

Natural Growth Models; a decision making framework for entrepreneurial leadership in business growth

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Principal Topic

This research seeks to adopt Biomimetic principles in an entrepreneurial model that guides decision-making in high growth ventures.

Biomimetics is a concept of taking ideas from nature and implementing them in other scientific fields: Material Engineering, Robotics, Sociology, Bio-Chemistry and others. Since sustainable growth is one of nature's best practices, it seems logical to apply this learning to entrepreneurship and the leadership of growth ventures.

Biological entities (plants, trees etc.) are aimed to expand, enlarging their BioMass in the very same manner Businesses place focused efforts to accumulate BusinessMass. The model will present the corporation as a plant, using a Product/Service to connect between the Market and the Industry and utilizing Technology in order to convey Value to the market, hence capturing market share, and moving resources from the market back towards industry and research. Organizations compete on access to technological abilities as well as for market resources. Hence the biomimetic model can be outlined as follows (should be presented in a table):

Plants: Habitat - The external forces enabling or preventing plant activity. Roots - Absorbing water from the ground, enabling Plant growth. Trunk - An internal system connecting the Roots to the Foliage and vice a versa, enabling water flow to leafs, as well as sugar flow back to the roots. Foliage - Absorb sunlight from the environment in order to create sugar by using water and the release of oxygen (photosynthesis).

Business: Environment - The external forces supporting or preventing business activity. Technology - Absorbing potential value from science and industry, enabling Business growth. Product - An internal system connecting technology to the market and vice a versa, enabling flow of value to the market and flow of cash to R&D. Marketing - Absorb cash resources from the environment by converting value into cash.

By identifying the four growth-related variables (Technology, Product, Market and Environment) an entrepreneurial organization can select out of 16 growth path alternatives. To a certain extent this model is an expansion of the Ansoff model that maps Market and Product as the 2 growth variables, yet this model aims to better fit today's business needs such as Internet based marketing, overlapping technologies etc. By analysing the Transfer Prices and Time parameters for each alternative, entrepreneurial leaders can better define a Growth Pattern suitable for their business, or alternatively adjust their business structure to fit a required growth path. The proposed research will add a unique view on entrepreneurial business growth, developing a measurable price/risk and return for every growth alternative that, when known and compared, can provide company leaders with a profound base for decision making.

Methodology/Key Propositions

The level of this research will be confirming the mentioned model by testing business cases of existing corporations. The selected companies have recently gone through a period of very rapid growth, since this usually represents a chaotic and uncertain stage in their development. The research protocol consists of three components: 1. Completion of a survey by all entrepreneurial leaders of the company 2. Collection of quantitative data about the company performance; 3. A semi-structured, in-depth interview (Yin, 2003) with the CEO of the company, and one or more other employees.

Results and Implications

Corporate financial data reflects its growth history; while the stock value represents the financial markets future expectations of the corporation's management performance. The existing growth models describe the

influence of growth on the organization, or the organizational recommended actions to confront expected growth. Growth strategies present the alternatives of how to achieve growth. By focusing on the 'here and now' of business decision making, the research will enable stakeholders to support their decision as for what alternative for growth should the company select. Financial professionals use the Jockey and Horse analogy for betting on the company (Horse) or the management (Jockey) for winning the market (Race court); The suggested model represents a 'Saddle' and 'Halter' connecting the Jockey and Horse to a whole racing unit.

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