

# Strategy according to its strategist, how entrepreneurs from the regions of Araucanía and Biobío think about their business action plan

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## Abstract

The strategy of SMEs has been widely researched, emphasizing that the entrepreneur's vision is an important factor. This study examines how entrepreneurs from the regions of La Araucanía and Biobío (Chile) perceive their personal characteristics and technical skills in relation to business strategy. A qualitative approach was used, including a case study, and 92 in-depth interviews were conducted. The methodology involved open and axial coding, identifying two main categories: organizational development and business development, with nine subcategories: adaptability, customer service, growth, success, financial key, skills, marketing, and emotions. The results indicate that adaptability is key to practical leadership and that customer service is considered a decisive factor for future success. Organizational development is linked to internal leadership capabilities, while success is related to the personal characteristics of the entrepreneur. Financial management is important for long-term stability and growth, and social skills such as resilience help to overcome challenges. The findings highlight the importance of an integrated approach that combines flexibility and leadership development to foster continuous improvement and adaptation. The resilience and

motivation of business leaders are essential to solving problems and driving growth. Effective marketing, customer service, and financial management form the foundation of competitiveness and long-term stability. The interconnection and complementarity of categories and subcategories create an integrated framework that ensures operational efficiency and strategic effectiveness, supporting the continued success and growth of small and medium-sized enterprises in a dynamic business environment.

**Keywords:** organizational development, Entrepreneurial Growth, leadership, strategy.

**JEL Rating:** M10

## 1. Introduction

The strategy in SME ventures has been studied from various points of view, they analyze 5 different types of strategic behaviors among which the vision of the entrepreneur is considered as key. This coincides with what was found by Klewitz & Hansen (2014)[1] Kreiser et al. (2013)[2] those who report only three behaviors. Among the highlighted behaviors are considered leadership, intuition and resilience. These behaviors are shown above all in decision-making and in how to face the markets.

W. Li et al. (2016)[3], explain that leadership helps in strategic management and that this aligns entrepreneurship in a direction, while considering the effect this has on a globalized and changing economy. In this way Thornsri & Pila-Enigma (2023)[4], leadership becomes a required behavior for the strategist in charge.

On the other hand, intuition shows certain positive patterns [5], when the entrepreneur can foresee the future with some clarity, which tends to be something that develops over time. There are also possibilities that intuition plays against them [6], if the entrepreneurs are new to the area or if their technical specialty is very high (dentists, mechanics, engineers) and is not related in some way to the market.

Regarding resilience Roffia & Dabić (2024)[7], they explain that this capacity allows companies to overcome bad times, such as the recent COVID-19. This characteristic would also allow entrepreneurs to better manage their emotions regarding entrepreneurship [8] .

This places us in the role that the entrepreneur should have in the strategy and management of the SME and allows us to anticipate what the personal characteristics of the entrepreneur could be.

However, something that needs to be internalized is how they see the technical parts of the strategy, such as the financial and commercial area of the strategy.

Within this topic Bellamy (2009)[9], he explains that, in general, SMEs tend to see the financial area more as a daily tool than a long-term one, for their part Gao et al. (2020)[10], they present how this can trigger medium and long-term problems.

Within the commercial variables Yoo & Jung (2024)[11], they explain the failure variables in Research Development (DR) strategies in small and medium-sized companies, as well as Majláth et al. (2019) [12] use the gender approach to explain the different decisions and how they can affect them.

Finally Cheffi et al. (2021)[13], it relates the structure of the company to innovation and how this can affect the development linked to what is presented by Chang & Hughes (2012)[14] and the duality of the entrepreneur as innovator and strategist. We must consider that every managerial function in SMEs has, due to its condition and size, a role beyond that of administrator [15].

Considering these two general aspects, characteristics of the entrepreneur and their relationship with administrative techniques, it is seen that there is an unexplored part, and that is how the entrepreneur himself sees his characteristics and technical skills to face the market in which he finds himself.

## 2. Methods

The present research is carried out through a qualitative approach, to understand how participants perceive events [16,17]. On the other hand, the design corresponds to a Case Study [18,19], since it seeks to describe the reality that SME entrepreneurs live in and its relationship with the strategy.

This approach is linear in nature [20], bearing in mind using guiding categories to be investigated [21]. The method of this research is hypothetical-deductive [22].

The geographical area of the study considers SMEs in the regions of La Araucanía and Biobío, in Chile. The total number of interviews conducted was 92.

The collection method used was an in-depth interview [23], this method allows us to obtain specific and experiential information from the interviewee. And its validity was tested by the triangulation method [24].

As an analysis tool, we worked with Atlas.ti for the analysis of categories and construction of figures [25].

## Discussion of results

From the process of open and axial coding, the categories emerge: Organizational Development and Entrepreneurial Growth, of which nine subcategories are part:

1. Adaptability
2. Customer Service
3. Development
4. Success
5. Finance
6. Skills
7. Marketing
8. Feelings

It should be noted that these categories and sub-categories were mostly saturated considering the objective set

## Category: Organizational Development

From this category, subcategories are generated that refer, mainly, to the technical factors [26] for the commercial success of the company.

### Entrepreneurial Growth Category

From this category arise the subcategories that refer to the soft skills [27] of the leaders of the organization.

#### Subcategory Adaptability

This subcategory is the one with the highest frequency of coding, and refers, in general, to how the practical functioning of leadership in entrepreneurship is: *“The truth is that since I am the owner, I am always open to innovation and I adapt, since I am constantly seeing and informing myself of how to improve my company, see what my competition is doing in order to apply it”* (E.3), In this same idea, another interviewee describes this as follows: *“Our main advantage is that we adapt to the needs of our customers by trying to them satisfied with our products, which strengthens us as an SME, and maintains a good reputation.”* (E. “27).

In the words of Sarta et al. (2021)[28], *“adaptation is intentional, relational, conditioned, and convergent. Thus, we go beyond the dictionary definitions”* (p. 67), this shows how entrepreneurs seek to make a space for themselves and adapt their immediate reality to the specific and changing needs of the environment.

#### Customer Service Subcategory

In this category we can see how entrepreneurs link the future success of the organization by keeping satisfied customers, in relation to this we can see this as a perspective of clarity within management, this is clear in the following literality [29,30]: *“Decisions are made, depending on the moment and magnitude of the problem, always looking for the best and most feasible for the customer.”* (E.21)

Cevallos Veintimilla et al. (2018) , explain in relation to this, that every business decision must be aimed at meeting the need that the customer has, although this does not necessarily imply fulfilling their desire, but in relation to the real capabilities of the customer, as well as the company [32].

#### Development Subcategory

This category is linked to the development of internal leadership in the organization and how entrepreneurs have been leading the development in the organization, this is how we see that they seek [33] *“To achieve the goals that have been proposed and those that are emerging and improving quality and seeking growth”* (E.75) or *“Our decisions are based on the well-being of what we have already achieved but always promoting new machinery, quality cuisine, etc., we want to stay well without leaving growth aside.”* (E.44).

This agrees with the findings of Day et al. (2014)[34] those who make a synthesis of 2 years of study and describe the emotional importance of dealing and preparation for the future.

#### Subcategory Success

Leadership has long been associated with the success or failure of an organization. A good leader has certain characteristics that contribute to desirable or undesirable organizational results [35] , so we can see that entrepreneurs associate this with their own behaviors:

*“Our goal is to be one of the best bars in the region, that people prefer us over others and my vision for the future is to move forward step by step, in the same way as we are doing it and because of the results we have had, we are on the right track”* (E.53)

The personal factors of entrepreneurs show their strengths when choosing a business career. They also effectively balance their personal and professional lives, which helps them stay strong. They also tend to pass on proven experiences to the next generations so that they can implement them and achieve success in their ventures [36].

#### Subcategory Finance

The complexity of the financial environment in SMEs and new companies tends to be a major stumbling block in their development [37], this is something that the entrepreneurs of the study seem to be completely clear, as we can see in this literality:

*“Monthly I save money for some mechanical eventuality and also to expand my company by buying one more vehicle or renewing vehicles that we already have, making improvements in the mechanical part as well as in the comfort part.”* (E.1)

This is how the financial management of emergencies and the economy denote a key importance in the development of the company and its future success

#### Subcategory Skills

The personal skills of entrepreneurs help in the development of the company [38], so we can find several attitudes of the entrepreneurs in which this is reflected: *”At the beginning it is more difficult, since when starting the SME one seeks help to raise capital, that was the main challenge since not even the State granted me help, y junto a mi socia solas sacamos nuestro negocio adelante”*, (E.4).

This literal statement shows us the capacity for resilience and self-motivation that entrepreneurs have been developing and how this has helped them to stay on the path to success.

#### Marketing Subcategory

Marketing, as such, describes many actions and characteristics of the environment [39], which is why this subcategory groups together various codes such as those related to the study of the consumer [40] in relation to their food preferences: *“The truth is that the market is not so variable even when trying to integrate new flavors, but the public is reluctant to new things, has had to adapt to the tastes of customers”* (E.12), segmentation [41]: *“Market segment selection is based on income, preferences, location, demand, and competition.”* (E.9) and delivering value to the market (42):

*”SMEs agree on an ambitious and realistic vision. It is recognized that regional expansion requires significant investment, but also that there is a market opportunity, and its value proposition must continue to develop. Se debe investigar las necesidades y preferencias de los consumidores de la región de la Araucanía para identificar nuevas oportunidades de innovación”* (E.26)

The importance of the risks that the company decides to take varies according to its perception of the markets [43], so we can see that for entrepreneurs an important part of the future of their business is given precisely by how they are able to relate these variables [44] to each other and bring them to fruition.

#### Subcategory Feelings

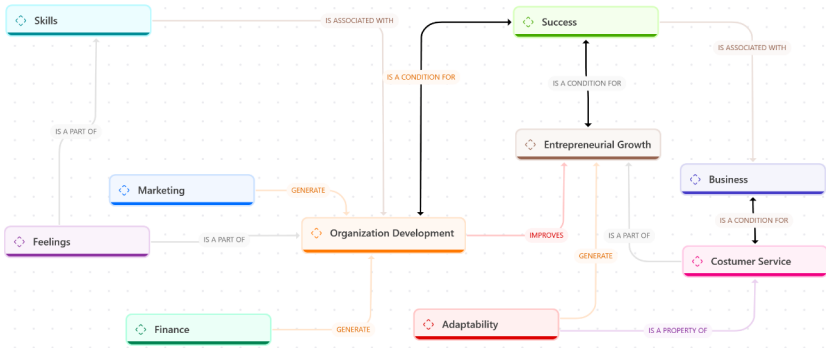
The way entrepreneurs understand their business involves a specific emotional connection [45], which is why this can be very relevant

when making decisions [46]: “Our decisions are based on the well-being of what we have already achieved, but always promoting new machinery, quality cuisine, etc., we want to stay well without leaving growth aside” (E.16).

The ability of entrepreneurs to develop feelings of affection towards their company (8) is a double-edged sword [47] because it can lead to bad decisions due to the development of attachment.

The relationship between the various categories and subcategories can be seen in Figure 1, where you can see how the concepts already explained are reinforced

**Figure 1: Category Network.**



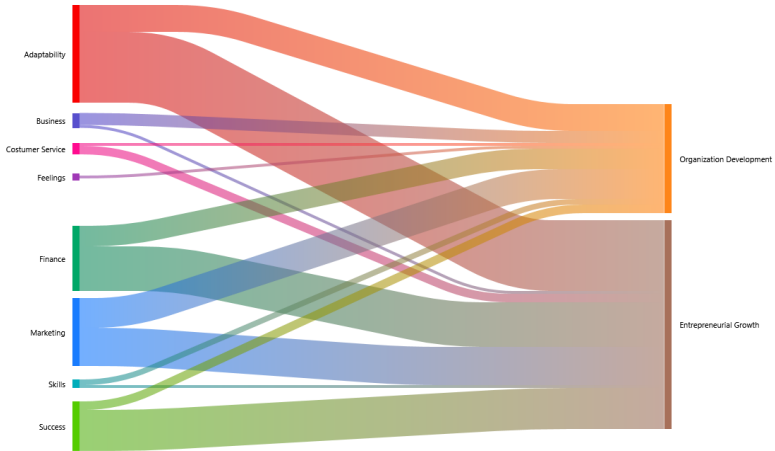
*Note: own elaboration with data collected*

It highlights how entrepreneurs consider that their development as entrepreneurs affects both the development of the company and its growth, understanding that for them growth is in relation to market spaces and development in terms of the internal part of the company.

The other thing that stands out is that for them success is not the result of their activity but is part of it as it is a reciprocal condition.

The distribution of phrases referring to each code and subcode can be seen in Figure 2 below.

**Figure 2:** Sankey Graph with Co-Occurrence of Codes.



*Note: own elaboration with data collected*

The first thing we notice is that the subcategories are not exclusively integrated into one or the other category; This is because there are specific concepts that are related in one way or another, or that respond to more than one idea.

### 3. Conclusions

The analysis emphasizes that the categories of organizational development and Entrepreneurial Growth are closely related and are very important for the overall success of ventures. The ability to continuously adapt and evolve is critical to driving innovation and continuous improvement. In addition, customer service and financial management are important to maintain customer satisfaction and financial stability, thus facilitating future growth.

An entrepreneur's personal skills, such as resilience and motivation, play an important role in overcoming challenges and achieving success. These elements work together to strengthen the company's competitive position and sustainability in the market.

An integrated approach, where agility and internal leadership development are key elements, enables organizations to continuously

improve and adapt to changing market requirements. The resilience and motivation of business leaders are essential to solving problems and driving growth.

Marketing, customer service, and effective financial management are the pillars that underpin long-term competitiveness and financial stability. The synergy of these elements creates a strong and flexible strategy that ensures long-term success and continued growth of the company.

Finally, we observe that the interconnectedness and complementarity of the organizational development and Entrepreneurial Growth subsections create an integrated structure that ensures operational efficiency and strategic effectiveness. This comprehensive approach not only enhances the company's ability to innovate and meet customer needs but also ensures the company's stability and growth in a dynamic business environment.

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