

Reasons for staying small

2017-18

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WHY DO SOME FIRMS DECIDE TO REMAIN SMALL?

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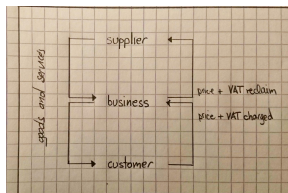
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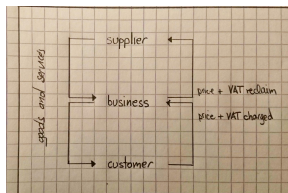
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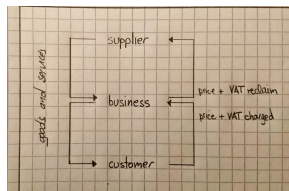


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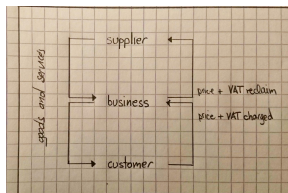


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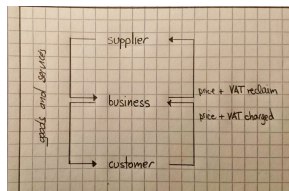


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 - ▶ reactive to changes

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- ▶ *Low barriers to entry:*
- ▶ *Small firms can be monopolists:*

PRODUCT DIFFERENTIATION AND USPs

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- ▶ confectionary industry: *handcrafted chocolate*
- ▶ retail: *more choice*

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Large complex organisations → *delay in business decisions.*

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 - ▶ *legislation*
- ▶ able to adapt to *special requests*

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- ▶ geographical *proximity* to customers
- ▶ *communicate* within the business
- ▶ build up *relationships* with customers by using customer feedback

E-COMMERCE

Small *barriers to entry* for small businesses (e.g., run from home, webdesign, hosting):

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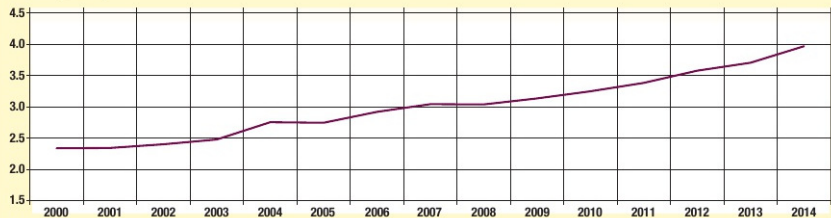
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- ▶ *Information and advice sites* (e.g., blogging sites)
- ▶ *Tutoring, training or mentoring:*

The growth in the number of single-person businesses in the UK 2000 to 2014

Businesses (millions)



Source: www.gov.uk

Year