

Introducing system dynamics in small entrepreneurial firms - Some critical issues from a field analysis.

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Over the past decades, several Systems Thinking/System Dynamics studies have been developed to figure out how to help decision makers to cope effectively with business planning and decision making complexity. In spite of the growing relevance of small firms, many entrepreneurs often seem not to be enough supported by the wide range of business actors (e.g. banks, professional accountants and other external advisors, University researchers) with whom they commonly interact. Some of the main reasons of this phenomenon could be related to entrepreneurs' high involvement in current activities, lack of time, information and business culture, which are often a main obstacle to a profitable interaction with external "actors". Consequently, a recurring circumstance is entrepreneurs' loneliness in facing difficulties hidden by small business growth, often leading to unexpected and unexplained failure. This paper is based on a study aiming to analyse decision making and planning in small entrepreneurial firms. The research problem that has been investigated is related to the following questions:

- How system dynamics modelling may foster entrepreneurial awareness of the business system and relevant forces in managing growth?
- How introducing SD in small entrepreneurial firms differs from bigger ones?

In order to investigate the above issues, a field analysis has been conducted. The working hypothesis on which it has been based is that small business owners/entrepreneurs strongly need to be supported in order to increase their level of awareness of the business system in a dynamic perspective, while managing and planning business growth. Empirical findings confirmed that many of the assumptions currently used in common practice with bigger firms can not be applied where dealing with small businesses.