

# Behavioral Patterns: Small Firms' Recipe for Growth

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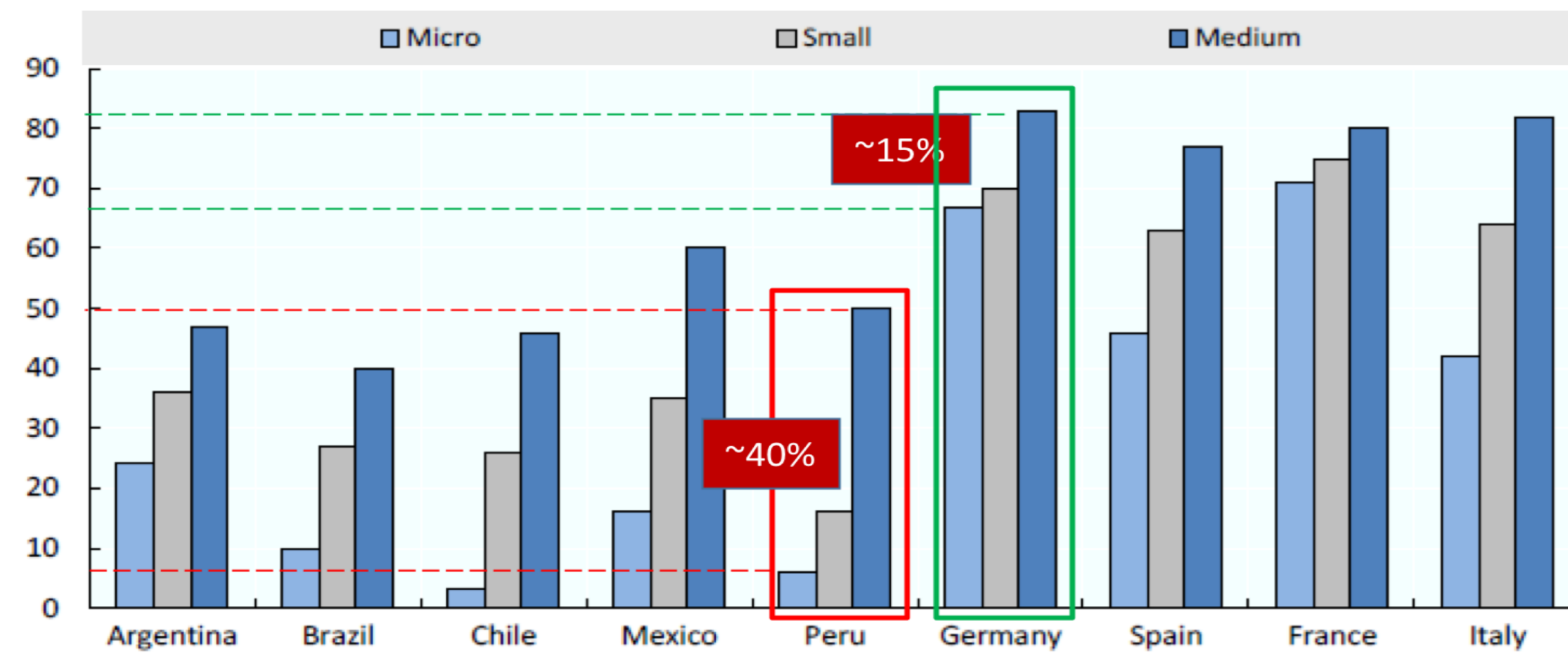
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## Motivation / Background

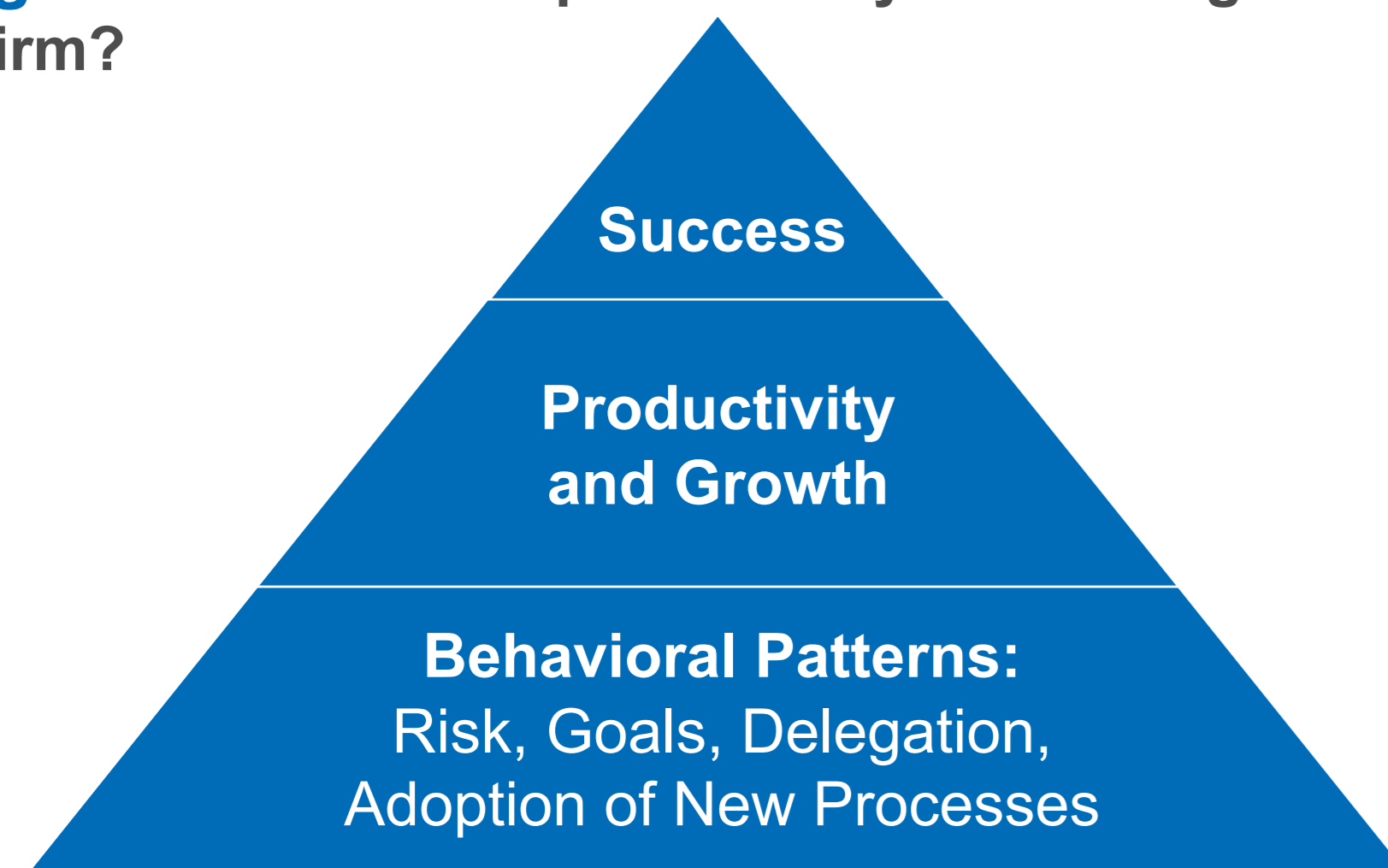
The productivity of micro and small vs medium firms:



Source: OECD-ECLAC (2012), Latin American Economic Outlook 2013.

## Key Question / Hypothesis

What behavioral and managerial patterns in **supply chain management** affect the productivity and willingness to grow of a small firm?



## Relevant Literature

Churchill, N. C., & Lewis, V. L. (1983). The Five Stages of Small Business Growth. Harvard Business Review.

McKenzie, D., & Woodruff, C. (2016). Business Practices in Small Firms in Developing Countries. Management Science.

MIT GeneSys. (2018). Leveraging Supply Chain Management and Business Practices in Micro and Small Firms: Data Collection Guidelines.



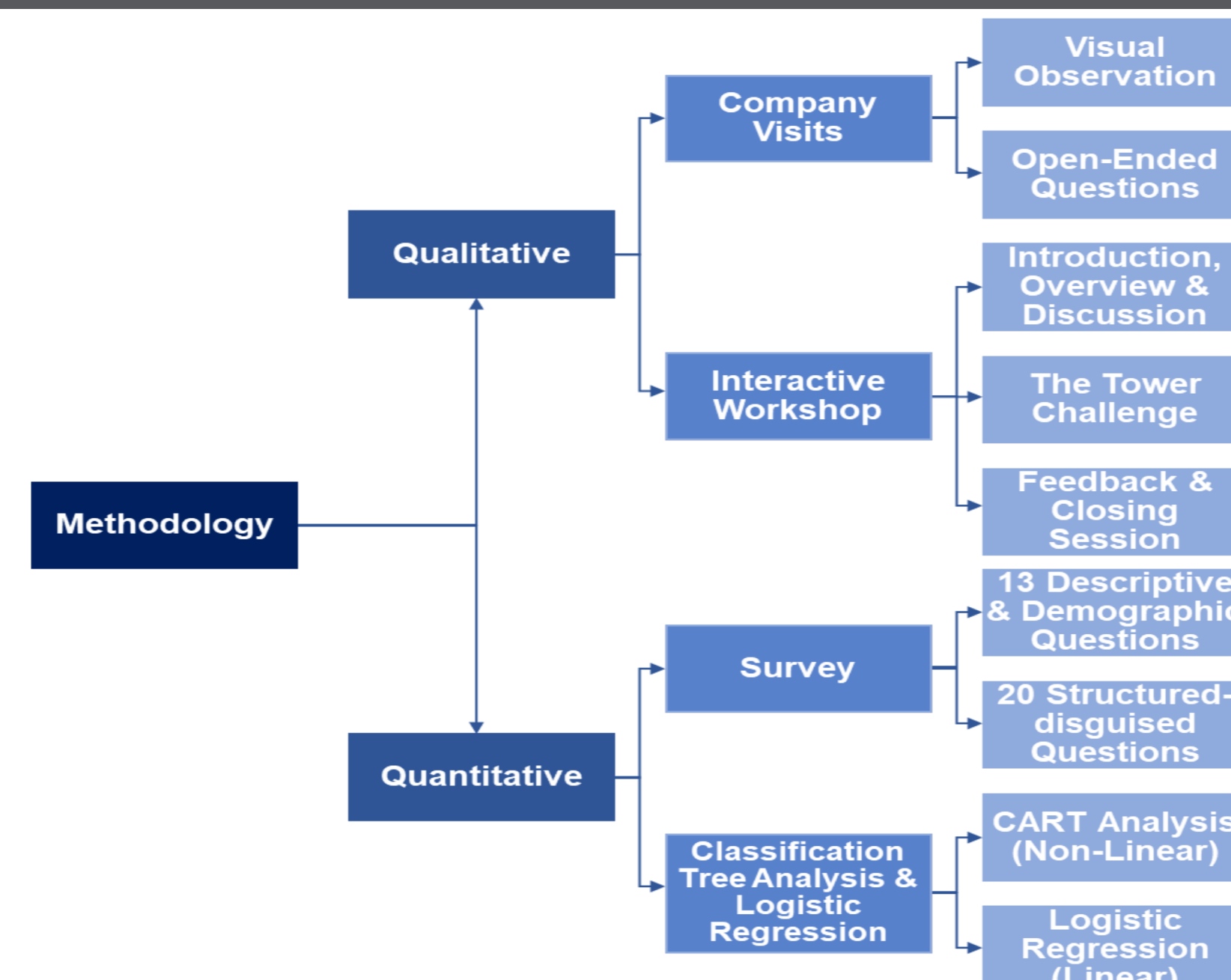
Micro firm in Guadalajara, Mexico.

## The Problem

More than **95%** of the companies in the world are micro and small firms and they account for both the majority of jobs in most OECD countries, and the highest share of the suppliers and customers of large firms.

Due to a lack of productivity, only a fraction of them survives and develops into high-growth firms.

## Methodology



## Findings and Results

The behavioral and managerial patterns are best represented in the context of **non-linear models** that can account for dynamic feature interactions and moderation.

**Risk taking, task delegating** and **goal setting** are influential behavioral management patterns in predicting rates of business growth and productivity for MSEs in Latin America.

**Adoption of new technologies/processes** as a behavioral management pattern has insignificant predictive contribution for business growth and productivity.

## Expected Contribution

**Identify** managerial and behavioral patterns that correlate to the productivity and growth of micro and small firms.

**Quantify** the identified managerial and behavioral patterns.

**Establish** a conceptual framework for micro and small firms to use as a foundation for **supply chain management** decisions.

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