ANTECEDENTS AND CONSEQUENCES OF MARKET, LEARNING AND ENTREPRENEURIAL ORIENTATION: FAMILY VERSUS NONFAMILY EMERGING FAST-GROWTH FIRMS

Caroline Tan Swee Lin
&
Kosmas X. Smyrnios

School of Marketing RMIT University,
Melbourne, Australia

Contact Details
Address: RMIT University, School of Marketing,
Building 108, Level 14, 239 Bourke Street, Melbourne, 3000, Australia
Email: caroline.tan@rmit.edu.au
Phone: (+61) 415663506
Fax: (+613) 9654 7483

ABSTRACT

Family businesses contribute substantially on growth of economies. The present qualitative investigation extends research, suggesting nonsignificant differences between family and nonfamily fast growing SMEs in terms of business orientation, marketing capabilities, and firm performance. Qualitative research comparing family versus nonfamily fast growth enterprises is rare. In this light, how do these different types of enterprises attain market or competitive advantage and subsequently rapid growth? In line with our previous work, findings demonstrate a lack of substantial difference between these cohorts in terms of their leadership, firm orientation, culture, and marketing capabilities. Managerial competencies of entrepreneurs, which are integral, exerting a powerful impact on the direction of the business, and employees, appears to be an antecedent to firm business orientation. Consistent with previous research, these business orientations drive positional advantages in specific marketing capabilities: market-focused products and superior relationships. Customers need to regard these products/services of value, in order to purchase products, culminating in customer satisfaction and loyalty, and ultimately contributing to the bottom line through increased sales, profits, and fast growth (i.e., firm performance). Implications for managers and recommendations for future research are outlined.

ANTECEDENTS AND CONSEQUENCES OF MARKET, LEARNING AND ENTREPRENEURIAL ORIENTATION: FAMILY VERSUS NONFAMILY EMERGING FAST-GROWTH FIRMS

Family businesses in Australia, and for that matter elsewhere, impact significantly on growth of economies through generation of employment, productivity, and innovation (Smyrnios & Walker, 2003). Despite their significance, there is a presumption that family firms are not growth oriented (Teal, Upton, & Seaman, 2003), employing conservative business strategies. In many aspects, family firms exhibit characteristics similar to their nonfamily counterparts, particularly in terms of business strategies (Teal et al., 2003), strategic planning practices (Upton, Teal, & Felan, 2001), and business orientations (Tan & Smyrnios, 2004b). Research comparing family versus nonfamily fast-growth enterprises is relatively scarce (Upton, Teal, & Seaman, 2003). In this light, how do these different types of enterprises attain market or competitive advantage and subsequently rapid growth?

There is little empirical evidence identifying antecedents and consequences of market, learning, and entrepreneurial orientations as sources of competitive advantage, let alone exploring similarities and differences, on these factors, between fast-growth family and nonfamily firms. A review of extant interdisciplinary literature (e.g., Chrisman, Chua, & Zahra, 2003) indicates that there is a complex array of factors associated with divergent sources of CA. However, these factors have not been made explicit (Packham, 2002). This failure can be attributed to a focus on public and large companies with scant consideration to emerging enterprises. The present qualitative investigation extends Tan and Smyrnios (2004b), suggesting nonsignificant differences between family and nonfamily fast growing SMEs, and that these orientations are driving tactical marketing capabilities (MCs), providing a position of advantage. As entrepreneurship and marketing involve a process of creating value by combining resources, this position of advantage needs to create superior customer value (CV), ultimately affecting firm performance. Given these considerations, the overarching research question is, are there certain aspects of business orientations and MCs that fast-growth family firms tend to select, compared to their nonfamily fast growth counterparts?

Our paper begins with a brief overview of the pertinent literature on family firms, what is meant by family business and fast-growth entities, the principal theory underpinning this investigation, followed by a description of the present methodology. Next, one causal network model, derived from an analysis of two detailed case studies are presented. Implications for researchers and managers are outlined, concluding with recommendations for future research.

LITERATURE REVIEW

Family Firms

Gersick, Davis, McCollom, and Lansberg (1997) indicated that family enterprises account for up to 80% of businesses worldwide. Family businesses generate more than half of Australia's employment growth, and account for about 40% of Australia's private sector output (Smyrnios & Walker, 2003). Examples of well known international family-controlled companies include Just Jeans, News Corporation, and Harvey Norman in Australia; Estee Lauder in the US, Lego in Denmark; Tetra Pak and Ikea in Sweden, and Sainsbury in the UK.

There has been no accepted definition of what constitutes a family firm (Klein, Astrachan, & Smyrnios, in press). Definitional confusion is exemplified by varying degrees of specificity across studies, making comparisons of findings problematic. As a case in point, the percentage of family firms in one sample can differ between 15% to 81%, depending on the definition applied (Westhead, Cowling, & Storey, 1997). For example, Westhead (1997) defines a family enterprise as a business which is perceived as a family firm by the family (subjective view), and one when the family owns majority of the shares in the organization (ownership view). Other investigators (e.g., Chua, Chrisman, & Sharma, 1999) state that an enterprise can be viewed only as a family firm when a transfer to the next generation is intended. Astrachan, Klein and Smyrnios (2002) considers that a founder-run entity can be regarded as a specific case of a family firm. Despite these differences in viewpoints, all agree that succession adds considerable valuable business experience to a family and company. Another concern relates to investigators failing to operationalize what is meant by a family business (e.g., Kayser & Wallau, 2002).

Given these issues, a detailed review of definitions employed in studies reveals no clear demarcation between family and nonfamily businesses. *Artificially dichotomizing between family versus nonfamily firms when no such clear cut dichotomy exists creates more problems than it attempts to solve* (Astrachan et al., 2002, p. 46). Rather than simply dichotomizing, a key question involves when does the business become a family firm? In response to this question, Klein et al. (in press) believe that it is in part the influence of family that can make a difference. This concept is not new. What differentiates family firms from other profit seeking organizations is the levels of importance families place on the decision making and operations of the firm (Chrisman et al., 2003). Muhlebach (2004) linked family-business-individual interactions with resources resulting from the family influence as familiness. However, Klein et al (2002; in press) proposed a radical shift in the way that family and nonfamily firms should be regarded. These investigators suggested the application of the F-PEC scale, that is, firms should be considered along a continuum that incorporates three axes: power, experience and culture. It is the interaction between these factors that contributes to the familiness of a business.

Traditionally, family firms are not innovators (Upton et al., 2001). Ward (1997) posited that family firms are slow growing because once successful personal methods by the entrepreneur are in place, they are inflexible in seeking alternative ways for succeeding. They are also less likely to pursue wealth maximization as their dominant objective. Family firms are more likely to have important non-economic goals or constraints, such as maintaining family harmony or job creation for family members (Sirmon & Hitt, 2003). However, family businesses that display high levels of entrepreneurial orientation (Mustakallio & Autio, 2002), have a vision, and share information regarding actual company performance results versus goals or planned performance figures with all employees. They also tend to be growth oriented (Upton et al., 2001).

Fast-Growth Firms

Sexton, Upton, Wacholtz, and McDougall (1997) acknowledged the economic contribution of fast-growth firms (FGFs) as *gazelles*: that is, companies that achieve a minimum of 20% annual compound sales growth over a 5-year period. Upton, Teal and Felan (2001, p. 61) define FGFs as *those willing to take risks, to be innovative, and to initiate competitive actions*. This definition seems to be identical to that of enterprises that possess an entrepreneurial orientation (Lumpkin & Dess, 2001). According to Birch (1995), *gazelles* comprise 3% of all small companies, stimulating national employment growth and contributing favorably to global economies(Birch, 1995). In Australia, FGFs comprise approximately 10% of all SMEs, contributing substantially to national revenue (Gome, 2003, 2004). Similar proportions are reported for Europe and the US (OECD, 2002). Most net job creation and wealth creation seems to come from FGFs.

Rapid growth is often an indication of market acceptance and firm success (Timmons, 1998), Common forms of small firm growth include internal expansion (e.g., expanding capacity), franchising, mergers and acquisitions, exporting, and geographic expansion (Barringer & Greening, 1998). FGFs are not without problems, including dealing with managerial issues related to people, processes, and resources. People related issues originate from observations that these firms double/triple in size very quickly. Influx of new employees can herald high stress levels, and skill levels of new employees can be inadequate (Terpstra & Olson, 1993). Notwithstanding, Tan and Smyrnios (2005a) found that FGFs strive to target staff who have relevant skills and knowledge, as well as a distinct personality to fit firm culture. It is not surprising that employers or CEOs emphasize giving priority to individuals who are happy, creative, and likely to accommodate to an existing organizational culture.

Market orientation (MO), entrepreneurship and organisational learning constitute unique resources collectively for FGFs (Tan & Smyrnios, 2004a). Slater and Narver (1995, p. 63) argued that *MO provides strong norms for learning from customers and competitors, it must be complemented by entrepreneurship and appropriate organizational structures and processes for higher order learning.* These three sources of competitive advantage are discussed below.

THEORETICAL CONCEPTUALIZATION

Market Orientation

Narver and Slater (1990) defined MO as an organizational culture that comprised three behavioural components of equal importance: customer orientation, competitor orientation, and inter-functional coordination. While Kohli and Jaworski (1990) view MO as the implementation of the marketing concept, Hunt and Morgan (1995, p.11) advocate that MO is the *(a) systematic gathering of information on customers and competitors, both present and potential; (b) systematic analysis of the information for the purpose of developing market knowledge and (c) the systematic use of such knowledge to guide strategy recognition, understanding, creation, implementation, and modification.* MO is more than a reflection of the marketing concept and is considered supplementary. The marketing concept has a single-minded focus on customers. MO focuses on both customers and competitors. Marketing essentially puts customers on a pedestal (Webster, 1992).

Learning Orientation

There are two types of learning. Single-loop learning occurs when errors are corrected without altering the underlying governing values (Argyris, 2002). This process is also known as adaptive learning (Argyris, 1977). An example would be learning from mistakes. When a firm launches a product and it is not successful, organizations will learn from reasons that cause products to fail. Double-loop learning, in contrast, occurs when organizational values are questioned leading to viewing problems from different angles, introducing ideas from other contexts, and experimenting with new approaches (Field & Ford, 1996). This type of learning should be utilized when environments are unpredictable and constantly changing. There are three main components of organizational learning, namely commitment to learning, shared vision, and open-mindedness (Sinkula, Baker, & Noordewier, 1997).

Notwithstanding, a learning orientation (LO) is in itself difficult to implement, with many factors requiring consideration as an entire organization is affected. It has been argued that market-orientation is by itself, inadequate, and the ability of an organization to learn faster than its competitors may be the only source of competitive advantage (Dickson, 1996). Slater and Narver (1995) stated that possessing a learning oriented posture leads to superior outcomes such as superior new product success, customer retention, superior growth, and/or profitability. As an organisation learns to make sense of its markets, it develops rules for processing information about markets, which influences its internal and external organizational actions (Sinkula, Baker, & Noordewier, 1997). External actions refer to products and their promotion, distribution and pricing strategies, and tactics, all of which comprise marketing capabilities. Positive learning orientation directly results in increased market information generation and dissemination, which in turn, affects the degree to which firms make changes to their marketing strategies. Pisano (1994, p. 86) posited that *without learning, it is difficult to imagine from where a firm's unique skills and competencies would come.*

Entrepreneurial Orientation

Entrepreneurship is the process of creating value by combining resources. Entrepreneurs are required to consider economies of scale, understand competitors' growth and strategies, take into account resource constraints, manage effectively internal financing abilities, and to balance customer and personal goals so that growth can be assured (Bhide, 1996). Entrepreneurial and MO are two major considerations that directly affect operational competencies. Tzokas, Carter, and Kyriazopoulos (2001) noted that these two orientations contribute synergistically to the emergence of unique marketing techniques and overall, firm performance. Lumpkin and Dess (2001) defined entrepreneurial orientation (EO) as those firms that are innovative, risk-taking, pro-active and competitively aggressive. Innovation, refers to seeking creative, unusual, or novel solutions to problems and needs and can be in the form of new technologies, processes, products or services. Risk taking involves a willingness to commit significant resource opportunities that may fail, although risks are usually moderated and calculated. Pro-activeness concerns initiating actions, and being often the very first to introduce new products or new ways of doing things (Lumpkin & Dess, 2001). Interestingly, Grant, Laney, and Pickett (1997) suggested that entrepreneurs are not risk takers, do not leave things to chance, and are willing to work hard and take action to cut losses whenever possible. Their focus appears to be on exploiting opportunities.

Marketing Capabilities and Firm Performance

Chaston (1997) postulated that entrepreneurial marketing has a major influence on the performance of small firms. Vorhies, Harker, and Rao (1999) identified six processes whereby a firm's value added products and services can reach target customers. These capabilities are based on the principles of marketing, including market research, pricing, product development, channels of distribution, promotion, and marketing management. Vorhies and Harker (2000) examined the importance of learning processes in the development of MCs. MCs are attained via learning processes when employees repeatedly apply their knowledge to solving marketing problems (Day, 1994). Such developments create a set of processes enabling an organization to achieve its strategic goals and to realize desired strategic position (Day, 1994). Firms with higher levels of product development and marketing implementation capabilities demonstrate higher levels of performance than those without these vital values (Vorhies, 1998). Hooley, Fahy, Cox, Beracs, Fonfara and Snoj (1999) observed that MCs are more important than operational ones in explaining superior performance.

According to Vorhies (1998), firm performance should be assessed relative to competing firms when multiple industries are represented in studies. Objective measures of performance will vary greatly in different industries, therefore, it would be desirable to measure factors other than economic performance. Performance measurement has been the subject of much debate in marketing literature (Hooley et al., 1999). Absolute performance figures such as return on investment and profit levels, sales volume, and market share are difficult to compare between firms that operate in different markets, using different accounting standards, and define their markets in different ways and different sizes. Market-based measurements such as customer loyalty and satisfaction should also be included (Day & Wensley, 1988). The following method section describes the present fast-growth participants, and measures and procedures adopted for our study.

METHODOLOGY

Participants

Participants are the 2003 and 2004 *BRW Fast 100* firms (Gome, 2003, 2004). Inclusion criteria involve: less than 200 full-time employees, turnover of more than AUD$250,000 in 1999/2000, and a single customer must not account for more than 50% of a company's turnover. Companies provide signed audited turnover figures over four consecutive financial periods (1999-2003/2000-2004), in order to calculate average growth rates for ranking purposes. In 2003 (versus 2004), Fast 100 firms achieved an average turnover growth of 61% (versus 102%), while the top company attained a growth rate of 545% (versus 887%). The growth rate for the company ranked 100 is 32.2% (versus 35% for 2004). About 80% of companies in 2003 and 2004 operate in the services industry, which is consistent with Australian businesses overall, providing approximately 70% of Australia's GDP and 81% of employment. The average annual growth rate (1988-98) in the property and business services industry is 5.1% (OECD, 1999).

For the purposes of this study, growth is calculated via average turnover over a period of three years, using the fourth year as a baseline. For each financial period (e.g., 2000-1999), average turnover was calculated using the formula:

$$\text{Average Growth} = \sum \left[\frac{(\text{Year 4} - \text{Year 3})}{\text{Year 3}} + \ldots \frac{(\text{Year 2} - \text{Year 1})}{\text{Year 1}} \right]$$

Where Year 4 = 2004 turnover and Year 1 = 2000 turnover

70% (versus 73%) of the CEOs are aged between 31 and 50 years, with 92% being male in both years. 47% (versus 50%) of the CEOs have tertiary education. The main reason for starting their business includes saw a niche (43% versus 41%) and independence (22% versus 10%). 43% (versus 33%) note an ambition to dominate a niche, 29% (versus 15%) to be a global player, and 26% (versus 24%) to dominate the domestic market. About 52% (versus 56%) of the Fast 100 principals started their business with less than AUD$20,000. While 72 % (versus 90%) of these firms are private companies. 20% of the 2003 and 2004 participants comprise family firms. For this study, 18 fast-growth CEOs were interviewed. Owing to word limits, only findings emanating from in-depth interviews from one fast-growth family and one nonfamily firm is included.

Measures

An interview schedule derived from studies evaluating MO (Narver & Slater, 1990), LO (Sinkula et al., 1997), EO (Lumpkin & Dess, 2001), MCs and firm performance (Vorhies & Harker, 2000) was developed by the present investigators.

Procedure

Tape recorded semi-structured interviews of at least 2 hours involved a checklist of areas (e.g., leadership characteristics; market, learning, and entrepreneurial orientations; MCs; CV; and firm performance compared to competitors) to cover rather than a list of pre-determined questions. Informants relayed stories and events, which were recorded, transcribed and analyzed extracting main themes and narratives. According to Hill and Wright (2001), qualitative research provides an opportunity to achieve a holistic view of complex events in organizations, and develop relevant causal network models (Denzin & Lincoln, 2000). The following section contrasts the business orientations and MCs adopted by these two types of firms, revealing their impact on business performance, and culminating in a conceptual model.

FINDINGS AND DISCUSSION

Fast Growth Family versus Nonfamily Firm: MC Labour Services versus Liaise Marketing

MC Labour Services (MCLS) is a supplier of supplementary labor in the commercial construction industry for the Melbourne market. Employing 9 staff, MCLS started trading in 1995. Ranked 90 and 76 in the 2003 and 2004 *BRW Fast 100* respectively, MCLS's 2004 growth rate is 44.79%, turning over AUD$15.37 million in 2003/04. The present CEO/founder, Marc Lunedei, provides organisational direction, driving this family business orientation. Moreover, it appears that his exposure to a family firm's business environment as a child and young adult has influenced the way in which he leads his organization. Marc worked with his father in a local butcher shop, supermarket, and construction company. As a customer oriented firm, incorporating innovation and learning, this enterprise builds certain marketing competences. Their marketing advantage culminates in superior CV, ultimately affecting firm performance (see Figure 1). Below, we present a detailed discussion of the causal network model originating from this case study and that of Liaise Marketing (LM).

Marc comments that: *learning the politics of the construction industry is imperative because the union in Melbourne is one of the most militant unions in Australia.* This knowledge helped Marc to enter and consolidate his firm's position in the industry. He adds: *It's not a matter of a client ringing and saying, 'I need 2 laborers and a carpenter at my site'. All the political requirements need to be met as well. For example, they need certain union tickets.* MCLS specialises in the commercial construction industry of supplying supplementary labor, such as fork lift drivers, brick layers, and cementers. *There are a lot of large companies that just use supplementary labor. What has evolved is that we employ all the candidates. 2/3 of the laborers are employed by us, on a full-time basis, and we hire them out to our clients. As well as being our employees,* *they are our products or assets, and that's what has been our specialty. A lot of potential workers come to us first to enter into the industry with a view that they might be directly employed by one of the construction companies as well.* His early industrial experience, and knowledge of the type of builders that required labor hire has also contributed to his business success.

MCLS is a first generation family firm. Initially running the business with his wife, other family members (sister, nieces, cousins) have been employed, at different times. According to Marc, there are different approaches that family businesses take compared to nonfamily firms. Coming from a family business environment, *I had to learn to employ someone for the purposes and delegate to them. When you are in a family firm, you tend to do a lot yourself. And after a while, it comes too much and you can't do everything. It was a mould that I had to change out of.* The issue of succession is also regarded as important. *There is a lot of sentimental value because of the effort, sacrifice and strain on the family. It affects the decision of selling, to keep it going, hand it over to the children, get them to carry on.*

As a point of comparison, LM was established in 1998 by Tony Merlino. Ranked number 47 in the 2004 BRW Fast 100, LM achieved AUD$1.8 million sales in 2004, achieving an average turnover growth rate of 63.39% between 2000 and 2004. Previously employed as a retail buyer in two large Australian supermarket chains for 28 years, Tony began to question his professional and career status. *Why was I working this hard for a corporate? I thought to myself, if I worked this hard for myself, with the experience and knowledge I had gathered over the years, chances are, I will succeed.* Tony started the business with AUD$2000. *You don't take ownership of stock, so we didn't need a lot of financial backing*. Being an ambitious person, Tony did not want to *stay in a boutique or a cottage industry.* He spends *80%* of his time thinking about the business. *The only time I don't think of it is when I am sleeping.*

LM employs 50 staff and operates as a broker in the Australian supermarket industry. Typically, a broker represents manufacturers' products to a variety of prospective retail buyers. These buyers could be specialty stores, retail grocery chains, wholesalers, foodservice operators and distributors, drug chains, mass merchandisers, industrial users, or military installations. In trying to sell products and achieve a listing, a broker might make presentations to head offices of chains and wholesale groups. These may include merchandising (planning, promotions, keeping product on the shelf), computerized ordering, and data collection services. Brokers have personal contacts and established relationships with buyers. They also have expertise in select markets (Bosse, 2003).

LM offers the service of a sales manager and sales team to Australian manufacturers in the supermarket industry. *Manufacturers who are very good at what they do, but struggle with having a sales team, marketing manager, and all the expenses associated with having that infrastructure. We position products to cater for their growth. We work on the sizing, pricing, labelling, and conformity for the product. When the product is ready to market, we would visit the retail buyer with the manufacturer. My sales team also makes sure that products are on the best position on the shelf.*

Getting products onto the supermarket shelf is a difficult task. *You would be surprised how many competitors that you have to face when you launch a product. You may think you have an exclusive product, but chances are, someone has already been in the process of manufacturing the same thing, or has already got one in the market. One of the keys to success is to be innovative, either create a trend or product, or research overseas markets and determine whether that trend that has started to occur overseas will occur in Australia. That takes a lot of research and study.*

The supermarket industry has changed over the previous 4 years. When a manufacturer wanted to launch a new product, they would meet with retail buyers in all states. It was very costly and time consuming because the presentation and sales pitch was repeated 5-6 times. Currently, major retailers have centralized the system. If the buyer does not want to retail a manufacturer's product, the product does not make it to market. Centralization leads to a uniform shelf range nationwide. Similar to MCLS, Tony provides organisational direction, which drives firm business orientation and consequently, MCs. Their marketing advantage culminates in superior CV, ultimately affecting firm performance (see Figure 1).

Our research indicates that previous industrial or business experience is a key contributing factor for business start-up. FGF leaders are often passionate about their business, possess the desire to challenge the status quo and ultimately be the best (Tan & Smyrnios, 2005a), the qualities of which are a central starting point of any business. Consistent with this view, Lee and Tsang (2001) emphasized that managerial experience is a dominating factor affecting venture growth. High achievers have a strong desire to be successful, and setting challenging goals and standards for themselves. They are not easily satisfied with current achievements and strive to improve performance. This research also supports the contention that growth willingness is a decision largely made by owner/managers (Packham, 2002) and not dependent on whether the firm is identified as being a family or nonfamily firm (Cooney, 2002)**.**

CEOs who possess energy, determination, and love for their business, drive the direction and strategy of their organizations (Tan & Smyrnios, 2005a). Weisner and McDonald (2000), found that environmentally sensitive interactions between management and employees provides opportunities for direct leadership, which can facilitate robust organizational cultures. Given that the majority of firms in our sample are young and emerging, without any excess baggage, these CEOs are in a solid position to shape their culture possibly more decisively. Therefore, we advocate that firm business orientation (MO, LO, and EO) proclivity is dependent on the leader's experience, and values. The next section explores findings relating to these dimensions.

Insert Figure 1 about here

Market Orientation

Customer orientation. MCLS services 200-300 clients, including large Australian construction giants such as Multiplex and Grocon. These clients hold expectations with regard to the provision of hire skills and services, encompassing specific types of labor skills supplied at such short notice. *We've made sure that we are contactable live, all the time, 24 hours. Often we get calls at 10pm on a Sunday night where a site manager has just realised that he needs two guys* *out on the site tomorrow. I think what was generally happening before, if someone had a requirement early in the morning, they would need to ring a company, and because it was after hours, they would need to leave a message, it might be an after hour service, they would have to wait for them to get back to them, and then give them the requirement. We have actually set ourselves up so we can service the clients quickly and promptly at short notice.*

Customer satisfaction is viewed as a high priority. Clients are constantly contacted for feedback on services provided. Most of the information is logged, and management analyses all data. Candidates with whom clients have reported dissatisfaction are not sent to that company again. *We have processes in place on our database, not to send certain people to our clients. We stress the importance of logging his information.* Customers are also usually quite happy and loyal. *We will make sure that they are happy all the time. Candidates that come to MCLS from competitors say that they don't get the same level that we provide them in terms of training etc. We train our full time employees.*

Customer focus and relationships are other foci, Marc states that *internally, we always discuss each manufacturers performance. Everyone is conscientiously responsible. The culture has been that we all support each other. There is a lot of joking and happiness. Probably because of my personality as a business owner, there is a very easy going mentality here. We are really focused on establishing relationships, not just to get the business from them now. There are probably 50 different contacts in the company. It's different sites, projects. I go through the list and think I'm going to call everyone from Multiplex and establishing that relationship with the site or project manager. The business consultant does that job.*

In contrast, LM caters to approximately 30 small-to-medium manufacturers of health foods, cooking ingredients, pet foods, telecommunication hardware, vitamins and fragrant aromatherapy oils. *Some of our customers just use my sales team to make sure the product is on the best position on the shelf. Sometimes we visit the retail buyers on the manufacturers' behalf and try to win contracts. For example, in any category, there might be up to 20 different manufacturers and all of them want the best position. You can influence the decision but you need to have strong arguments as to why you want your product in the best position. Generally, the buyer makes his own decision based on the profit contribution or size of packaging, visibility, or profitability. They have their own criteria.* Most of these manufacturers are long established. *Before us, they had other brokers. It was difficult to get their business but basically all we did is call them and say, this is what we can do for you. If there is an opportunity, please call me. I am trying everyday, in some form or another, just by talking to someone.* Other customers have used LM since they were first established.

Managers closely monitor levels of commitment of staff in serving customer needs. *There are a lot of barometers. Sales figures, market share, and store visit reports are evaluated to ensure my sales team are doing the right thing.* Speed to market (i.e., how quickly we can get it on the shelf) is also assessed. Measuring customer satisfaction is important. *Each individual team's performance is measured via various mechanisms. We measure their performance – each thing that one of our team members achieves in a store is recorded: movement/relocation of product, putting a product on a shelf that wasn't there before in a particular suburb store. That all gets* *data entered and a report is given to our manufacturers on what we have achieved: whether it's a high or low achieving month - irrespective. A very honest report.*

Competitor orientation. Previously, MCLS dominated the whole industry, however, over the previous few years, the market has been in decline. One competitor has been trying to emulate MCLS in their success. However, the majority of competitors are working in middle trades and manufacturing, rather than the construction industry because of its volatility. In response to competitors, MCLS hired a consultant representative who visits construction sites. *We employed someone full time to visit as many construction sites as he possibly can. To see where the competitors are and what we can do to get there. They are talked about quite often lately because they have been quite aggressive.*

In the brokerage industry, there are approximately 200 brokers Australia-wide. Top brokers are at least 6-times larger than LM, employing about 250 people. *There is no documentation, journal, or written matter that indicates turnover for competitors. You hear little things along the way. I would put my company about 40th on the ladder of turnover. I guess it's measured by the value of the total sales that we look after.*

Sales people share information about competitors. Their activities are discussed in state meetings. However, competitors are not the focal point. *Contrary to what a lot of people think in business, we don't know much about our competitors. Some major leaders will testify to the fact that you need to know your competitors better than they do themselves, I know the grocery industry, but I don't know much about my competitors. I know what they do wrong, a lot of the times. It's quite visible at store level and also, because manufacturers do tend to change who they use, you find out from them.*

Being customer oriented does not entail just informing employees to behave a certain ways with customers. Customer orientation becomes impossible when employees do not perceive themselves as being there to serve customers, or recognize that a principal reason for being employed is to help the organization create value for customers (Judd, 2003). Donavan and Hocutt (2001) suggest that employees need to have a certain kind of personality to be good at service work. For example, courteous service is required, and friendly people need to be hired. It may be possible to provide employees with the technical skills necessary, but difficult to train them in how to be polite and caring. Being market oriented is a distinctive form of business culture, not a simple process and involves significant commitments in terms of time, training, and expenditure (Appiah-Adu, 1997). With respect to competitor orientation, it is necessary for MCLS to be vigilant of competitors because of market share decline, owing to industry restructuring and increasing number of competitors. In contrast, LM is not overly concerned about competition, an orientation similar to most other FGFs (Tan & Smyrnios, 2005b).

Learning Orientation

MCLS staff are encouraged to attend seminars/courses. Marc notes: *I've sent them on different accounting type courses, recruitment and consulting, and it helps them understand specific things. I think the need arises more as you grow. Learning to adapt is more important. I am open to new ideas, because I am looking to anything that helps improve our growth. You will never be at a point where you know everything and you don't need to learn from something.* In terms of possessing a shared vision, however, Marc believes that it could be communicated better. *We are in the process of implementing and then we'll express them emphatically to the rest of the staff.*

For LM, in comparison, learning to keep ahead is considered to be essential. *We never stop learning in the grocery industry, there is always something new. New system, product, design, new this new that. We are always looking at different ideas.* Surprisingly, staff are not formally trained. *Our staff don't go on sales training, that's one of our weaknesses. We have an induction, but that's all. We discuss how each team can better themselves. Most of the team are very knowledgeable about the industry, so it's mainly, we try to teach them the humanistic side of things as far as dealing with people.*

LM makes a point of employing staff experienced in their field. *Because we are in such a steep growth curve, we can't afford the time to train people about the industry, we need them to be experienced. Most of them haven't gone to university, they have gone straight from high school into the grocery industry. A lot of them are like me, its good grounding to be able to work on both sides and if you start from the retail perspective, working on the shop floor, which is what most of our people have done, including myself, it gives you a very good understanding of the consumer and also the art of retailing I guess, and when you move out to the other side, it gives you the other side of the fence, different perspective. It makes you a more rounded knowledgeable person.* Employee turnover is low: *People don't leave this company, we probably have lost 10 people in 6 years.* Similar to MCLS, sharing an organizational vision seems to be a neglected area. *There should be a clearer direction. The only thing that anybody is aware off is how fast we are growing. I don't think everybody understands where we are going, and we have a conference coming up and one of the key agenda items in that conference is to actually detail our vision, so hopefully that will help*.

Although both firms acknowledge the importance of learning, the focus is more on individual learning rather than organizational learning. Individual learning practices are those that focus on enabling the acquisition of new knowledge, skills, and attitudes by individual employees (Birdi, Wood, Patterson, & Wall, 2004). Organizational learning, includes processes by which learning is shared vertically between individual, group, and organizational levels (Crossan, Lane, & White, 1999), the process of which is not evident in our research. Sharing an organizational vision seems to require further attention.

Entrepreneurial Orientation
MCLS is a proactive business, being one of the first to introduce innovative services, such as standby. *We provide added security. Full-time employees are on standby which means if they have been on a project for 6 months and the project finishes today, and MCLS does not have a job for the candidate the next day, MCLS provides one day standby. They will be paid but need to be contactable because of the short notice requirements in industry. We know we are busy, and we have a lot of work, so we can commit to so many full time employees.*

Being a market leader also means staying ahead. However, being innovative in this industry is about getting into other markets. *There are new things like trying to find an area that is not outsourced.* MCLS is regarded as a specialist in the construction labor industry. When making decisions, each situation is systematically analysed, rather than adopting a bold "gung ho" or aggressive posture. *For example, in terms of expanding to Sydney and Queensland, some people say that all you need to do is go and open an office there. I think, I need to thread carefully because I need to go there, pay rent, and employ people. There will probably be no returns for some time. We are more cautious rather than jumping boldly into it and saying, 'Let's spend the money and hopefully it would work!' We are doing initial enquiries about expanding to other states. One of our clients asked us before we could even ask them. Clients want to deal with one supplier nationally, and it would increase their buying power with us.*

By comparison, for LM, radical innovation is also not visible in the grocery industry. New lines have not been introduced. However, they have expanded geographical boundaries. *What has improved with us is our coverage. When we started we could only cover Victoria, now we cover every state with our own people. So it's not so much what we do, we do the same things but to a larger scale.* In terms of process innovation, LM attempts to approach its operations from different angles. For example, prior to start up, Tony asked for advice from brokers he had networked with previously. *They were kind enough to offer me advice. However, I didn't take on board a lot of what they did because I didn't agree with some of the things they were doing. I went about and did the reverse despite the fact that some of these companies were very successful. My belief that there was a lot of dissatisfaction from the manufacturing base and that these companies had succeeded despite themselves.* As an example, Tony did not follow suit by hiring part-time staff. *They only work 8 hours a week. Their numbers on the books look good, they have 250 people but if you add up the hours, it's not a lot of hours. A lot of part timers haven't spent a lot of time in the industry. Some of them are housewives, they have other commitments*. From Tony's perspective, full-timers are career driven, want to succeed, and are usually more experienced.

Tony states that organizational policies and guidelines for LM are developed in-house. *We create our own intellectual properties.* A specialised program was also developed to ease business practices. *We developed our own database. You can buy tailor made packages but that is restrictive in what it allows you to do, we keep modifying it too. There is certain information that needs to be collected from supermarkets. Both, of which we require internally and our manufacturers who we work for, also require certain elements of the information. We marry the two up, so we knew what we wanted to collect from the field. We weren't sufficiently enough computer literate to be able to build a program that will allow this data to be collected and deciphered. So we commissioned a computer expert, but we trained this person in terminologies and the ways of the grocery industry before we even got him to build the program. He was external and spent a year on it. It took us a long while for him to learn the grocery industry, and he then adapted it.*

Tony feels that LM is operating in a high risk industry. He elaborates, *when you are talking about a retail industry that has 2000 stores, you can imagine how difficult it is, you have to make sure that 2000 stores have got your clients products in stock, in the right position, in a saleable condition, with the correct ticketing.* Because the nature of their work is highly visible, a simple mistake can jeopardize a contract nationally. *All it takes is a couple of bad store visits from one of our clients.* Owing to the nature of the environment, keeping pace with the market is essential. *You can't afford to be timid or backwards. You spiral upwards in the grocery industry and you can't even stand still. It just takes you with it, like a wave. And the wave also breaks on top of* *you, so there is always that potential. But what I have noticed is that if you are going to do something in the grocery industry, it's so big and there are so many different facets of it, from manufacturing, to selling, logistics, data collection, and merchandising. You can't help getting involved.*

By default, FGF owners are entrepreneurially oriented. As these firms grow organically, one route to growth is providing a differentiated service. Unless a product/service is *new to the world*, most of the innovation engaged by FGFs is process innovation (Tan & Smyrnios, 2005b). Our findings are consistent with Oke, Burke, and Myer (2004) who found that there is a greater focus on incremental innovation (i.e., improvements to products, services and/or processes often in response to customer needs) than on radical innovation (i.e., new products, services and/or processes and/or new markets) for growth oriented SMEs.

According to Lumpkin and Dess (2001), an entrepreneurially oriented firm adopts a bold, aggressive, posture when confronted with decision-making situations involving uncertainty. However, in reality, different situations require leaders to adapt accordingly. Consistent with Grant et al. (1997), we find that fast-growth entrepreneurs spend time calculating risks and are not gamblers, leaving things to chance. Tony elaborates, *I have been known to be bold at times but only when I have been absolutely certain of something. But, generally, I am a bit conservative.* We have also found that FGFs in our sample do not possess a so called *undo-the-competitors posture*, which is a dimension of EO.

Marketing Capabilities

Products. MCLS views their candidates (employees) as products. *We attract the best in industry. We have a lot of comments from people that they are amazed at how loyal people are to us. We have a reputation of being a great company to work for, we look after them. It's just about giving people individual time; treat them as a person, not as a number, and not talk down to them. People prefer to work for us, we clothe them with MCLS shirts and wind sheeters. People also like to work for us because we train them well. We send them for training and pay them for the day they are being trained. We try and establish a mind set in our guys, that they should be proud to work for our company. They need to show good representation and sell themselves to the clients. This will in turn create security for them because they are an asset, it's very performance based.* Candidates are not bound to MCLS. *Nothing is stopping the candidate from leaving. We pay them above the award. To keep them with us, we offer security, and train, more than what other companies do.*

Relationships. Relationships with clients and candidates are regarded as better than the competition. *With our candidates, we personally assist them. We've always believed in establishing relationships. Relationships create loyalty.* Similarly, MCLS has a close working relationship with unions, which is crucial. *We are probably the most union preferred company, which means a lot in this industry because the union is very influential. Our relationship has been established over many years. If we had a bad relationship with them, it would affect our business by 20%. However, once upon a time, 6 years ago, they were so influential and strong, they would make sure you had no work. Our approach has always been to look after the candidates, make sure they have everything. Reason for this is because they are our assets. A* *happy satisfied worker will be a good worker, which will make the clients happy. MCLS has established themselves as the brand of being the employer to work for.*

Services. Services developed by LM, in contrast, are geared to increase sales for manufacturers. For example, staff are financially incentivised instead of being administration driven. *Other brokers are not truly sales focused, they are focused on recording information as to where the product is, how many facings it's got on a shelf, what the price is. Those functions aren't really driving sales. Our team members are sales focused: trying to improve the position of the product, build a display. We then reward them on sales. We pay our people a bonus incentive to achieve budgets. A lot of brokers don't do that. I think that is been one of the keys to our success. The managing director also stays close to the action. In my industry I don't know of any that has one owner one director and they are a national company.*

Relationships. LM possesses sound relationships with clients. *At times, it extends beyond business relationships. It becomes friendship. That sometimes is unavoidable as well. However, I don't know what sort of relationship my opposition has with their clients. I think we have a good work ethic which reflects on our image. We haven't lost many manufacturers in the last 6 years. Their relationships with other brokers weren't as close. We have a very personal touch here. People know of us because of word-of-mouth communication, and we have always been rated highly on our honesty level too.* Interestingly, LM spends little time developing its' own MCs. *We spend so much time marketing other people's products. It's like a car mechanic that fixes everyone's cars but his own car doesn't work properly. Strange isn't it. We don't market ourselves very well. Evident of that is the fact that our website isn't up yet. Its one of our objectives for 2005 definitely!*

MCs by their nature are difficult to duplicate. Relationships, like innovative services take time to build. MCs are characterized by high levels of tacitness and complexity, and are the product of ongoing exchanges that take place both within firms and with external stakeholders. Many of these exchanges are highly firm specific and path dependent, which prevents duplication by competitors (Reed & DeFillippi, 1990)

Customer Value and Firm Performance

Finally, attaining an advantage in MCs does not exist in isolation. Prior to purchasing, customers need to perceive that services or products are of value. CV is a dynamic concept that evolves over time. Value is determined by customers' perceptions rather than suppliers' assumptions or intentions. It is not what the producer adds, but what the customer derive (Doyle, 1989). Superior CV culminates in superior firm performance (Tan & Smyrnios, 2003).

MCLS offers value by providing customer service, which they consider to be superior (e.g., going out of the way to provide products/services under time constraints). *Customers want someone with the best price that they can, but the highest priority is the level of skill and service. They are going to need people at short notice, things are going to rise, and they need 5 guys there straight away. We guarantee them that we can provide them that.* MCLS also ensures the best client-hire person fit. *We have processes in place on our database, for clients, not to send certain people. We stress the importance of logging in the information.*

In terms of firm performance, MCLS remains profitable. *We are here to make money. When I look at some of the competitors rates, I think we must be more profitable.* In this industry, it is difficult to calculate return on investment. *Our investment is in our staff/candidates and it's not like, here is $1m, I am investing in a business. It's my venture. So, it's a difficult.* In terms of market performance, customers appear to be satisfied with MCLS's offerings. However, *our marketing is not effective enough and I want to identify what would be a good marketing tool as well*. Marc attributes their success to the quality of his assets (candidates), network of relationships, and care for clients and candidates.

For LM, clients ultimately value an open and honest policy. *I try and engender the atmosphere where they are able to express themselves to see whether the value has been provided. That's about it. We both also value the same things: more sales.* In contrast to MCLS, LM has not always been profitable. *Only in the last 2 years, we started to become profitable. It is attributed to obtaining a very large contract 2 years ago, which was the break we needed. I had to build the base, meaning the infrastructure and then try and obtain contracts during the period of building the base. I wasn't making money, in fact I was losing money, that was inevitable…that needs to be done.*

MODEL DEVELOPMENT: MCLABOUR SERVICES AND LIAISE MARKETING

As elaborated earlier, management appears to be a central starting point, guiding organisational direction. For entrepreneurs, start-up is largely based on their industrial and managerial experience. A firm's proclivity towards a particular business orientation is dependent on leadership. Customers, learning, and remaining entrepreneurial are important, these values are shared throughout an organization. Logically, attaining knowledge and intelligence from the market, continually challenging assumptions, and creating innovative solutions places organizations in an advantageous position in terms of their MCs. The present findings indicate that firms that undertake process innovation are likely to develop superior products and services that customers require. After evaluating all MCs, we found that both MCLS and LM attain an advantage in terms of services provided and relationships established both internally and externally. Finally, an advantage in MCs is insufficient. Tan and Smyrnios (2003) concluded that CA should be measured in terms of CV because customers ultimately purchase the products/services. A CV approach focuses on how people choose among competing suppliers (Gale, 1994). Consequently, superior performance is a result of providing superior CV (Tan & Smyrnios, 2003). Firm performance is not limited to financial measures, but also market aspects such as customer satisfaction and loyalty (see Figure 1).

It is acknowledged that all variables investigated are dynamic, taking time to evolve and changes over time. Our results do not capture the dynamics of these changes as the present study is cross sectional rather than longitudinal. The current investigation is concerned with only two Fast 100 companies in different industries. Thus, findings can be generalized only to firms meeting specific constraints. Furthermore, variables examined represent a narrow set of possible predictors. Cragg and King (1988) highlighted that no study can reveal all attributes involved in making small businesses successful. Longitudinal data might be appropriate.

IMPLICATIONS FOR MANAGERS AND FUTURE RESEARCH

Findings suggest that there seems to be no significant difference between family and nonfamily FGFs in terms of their leadership characteristics, business orientations, and MCs. This finding might relate to MCLS being a first generation entity rather than a multi generation firm involving a consortium of cousins and extended family members all contributing to the running of the business. The likelihood of running a successful business increases when business owners obtain relevant experiences prior to start-up. CEOs focused on growth are required to lead employees who can help their organization create value for customers. CEOs also need to develop and effectively communicate a vision while obtaining members' commitments to achieve that vision (Hagen & Lodha, 2004) and to become a learning oriented organization. Currently, these two FGFs only focus on individual learning. For family firms, the CEOs need to be conscious of employing staff who are suited to the job rather than relying on family members. Process innovation seems to be a differentiating factor between these FGFs and their slower growing counterparts. It is also important to constantly ask customers what they value and whether the organization provides that. Future investigations should focus on quantitative empirical studies exploring the role important entrepreneurial characteristics as antecedent to firm business orientation. Rigorous testing of key relationships obtained in this study should be pursued using larger data sets. Firms at different stages of the organizational lifecycle focus on building diverse MCs. Therefore, other drivers of MCs should be investigated along the growth continuum. Researchers should also consider studying the mediating role of CV, particularly between MCs and firm performance for slow-growth SMEs and their larger counterparts. Finally, researchers should also examine the role played by customers' perceptions of CV because customer and supplier views are not necessarily similar.

REFERENCES

Appiah-Adu, K. (1997). Market orientation and performance: do the findings established in large firms hold in the small business sector? *Journal of Euromarketing, 6*(3), 1-26.

Argyris, C. (1977). Double loop learning in organizations. *Harvard business review, 55*(5), 115-125.

Argyris, C. (2002). Double-loop learning, teaching, and research. *Academy of management learning and education, 1*(2), 206-218.

Astrachan, J. H., Klein, S. B., & Smyrnios, K. X. (2002). The F-PEC scale of family influence: a proposal for solving the family business definition problem. *Family business review, 15*(1), 45-58.

Barringer, B. R., & Greening, D. W. (1998). Small business growth through geographic expansion: a comparative case study. *Journal of business venturing, 13*, 467-492.

Bhide, A. (1996). The questions every entrepreneur must answer. *Harvard business review, 74*(6), 120-130.

Birch, D. (1995). *Who's creating jobs?* Cambridge: Cognetics, Inc.

Birdi, K., Wood, S., Patterson, M., & Wall, T. (2004, August 6-11). *Individual, team and organizational learning practices and organizational performance.* Paper presented at the Academy of Management, New Orleans.

Bosse, K. (2003). *Food brokers*. Retrieved March 4, 2005, from http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/agdex590/$file/845-5.pdf?OpenElement

Chaston, I. (1997, August 1-2). *Importance of entrepreneurial marketing competencies influencing growth potential in small service sector firms.* Paper presented at the UIC Marketing and entrepreneurship research symposium, Chicago.
Chrisman, J. J., Chua, J. H., & Zahra, S. A. (2003). Creating wealth in family firms through managing resources: comments and extensions. *Entrepreneurship theory and practice, 27*(4), 359-365.
Chua, J. H., Chrisman, J. J., & Sharma, P. (1999). Defining the family business by behavior. *Entrepreneurship theory and practice, 23*(4), 19-39.
Cooney, T. M. (2002, November 21-22). *Success is a choice! structures and strategies of fast-growth companies.* Paper presented at the RENT XVI (Research in Entrepreneurship) Conference, Barcelona, Spain.
Cragg, P., & King, M. (1988). Organizational characteristics and small firms performance revisited. *Entrepreneurship theory and practice*(Winter), 49-64.
Crossan, M. M., Lane, H. W., & White, R. E. (1999). An organizational learning framework: From intuition to institution. *Academy of management review, 24*(3), 522-537.
Day, G. S. (1994). The capabilities of market driven organizations. *Journal of marketing, 58*(October), 37-52.
Day, G. S., & Wensley, R. (1988). Assessing advantage: a framework for diagnosing competitive superiority. *Journal of marketing, 52*(2), 1-20.
Denzin, N. K., & Lincoln, Y. S. (Eds.). (2000). *Handbook of qualitative research*. Thousand Oaks: Sage Publications.
Dickson, P. R. (1996). The static and dynamic mechanics of competition: a comment on Hunt and Morgan's comparative advantage theory. *Journal of marketing, 60*(October), 102-106.
Donavan, D. T., & Hocutt, M. A. (2001). Customer evaluation of service employee's customer orientation: extension and application. *Journal of quality management, 6*, 293-306.
Doyle, P. (1989). Building successful brands: the strategic objectives. *Journal of marketing management, 5*(1), 77-95.
Field, L., & Ford, B. (1996). *Managing organisational learning: from rhetoric to reality*. Melbourne: Longman.
Gale, B. T. (1994). *Managing customer value: creating quality and service that customers can see*. New York: The Free Press.
Gersick, K., Davis, J., McCollom, H. M., & Lansberg, I. (1997). *Generation to generation: lifecycles of family business*. Boston: Harvard Business School Press.
Gome, A. (2003, October 23 - November 19). The tough get going. *Business review weekly,* 60-65.
Gome, A. (2004, October 14 - November 10). Innovative and flexible. *Business review weekly,* 67-71.
Grant, K., Laney, R., & Pickett, B. (1997, August 1-2). *A few generalisations of what successful entrepreneurs are made of: a pilot project based on seven in-depth interviews with Australian entrepreneurs.* Paper presented at the UIC Marketing and entrepreneurship research symposium, Chicago.
Hagen, A. F., & Lodha, S. S. (2004). How do CEOs perceive suggested new rules of global competitiveness in the twenty-first century? *American business review*(January), 62-69.
Hill, J., & Wright, L. T. (2001). A qualitative research agenda for small to medium-sized enterprises. *Marketing intelligence & planning, 19*(6), 432-443.

Hooley, G., Fahy, J., Cox, T., Beracs, J., Fonfara, K., & Snoj, B. (1999). Marketing capabilities and firm performance: a hierarchical model. *Journal of market-focused management, 4*, 259-278.

Hunt, S. D., & Morgan, R. M. (1995). The comparative advantage theory of competition. *Journal of marketing, 59*, 1-15.

Judd, V. C. (2003). Achieving customer orientation using 'people power', the '5th P'. *European journal of marketing, 37*(10), 1301-1313.

Kayser, G., & Wallau, F. (2002). Industrial family businesses in Germany - situation and future. *Family business journal, 15*(2), 111-115.

Klein, S. B., Astrachan, J. H., & Smyrnios, K. X. (in press). The F-PEC scale of family influence: construction, validation, and further implication for theory. *Entrepreneurship theory and practice*.

Kohli, A. K., & Jaworski, B. J. (1990). Market orientation: the construct, research propositions and managerial implications. *Journal of marketing, 54*, 1-18.

Lee, D. Y., & Tsang, E. W. K. (2001). The effects of entrepreneurial personality, background and network activities on venture growth. *Journal of management studies, 38*(4), 583-602.

Lumpkin, G. T., & Dess, G. G. (2001). Linking two dimensions of entrepreneurial orientation to firm performance: the moderating role of environment and industry life cycle. *Journal of business venturing, 16*, 429-451.

Muhlebach, C. (2004, 8-9 September). *Familyness as a source of competitive advantage: a conceptual framework for strategy formulation and analysis in small and medium-sized family businesses.* Paper presented at the F.B.N.-IFERA World Academic Research Forum 2004, Copenhagen, Denmark.

Mustakallio, M., & Autio, E. (2002, 11-14 September). *Governance, entrepreneurial orientation, and growth in family firms.* Paper presented at the 13th Family Business Network Annual World Conference, Helsinki, Finland.

Narver, J. C., & Slater, S. F. (1990). The effect of market orientation on business profitability. *Journal of marketing, 54*, 20-35.

OECD. (1999). *Background paper on Australia's service industries*. Paris.

OECD. (2002). *High growth SMEs and employment*. Paris.

Oke, A., Burke, G., & Myers, A. (2004, June 20-24). *Innovation types and their impact on performance in UK SMEs.* Paper presented at the 11th International Product Development Conference, Dublin, Ireland.

Packham, G. A. (2002). Competitive advantage and growth: the challenge for small firms. *International journal of management and decision making, 3*(2), 165-179.

Pisano, G. P. (1994). Knowledge, integration, and the locus of learning: an empirical analysis of process development. *Strategic management journal, 15*, 85-100.

Reed, R., & DeFillippi, R. J. (1990). Causal ambiguity, barriers to imitation and sustainable competitive advantage. *Academy of management review, 15*(1), 63-81.

Sexton, D. L., Upton, N. B., Wacholtz, L. E., & McDougall, P. P. (1997). Learning needs of growth-oriented entrepreneurs. *Journal of business venturing, 12*, 1-8.

Sinkula, J. M., Baker, W. E., & Noordewier, T. (1997). A framework for market-based organizational learning: linking values, knowledge and behaviour. *Journal of the academy of marketing science, 25*(4), 305-318.

Sirmon, D. G., & Hitt, M. A. (2003). Managing resources: linking unique resources, management and wealth creation in family firms. *Entrepreneurship theory and practice, 27*(4), 339-358.
Slater, S. F., & Narver, J. C. (1995). Market orientation and the learning organization. *Journal of marketing, 59*(July), 63-74.
Smyrnios, K. X., & Walker, R. H. (2003). *The Boyd partners: Australian family and private business survey 2003*. Melbourne: RMIT University.
Tan, C. S. L., & Smyrnios, K. X. (2003, 2-5 December). *Competitive advantage is not firm performance: conceptual ambiguities.* Paper presented at the Australia New Zealand Academy of Management (ANZAM), Fremantle, Western Australia.
Tan, C. S. L., & Smyrnios, K. X. (2004a). Entrepreneurial fast-growth firms: relationships between competitive advantage and performance. *Regional frontiers of entrepreneurship research*, 561-587.
Tan, C. S. L., & Smyrnios, K. X. (2004b). Relationships between competitive advantage and performance: family versus nonfamily fast-growth firms. *15th F.B.N. World Conference Research Forum Proceedings: family firms in the wind of change*, 403-417.
Tan, C. S. L., & Smyrnios, K. X. (2005a, 25-28 May). *Antecedents of organizational learning in fast-growth firms.* Paper presented at the Academy of Marketing Science, Tampa, Florida.
Tan, C. S. L., & Smyrnios, K. X. (2005b, 15-18 June). *Business orientation, marketing capabilities and firm performance: Fast 100 versus Top 500 companies.* Paper presented at the International Council for Small Business (ICSB), Washington D.C.
Teal, E. J., Upton, N., & Seaman, S. L. (2003). A comparative analysis of strategic marketing practices of high-growth U.S. family and non-family firms. *Journal of developmental entrepreneurship, 8*(2), 177-195.
Terpstra, D. E., & Olson, P. D. (1993). Entrepreneurial start-up and growth: a classification of problems. *Entrepreneurship theory and practice, 17*(3), 5-20.
Timmons, J. A. (1998). *New venture creation*. Burr Ridge: Irwin.
Tzokas, N., Carter, S., & Kyriazopoulos, P. (2001). Marketing and entrepreneurial orientation in small firms. *Enterprise and innovation management studies, 2*(1), 19-33.
Upton, N. B., Teal, E. J., & Felan, J. (2001). Strategic and business planning practices for fast growth family firms. *Journal of small business management, 39*(1), 60-72.
Upton, N. B., Teal, E. J., & Seaman, S. L. (2003). A comparative analysis of growth goals, strategies and compensation practices of US family and non-family high-growth firms. *International journal of entrepreneurship and innovation, 4*(2), 113-120.
Vorhies, D. W. (1998). An investigation of the factors leading to the development of marketing capabilities and organizational effectiveness. *Journal of strategic marketing, 6*, 3-23.
Vorhies, D. W., & Harker, M. (2000). The capabilities and performance advantage of market-driven firms: an empirical investigation. *Australian journal of management, 25*(2), 145-172.
Vorhies, D. W., Harker, M., & Rao, C. P. (1999). The capabilities and performance advantage of market-driven firms. *European journal of marketing, 33*(11/12), 1171-1202.
Ward, J. (1997). Growing the family business: special challenges and best practices. *Family business review, 10*(4), 323-337.
Webster, F. E. (1992). The changing role of marketing in the corporation. *Journal of marketing, 56*(4), 1-17.

Weisner, R., & Mcdonald, J. (2000). The human side of small and medium enterprises. *Journal of the Australian and New Zealand academy of management, 7*(2), 58-69.
Westhead, P. (1997). Ambitions 'external' environment and strategic factor differences between family and non-family companies. *Entrepreneurship and regional development, 9*(2), 127-157.
Westhead, P., Cowling, M., & Storey, D. J. (1997, October). *The management and performance of unquoted family companies in the United Kingdom.* Paper presented at the Eighth Annual Family Business Network Conference, The Hague, Netherlands.

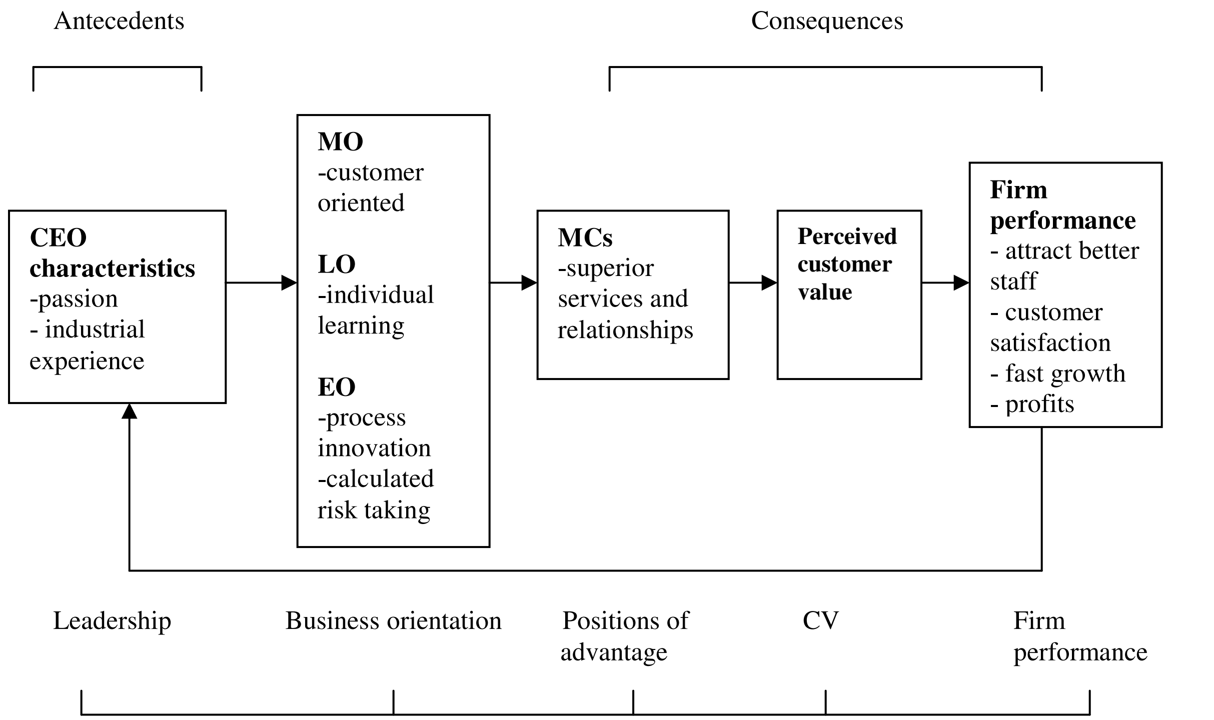

Figure 1. Relationships between the characteristics of the entrepreneur, business orientation, marketing capabilities, customer value, and performance