

SME: A wealth of knowledges

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Abstract

To acknowledge one's own business culture and to recognize it as a value is important on the global market.
Small and medium size businesses also need to realize this.

Business culture is a fascinating subject, both broad and multi-faceted. I would like to define some of its features from the perspective that I am most familiar with: small and medium enterprise. The first thing to point out is that, when speaking of small and medium business, we should speak of business **cultures**, plural, rather than of a single one. Actually, business as a whole has no recognized cultural model to refer to; this is equally true for small and medium business. Therefore it has yet to be created.

The starting point of this creation must be the daily life of each business concern; its everyday work in production, market approach, distribution and sales; its knowledge of technology, advanced processes, product innovation; the know-how of its employees and their human and personal contribution. Business culture is an **asset** made up of relations resulting from these inter-connected facets.

Two features in particular form the basis of business culture in **sme**:

- the **family culture**, typical of small and medium business.
- the **group culture**, (and this is much less obvious), that concerns every single person working in a small or medium company, because each individual plays an **essential role**, through which that person may express a personal style or business idea

The key for creating small and medium business culture grows out of a combination of these two features. The result is a **wealth of knowledges** which, although often underrated, are instinctively managed. Such knowledges represent a vital force for the company and its natural stakeholders, especially the surrounding community and territory.

A business starts and grows thanks to the skills and intuition of a single person. The contributions of colleagues and employees (and others) increase the value of the business over a period of time. However, to become **aware of this process** means going one step further, a step only few companies take, because it is difficult to transform a spontaneous process into a rational one. Finally, sharing and communicating this process to the public and converting it into a common heritage is very rare, especially among first generation entrepreneurs.

Only the second, or even the third generation allows the company to «detach» from its founder. This is a fundamental step in order to make leaders and employees eventually feel that their

business is a patrimony to be shared with the group (rather than simply identified with its founder) and then with the whole community. A patrimony that, in the very process of sharing, creates **perceivable** values and wealth for the community.

This is not a simple one-sided communication, but implies **cultural growth** that involves the entrepreneurs and the community. Both must reconsider the role of business and to acknowledge its cultural, as well as its economic significance. This might sound obvious when speaking of big companies, that are even able to change the social layout of an urban area. It is not obvious when speaking of companies with a very small number of employees in relation to the population of their territory.

Despite the difficulties, small and medium entrepreneurs can no longer avoid change in the face of current reality. By now, the «home trade» territory of an SME extends to the EU borders. SMEs need a **far-reaching revision and rationalization** of their structure if they want to survive and increase their competitiveness on the global market. Small business must acquire highly specialized skills in IT, production, marketing, and technology as they enter new markets where they are less protected by national norms or privileges.

To sum up, each small and medium enterprise should draw upon its «wealth of knowledges» in order to become fully conscious of its own business culture. The next step is to perceive that culture as a value, an opportunity for development, economic and otherwise. The final step is to communicate that culture to the entire community. Given that SMEs share distinct characteristics, it follows that the path for achieving these goals will be different from that taken by multinational companies.

I think it is worth the effort. In this time of great uncertainty in business, it might be useful to look back and reconsider the past experience in terms of relations, skills, innovation and research, in order to take new strength from it, and to be able to look to the future with greater confidence.