Strategic learning and doing of SMEs company heads

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Abstract:

How do SMEs company heads strategize? What are the strategic knowledge and skills associated with this process? How does it participate in shaping the strategy of the organization? To contribute to answer these questions, I present the preliminary findings of an ongoing exploratory empirical study. These preliminary findings suggest that company heads do learn different type of strategic knowledge when the play their strategist role through strategizing. Moreover, prerequisites for strategizing are identified: having perceived the need for strategizing and having made themselves available to strategize. As this process triggers changes in the company strategy, there is evidence that the knowledge and lessons learned are reuse in further strategizing and open to evolution depending on the emerging subsequent strategic issues. For strategist, learning to strategize could be a never-ending journey toward a form of practical wisdom.

Keywords: Strategy as Practice; Strategists; Small and Medium Entreprise (SME); Company Head; Strategic learning

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'Developing the ability to think strategically is one of the most needed yet least understood areas of management' (Casey and Goldman, 2010: 182).

The growing literature on Strategy-as-Practice (SasP) have offered an alternative perspective on corporate strategy by focusing on the *doing* of strategy by strategists via various practices (Golsorkhi, Rouleau, Seidl and Vaara, 2010). However, we still miss an accurate picture of the strategic knowledge and skills that underpin such doings – what do CEO and Top Management Team need to be in position to play their 'strategists' role adequately (Clegg, Carter and Kornberger, 2004). The progressive and interrelated processes of strategizing and learning to strategize while doing so are underexplored. What are the opportunities for learning and reflecting on strategizing? What are the strategic knowledge and skills associated with these opportunities and with strategizing? What lessons are learned and how do they participate in shaping an organization strategy?

To answer these questions, I am conducting an empirical study using narrative interviews with Small and Medium Enterprises (SMEs) company heads. Through an inductive, emerging and iterative process (Gioia, Corley and Hamilton, 2013), I organized preliminary findings in a dynamic model of strategist learning through strategizing. In developing my argument, I aim at making several contributions to SasP literature. While this study is still ongoing, I suggest here several ideas that could be of interest: firstly, regarding the documentation of the (mostly) unknown type of strategists that are SMEs company heads; secondly, it adds to the repertoire of known strategic practices by suggesting peer networks or SME Aid Programme as major accelerators of strategizing; finally, it enhances our understanding of strategizing since this process is not only 'inter-individual' and collective but also 'intra-individual' and related to self-knowledge. This study also has implications for practitioners.

This paper is structured as follows. First, I present some key insights from the SasP literature as well as on the relevance of a learning perspective. Second, I describe the empirical setting and methodology. I then offer preliminary findings from a first emerging analysis of strategist learning through strategizing. The discussion section was written to highlight some of the potential implications for theory and practice. The paper then concludes with suggestions for future research.

1. STRATEGISTS AND THEIR 'STRATEGY WORK'

Since the early 2000s, the stream of research labelled Strategy-as-Practice (SasP) has attracted a lot of attention as clearly demonstrated by several special issues in top tier journals (e.g. *Journal of Management Studies*, 2003, Vol. 40, no 1; *Human Relations*, 2007, Vol. 60, no 1; *Long Range Planning*, 2008, Vol. 41, no 3) as well as a Cambridge Handbook (Golsorkhi et al., 2010). This stream of research is aimed at offering an alternative to the classical model of individualistic decision making that characterise economic-oriented research in strategic management (Vaara and Whittington, 2012). More specifically, SasP studies focus on the day-to-day activities of strategists – i.e. the *doing* of strategy, *strategizing* or 'strategy work' – that shape the strategic processes and outcomes of organizations of all kind (classical economic firms as well as not-for-profit organizations, public organizations such as hospitals, city administrations or universities, etc.). From this perspective, strategy is defined as 'a situated, socially accomplished activity' based upon *strategizing*, a set of 'actions, interactions and negotiations of multiple actors and the situated practices that they draw upon in accomplishing that activity' (Jarzabkowski, Balogun and Seidl, 2007: 7-8).

One of the distinctive features of this stream of research is the broad definition of 'strategists' or 'strategy's practitioners'. The doing of strategy is seen as a collective activity which is not confined to CEOs and Top Management Team (TMT). This includes various organizational actors such as middle managers (Rouleau, 2005; Regnér, 2003) or groups of employees (Laine and Vaara, 2007) as well as extra-organizational actors such as consultant (Arendt, Priem and Ndofor, 2005) or external stakeholders (Maguire and Hardy, 2005). However, if there is an 'Opening Strategy' tendency (Whittington, Cailluet and Yakis-Douglas, 2011),

CEOs and TMT still play a crucial role, notably in decision making or in regulating the extent of the 'participation' (Mantere and Vaara, 2008) in strategy formulation and implementation.

To underscore how strategy is done, two other concepts are widely used within SasP studies: '*praxis*' and 'practices' (Whittington, 2006). '*Praxis*' refers to what strategists *do*: their micro-strategizing activities. These '[s]ituated, socially accomplished flows of activity that strategically are consequential for the direction and survival of the group, organization or industry' can be studied at different levels (Jarzabkowski et al., 2007: 11), including at the individual – or strategist – level. The second concept, 'practices', refers to the routinized resources that allow strategists to do strategy, e.g. strategic planning, the use of strategic methods and tools (such as SWOT), strategy meetings, workshops or awaydays. These are socially defined modes of acting, embodied in the routine of the organization. These two concept are closely interrelated: *praxis* draw on a specific and situated organizational set of practices while these practices are (re)produced through strategists *praxis*.

These valuable insights have raised new and intriguing questions about strategy, a field where both research and teaching 'are dominated by an economics paradigm that favours the analytical and is remote from practical activity' (Whittington et al., 2006: 625). For example, in their agenda for SasP studies, Clegg et al. (2004) claim that we surprisingly now little about strategists, notably 'how are strategists constructed and what material makes them up?' or 'How did they acquire their strategic cultural capital?' (p. 25) They invite us to consider strategists not as already competent but as the product of a developmental journey that gave them the ability to play their 'strategist' role more or less adequately. Another call for research invites to study more directly the phenomenon of 'emergence' in strategy making (Vaara and Whittington, 2012). Hence, with the notable exception of Regnér (2003), current SasP empirical studies focus mainly on existing, formal, routinized and planed practices such as top team meetings – practices that are already seen as strategic. Leaving this area requires paying more attention on the actions and practices that emerge or 'become' strategic through time, i.e. to the pattern of actions that actors (strategists) understood themselves as 'strategic' (Tsoukas, 2010). This more emergent view implies to study what is recognized as such by practitioners themselves, to the moment where these actions suddenly gain a strategic status. It leads to the investigation of 'the ways in which practitioners at times pause to strategize'

(Vaara and Whittington, 2012: 314). It also points to the abilities of strategist, including how they are able to cope with incidents and puzzling situations (Chia and Rasche, 2010). Finally, focusing on more emergent forms of strategizing echoes Mintzberg and Waters (1985) invitation to open 'the process of strategy making up to the notion of learning' (p. 271).

Put it differently, to advance knowledge on strategists as well as on the emergent aspect of strategizing, one promising lead is to study *how strategists do learn to strategize while strategizing*: what are the opportunities (including, but not limited to, success and failure) for learning and reflecting on strategizing? What are the strategic knowledge and skills associated with these opportunities and with strategizing? What lessons are learned and how do they participate in shaping the strategy of the organization?

2. METHODS

2.1. RESEARCH DESIGN

This exploratory study was conceived to analyse the lived experience of Small and Medium Entreprises (SMEs) company heads (i.e. strategists) in relationship with their strategic *praxis* and practices. The study focuses on 'individual corporate histories' which are considered as 'an avenue for research … for understanding the origins of capabilities' and especially those based on the 'knowledge and skills' of strategists (Teece, 2012: 1398). Such a narrative approach is now common in SasP studies (see Brown and Thompson, 2013; Fenton and Langley, 2011). Moreover, I am interested in 'strategic episodes' (Johnson, Melin and Whittington, 2003) as well as on the succession of several of these episodes. Here, I draw on the notion of episode as developed by Hendry and Seidl (2003) which involves a 'switch', that is: 'the beginning of the episode constitutes a switch from the existing (operational) context into the strategic context and the end an analogous switch back from the strategic context into the pre-existing (operational) context' (p. 184).

I choose to focus primarily on small and medium enterprise company heads because they are particularly accurate to study the learning of strategizing. Their companies often rely primarily on their head (Marchesnay and Messghem, 2001; Mintzberg, 1987). This renders more acute the need for these leaders to possess the knowledge and skills required to strategize. It is also more likely that these leaders develop much of their knowledge and skills

when confronted to practical situations, through 'experiential learning' (Kolb, 1984) by doing or 'crafting' strategy (Mintzberg, 1994; Whittington, Molloy, Mayer and Smith, 2006). Compared to established larger companies, the issues associated with strategizing in SMEs (and with strategic learning) are even more crucial to the firms' survival. SMEs strategists may pay a heavy price for their 'strategic error' (which can lead to bankruptcy). They must be responsive when it comes to draw lessons from their mistakes or their experiments. Moreover, SMEs company heads are often alone to face these high-stakes strategic issues, putting even more pressure on them and their ability to learn quickly how to strategize. This specific context makes them interesting subjects to study the learning of strategizing. Finally, due to the large number of SMEs, these strategists outnumber the classical strategists of bigger organizations – that have been paradoxically the focus of the vast majority of previous SasP studies (e.g. CEOs, Top Management Teams, members of the boards). While they do face real strategic issues and are in need of 'good' strategizing, we know little about them.

2.2. DATA COLLECTION

The data collection – which is still in progress – began in 2016. Company heads are recruited in the personal and professional circles of the researcher as well as via the *Centre des Jeunes Dirigeants* (CJD)[1]. Access to active members of a local council was negotiated with the local head of the association in return of a feedback of my findings during one of their meetings. During this process, following a maximum variation sampling (Patton, 2002), I ensure that the sample is as diverse as possible in terms of individuals' gender and background as well as of company size (number of employees) and line of business. So far (December 2017), 31 company heads have been interviewed [2]. The narrative interviews (Eriksson and Kovalainen, 2008) were conducted in strategists' offices or in public places (e.g. in a coffee shop) and varied in length from 40 to 120 minutes, with a mean duration of 70 minutes. I asked general and open questions that focused primarily on the company history from the creation of the company or the appointment of the interviewee as company head and also some more specific

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[1] This is a French association created in 1938. It brings together nearly 5,000 executives and heads of SMEs (which represents more than 675,000 jobs) in 107 local councils. The purpose of this association is to be a social force bringing forward proposals to promote an economy at the service of mankind as well as to help its members to reflect, to share and to experiment together.

[2] This is an ongoing research. The aim is to interview at least 60 company heads.

questions regarding their experiences dealing with strategic issues, including specific events or periods considered as intense in this regard. They are audio recorded and fully transcribed[3].

2.3. DATA ANALYSIS

The inductive data analysis of these data is comprised of three iterative and recursive stages:

- (i) An initial data open-coding based on first-order (informant) terms;

- (ii) The organization of the first-order codes into second-order (theory informed) themes via axial-coding – and the organization of second-order codes into 'aggregate dimensions'. First-order and second-order themes as well as the aggregate dimensions have been assembled into a 'data structure' (see Figure 1.) which 'not only allows us to configure our data into a sensible visual aid, it also provides a graphic representation of how I progressed from raw data to terms and themes in conducting the analyses – a key component of demonstrating rigor in qualitative research' (Gioia et al., 2013:20);

- (iii) The formulation of dynamic relationships among the second-order concepts into a dynamic and processual model (see Figure 2.). Figure 1. Data structure emerging from the analysis of the first 15 interviews

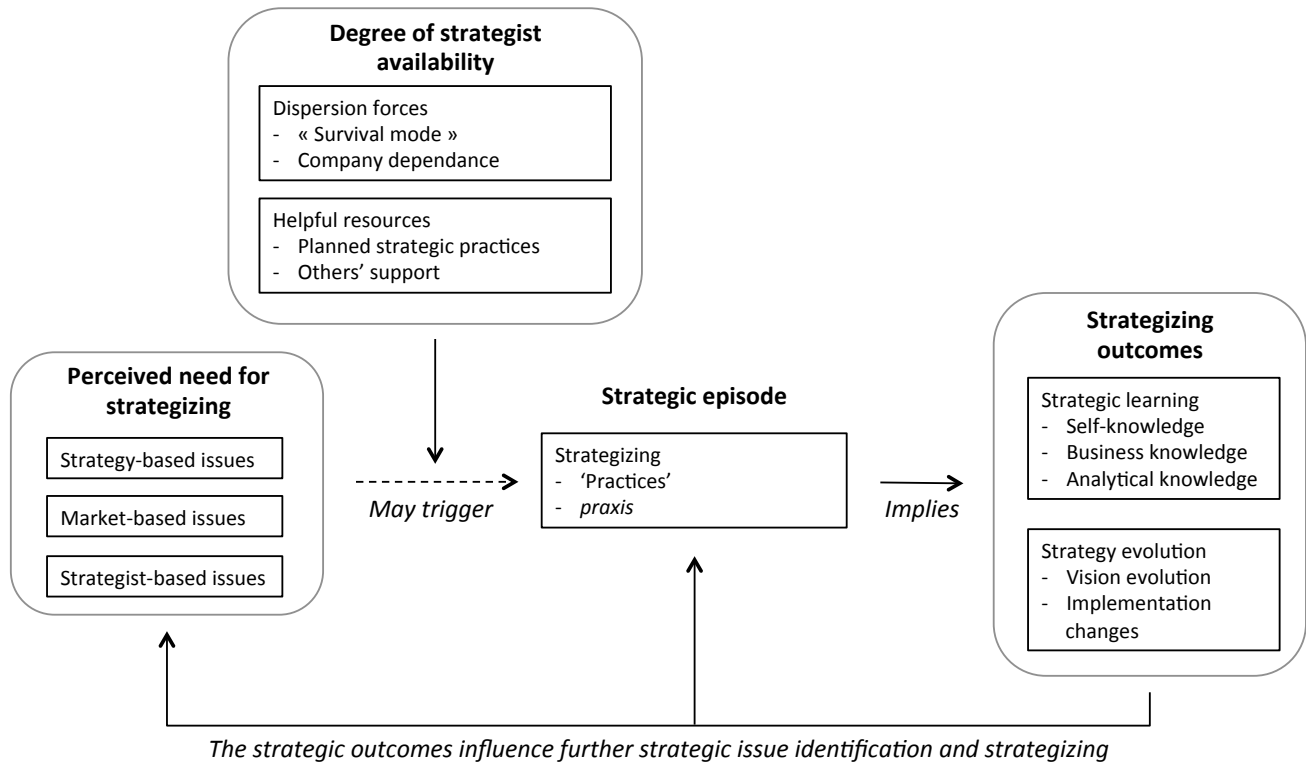Figure 1. Data structure emerging from the analysis of the first interviews

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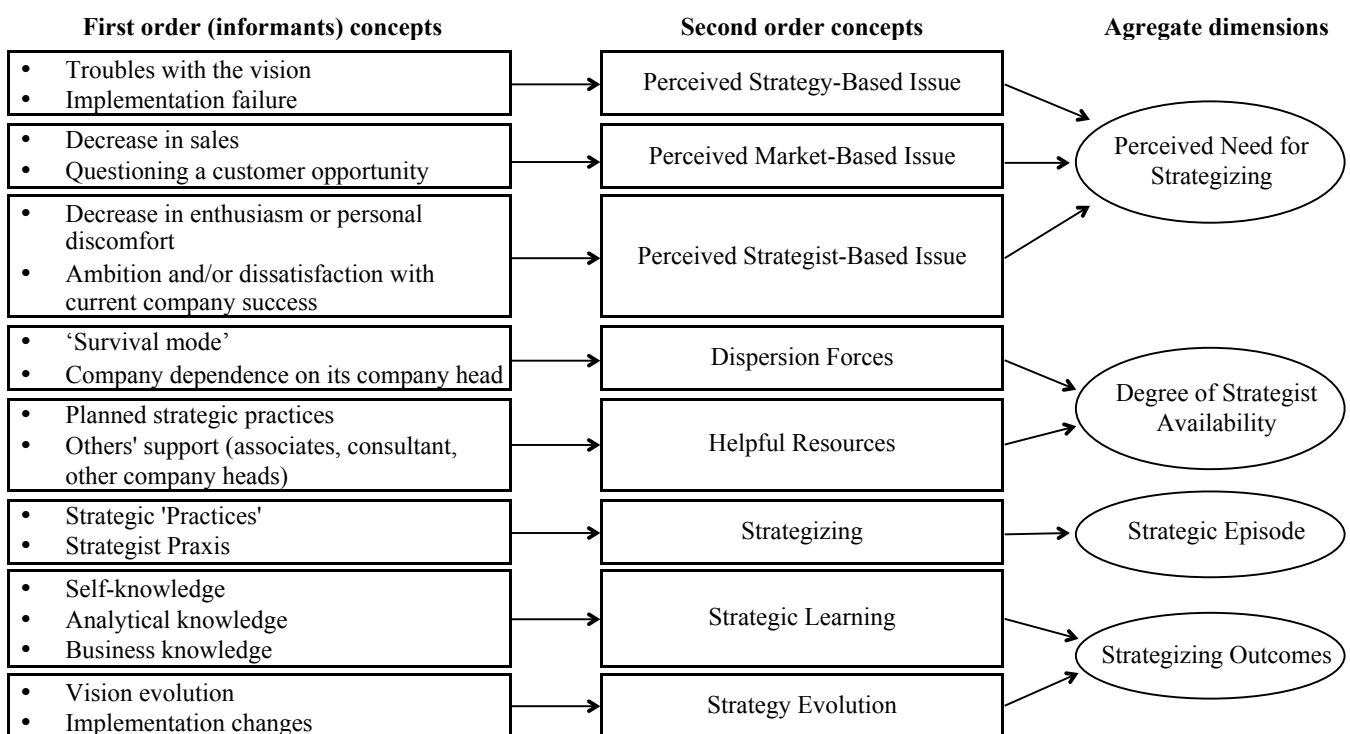
[3] The quotes used in the paper are translated from French by the author.

3. FINDINGS

As illustrated in Figure 2, I identified four emerging aggregate categories that were organized in a first version of a model of strategist learning through strategizing (Perceived need for strategizing; Degree of strategist availability; Strategic episode; Strategic outcomes). To better understand these aggregate dimensions and their constitutive themes, it is important to gain a sense of the learning process that emerged from this research. In line with more general experiential learning (Kolb, 1984), individual strategic learning is not a linear process. It is chaotic or turbulent. Even if company heads interviewed do gather information on daily basis on customers, competitors, etc. more varied lessons come from strategic episodes: the moments when they 'switch' from operational concerns to reflect on strategy (Hendry and Seidl, 2003). These episodes are thus not only important to understand how their company strategy evolves (more or less radically) but also to understand how they do learn to strategize while strategizing. That means that they do learn primarily when they are forced to, when they feel the need to think about – and to take decisions on – their strategy. The strategist learning (and the related company strategy evolution) happens predominantly during hardships. There is also evidence that the knowledge gathered through these (sometimes painful) experiences is used later on when new struggles arise: this process seems to be never-ending. Also emerging from these preliminary findings is the fact that SMEs company heads, due to their specific relationship to their company (Marchesnay and Messghem, 2001; Mintzberg, 1987), can feel this need to strategize but do not always do so, mainly depending on their availability. Thus, in this model, there are two prerequisites to strategizing: feeling that it is necessary and making oneself available to do so. The content of these aggregate dimensions are discussed in details in the next sections.

Figure 2. SME's Strategizing

Degree of strategist availability

Dispersion forces
- « Survival mode »
- Company dependance

Helpful resources
- Planned strategic practices
- Others' support

Perceived need for strategizing

Strategy-based issues

Market-based issues

Strategist-based issues

May trigger

Strategic episode

Strategizing
- 'Practices'
- *praxis*

Implies

Strategizing outcomes

Strategic learning
- Self-knowledge
- Business knowledge
- Analytical knowledge

Strategy evolution
- Vision evolution
- Implementation changes

The strategic outcomes influence further strategic issue identification and strategizing

3.1. PERCEIVED NEED FOR STRATEGIZING

One of the two prerequisites for strategic learning is to feel the need to strategize. This need emerges from three classes of issues reported by my interviewees: (i) strategy-based issue, (ii) market-based issue and (iii) strategist-based issue.

3.1.1. Strategy based-issues

The perceived need to strategize is related to two interrelated kinds of issues: the first one regroups various problems with the initial or planned strategic vision while the second one refers to more common strategic implementation problems. While they both mean a lack of success of what have been planned, they differ in scope and intensity.

Troubles with the vision. These troubles could originate from the mismatch of the planed vision, for example if consumers are not ready to pay for the product developed. Another kind of trouble is the relative lack of (or floating or 'suspended') vision, notably because forecasts are perceived as quite difficult to make:

> We are going with the flow. We know that we are going to have a highly political year, and some people will be in stand-by … we are facing turning points and we have to be careful not to mess it up (Ivonne)

A more common kind of trouble with the strategic vision in SMEs is to be found in the propensity of progressively drifting away from what have been planed because of the daily decisions taken in relation with operational matters. In the service industry, one particular significant source of drift is accepting new and original customers' demands that can lead to blur what the company is about:

> Because it is always the same story. Day-to-day leads you to some place that has drift away from the strategic vision and you have to reposition (Harold)

These troubles have fewer occurrences in the interviews than the following (about implementation) but were nevertheless highly problematic since they can jeopardize the ability of the company to send a clear signal to various stakeholders (including customers and employees) about its mission or field of activities. However, in contrast with more operational issues, taking the decision to question the vision appeared as very difficult due to the amount of time, energy and money invested:

> With the big question: how far am I stubborned? Because who knows, it is just a step further, it is just that I have not tried hard enough. But in the same time, if I try to hard and too long, I am simply stupid. It's a balance… (Harold)

Implementation failure. These 'failures' were more commonly mentioned in interviews as they are encountered several times by company heads. These are commonly the result of a trial-error process where the company head learn from her/his mistakes:

> How to find new clients? … We have lived an episode when we hired a team of sales rep. because we were convincend that these clients would not buy otherwise. But it was really too expansive regarding the outcomes. (Fergus)

These mistakes need to be solved because they may threaten the company survival. They trigger a need to strategize, mainly to study and decide what can be done to 'make things work' the way it has been planed (e.g. changing the commercial prospection mode or sales prices). However, they strongly differ from one another in terms of impact on the company survival as well as on the easiness to solve. Sometimes, they force the company head to alter more profoundly the company strategy:

> It was something that I had no trouble to sale. … But I made a mistake, the selling price was too low. I always underestimated le value of my work. … softwares that at the time I created for 20 or 30,000 €, in

reality it costs about 150,000. … and for some times, I had troubles to pay myself a wage and to pay social costs … thus I decided to stop computer maintenance and to bet on IT development. (Gabriel)

These troubles can trigger the need for strategizing but are not necessarily painful and hard to solve (at least, less than the troubles with the vision). Indeed, they do not systematically involve significant evolution of the company strategy.

3.1.2. Market based-issues

The second trigger of the perceived need to strategize is related to two different kinds of difficulties: facing a decrease in sales and questioning customers' novel or original requests.

Decrease in sales and customers loss. This evident first kind of difficulty directly threatens the company survival. As such, it questions the validity of the future strategic orientations of the company because what have been yesterday's success no longer works. It calls for a renewal of the company strategy.

> This year, we lost 50% of our turnover. (Nina)

Questioning a customers' novel or original request. This second kind of difficulty is more ambivalent. On the one hand, it represents an opportunity that can lead the company to develop a new product or service that will succeed on a new market – and subsequently to a strategic renewal; on the other hand, it can be a drifting force (see 'Trouble with the vision' above). Thus, while it can be considered as an opportunity, it is also a risk that raises a difficult dilemma for the company heads:

> The danger for us is to believe that because a customer asked us [this or that], it is something that we have to do, and we will invest time and efforts and if we put it here, we don't put is elsewhere, and if it is not a good choice, we do this for nothing, it's catastrophic, we have lost time and we haven't do anything else. We loose twice. (Harold)

Contrary to the strategy-based issues, these market-based issues do not mean a lack of success of what have been planned but mean that what the company head did no longer works (their product/service do not convince anymore) and/or that they are offered a new opportunity (but should they pursue it?).

3.1.3. Strategist based-issues

The third trigger of the perceived need to strategize is related to the strategist himself and in particular with a decrease in enthusiasm (or a personal discomfort) with the company as well as dissatisfaction with its success regarding his own ambitions.

Decrease in enthusiasm or personal discomfort. The first invitation to 'pause to strategize' (Vaara and Whittington, 2012: 314) is related to the troubles experienced at the individual level that affect the company heads motivation. These troubles can be health problem caused by increased fatigue and work overload (see also Torrès, 2012) or simply discouragement due to the economic hardship experienced by the company and the doubts about 'what to do' to fix it. These times of doubt and distress can tempt company heads to give up. An interviewee told me that his partner decided to quit the company in order to become a wage earner again. He wanted to continue but clearly needed some help to think about how to pull his company out of the crisis:

> We were two to create the company, and I was really affected by the departure of my partner. I needed to be supported (Baptist)

Ambition and dissatisfaction with current company success. This second theme is not surprising as personal ambition is known as a strong driver for crating and developing new businesses:

> I didn't create the company, pioneer in 1999, to stagnate, but to give solutions to customers, to recruit and to emerge from the situation where the company head does everything (Lars)

These two strategist-based issues ('decrease in enthusiasm' and 'ambition') show that what happens to the company can greatly affect the company head. His unhappiness with the current company success – either due to hardships or to disappointed ambitions – is a powerful trigger for the need to think about the company's future. It also points to the fact that strategizing can involve a quite hard personal emotional work.

To sum up, the 'Perceived need for strategizing' is composed of various kinds of issues (either strategy-based, market-based or strategist-based) that lead company heads to question their strategic orientation and implementation choice. It was clear in the data that what has been presented here as different kinds of issues for analytical purposes were closely

intertwined and reinforcing each other in the perceived need to 'do something' as the following quote demonstrates (intertwinement of market-based and strategy-based issues):

> [the company] was facing a severe fall in sales. But we were especially affected in our core business, and the sales teams were lost, they didn't knew what market they should target. [the company] needed to iudentify new lines of development (Jackson)

This also raises the question of the anticipation of these issues. In some of the previous quotes, we can wonder why SMEs company heads somehow failed to anticipate some of the changes in their ecosystem? As we will see below, being able to recognize 'when' strategizing is necessary is one of the lessons learned through the process.

If these three intertwined classes of issues awaken the need to strategize, SMEs company head interviewed do not always make themselves available to do so. The main explanation of this (externally difficult to understand) behaviour is to be found in the degree or level of availability of the company head, mainly the time and attention s/he feels s/he can devote to strategize. It has emerged as the second prerequisite to actually strategize and learn from this activity.

3.2. DEGREE OF STRATEGIST AVAILABILITY

The second prerequisite for strategizing is to make oneself available to live a strategizing experience. The company heads interviewed frequently accounted for their difficulty to find the time to step back and think about the company strategy because of what I called 'dispersion forces'. These are centripetal forces that lead the company head away from his central role of strategist. However, some of the company heads were more inclined to do strategy, notably because they balanced these dispersion forces with 'helpful resources' that acted as counter (or centrifugal) forces.

3.2.1. Dispersion forces

These forces distract company heads from their 'strategist' role. They come from two (often combined) situations: (i) when the company experiences a 'survival mode' and (ii) when the company heavily depends on its head. For interviewees that (have) experienced these forces, it strongly drives their sense of priority and the allocation of their time and energy to various operational company issues.

'Survival mode'. This situation is characterised by the focalisation of the company head attention on short-term. This typically entails massive economic difficulties that can lead to bankruptcy:

> I will be clear, when you are in survival mode, you do not do strategy. In survival mode, you survive. You find customers; you manage so that you can pay the social socts at the end of the month (Harold)

For the interviewees, this situation has been either an isolated stage in the development of the company (e.g. until a viable business model is found) or a more recurrent situation that sometimes feeds itself: accepting any client demands can be felt as necessary but in the same time not always wise because some of these request are unprofitable.

Company dependence on its company head. The second situation that prevents the interviewees to think long-term is linked to their specific position as SMEs often rely primarily on their head (Mintzberg, 1987):

> So today I begin to get back on my feet, we begin to have a more normal everyday life ... But it has been a long way, and this is only now that I can take the time to discuss with you, my phone is not ringing … you came two years ago, I was not able to receive you, it was a widespread panic. (Andrew)

Some company heads succeed in organizing their company, notably with the help of an associate and/or with the creation of a managerial layer. This challenge implies delegating to someone who has the appropriate skills to assist them. Otherwise, and especially in smaller companies (i.e. short of workforce), company heads seem to constantly run out of time due to the various tasks they have to perform (sales, production, management, etc.).

SMEs company heads do recognize the importance of having a strategy, and want to do strategy (and to act as 'real' company heads looking into the future, making forecasts, playing their 'strategist' role). While 'survival mode' and 'dependency' situations are forces of dispersion into a myriad of non-strategic short-term tasks, some of the company heads interviewed, despite survival mode or overwork, still do strategize mainly because they counteracted these dispersion forces through the use of helpful resources.

3.2.2. Helpful resources

Two kinds of resources have been identified as 'helpful', that is: helping the company head to step back and to focus on more long-term issues. These are (i) benefiting from the support of various others, such as partners, fellow company heads or shareholders and (ii) submitting oneself to planned strategic practices. It is to be noted that the first resource is mostly informal while the other is more formal but that they both involve feed-back from various others.

Other's support. A first way to force company heads to step back, and a way to break the loneliness of small business owners, is to ask for feed-back from legitimate others. This is especially the case for the interviewees who are part of company heads networks (such as the *Centre des Jeunes Dirigeants*) and/or who benefit from accompanying, advice and sharing experiences from other – often partially funded – SME Aid Programmes:

> I was constantly inder water since my arrical as company head. For the first time, I had the opportunity to take a step back and to discuss with other persones about my line of business and to think about its main future evolution (David)

Company heads that work with one or more associates also benefit from informal and regular conversations with them[4]. The company heads interviewed also frequently mentioned their helpful discussion with people of their personal and familial entourage. An interviewee even mentioned the important piece of advice given by his customers company heads:

> … the customers I had from the beginning were really good customers. … I was facing other company heads who were 45-50-55 years old and who were experienced and who were happy to see a young guy embarking in this adventure … so I had a lot of luck to meet these very good people who supported me, who gave me advice that I still use. (Gabriel)

It highlights the 'solidarity stock' that exists outside of SMEs notably in the form of company heads networks. This is a potential specificity that distinguishes between SMEs company heads and CEO and Top Management Teams of bigger companies who rely almost exclusively on internal resources (e.g. strategic department, consultants and members of the board) and mandatory events dedicated to strategy (such as Executive Boards).

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[4] The data also shows that it can be an ambivalent resource: indeed, if there is some tension between partners, notably because their respective visions are not aligned, it can become difficult for them to continue the conversation.

Planned strategic practices. These strategic practices are notably recurring and planned events dedicated to strategizing, including Annual Board meetings and periodic strategic seminars. These specific events are opportunities to force the company head to quit the operational centred and atomized daily business life of the company to talk, think and decide whatever issue considered as strategic:

> We have two stages, about two times a year, we block our agenda in order to do strategic thinking. … To mix strategy with day-to-day issues is not really working, se we plan this in advance ... we know one month before that during two days, we call that a strategic committee (Harold)

These formal events dedicated to strategy have been found in the bigger companies or within companies followed by (mostly supportive) stakeholders of the sample interviewed.

To sum up, company heads more inclined to strategize when needed (that is, to play their 'strategist' role) were able to balance two different and opposite forces (centripetal vs centrifugal) thanks to various external advice and support given during both informal conversations and formal events conceived in order to talk about strategy issues.

3.3. STRATEGIC EPISODE

When the two prerequisites for strategizing are met (i.e. perceived need for strategizing and company head availability), company heads organize and experience strategic episodes, that is a 'switch' from operational tasks towards strategic activities including (i) strategic practices and (ii) *praxis*.

Strategic practice. In SasP, Practices are social and routinized – albeit open to evolution. The company heads interviewed mentioned two kinds of such practices. The first one is classical: it is the seminars, board meetings and awaydays as described in SasP literature (including formal presentation of the company strategy to employees). The second one is more original because it is external and involves other company heads. These are the specific and formal events organized within peers networks (such as working committee dedicated to specific questions such as 'business model' or 'competitive intelligence') or as a result of the participation of the company head in a SME Aid Programme (generally comprised of various training days, collective sharing practices sessions complemented by an individual coaching by an external consultant). These two kinds of practices are not exclusive:

> We feed off, regarding reflection, of our discussions I would say of the board of the company, with these events two times a year with my partner, this strategic board that we do with our stakeholders, and a third point is what we do with the [peer network] … It's true that I am under the impression that I never do strategy but I do! There are dedicated moments. (Harold)

Praxis. This second and related theme refers to what strategists do: their micro-strategizing activities (Whittington, 2006). *Praxis* evoked by interviewees are individual or collective. Collective praxis mainly involves discussions (e.g. between partners, with a customer) and feedback (what others such as stakeholders do think of our company, its purpose, its strategy, its clients, etc.):

> Last June, we went on a tour together [with my associate] … by car or by train, we spent time to think and we worked on the vision, the mission and our strategy but also with whom we wanted to work with, and how. From external partners to shareholders and including employees ()

The individual *praxis* is an interesting emergent finding of this research. They relate more to what company heads do to themselves or *in* themselves. Several interviewees have mentioned the need to go beyond intuitive ideas and impulse to take immediate decisions by doing more research and analysis, seeking additional advice. This is a self-praxis aimed at controlling their beliefs and 'gut feeling' (because, as they say, there is a lot at stake). For the company heads interviewed, it also includes introspection (notably to think about what they want for themselves and for the company) sometimes assisted by 'methods' aimed at better controlling their time, their stress or their intuition so as to be more available to do strategy or to be more creative:

> As for me, I am very intuitive, I learned during my personal education to work on this, to use it I mean, my intution, 80 % intuition. … To learn to listen to the small inner voices, messages that are send to us, I also did hypnosis, to work on my unconscious self, it is our resources engine, and also of creativity (Ivonne)

It is notable that company heads that had no partners and who didn't belong to peers networks or Aid Programme reported that they didn't have the time to formally do strategy work. They didn't have strategic practices. Nevertheless, they were strategizing anyway, through *praxis*, for example because they were engaged in a process of constant reflection – nourished by discussions, readings, experiments, etc.

To sum up, while not all company heads have strategic practices, they all perform various micro-activities (*praxis*) based on collective (conversations, feedback) and more 'individual self-*praxis*' informing their reflexion and decisions. It is through these practices and/or *praxis* that strategist do learn to strategize. In the next subsection, I will present the nature of the knowledge that interviewees have reported to learn during these strategic episodes.

3.4. STRATEGIC OUTCOMES

Finally, strategic episodes, through practices and *praxis*, imply both 'strategy evolution' and 'strategic learning'. While the strategy evolution is the direct and intended outcome of strategizing, strategic learning is more emergent and happens throughout the process – and evidence shows that this emerging knowledge is subsequently used in further strategic episodes.

3.4.1. Strategic learning

The strategic learning that happens through strategizing is composed of three types of knowledge: (i) self-knowledge, (ii) analytical knowledge and (iii) business knowledge. While analytical and business knowledge are non-surprising, the self-knowledge in relation to strategy and strategizing is more counter-intuitive.

Self-knowledge. How this first category of knowledge can be considered as strategic knowledge? Let's begin to describe more precisely what is the content of this knowledge. The two main aspects underlined by the company heads interviewed are: building a set of reflexes and focusing on the alignment of oneself and its company (present and future).

The interviewees have proved to be reflexive. The doing of strategy, notably through mistakes, has made them realize that they had to fight some of their own spontaneous inclinations or to revise some of their certainties. This implies a better knowledge of 'who they are' and 'how they think' as well as 'how they must act' as company head and strategist:

> I also realize that a company head can't do everything. Yet a SME company head is naturally programmed for that. He has to delegate if he wants to his company to grow. (Karina)

For example, a company head had drawn a lesson from his participation in an SME Aid Programme that is: even in 'survival mode', stay focus (which is a way to resist the 'dispersion forces' in order to make oneself available to strategize):

> And I think that what is important is that the [SME Aid Programme] forces us to focus on what is crucial. In times of trouble, the mistake to avoid is to scatter. (Melvin)

Another example includes to listen to oneself and to force oneself to put the finger where it does not works even if it is not comfortable (which is a way to be more aware of a strategic issue):

> … if my strategic vision does not fit with what I see everyday, it's… I have a discomfort feeling that I learned to detect over time as the signal of an inconsistency between two things that I have to look at and to solve. The self-discipline is not to ignore it, to dig into it and to deal with it (Harold)

Moreover, several interviewees have also learned to align their personal goals with what they think is better for their company. It is strategic because it is also a self-knowledge since it relies on a better understanding of one's motivations and desires:

> … project carrier and project should be compatible and consistent. ... The best SME stratregy is not the bets theoretical strategy but the one that the company head can embody and complete until the end. (Expert in SME Aid Programme)

This knowledge may be highly personalized since company heads are different individuals who live different kind of strategizing experiences. However, some lessons learned are more recurrent and indicate a common pattern among these strategists: listening to oneself to detect 'what's wrong'; moderating one's intuition in order to take better decisions; aligning one's personal project with the strategic vision of the company future.

Analytical knowledge. This second category of knowledge refers to the knowledge and skills necessary to analyse the information gathered, to support decision-making and to generate new ideas or options. This knowledge is more conceptual – and codified – and includes classical strategic tools and analytic procedures (such as SWOT analysis, strategic segmentation in strategic business areas, or business model – a practical tool known to help reconnecting entrepreneurs with strategy or to allow an iterative thinking between strategy formulation and implementation, Demil, Lecocq, Ricart and Zott, 2015). Surprisingly, this kind of knowledge has been acquired and developed only by interviewees that were part of a

company head network (which provide methodology such as the SMART of the *Centre des Jeunes Dirigeants*) or who have benefited from SME Aid Programme. Some of the concepts and tools mentioned by these interviewees have been decisive in their strategizing:

> I mostly learned to think in Strategic Business Areas (Oliver)

One of the interests of these networks and programmes is that company heads are using these tools on their own company and ecosystem with the help of more expert company heads or consultants and in front of peers (who happen to also use these tools on their own case). This is a way to increase both the perceived relevance of these tools and the internalisation of this analytical knowledge. However, if this analytical knowledge is necessary to strategize, some interviewees also have a critical understanding of these tools and of their usefulness. This ability to position reflexively these tools in their strategizing (both in choosing the relevant tools and the setting of precaution of use) can be considered as an analytical skill also developed through the doing of strategy:

> … you have to be suspicious of the too structured and formalized approaches, we must not let ourselves be fooled and believe that because I have followed this approach, what comes out of it is solid and what we absolutely should do (Harold)

Business knowledge. This third category of knowledge is the more obvious. It refers to the knowledge of both the organization and of the environment (or ecosystem) in which the company operates. However, it is not just a factual knowledge (or a list of information) about who are the customers or competitors, it is a more 'systemic' and 'intimate knowledge of business' (Mintzberg, 1987: 74) that includes how the knowledge inter-relates.

This business knowledge, contrary to the analytical knowledge, is more ongoing and can incrementally (albeit smoothly) evolve on daily basis due to client interactions, problem solving and so on (in this sense, it is more rooted in observations and experiences made from operational activities). However, strategic episodes are opportunities to formalise this knowledge and to talk about one own's perception of the company strength or of the future opportunities perceived. It is also nourished by analytical knowledge:

> We had troubles to develop the company because our solutions [for customers] were too technical and not enough market-oriented. In thinking about 'client solution' for different kind of line of business … we adopted a more segmented discourse, which was better suited to customer needs and hence more impactful (Lars)

To conclude, these different and complementary forms of knowledge are reused in the process to be able to detect more accurately strategic issues, to make oneself more available to strategize or to create or improve strategic practices and *praxis* (notably the 'self-*praxis*' identified above). In this sense, they are *strategic* (i.e. to be able to do strategy when needed, more often and more effectively):

> … every two years, we now conduct a thinking process about the new SBA for the next 5 years. (Oliver)
>
> With the sales team, we have developed the habit of a regular questioning of the [company] strategy and of the opportunities that can arrise. The world is changing really fast. The company is now more prepared to face it. Now we don't hesitate to make strong bets and to take the lead (Karina)

3.4.2. Strategy evolution

Finally, the doing of strategy during strategic episode has also produces direct and expected outcomes: changes in vision and/or in implementation.

Change in vision. One of the main benefits underscore by company head is that strategic practices have helped them to step back (from their daily busy and chaotic operational-centred activities) in order to formalize 'where they want to go' and 'how going there'. For example, a company head said that his participation in a SME Aid Programme (that is: a strategic practice):

> … it has forced me to define and to formalize the strategy, the mission, prupose, etc. And also to define my clients and the market positioning, the market access ... It also made me think about how going there, because it is not enough to map out a strategy, it's mainly how I go there (Melvin)

Change in implementation. Company heads have also mentioned more modest but significant evolutions following their strategizing:

> We have segmented the strategic business areas and build the corresponding action plan. … And then we have started the prospection (Nina)

These strategic evolutions depend on the strategic issue at stake (that is: the perceived need for strategizing that drove them). Moreover, some are potentially source of mistakes that will trigger further need for strategizing and further learning. It is indicative of a never-ending process towards what one of our interviewee called 'wisdom':

It is true that a personal work is important. I think that I lack some maturity. … I lack a bit of wisdom. I think that an older company head, by definition, will be better on some topics than a younger company head who is more impulsive (Andrew)

4. DISCUSSION AND CONCLUSION

Current findings indicate the possibility of a dynamic model of strategist learning through strategizing. The learning process that emerges seems to be never-ending. In the current version of the model, lessons learned are reused and complemented or altered as new issues emerge from failures, mistakes or dissatisfaction (which are partially the outcome of past strategic adjustments). While the 'strategic outcomes' category relates to 'what' strategist learn (the 'content': knowledge, lessons, skills), the 'strategic episode' concerns 'when' and 'how' they learn (the specific opportunities for learning) and the two remaining categories, 'perceived need for strategizing' and 'degree of strategist availability' account for 'why' they learn (what issues should be noticed and solved). These findings can have implications for theory and practice. I conclude the section with limitations and research paths.

4.1. THEORETICAL IMPLICATIONS

First, these (preliminary) findings can bring new insights regarding SasP studies, and in particular (i) the documentation of the (mostly) unknown type of strategists that are SMEs company heads; (ii) it also adds to the repertoire of known strategic practices by suggesting peer networks as a major accelerator of strategizing; finally (iii), it enhances our understanding of strategic *praxis* by showing that these are not only 'inter-individual' but also 'intra-individual' and related to self-knowledge.

(i) I contribute to answer the call for research of Clegg et al. (2004) by showing that SME company heads are partially different from more classical strategist portray by SasP studies; but they did not constitute a homogeneous group. Comparatively, they lack available resources and interlocutors to help them to pause to strategize; they rely more on trial and error than on formal strategic practices; they are more inclined to follow their own intuition and to take advantages from circumstances than to plan formal strategic orientations; finally, they generally lack time and tools to enact their 'strategist' role. This is less true for interviewees who have the 'bigger' companies of the dataset (more than 15-20 employees),

who have partners and stakeholders and benefit from external practices through network membership or SME Aid Programme (their strategizing seems closer to 'big company' strategizing). Finally, it complements Lindh and Thorgren (2016) findings that 'reflective learning does not start with the experience of a critical event, but rather with the ability to recognize such an event' (p. 539). Indeed, beyond the 'event recognition' (or perceived need for strategizing), the data show that reflexive learning also happens predominantly when the company head can make himself available to deal with the strategic event or issue he has recognize.

(ii) I also add to the repertoire of strategic practices identified by introducing the notion of 'external' practice. While classical practices documented in SasP studies are 'internal', i.e. organized within the company and mostly with company members (such as strategy meetings or workshops – sometimes with the help of external consultants), the 'external' practices documented here are of great help for SME company heads. They are organized with mostly external actors (and notably with peers organized in dedicated networks) as well as outside of the workplace (sometimes in peers private residence). The attendance at SME Aid Programme also involves a coaching by an external consultant whose role is not confined to the context of a service provision; in 'external' practices their role is more *developmental*: the simultaneous fabric of both the strategist and its strategy.

(iii) Finally, while *praxis* is one of the central concepts of SasP stream of research (Jarzabkowski and Spee, 2009; Whittington, 2006), it has mainly be studied as a form of 'inter-individual' micro-activity, for example 'real time talk-based interactions' between members of top management teams (Samra-Fredericks, 2003). In this paper, I have identified that more 'intra-individual' activities were also part of strategist *praxis* such as paying attention to be personally aligned with the company desired future or listening to ones intuition while balancing it with additional analysis (this may be analysed as one mode of interaction between deliberate practice and intuition, Baldacchino, Ucbasaran, Cabantous and Lockett, 2015). For some interviewee, this is a sign of wisdom, an ability to keep an open mind, to step back and to fight one own inclination or to revise some certainties. As these self-based activities are rooted in a self-knowledge constituted and evolving along and

through strategizing experiences, this company head wisdom can come from the systematized and routinized patterns of behaviour progressively internalized as the result of past strategizing experiences and lessons learned.

4.2. PRACTICAL IMPLICATIONS

This research also has implication for SMEs company heads. The dynamic model offered in the paper can help them to play their 'strategist' role in two ways. Firstly, whatever the economic success of their company, even in 'survival mode', there is a need to continue to (try to) think long-term. The main resources to resist to the classical dispersion forces experienced by SMEs company heads are: (i) asking for help (don't stay alone with your problems, ask other company heads; take advantage of this free 'solidarity stock' out there composed of peers that intimately understand your problems and are willing to provide advices and ideas rather than judgments); and (ii) building and maintaining regular strategic practices (somehow, force yourself to formalize on a regular basis all important issues related to the company strategy vision and implementation, either with a close 'first circle' of partners or stakeholders or with external peers willing to share with you the same exercise).

Secondly, being a strategist does not only require up-to-date business knowledge and analytical skills but also self-knowledge and self-practices. A significant emerging finding of this study is the need for SME company head to step back and to monitor their own emotions and motivation. As Lindh and Thorgren (2016) have recently suggested, 'trigger for reflection is prompted by an awareness of the relationship among emotions, actions, and thoughts' (p. 538). This self-knowledge and associated self-*praxis* can favour the identification of strategic issues (or at least trigger doubts and questioning about it). Understanding how you react and notably regarding decision-making is also essential. For example: procrastinators need to force themselves to forecast potential problems; impulsiveness needs to be balance by additional analysis; loners should adhere to peer networks, etc. Moreover, understanding what drives you is important because there is a need to achieve a balance between your personal trajectory and the company trajectory. Finally, as strategic learning is never-ending (notably because the company environment is always changing), it seems reasonable to nurture a

constant questioning of oneself as well as its strategy – as this is not possible to 'know everything', it seems possible to reach for (practical) wisdom (Chia and Rasche, 2010).

4.3. LIMITATIONS AND RESEARCH PATHS

To pursue this line of inquiry, I would suggest areas for future research that expand on the findings of this study and address its limitations. Firstly, this study is based upon a limited group of small firms heads in a single country. It would be interesting to conduct further research with company heads coming from other countries to appreciate the potential influence of the cultural context. Moreover, this study has not taken into account the company head 'personality type'. This could be an important variable that contribute to explain why some of them do learn more or faster than others. Secondly, the research is based on narrative interview. To discuss (and to enrich or challenge) this paper's findings, other field studies could focus on other data collection procedures, such as ethnographic based researched on a limited set of company. This would provide greater insight into the dynamic learning process of strategizing as well as on nature of the knowledge and skills these opportunities provides.

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