Abstract

Entrepreneur's size limiting strategy
in micro design businesses in London's design cluster

The paper explains why some design entrepreneurs purposefully limit the size of their companies and how they do so successfully. This is counter to entrepreneurship literature concerned with size where success is linked to growth (Davidsson 1989, 1991, 2006, Wiklund 1998, Shepherd and Wiklund 2005). The paper is based on work carried out for a PhD at Birkbeck and explains three areas, first the entrepreneur's intention with regard to design, size threshold, strategy and their judgement of success, second the operation of the firm and third how the entrepreneur and firm interact externally. This paper will focus on the first of these areas, why a size limiting strategy is set at firm foundation.

Grounded theory was used to investigate the size limiting behaviour of designers in London by examining successful micro architecture and designer maker jewellery businesses (Glaser and Strauss 1967, Glaser 1978, 1992, 1998, Strauss 1987, Strauss and Corbin 1990, 1997, Locke 2001, Goulding 2002). The disciplines chosen illustrate the two core processes of design, with architecture representing the commission process as found in graphic, interior and landscape design, and designer maker jewellery representing product design businesses, such as fashion, interior accessories, furniture and craft. The research generates results which explain strategy for successful micro design businesses across disciplines, whether commission or product based.

The research shows that successful micro design entrepreneurs size limit as a strategic choice from the outset and regard this as beneficial to their firm, optimising operations for this size through the organisation of internal and external resources. Their objectives are to achieve design quality and to exploit their own specialist skills within the work of their studio. Examination of their environment demonstrates the benefits of a clustered location, especially for start-up businesses, although more established businesses are less reliant on proximity due to the strength of their professional and social networks.