

76th Annual Meeting of the Academy of Management, Anaheim, USA.

Structuring the Inside of a New-born Business – Case of a Consulting Service Company

María-Angeles Rastrollo-Horrillo
Universidad de Málaga

Amandine Savall
ISEOR, Magellan, IAE Lyon, U. Jean Moulin Lyon 3

The 21st century is characterized by an ever changing and uncertain environment for business. In this context, some professionals still want to take the risk to start an entrepreneurial venture by setting a new business on the market. Mc Grath and Mac Millan (2000) state that business people must cultivate this strategic entrepreneurial mindset to cope with the troubled environment. Yet, most entrepreneurial ventures fail in less than three years of operations (Artinger & Powell, 2015). When starting a new business, most entrepreneurs usually focus on the external aspects in order to make their new business successful. Consequently, most research in entrepreneurship has been focused on the external factors to explain the high rate of entrepreneurial failures. But there is also a lack of consideration of the internal aspects by the new entrepreneurs. This paper focuses on these internal aspects and how to help a new business implementing an internal strategy.

According to French researchers specialized in strategic management, “internal strategy” overarches all the organization’s internal aspects such as organizational structure, processes, management system and policy, etc. (Savall & Zardet, 1995). In new-born businesses, there is often no explicit internal strategy to support the external strategic plan execution. In this context, we believe management consulting or OD interventions could help the new entrepreneurs define and implement the internal strategy of the business. Socio-Economic Approach to Management (SEAM) (Savall & Zardet, 1987; Boje & Rosile, 2003; Buono & Savall, 2007) is a “basic intervention model which links economics,

accounting, and a special socio-technical system to large system change” (Boje & Rosile, 2003). The 1,800+ SEAM interventions carried out in many different contexts were intended to untap the human potential of all employees and to reconcile the internal and external aspects of strategic business planning. This research is based on a one-year SEAM intervention carried out in a Spanish business founded in 2012.