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ENTREPRENEURSHIP AWARDS IN SWITZERLAND AND THE EFFECT ON THE
DEVELOPMENT OF START-UPS AND SMES – AN EMPIRICAL STUDY ABOUT
SWISS AWARDS, THE AWARD-WINNERS AND THOSE WHO REFUSED TO
TAKE PART IN THE AWARD-CONTESTS

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Principal Topic

During the last seven years the amount of awards for SMEs and start-ups has increased rapidly in Switzerland. The Swiss Office of Statistics observed an increase of start-ups during the same period of time. Today, there exist many different wordings for the awards to consider (e.g. Innovation Award, SME-Oscar, Entrepreneurship-Award, Cunning Fox, Golden Apple). Most of these awards tend to reward the economic efficiency, the financial success, or the degree of innovation of the firm. However, there are also numerous awards which reward, for example, the social contribution, the good governance, or the ethic behaviour of the firm. At the same time, the competition among awarding institutions has been increasing. Not a week goes by without regional activities or a national-wide conference for SMEs where an award is granted. Therefore, it is becoming increasingly difficult to have an overview over all the numerous awards and the increasing number of laureates. In addition, scant research has been conducted to date about the influence of awards on the winning enterprises.

This study is inductive and is designed to provide a point of comparison to the growing number of awards and their impact on SMEs. The study has three main goals. First, we aim to provide an overview over all the awards in Switzerland. Second, we seek to understand why many seemingly “successful” entrepreneurs and hidden champions who refuse to take part to these award competitions.¹ Third, we aim to identify the perceived benefits of the awards from the entrepreneur perspective. Data were gathered through semi-structured interviews with 84 prize winners and 50 entrepreneurs who refused to participate to award competitions. The prize winners were initially selected from the main award competition held in Switzerland since the mid 90s. We found that more than half of the prize winning SMEs are still very in business today. Therefore, we focused our research towards a representative group of award winners from the last four years.

The first aspect we examined was whether the degree of success of these enterprises are decreasing, steady or increasing after winning a prize. The degree of success was measured by the turnover, the amount of employees, new products and services (as proxy for innovation) and the degree of survival of the firm in relation of the degree of survival of all Swiss start-up-firms. We found that prize winners tended to belong to two categories of firms: they were either significantly more successful or significantly less successful than other SMEs. In other words, we observed a clear dichotomy in the performance of award winners. Nevertheless, there was another important phenomenon to observe: in the last two years we found out that an increasing number

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of SMEs – often hidden champions – did not want to take part of an award-selection or an award-contest. One of the main reason mentioned was the fear of the entrepreneurs that they would be less innovative after getting the award. While an award is certainly a sign of recognition for an achievement, the upside is the self-satisfaction sentiment that it could convey, thereby decreasing the drive to pursue future challenges. In addition, we found that those entrepreneurs were facing a dilemma. On the one hand, the award for outstanding performance helps the company to get more publicity, motivation towards success and self-confidence. On the other hand, there exists a fear of loosing face in the community, if the enterprise will not experience success in the future. The interviews also revealed that all the enterprises which refused to participate where were family-owned, and that they wanted to keep a haze of suspense and some sort of camouflage. This was a deliberate strategy of these family businesses.

When asked about the experienced benefits resulting the awards and what could be the improved after winning the award, results suggest that the most important benefit was the increased motivation and a better visibility in the market due the numerous media reports and public relation efforts from the awarding organisation. As far as improvements are concerned, winners also would like to get additional coaching from jury members and get more publicity. The amount of money granted with the award is welcomed but it does not constitute the most significant dimension of the award benefit.

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