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The entrepreneur's size limiting strategy: micro design businesses in London's design cluster

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The entrepreneur's size limiting strategy: micro design businesses in London's design cluster

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Abstract

This research shows that some 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. The objectives are to achieve design quality and to exploit specialist skills within the work of the 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. This paper concentrates on the formation of the entrepreneur's design concept and business model and how this creates their strategy for their design firm, which includes size limiting as a component. Resulting typologies of micro design firms allow better understanding of the successful micro design entrepreneur in comparison to other micro design firms.

Introduction

Some design entrepreneurs choose to purposefully limit the size of their firms at inception, as opposed to when they reach a maximum size threshold (Cliff 1998). This finding runs counter to entrepreneurship literature where success is linked to growth in size (Davidsson 1989, 1991, Davidsson Delmar and Wiklund 2006, Shepherd and Wiklund 2005, Wiklund 1998, Wiklund and Shepherd 2003). The results presented are part of research conducted over six years seeking to explain the design entrepreneur's intention with regard to size thresholds and strategy, their judgement of success, the internal operation of the micro firm and how the entrepreneur and firm interact externally. This paper focuses on the influences and intentions of the size limiting design entrepreneur.

Grounded theory (Glaser and Strauss 1967) was used to investigate the size limiting behaviour of micro design firms in London using the approach of Glaser (1978, 1992, 1998). This approach was chosen due to a lack of representative data on the design industry and especially the micro businesses contained within it (DCMS 1998, 2001, Roodhouse 2003, 2004, NESTA 2008) and also to gather data in the voice of the designers and relevant to design practice (Locke 2001) and is suitable for entrepreneurship research (Davidsson 2004). Initial emergent data was collected across design disciplines, including landscape architecture, architecture, engineering, interior, product, communication and fashion design and various designer maker disciplines. The second stage data collection examined successful micro architecture and designer

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maker jewellery businesses, chosen to 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. Results generated were then tested once more with designers across disciplines, whether commission or product based and show that the results hold for successful size limiting entrepreneurs no matter what their design discipline or intended market.

A positive view of size limiting is in contrast to derogatory the terms 'lifestyle businesses' and 'cottage industry' used widely in relation to micro design entrepreneurs by those who observe the industry, including Design Council and DCMS (Design Council 2005b, Creative Clusters Conference 2006). This paper explains why designers size limit and creates definitions of types of design entrepreneurs to avoid the blanket negative labelling of all micro design firms as 'lifestyle' in a derogatory sense purely on grounds of their size. The study defines the failing design businesses and attempts to demonstrate why some are more successful than others.

Method

The emergent grounded theory methods of Glaser (1978) allow insights to be combined with formally collected data. Data from 722 hour long one to one business advice sessions conducted with practising designers and 1072 designers attending professional practice seminars were used to form the basis of the research design. The seminars, conducted with groups averaging 8 designers, mainly focused on strategy and one of the first discussions designers have is on the size of the studio and how operations allow work to be produced and sold. The seminars and surgeries were organised through national organisations, such as the Arts Council, Crafts Council, British Interior Design Association and regional initiatives, such as Craft Central (London), Design Initiative (Manchester and Liverpool), Cumbria Rural Development Agency, Zollverein School (North Rhine Westphalia) and the University of the Arts London Enterprise Centre for the Creative Arts. These surgeries and seminars allowed engagement across design disciplines and with nascent entrepreneurs through to those running businesses for over 25 years. In addition, further information was gained through engagement with international MA students at London College of Communication and London College of Fashion studying design and enterprise management, networking groups of designers (with a focus on the built environment,

interior design, communications design and craft) and other business advisors for designers.

The initial analysis, combined with literature and secondary data analysis, created a conceptual framework for the entrepreneur, their firm and the environment upon which semi structured interviews were designed and conducted. Micro sized architecture and designer maker jewellery businesses were the focus of the research, as they typify businesses found within the design industry. Architects work to commission producing bespoke services for each client in a particular context with certain constraints, leading to a new piece of work on each occasion as the site and context are specific and the brief evolves and becomes more defined as the commission progresses. Designer maker jewellery illustrates the product development process from the generation of ideas, prototyping, range development and making and sale of a good through a variety of retailing methods, such as direct sales, trade retail, fashion retail, specialist exhibition and various types of export sales. Whilst jewellery represents the product side of the design industry, it should be noted that some jewellers work to commission for bespoke one off pieces, particularly for engagement rings, wedding rings and objects for museum collections. Even with differences in the process of design, materials used, duration of production and size of output these businesses share key attributes, such as motivation, strategy and size of business, all of which were further confirmed in other design disciplines to create results for micro design firms in general. A total of 8 architects and 11 jewellery designers were interviewed with an average of an hour's transcribed data produced from each interview. The practices ranged from 1 to 20 staff and were set up between 1960 and 2002.

Literature

The size of firms and growth have been consistent themes in entrepreneurship and small business literature. In this research, size and growth were examined in relation to micro design companies located in London from the perspective of the founding entrepreneur(s) who, in many cases, actively limited the size of the firm as part of their strategy. In order to understand how this was possible the internal operations of the micro design firm, especially with regard to managing commission or the product development process and the configuration and operations of the studio in order to maximise creativity and innovation (von Stamm 2003) was studied. The environment of London was also investigated as these firms make use of significant clusters (DTI 2001a, 2001b, 2001c, 2001d), dating back in some cases to the 12th

Century Guilds within the City of London and with significant professionalisation in the 18th Century (Lawson 1980). These designers also utilise global networks for the production of their designs and for sales, with the most successful being significant exporters. The definition of design taken was that of Walker (1989), which embraces engineering and architecture through fashion and graphic design and craft disciplines such as ceramics, glass and jewellery rather than narrower definitions used by the Design Council (2005a). This paper focuses on the founding entrepreneur(s) and their size limiting strategy, although the entire research project also considered the operations of the firm and the use of the environment of London.

A micro business is defined as employing fewer than ten staff, with small and medium sized enterprises employing 10-49 and 50-249 staff respectively (European Commission 2003, 2005). 2006 statistics for UK by employment size band show 88.3% of businesses are classified as micro (ONS 2007) and 73.0% have no employees other than the founder (DBERR 2007:2). Given the amount of micro design firms, it is important to find out which are successful and why. Cliff (1998) identified the notion of a 'maximum business size threshold' due to having reached a point of comfort. One third of these businesses (30.2%) stated that they did not judge their success to be linked to size or had run a large business before and did not want to again, whilst 24.5% stated that they had more highly valued business objectives such as quality over quantity, high levels of customer service or higher profit. These are all positive reasons for non-growth. Only 13% blamed negative external factors and 5.7% planned on ending the business soon due to retirement or suchlike and therefore did not want to grow (Cliff 1998:534). Cliff's research clearly discovered that there are a number of reasons, both positive and negative, for non growth, divided into economic and non-economic factors. This paper builds upon Cliff's discovery of a maximum business size threshold in two original ways. First, that size limiting does not occur due to a position of comfort reached by the entrepreneur, and second, that in some cases size is strategic and set by the entrepreneur at the outset in the belief that size is an important factor in their firm operations.

Results

The data show that there are no real differences between the architects and designer maker jewellers with regard to their intended strategy for design and business, they differ only in the methods they use to sell and make their work. These conclusions drawn have been tested across other micro design businesses and hold regardless of

their individual discipline, whether the design product is small or large OR whether the design output is via the commission or product process. Furthemore they are not specifically influenced by a discipline's history, context or training. The research has generated an explanation for successful size limiting behaviour for some firms within the design industry. The results show that the designer's attitude towards design is the fundamental factor associated with the foundation of the company and that the entrepreneur's strategic intention is formed through their personal design concept and their business model, **b**oth of which are presented in this paper.

The design concept of size limiting entrepreneurs

The design entrepreneur's design concept and personal resources are formed through their background, which includes the development of skills through experience, their available assets and individual network. The personal design concept is a strongly held set of views, philosophies and motivations that influence their firm at the start and throughout its life and affects their vision of the type of business they form, the design output they choose and the methods they employ to deliver their product or service. Their skills are developed through their education, training and experience prior to founding the firm and influence their confidence to start and their ability to succeed. The personal assets of the designer, including passion and drive for their work, is key to their motivation and helps them to form the business and to earn money. The network of the designer is important as it influences and is a support to them; whilst in this case the research has been conducted on those operating in London, the network is wider as many of the respondents were born and trained in other locations including Europe, North America, South America, the Middle East and Asia or regions of the United Kingdom. (Exact locations have been omitted to avoid revealing the identity of the designer).

Individual skills, assets and networks were identified through analysis of the respondent's transcribed answers to questions designed to develop an understanding of the background motivations, attitudes and intentions of the micro design entrepreneurs prior to starting their company. Asking why they started their own company elicited responses highlighting education, experience, personal traits and other people involved in their vocational and professional life. Underlying feelings about design and their business were revealed through questions about their greatest achievement, what they are most proud of and who they would like to emulate within their industry and why. Respondents' transcription data are presented with the question number and respondent

reference, Q(x)A(x) for architects and Q(x)J(x) for jewellers in order to maintain anonymity and allow reference to transcription data.

Formal design education in England is achieved through foundation courses, degrees, masters' and relevant professional courses; all respondents had undertaken formal learning prior to founding their businesses. The place of study, whether art college, polytechnic or university, has its own approach, teaching methods and staff; the experience gained was outlined by the respondents when they felt it had influenced their background. The architects received, to some extent, a more standardised education as they are expected to pass through a three-stage process; however in all cases this education was taken for granted and respondents usually began their description with work experience rather than formal training. The jewellery designers' education ranged from a craft oriented approach with emphasis on hand skills to a more design oriented approach with little emphasis on making. This difference was most pronounced amongst the older practitioners who received craft oriented education or those with part of their education overseas who were trained with a craft bias often with an apprenticeship. The younger UK trained all had predominantly design oriented education through BA and MA with no element of formal apprenticeship, although they had all completed industry work experience before founding their firms, which was shown to be vital to their ability to run a business.

Design concept: the development of personal skills

Whether they possess a design or craft background, a graduate is often only aware of the conceptual rather than practical and professional aspects of their practice; a student's ideas generally remain at a conceptual stage until the student gains more experience and therefore work in practice enables a more realistic interpretation of what a particular design job will entail. Excepts of transcriptions show elements of experience jewellery designers had before founding their businesses in 1965, 1976, 2000 and 2002 respectively; three out of the four were born overseas and run their businesses in London. The average age of the jewellers when founding their firms is 27:

> Well I went to study under a particular person and the German system is so different to ours it was much more thorough training and then I came back and started my own workshop. And I think that was 1965. (Q9,J2)

> I learned precision in Switzerland. I was just lucky that I worked for a guy who was obsessed with getting everything just right, which was wonderful. I did my apprenticeship…I learned how

to…more production but that's a very useful thing too. You make fifty items all the same, you learn how to file and do things efficiently in an orderly sort of fashion rather than making one and polishing it and doing the next one. You have it down on a kind of… even though you are the one man band doing it… you have brought economy and not running back and forth to acid pot or something. (Q9,J3)

First I did a secretarial study for one year; then I did graphic design for one year, then I did gemmology; then I did jewellery manufacturing in the States for one year; then I did a jewellery design course there for one year there as well; an apprenticeship for three years as well in Germany and later I came to England and did the MA at the X with other extended study. So quite a lot. (Q9,J8)

When I graduated I did a little retail work for half a year. Two very different jewellers, … fashion silver jewellery …and another … the cheapest thing in the shop is about a thousand pounds, beautiful, enamel, huge gems … …quite interesting those two sides of it… two days a week of that's £65 madam and two days a week of that's £65,000. (Q9,J11)

Similarly, excerpts of transcriptions show the experience of architects before founding their businesses in 1985, 1998 and 2000 respectively. The average age of the architects when founding their firms is 34:

I started working when I was seventeen, before I went to college, worked in various practices, tried all sorts of things like set design for movies, textile design, did that for quite a while, kept coming back to… did structural engineer work for a year and a half to see whether I liked that and kept coming back to architecture as being the most interesting of these different design disciplines. (Q9,A2)

Well immediately before I was working for [director of practice] for eight years and before that a couple of other architects. (Q9,A3)

I did architecture. … Emirates for about three months for a UK firm. After Part 2 I worked in probably a five or six person practice to start with and as well as a…I worked in Bosnia for a while, little practice. I worked in another two London practices, smallish. The maximum was about eleven people, ranging from residential work to retail fit outs. So just general practice really. (Q9,A5)

The designers reveal that their experience of design practice was more influential in their development as a designer than formal education, although all of them had formally trained for their discipline.

Design concept: personal assets (other than money)

Personal assets shaped by attitude, personality and experience are vital when running a micro design business and these personal traits of self reliance, determination, doggedness and persistence, especially in relation to their own performance and design, were revealed repeatedly during transcriptions. The entrepreneurs make the most of limited resources and in all cases money for the business came from earnings (Baker and Nelson 2005, Bandura 1989, Wood and Bandura 1989):

> I really, really persevered and if I really want to do something and have set my heart on it I will try and try and try again. I won't just take no for an answer. (Q9,J1)

> …that's when I wrote my sort of five-year plan, which sort of took more than five years but I sort of got there but it was a sort of really, really useful way forward for me and then I just sort of plugged away from then. (Q9,J4)

> I think it replenishes itself endlessly and its challenges are constantly developing. It's not just being one's own boss, I never even think of it like that, I'd never have thought of myself as being a boss but within that the freedom to express, I suppose, is something I've found incredibly satisfying, I suppose, and challenging. I don't think I've ever taken a day off; I've never taken a half day to go shopping; I've never not turned up and been very happy to do so even when it's been hell and it has been close to blood and tears at a couple of stages but I've never thought for a second that this is not the right thing to be doing. (Q12,A4)

Design concept: the personal network

The network surrounding the designer is developed through education and work experience. These external links help to develop the view of the type of firm they would like to start and offer support through advice and introduction to resources, thereby reducing risk. This personal network is vital as the entrepreneurs turn to word of mouth advice through trusted sources and the observation of others often has a strong influence on their approach to business foundation. This network includes friends, who may well work in the design industry, as the least formal source of advice through to paid professionals, in some cases world experts in their particular field. If advice or resources are needed, a designer will turn to the wider network for support where a friend, or a friend of a friend, or a distant contact will be able to provide the information required with speed. The people surrounding the designer therefore help to shape and inform their thinking on their business and approach to design.

I had a very good friend, … she's also a jeweller, self employed, and she finished a year before me and I started working for her part time while I was at college and the atmosphere was so nice, she's such a wonderful person and I just loved going there, in her house, in her workshop and I just loved it, all this independence I had and the nice atmosphere I had with her and I thought I want this. … she helped me very much when I started … She said go there, do this, try this, … it really helped me a lot. (Q11,J7)

One of the girls was having a baby so she couldn't do any work so I said have you got any friends? And so she recommended a few friends and people stay in touch. And I've got friends in Paris who help me when I go over there and do the show because they're friends with people in England. People stay in touch and there's a good communications network. (Q33,J4)

We won the pitch not because of the technical document saying we can do this and this is our quality assurance and all that rubbish, although we did all of that. We made a DVD. We borrowed a video camera from a friend of ours and we went down to the site and made a film. (Q43,A8)

I tend to get work either from word of mouth or architect friends, who are too busy to do certain work or are not particularly interested in that piece of work. (Q23,A1)

The designer's unique combination of skills and resources forms the identity and genesis of the firm: as specialists they work in certain client sectors or possess distinctive skills and ways of working. The founder's originating concept becomes manifest through the type of output, style of work and approach of design they deliver and the delivery methods they use to their targeted niche market(s). The business is tested over time and thus their personal core design concept and philosophy is tested. The personal design concept is therefore a synthesis of skills, assets and network.

The business model of size limiting design entrepreneurs

The personal design concept forms the basis of the personal business model, that is, how they envisage their practice and what they see as important for their business. In all cases the business has to be viable as an economic concern. The levels of financial reward are described throughout the data with the word 'enough' and the successful design entrepreneurs achieved this following the start up phase. The real motivation and drive for the business is linked to the design process, specifically the quality of the work produced and the search for clients that understand good design or craft. This section shows the entrepreneur's respect for and lifelong commitment to their discipline with a drive that continues to stretch the designer in a constant quest to develop themselves and their product, demonstrated by frequent use of the words 'exciting' and 'love' in various forms when the designers talk about their work,

business and their future plans. Need motivations manifest through the desire for self-actualisation (Alderfer 1969, Maslow 1943, 1954) and for achievement (McClelland 1961) characterised by accomplishing something difficult, mastery, independence, overcoming obstacles, attaining a high standard and excelling oneself, all of which is vital for the entrepreneur (Davidsson 1991).

Business model: vocational desire

Fundamentally, successful micro design entrepreneurs see themselves as a vocational practitioner doing the job they are trained to do, not a manager of others, although the successful understand the business aspects of practice. Whilst not everyone trained in design will have a vocational career, the successful have a desire to follow their vocation and this becomes the heart of their business. Other trained designers may maintain a purely design position in a firm; they may also enter management if they choose. Of those that start up, the strategy at inception is either for growth or to size limit. A key reason for size limiting is in order to remain a designer, although the successful recognise that they have to spend time administering the business and, whilst this means they spend less time designing than a designer in a practice where other members of the team may deal with business issues, they have greater control over the design that they produce and are able to be at the heart of the design on their own terms. Vocational motivation holds no matter which educational system designers come through and they have a desire to use and develop their skills so that their expertise is fed continually (Cross 1982, 2006, Schön 1983, Lawson 1980, 2004, 2006). This development continues during holidays and outside work interests and social life. There is little separation between themselves and their work:

> It depends what you consider to be architecture. It's not just a lifestyle it's a way of living in a sense. So a lovely afternoon spent in an art gallery, for us it's part of work. When we go on holiday, for example we went to Iran last Christmas and we spent the whole time marching around cities looking at buildings. So that is work, but it's work in a very nice way. (Q20,A6)

> I think once you get beyond that level fifteen or so, personally my involvement becomes very different because I don't want to be a managing director. (Q40,A8)

> I would love if I could have a great great salesperson, who could really sell very well and take… have the same eyes because I know what I'm making and I know what is possible so I could be more making and designing and doing other things, but I don't want it to be…I don't see something like I will have three shops and I will just be administering all the things. I don't think I would like to see that. (Q16,J10)

With the importance of business skills there is an increase in professional practice tuition within universities at BA and MA level and Creative and Cultural Skills research on how to improve skills for the design industry (Design Council 2006, 2007). Designers do not respond well to organisations that do not understand their industry, such as Business Link, who support government enterprise strategy aimed at growth and employment increase, a policy that means they cannot provide funding for businesses of fewer than 10 people:

> I have started looking for grants for this merger thing and one person has said you need to have ten people to be viable. [Business link or something like this?] Yeah, Business Link. But I think there needs to be a way of looking at other factors. … I don't think size can be the only factor in determining whether a business is serious or not. (Q50,A5)

Business Link advisors can only offer a one off diagnostic service with no follow up to businesses of under 10 people, a state of affairs which is frustrating for all concerned (E4, A7). A policy maker for two separate Non Departmental Public Bodies associated with design (E3) did not know that this was the case even though they understood that there was a large number of businesses employing fewer than 10 people in the design industry. Trade, university and niche serving organisations, such as the Royal Institute of British Architects, the Worshipful Company of Goldsmiths and Craft Central fill the gap by providing relevant skills and support services (Searle 2005). The designers are not motivated to join organisations that they do not see as relevant to them and access them only when needed:

> We belong to the RIBA and I guess the Architects Registration Board. // They both mean well and I guess they're both useful… RIBA has its moments but I always feel it's half a lap off the pace as it were. Not really leading the discussion or the dialogue. (Q28//29,A3)

> The Crafts Council used to be really good. Now I don't find them particularly good. I've sort of given up on them. (Q29,J2)

> Oh, professional organisations – I'm a member of UK Fashion Exports but that's purely…when you apply for funding for doing shows overseas you get more money discounted so I'm not actually…voluntarily joined anything. (Q29,J4)

Beyond certain thresholds the entrepreneur becomes a manager of others doing the work that they want to do, whereas in other businesses a founder may want to

delegate as quickly as possible as the work may not be intrinsically rewarding (cleaning company, taxi service, drain cleaning) or impossible to deliver using their set of skills (oil company, airline, hospital). In design led companies the founder often possesses the expertise, skills and design insight needed to lead the design process and to work closely with clients and external teams. They may turn away work that does not fit with their personal design concept or add to the body of work produced by the firm as the nature of the process means that the designer has limited time if they are involved in much of the work produced. Therefore, successful micro design entrepreneurs enjoy their job and do not want to delegate work by growing the team to enable expansion beyond a certain size or do work that forces growth in a way that does not suit their strategy. A jewellery designer making and selling from a shop for 18 months at the time of the interview said (echoing the strategy used by another world famous jewellery interviewee, who set up their business in 1960):

> The business is starting to go quite good, yeah? Even more busy, I could see having one full time manager. I could see having one person responsible for orders and making of my things and like orders, yeah? Maybe not full time that one, maybe like four days, three days a week. And then I could also see having two or three part time shop assistants… and maybe they could be doing also a little bit of paperwork. That would be great actually. That would be the size I would like. //. I don't want to make jewellery for everybody and in that way I'm already making less customers. I'm being more like a quite specialised thing. The better it goes the more I can say no to things I don't want to do // Because I like the personal involvement. I think it would just be great. If it could go great it would be like that size. That would just be perfect. (Q40//41//42,J10)

It has been noted that the initial analysis suggests that micro sized companies are often termed 'lifestyle', and whilst size and vocational enjoyment are key to motivation they are insufficient in themselves to term these businesses lifestyle. The intention of the business is not purely pleasure, or to achieve optimum wealth for the entrepreneur, it is undoubtedly to deliver a design product or service. The final question asked how the interviewee would respond to people calling theirs a lifestyle business. Selected responses are shown below:

> Are they naïve fools? (Q50,A3)

> I would say come for work experience! (Q50,A4)

> They're very unknowledgeable. I think that's fine. I wouldn't say anything to them. I'd carry on and get on with it. (Q50,A6)

> A business is a business. It doesn't matter how many people. It could be one person and it could have as much influence as any. Is that what we're described as, a lifestyle business? (Q50,A8)

> …and at the sale I had people saying 'oh loads of people are doing jewellery these days aren't they?' At one point I was a bit rude and said well, 'I trained in it for four years and worked in it for another five so I guess I've got enough standing behind me to carry on doing it' and they say 'oh, right ok' (Q50 J11)

> You get that sometimes. I would say I support myself, nobody has to look after me, I'm independent, I don't fiddle anyone's pocket and I pay my taxes and like I'm not sitting in anyone's pocket, I don't get any benefit for anything so I live my life. (Q50 J7)

The data show that the intention to limit size is strongly linked to the motivation to remain a designer doing the job they love and not become a manager of others and as a result the businesses have an upper threshold of 16-20 full time employees.

Business model: the drive of creativity, innovation and learning

Size limiting enables the designer to make optimum use of their personal creativity and innovation. As previously noted, growth would lead to the founder being further removed from the design process and the personal design concept of the founder is often the main defining factor of the business: their personal thoughts, ideas, methods, eye and creativity are the signature of the business, whether product or service. Creativity assists in problem solving and opportunity identification in business and design terms and ideas are developed using various materials and methods as appropriate. Creativity is a drive and motivation for designers as they constantly seek opportunity to innovate and realise new ideas:

> …in actual fact the nice thing…you know I'm really confident that the work I'm doing now is better than any work I've done before. I don't know if I'll be able to keep that up because as I designer you're perpetually thinking I can't do it again. What happens if I'm going to sit in front of my blank sketchbook and nothing's going to happen? But I've got lots more ideas, I've got lots more ideas, (Q16,J4)

> I did a commission for this lady and she said I want to copy this so I said look I'm not going to copy it because the minute you start doing that forget it. I made her a design from what she had kind of like seen but with my ideas and it came out amazing. (Q22,J8)

It is only once designs are brought to a market that they are financially rewarding; this is at the heart of success for the micro design entrepreneur, linking their creativity to identification and realisation of what the market will buy:

We've worked at the kind of small and domestic scale of things and in the way that we were talking about constraints it is a great breeding ground for ideas because you are constrained particularly in terms of budget; we've had some big budgets but we've also had a lot of tiny ones and then for us it would be nice to test some thoughts that would have to have been thrown away …we are in the process of doing our first new build house; it's tiny but it's very much a Scarpa. (Q18,A4) [Note: Italian architect Carlo Scarpa famous for beautiful detailing and use of materials]

Getting to know what the customer wants but I took it slowly. So it wasn't like suddenly I had this business; it went really, really slow. A lot of the time I was doing things for my family. My sister she ordered…she was the first one to order certain big items. It was an easy relationship with a client to get what they wanted. It was a good test so I thought if I can do things for her, I can do them for anybody. (Q13,J8)

Creativity is also vital for business processes and can inspire unconventional approaches to problem solving. Only a small percentage of ideas, sketches, concepts or prototypes are ever implemented. Ideas remain in the head or in sketchbooks until the opportunity to implement is found. For architects and other commission businesses, innovation happens on a project-by-project basis and creativity allows them to respond to the brief helping to generate multiple responses before finding optimum solutions on time, to budget and of the appropriate quality. For jewellers and other product businesses, innovation occurs on a collection-by-collection basis where creativity will amend and adapt current ranges and create new, often with radically new methods and materials. Therefore, designers are driven by the search for opportunity to implement ideas either in a new commission or on a new collection. It is the combination of the founder's skills and their ability to find opportunities to implement that drives them and their business. By being central to the business they are able to listen carefully and respond quickly to internal and external problems and opportunities:

It's always in the back of one's mind that if the right opportunity came along… I think one always knows as an architect that the best way to get on is to have one's own practice at some stage. (Q11,A3)

Well my wife managed to design things that were totally impossible by any normal standards but I was determined and developed techniques that grew from that so that was very creative and very exciting. …and that's why you start doing your own business because you want to make what you want to make and then you go out and find someone who might want to part with money. So that's interesting. (Q11,J3)

Yeah, and how much I'm pressing on to get sales and also it's very much affected by what's happening in the Japanese economy. (Q48,J4)

Successful micro design entrepreneurs enjoy and embrace learning, which is a constant throughout their careers as regards both personal learning and self-improvement and the teaching of others. Design relies on tacit knowledge developed through experience (Polanyi 1958, 1967):

I've seen people and learned from their mistakes. (Q22,A7)

Plugging away, hard work, experience, asking people, that sort of thing. (Q29,J4)

I'm more confident that I know what I'm talking about now having gone through the experience of it. (Q15,J11)

The successful design entrepreneurs are critical of their own work, aware of where their skills lie and constantly seek to improve. Designers pass on their skills and experience through teaching both internally and externally. The desire for internal teaching comes from an appreciation of their own experience and training gained through others' businesses and a wish and necessity to pass that on within theirs to their staff:

You can give a real good training to the Part 2, they really feel they're part of the company if you play it right and pick your resource, which is critical obviously. They get the rewards you do and it should lead to quite a successful collaboration and that's how we do it now with the one guy: I tell him not to play music not because I don't want him to play music but so he can hear everything I say and not so he can just respond to me but so he knows who everybody is and why they're calling and what they want so you're picking up everything as an observer. That's the way to learn in a small business because the guy in front of you is only ten years in front of you. (Q40,A4)

And the guy that does this repoussé work for us, he's a fantastic craftsman, his repoussé work has developed through working with me, he's got better and better and better. He has the fortunate experience of being given a chance. A lot of these guys don't get given the really great jobs to do. When an engraver gets a really beautiful job then he can really show what he can do. He's a very happy man. He doesn't always want to engrave wedding bands on the inside. So I like using those guys. (Q34,J2)

For micro design expert firms it is often difficult to find the people with the right skills and so these firms train people to a high level and invest in their staff. Many designers take part in various levels of external teaching, often out of financial necessity in the early years of the business; however, the motivation for some continues beyond that

stage and develops into wishing to give something back. One of the benefits of teaching for a designer is the ability to pick the best and most appropriate person to come and work in the studio having observed them for much longer than a standard interview. Teaching students also contributes to creativity because the college project affords the freedom to design without a real client, budget or the restrictions of the real world.

> This was in the sixties. ... Then I got involved in the art school teaching, which was wonderful. I had the best art education anybody can have because the one that teaches learns more than the one being taught, which is now a truism but it's very true. I was a young man when I came here I was 24 or something and my students were 18, 19 so in a way they were contemporaries but if you try to tell an 18 year old that what they're doing is not right you'd better be right or have something useful to say otherwise they tell you to bugger off! (Q9,J3)

The intrinsic motivation of creativity and desire to innovate creates a passionate drive in the successful design entrepreneur (Amabile 1996, 1998):

> I don't really think there are problems to be honest. … I wouldn't call anything a problem it's just things to sort out. That's just what's there and you need to sort it out. It's just things you need to do. (Q13,A5)

> What I enjoy, what I love is you know thinking… getting an idea… getting a feeling that I really want to do this. … and start working towards things and then I get all excited and think 'God yes I'm really going somewhere with this!', and then you produce some pieces that… they never get to quite what you want to say, but they've got the essence of it, and that's almost like a drug that feeling of, I don't know what it is … and you get quite passionate about it and that's fantastic if you can then work it through and make it come out in the end. (Q12,J4)

Business model: clarity of design concept and proposed delivery method

The intention to limit size relates to the entrepreneur's perceived ability to deliver the product or service to best effect. The strategy is dependent on the intended process of product or service delivery for strategic advantage and in some cases it is necessary for a business to be large in order to deliver its goods, relative to the nature and type of product or service delivered. In the commission service scenario the proximity of designer and client greatly increases communication and the feeling of satisfaction of both parties. The founder as the expert within the business sees the need to be at the heart of the matter to deliver the best service to their clients with their team:

> We've not had any fundamental or major problems but the whole nature of running a business is to do with managing money, managing clients and managing resources internally and managing

people in the overarching sense of being responsible for absolutely everything and really there's nothing in our training or education apart from our previous jobs that's prepared us in any way for what that was about. (Q14,A3)

Proximity to clients is important in delivering design. New work is gained through referral within the network and a strong reputation to deliver. Demonstrating understanding of client demands is key and so the market is defined and communication strategies are developed to win work within it. The successful designer does not necessarily follow trends of other designers in the way that they respond to the market, and turns away work that does not fit (and may damage their reputation):

…they may want design but to do it in a very cheap or cutting corners kind of way that's not right for us or they may just want a big established name and they may not want the kind of design intensity that we would bring to a project and again that's not right for us. (Q26,A3)

We found it would be quite easy to get work we couldn't do or didn't want to do, so we steered clear of those. [So actually turning it away?] Yes, and the second problem was that when we did get work the clients were what I would call now 'marginal' clients. [And what do you mean by that?] They would try anything to cut a corner, they would not pay you very well, they would try to drive your fees down to rock bottom and they were very unprofessional generally in the way that they'd do things. They were lacking in scruples and that made it very difficult to be professional in that environment. (Q14,A6)

We were invited to have an exhibition at the Goldsmiths' Hall of our work when we were at our most creative, not necessarily most sensible period in our…but we are very creative. …It was wonderful because these people came to the opening…have you ever been to the Goldsmiths' Hall? It's the most fabulous room and they gave us the wonderful, big hall with the chandeliers and special request from me could we have the candles lit please on the chandeliers because there's a guy that brings these things down and they light each candle and hoist it up again. So we had all the candles on and we had the man at the door and the guests were all announced, it was the most wonderful thing. (Q43,J3)

I do small exhibitions throughout the year, for example, in a hotel … or at my house. (Q23,J8)

The personal design concept influences the nature of the firm envisaged by the design entrepreneur and so the business is created to optimise their aspirations with regard to their vocation, how they use their own creativity to innovate in both design and business terms and their intended methods of delivering design to their individual clients and wider market through their personal business model. Vocation and job satisfaction are at the heart of the design entrepreneur's personal business model and lead them to choose not to grow their business in order to remain central to activities

within the firm. Their personal design concept shapes the product or service that they offer and utilises the entrepreneur's creativity and innovation to bring their design to market, which is central to the business's success. Due to the way that the designers view their work they see proximity to the client as key to the ability to deliver high quality design and make the most of a small flexible team (Amabile et al 1996).

The strategic intention of size limiting design entrepreneurs

The personal design concept and business model are drawn together to develop the strategic intention for business size and design aspiration, thereby allowing typologies of micro design entrepreneurs to be presented. The successful micro design business that maximises their resources to meet their strategic aspirations can then be compared to this range of sole practitioners and micro firms. Size limiting and non growth are part of the strategy at inception and not instigated when a threshold is reached. Some growth factors presented by Cliff (1998) and Storey (1994) concur with those given by the designers; these include, product quality, personal enjoyment, control of the organisation, not judging success by size, profit and customer service. The difference between these results and those of design entrepreneurs is that design and the ability to conserve innovation is at the heart of the size limiting decision and that a non growth strategy is set at inception rather than at a certain point in the life of the firm reached by the entrepreneur. Firm size suits the sector due to the way that the businesses operate (using external resources as and when needed) and risk is reduced as the micro design firm's strategy allows for multiple niches to be served and constant feedback from the market. Hence the designers recognise that to size limit is an appropriate business strategy in preference to growth for their design product or service. Whilst in many cases micro design businesses start as sole practitioners, these reasons hold even if the entrepreneur founds the business with another designer as partner, the strategy is shared at inception. Five interviewees all began their practices with a partner who shared the strategic intention and others have developed clear hierarchies.

Table 1.1 shows a range of micro design businesses' typologies defined through their strategic intention and their contribution to the industry. The successful micro design entrepreneur, the professional designer maker and the freelancer are positive contributors to the design industry, the crucial aspect of their success being the combination of both design and business skills delivered in a professional manner. The conceptual idealist, lifestyle and hobby business can be detrimental to the reputation of the industry as in some cases they do not deliver high quality design, do not have a

business orientation and do not operate professionally. The typologies of micro design entrepreneurs have been identified, observed and tested with designers in cities outside London, in rural areas and with designers in Germany. Whilst the design concept, business model and strategy may hold, the options for implementation differ on location; for example, rural designers experience problems due to their dispersed network and distance from markets.

Type	Description	Positive or negative message to the industry and wider environment
Successful micro design entrepreneur	Strategy designed to optimise their skills and opportunities and resources at their disposal.	Positive – highly skilled, pushing the boundaries of their discipline, with high earnings, profitability and established and/or export markets.
Professional designer-maker	Strategy designed to optimise the use of their skills, opportunities and resources at their disposal.	Positive – highly skilled, utilising skills in an applied manner. Craftsperson or applied artist. National and international recognition of work.
Freelancer	Not a business per se but a supplier of skills to others.	Positive – an essential component of the industry providing skills as and when needed.
Conceptual idealist	Remains at student stage – has plenty of creative ideas but lacks the ability to implement to market (innovate) – idealist.	Can be negative – unless can find a market for ideas only at which point it can be positive, however, more conceptual idealists than positions available to them.
Lifestyle design entrepreneur	No real business strategy – no strength to design skills – lack of professionalism – lack of client skills.	Can be negative - Only nominally a business as effort required to implement is not put in – lack of business skills undervalue the product or service which in turn brings down the industry standard. Unprofessional approach creates bad reputation of industry to market.
Hobby design entrepreneur	Enjoy their skill – usually operating part time and selling only a little. Income provided by other job or partner.	Can be negative – Sells at unrealistic fees, which cheapen product price across the board as do not need the money. Work may be of poor quality and badly resolved.

Table 1.1 Typologies of micro design entrepreneurs

For the successful micro design firm the influence of the founder (or founders) has a strong impact on the implementation of strategy, the form and ethos of the firm and its operation. Of the interviewees, four are approaching 50 years in business and two some 30 years. Each has achieved consistent and significant success whilst the businesses have developed and times have changed. Their design concept and business model synthesized into their personal strategic intention has remained strong over this period of time.

Conclusion: successful size limiting is set at the start

The main categories resulting from research into the successful micro design entrepreneur lead to the following three concluding points. First, that the personal design concept sets the philosophical and design approach for the firm. Second, that the designer has clear aspirations for the way that they deliver design, which creates a personal business model. Third, that the design and business concept combine to create a personal strategic intention for the business, which includes a choice at the outset to remain micro, or at least under 20 staff, and that those that choose to size limit implement this throughout the life of their businesses and manage their resources to optimise this scale. Size limiting at inception is an original contribution to entrepreneurship research where growth is considered key to success (Davidsson 1989, 1991, 2003, Shepherd and Wiklund 2005, Wiklund 1998) and those that recognise size thresholds say that this is a point reached rather than a strategic objective (Cliff 1998), a finding that counters the lifestyle reasons associated with maintaining a business at a certain size (Chell 2001).

The personal design concept and business model for size limiting have been developed through the data collected and are therefore relevant to the design field. These responses have been proved to be workable with successful size limiting entrepreneurs from a wide range of design disciplines beyond the formal study and could be modifiable with greater study adding depth to each aspect described, thereby fulfilling Glaser's (1978) assessment of good grounded theory. The strategic intention to size limit is not a lifestyle choice but instead, when planned properly, an advantageous method for delivering design into discerning niche markets providing high levels of feedback between the designer, their clients and the market. In contrast to regarding size limiting as a strategy of failure, these results show that micro designers can be highly successful entrepreneurs in both economic and design terms. Therefore the answer to *'Why do some design entrepreneurs limit the size of their business?'* is inextricably about design. The evidence shows that size limiting occurs due to a strong personal design concept and that this influences the envisaged business at inception and continues throughout the life of the business. This vision is crucial to the achievement of success as it develops a passionate response in the entrepreneur to their strategy. The strategy of size limiting can and does make a successful micro design entrepreneur provided that they combine creativity with implementation within the firm.

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