter the same problems associated with poor communication, bureaucracy and

loss of entrepreneurial spirit that plague large firms. We also show that the routines used to promote growth based on collaboration can sometimes create problems for firms as they ignore new challenges. We elaborate various theories on the limits to growth by examining the case of IV, a university spin-off. We explore potential barriers to growth in key areas which can become increasingly problematic for some small firms as they grow and evolve from their early status as small scale spin-offs. These potential growth barriers can occur in: finance, competition from new firms or products and organizational integration of resources. Firms that fail to properly plan, manage and allocate resources will encounter difficulties in each area.

To read this entire paper on firm problems, visit our Web site at <http://www.sbaer.uca.edu/DOCS/99icsb/99ics091.htm>.

TIP OF THE WEEK

"The Steps to Successful Electronic Commerce Programs"

In order to maximize the chances of electronic commerce success, Mougayar (1998) recommends assessing the following steps and acting on perfecting the outcomes of each one.

Step 1: Conduct Necessary Education and Training. Communicating a new and perhaps complex way of doing business requires education. Executives and managers must be educated, as well as customers, prospects and trading partners.

Step 2: Review Current Distribution and Supply Chain Models. It is necessary to examine the potential effect that EC will have on your distribution channels and supply chain management. For example:

Can you increase the number of electronic connections, simplify interorganizational processes, and at the same time discover ways to shrink, speed up, or virtualize the value chain?

What is likely to happen with your wholesalers, distributors, or retailers? Are they going to be disintermediated or are they likely to survive by transforming their businesses into new types of intermediaries? Are you going to support their transition to electronic mediation, or do you plan on bypassing them?

Step 3: Understanding What your Customers and Partners Expect from the Web. It is necessary to know how many customers are able and willing to interface with you over electronic networks and to conduct transactions. If you know where and how your customers are buying in electronic market places, you can then be in tune with their level. For example, Marshall Industries, Cisco, and Intel have had the luxury of starting with a captive audience, since their customers were used to the Internet well before it became known as the Web.

Step 4: Reevaluate the Nature of Your Products and Services. It is not enough just to sell physical products over the Internet. You must aggressively develop other types of products and services to increase your revenues in the electronic marketplace and solidify your position on several fronts. These include the addition of digital goods, interactive services, and information-based products and

services.

Step 5: Give a New Role to Your Human Resources Department.

Internet commerce requires a cross-functional focus and must be totally integrated with the overall business strategy. As a result, the role of each employee may be changed. What is the role of the human resource department in the new and evolving EC world? In addition to providing content for the company's Intranet, three specific responsibilities have been identified:

1. Establishing corporate Internet/Intranet policies.
2. Acting as a company wide certification authority. Innovative human resource departments are acting as certification authorities for their own companies. They are responsible for issuing digital IDs to their employees.
3. Formalizing new job descriptions.

Step 6: Extend Your Current Systems to the Outside. Your web site may have been the first beachhead you built to mark your entry into cyberspace. However, with the trend user-centric inquiries and intermediated marketplaces, it becomes important to link your products and services with other online catalogues, directories, and trading communities as well as integrate back-end business to your partners' and suppliers' Intranet. The Web site got you there but it won't keep you there; therefore, you must expand EC activities.

"Electronic Commerce: A Managerial Perspective" Turban, Efraim, Prentice Hall, Inc., 2000, pages 318-320.

If you have any comments about the SBANC newsletter or if you know of an upcoming small business event to promote, please contact kfe0460@cub.uca.edu

If interested in becoming a member of ICSB, email the International office at <http://www.icsb.org/about/join.htm>

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