



Agile marketing for the manufacturing-based SME

Agile marketing

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Abstract

Purpose – To examine the application of the principles of “agile manufacturing” to marketing strategy, planning and management, in the context of small and medium-sized enterprises (SMEs).

Design/methodology/approach – Uses the case-study method to test the development and deployment of “agile marketing” by applying the marketing techniques normally practised only by larger companies, within the “hard” and “soft” constraints imposed by one small company’s managerial attitudes, corporate resources and time horizons. The host company was a UK supplier of technological products to other manufacturers; it had no history of marketing. The focus of the study was on the third stage of the agility framework: how a proactive marketing approach can be used to generate new custom.

Findings – “Agile marketing” innovations released latent capacity, and a strategic marketing plan was devised to win new custom. After follow-up, four new customers had been recruited, and the potential for developing long-term relations with them was good. This proactive approach was recognised by the company to be a cost-effective route to business growth, as was the ease with which the plan could be reconfigured when new market niches were to be targeted.

Research limitations/implications – The case study provides one “snapshot” of the outcome of transferring agility principles from manufacturing to marketing. The findings are nonetheless indicative and thought-provoking.

Practical implications – Such marketing as small companies practise is more likely to be reactive than proactive. They rarely have the resources to take advantage of marketing ideas transferred from the big-business setting. There are thus many constraints on their ability to respond cost-effectively and swiftly to changes in their operating environment. The more flexible and reconfigurable the manufacturing and marketing systems, the more likely that growth will be achieved. Any spare capacity can then be channelled into recruiting new customers.

Originality/value – Transfers a planning framework and set of procedures from manufacturing management to marketing strategy and planning in the challenging environment of SMEs.

Keywords Agile production, Marketing, Marketing strategy, Marketing planning, Small to medium-sized enterprises

Paper type Case study

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Introduction

As the political and economic fortunes of nations change, so manufacturing organisations must be prepared to face up to market situations that can be very difficult. Increased competition from the Far East coupled with a worldwide slowdown inevitably leads to a squeeze on profits. It is not as if customers are more forgiving though, as many large UK manufacturing firms have learned to their cost. What once comprised a large portion of the economy is now a shadow of its former self. If manufacturing companies are to survive they must continuously innovate, and improve their speed of throughput and operational dexterity. Ultimately, it is the customer who dictates the nature of the competitive landscape.



Businesses learn and grow in a variety of different ways. Prime among these types of learning are that resulting directly from experience (“emergent”) and that occurring as a result of the deliberative pursuit of knowledge (“controlled”). In the case of large firms, there is normally no shortage of knowledge about learning new ways to do things better. In fact, there is the suggestion that large firms are awash with knowledge – what they seem to lack is a willingness to implement the knowledge about what they know (Pfeffer and Sutton, 2000). For the small and medium-sized enterprise (SME) in contrast, “emergent” learning is the prime means for understanding how to do things better. Time that can be allocated for training and learning is limited. An SME’s prime concerns are short-term and revolve around getting products out of the door today. Key activities, such as strategic market planning and targeting new niches to bring in new business, rarely get done. Learning about marketing takes a back seat to “problems” that exist in the here-and now. As a result, growth in the early stages is often amorphous. What an SME gains in terms of learning from experience it loses in its ability to learn about those tools and techniques of marketing that are appropriate for its business situation, and to apply them. Despite this, most SMEs will have ambitions to grow at some point. Given that small firms make up the majority of firms in the world economy, this presents something of a conundrum. How can economies ensure that knowledge for business improvement is made accessible and “packaged” in a form that SMEs can readily use?

Manufacturing agility

Over the past 50 years in the UK, as in much of the western world, the concept of manufacturing has undergone a sea change. The effects of competition have made long production runs and leisurely tooling changeovers a thing of the past. Speed of throughput and an ability to respond to customer changes at short notice are everything. Becoming more responsive or “agile” is recognised as providing firms with the best opportunity they have for meeting competitors head-on in the marketplace (Nagel and Dove, 1991; Christian *et al.*, 2001; Hammer, 2004). The objective of agility or “agile manufacturing” is to ensure that companies are well-placed to thrive and prosper in an environment of continual change. As Anderson and Pine (1998) put it so well:

companies can be said to be agile when they can produce a variety of products on a small scale with no compromise to quality and at relatively no extra cost, as if producing those same products en masse.

Why agility is important for SMEs. Most, if not all, SMEs will at some point have ambitions to grow. Quite often this will involve tendering and supplying to large companies with exacting standards of supply. It is not unusual for SMEs in this position to be measured on a very large array of performance criteria such as delivery-time and quality as major factors, together with others such as product development and product support. Each of the categories is awarded points contributing to an overall company score, and suppliers that fall below a certain threshold are impelled to shape-up or move out. This can be especially critical for the SME that has a relatively small customer base that accounts for a large part of its turnover. In situations like these, agile manufacturing can provide SMEs with the means to compete with the best in the marketplace (Sharifi and Zhang, 1999; Lee, 2004).

The agility strategic framework. Typically, growth in an SME occurs in fits and starts, following a characteristic pattern of growth spurts (Crawford, 1994). As a result, optimising resources for manufacturing efficiencies rarely predominates at the early stages. It normally takes more nimble competitors snapping at the heels of the SME to precipitate action to streamline the organisation so that it can compete effectively across a range of products and markets. It is at “crises-points” such as these that SMEs are in need of an approach that can help them to make a step change in their thinking about the future, complimented by tools and techniques that can be tailored to their business situation.

The agility strategic framework (ASF) enables SMEs to customise a route to agility based on current capabilities and the competitive nature of the operating environment. First, information is generated with respect to company strategy and company aims. The framework adopts elements of the Miltenburg (1995) approach to manufacturing strategy, in which six variables are used as the basis for understanding the primary drivers for the business: cost, delivery, quality, performance, flexibility and innovativeness. This is followed by an assessment of “turbulences” that crucially affect SME operations. For example, the dynamic nature of customer requirements, the intensity of competition, supply chain turbulence, and changes that occur in the economic, social, technological, environmental and political environment. Many of these are beyond the control of the SME but can have a considerable impact on operations.

To understand an operating environment, it is necessary to identify the changes that are taking place, the magnitude of the changes, the degree of impact they have on operations, and the degree of control the SME has over these changes, if any: see, for example, Snowden *et al.* (2002) or Ismail *et al.* (2002, 2003a, b, c). This analysis is used as the basis for prioritising the types of strategies the company might adopt as a means to improve its current performance. Embedded within these strategies is a suite of techniques and tools that are uniquely customisable to the SME situation.

As a means to effect improvements, the framework seeks to assist companies to grow through three agility maturity stages. First, issues of robustness are dealt with so that bottlenecks in processes and the risks of failure of key processes are much reduced. The SME is thus able to move away from a fire-fighting mode to one of customer responsiveness. Changes in product specifications, batch quantities and unstable delivery dates can be dealt with more easily, thereby increasing the likelihood that customers will stay loyal. Eventually, as an SME becomes more and more accustomed to operating in a flexible way, there is an opportunity to anticipate and stimulate demand in the marketplace. It is in this final phase of “proactiveness” that it is able to begin realising its goals for growth (Figure 1).

The prime concern in developing and applying the ASF was to develop an approach whereby the SME could gain some improvements almost immediately an intervention had taken place. This was a deliberate strategy, because it is well recognised that the momentum for change is more likely to be sustained where a series of small but significant “quick-hit” targets exist (Argyris, 2000; Cockman *et al.*, 1999; London, 1995). For these reasons, the ASF adopts a bottom-up approach to change, firstly focusing on tactical aspects of the operating environment. These include seeking to increase production targets or reduce waste as a means of addressing vulnerabilities, to provide a key incentive for change over the longer-term (Poolton *et al.*, 2005). This first quick hit, which has a direct impact on the bottom line, provides the lead-in for the longer-term objective of making companies agile in their marketplace.

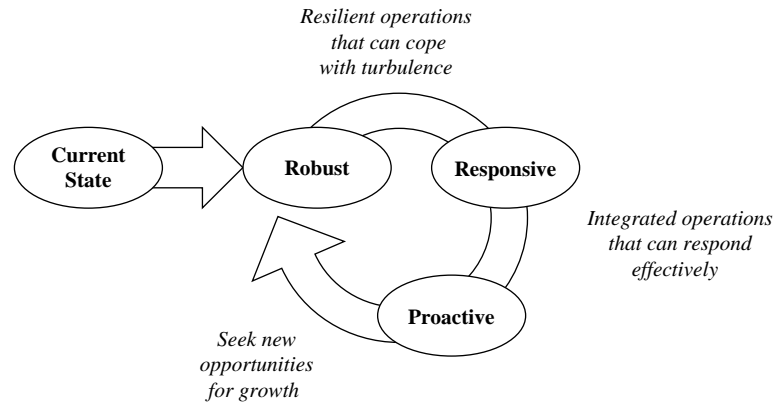


Figure 1.
The three-stage agility
implementation approach

Robustness. The business environment that firms must operate within can be said to display varying levels of turbulence, though the actual rate varies according to the nature of the competitive activity in a sector coupled with the changing nature of marketplace demands. It is these competitive and demand characteristics that dictate the level of “agility maturity” a firm must achieve. At the first stage, the primary objective is to assist companies to become robust in those areas where they are the most vulnerable. These vulnerabilities could include the operations of machines, staffing levels and skills of operatives, raw materials use, the availability of tools and processes, as well as weaknesses in the business support processes. For example, SMEs often suffer from the problem of managing their bottleneck resources. In these cases, questions need to be asked concerning the causes for bottlenecks and the time spent in actual processing of components versus set-up and tear-down times. Preventing a potential bottleneck resource from failing makes good sense. Hence, the company might consider a regular preventative maintenance programme to reduce the vulnerability of its manufacturing operations. It is this initial “mapping” of companies’ vulnerabilities that provides the basis for robustness. Once they are identified they can be dealt with in a systematic way.

Responsiveness. Having to deal with day-to-day production issues detracts from a companies’ ability to think and behave strategically. Introducing a level of robustness to the company processes gives a degree of stability and reduces the need for constant fire-fighting. However, robust processes are not always sufficient to achieve the level of agility required to be competitive. For example, the implementation of a programme of preventative maintenance on a bottleneck resource will increase the capacity of the resource, but an increase in the mix of parts the resource must deal with can result in excessive downtimes because of tooling-changeovers and frequent set-up operations. To overcome this, operational techniques derived from the use of “single minute exchange of dies” (SMED) should be implemented. Using these techniques, the time required for machine downtime can be significantly reduced. When this is coupled with an appropriate scheduling programme, the company is in a better position to be more responsive to customers. This ability to think and behave strategically not only increases the likelihood of customer satisfaction, but also presents the opportunity to think about routes for attracting new business to the company.

Proactiveness. In the final stage of agility maturity, companies are encouraged to anticipate and stimulate demand for their products in the marketplace. This is achieved by analysing the growth strategies available from a marketing point-of-view. The extended Ansoff matrix (Ansoff, 1957) shown in Figure 2 is used as a means to demonstrate the main categories of market growth that are available, and from this classification a series of growth tactics can be developed for each category. Using a simple scoring matrix, it is then possible to identify new opportunities for growth, as explained later.

Marketing agility

Over the past four years, various aspects of the ASF have been put into real-world practice in more than 35 SMEs in the manufacturing sector. A common characteristic found has been the absence of a marketing approach. While the need for effective marketing is a well recognised mantra, the need to develop robust capabilities to cope with changes in demand is less well-emphasised. Stimulating demand for products while production systems are vulnerable could lead to the migration of customers, which is the exact opposite of what the company is trying to achieve. Using the ASF, it has been possible to address shopfloor vulnerabilities and thereby render company operations more robust. Subsequently, improvement programmes could be introduced to reduce inefficiencies and waste, and enable responsiveness. Finally, an opportunity is presented to grow the business using the tools and techniques of marketing in a way that is generally new to the management of SMEs.

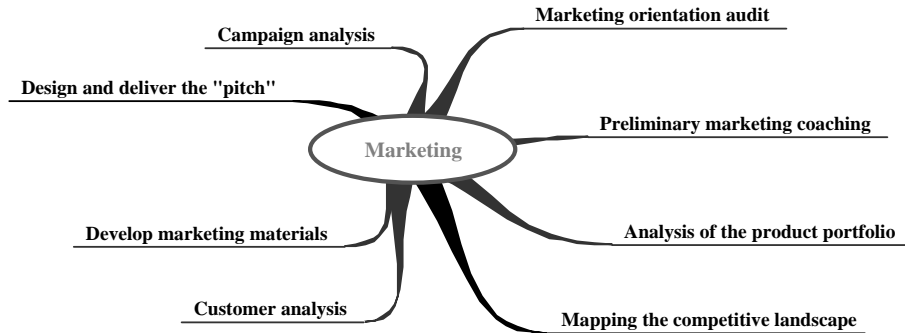
This failure to adopt marketing practices is not entirely due to shortage of time for strategic thinking and planning. Additional stumbling blocks are a simple lack of knowledge about how to conduct a marketing campaign, coupled with the lack of those resources that might be devoted to bringing in new business. Thus, the third “proactive” stage of the ASF needed to provide a well-reasoned approach to change that included learning and implementation aspects of marketing.

The marketing element of the ASF provides a logical and structured approach to help SMEs to become more proactive in their marketplaces (Figure 3). As a first step, an assessment tool is provided, so that managers can assess their marketing capabilities in a non-critical way. This is followed by coaching sessions, to show how a market-oriented approach can provide some degree of control over the company’s future. Once a commitment is made to make the most of marketing, an analysis of the product portfolio is carried out, taking account of company capabilities and constraints. Segments to be targeted are analysed to provide an understanding of

Existing Market	New Markets	3	6	9
	New Customers	2	5	8
	Existing Customers	1	4	7
		Existing Product	Extended Product	New Product

Figure 2.
Strategies to promote growth: the extended Ansoff matrix

Figure 3.
Overview of the marketing
agility approach



customer and competitor forces within the industry, and lists of potential customers are then targeted. Finally, the company is assisted in the launch of the marketing and sales campaign.

Research methodology

The case-study methodology was used for the study reported here. For this type of hands-on research, the approach is not unusual. In the operations management literature, case research has proved to be one of the most well-used and powerful methods on offer to researchers (Voss *et al.*, 2002).

The marketing data gathered were qualitative in nature and were primarily used to shape the nature of the tools to be adopted. The primary vehicle for bringing about learning was the mentoring approach, which is ideal for a setting in which time is often in short supply. Importantly, mentoring allows for greater flexibility in the timing and allocation of learning, and SMEs in particular benefit significantly from this type of approach (Kent *et al.*, 2003; Peel, 2004).

An application-base case study

The following section demonstrates, via a case study, how “marketing agility” can be applied to an SME. The host company manufactures colour pellets for other firms, which produce plastic sheeting and injection-moulded and blow-moulded products. It had no real history of marketing, and business had been brisk since it was set up in 1989. Dangerously, the company had come to rely on only two customers for over 60 per cent of its business. In the late 1990s, one of those went into receivership and, two years later, the other changed to a different supplier. As a result, production slumped and the company was forced to cut staff severely. Through its close relationship with remaining customers, efforts were made to increase order quantities, some of which were successful. However, an increase in the number of orders resulted in considerably more pressure on internal resources. This was because the company now had to handle a wider range of products than before and in smaller batches, which resulted in increased set-up and changeover times. Consequently, resource utilisation and quality of service suffered dramatically. Though the company would not have realised it, it was pursuing a market penetration strategy by trying to grow in cell 1 of Figure 2. The key task was, therefore, to work with the company to pursue a strategy of market development, bringing in new customers, to take advantage of improvements in speed and the efficiencies achieved as a result of taking the

company through the robustness and responsiveness stages of agility. What follows is a brief description of the tools, techniques and thinking used to support the marketing agility approach.

Marketing-orientation and awareness. To understand the level of marketing awareness in the host company, measures from tried and tested surveys reported in the academic literature were applied (Kohli *et al.*, 1993; Webster, 1993; Deshpandé *et al.*, 1993; Churchill, 1979; Narver and Slater, 1990). From these, a simple and easy-to-use questionnaire was developed, consisting of 43 statements in seven sections, as follows:

- (1) strategic orientation (seven statements);
- (2) customer care and service quality (five statements);
- (3) customer/client communications (five statements);
- (4) researching new marketing opportunities (six statements);
- (5) internal communications and power-sharing (six statements);
- (6) market planning and the execution of change (nine statements); and
- (7) competitor orientation (five statements).

The prime driver for the audit was to persuade managers to think seriously about the company's production, staffing, financial and marketing capabilities. The audit was designed to be filled in remotely and to provide instant feedback on what marketing could do for the business.

The next stage involved helping managers to better assess the nature of their industry and to understand why it is important to develop a competitive advantage for the business that is real and meaningful in the eyes of customers. Focusing on the sales process, managers were presented with a list of potential sales barriers that might affect the business. An example of true-or-false question related to potential barriers included: "Target customers do not know that we exist" "We have been known not to keep our promises" "We don't know how to sell effectively" and so on. Eight potential sales barriers were thereby identified, and grouped into three major areas. They were associated with the image conveyed, with production issues (for example, inconsistency in terms of quality) and with poor selling skills and follow-up. This analysis was recognized as a useful means to generating an awareness of marketing "problems".

Where should business growth come from? A starting point for portfolio analysis is to recognise the most lucrative routes to business growth. To achieve this, products are analysed based on their profit potential and potential for future growth. Data were collected to identify the marketplace for the company's products. Questions included average sales for each category, profitability potential (volumes and margins), average demand, ideal demand, intensity of competition, major buying criteria, potential for sector growth and the potential impact of marketing. In the analysis of the portfolio, data gathered were based on business attractiveness criteria and customer attractiveness criteria for each product (Hatton, 2000). The aim was to get managers to understand what is it from a company point of view that makes any particular order attractive. Similarly, it was important to understand what criteria made customers more likely to choose one supplier over another. Once all factors were identified, each was rated on a 1 to 5 scale and weighted such that all factors extracted for each category had a cumulative weighting of ten. The data were then entered into spreadsheets, to show how products for each market sector fared against the criteria: Figure 4(a) and (b).

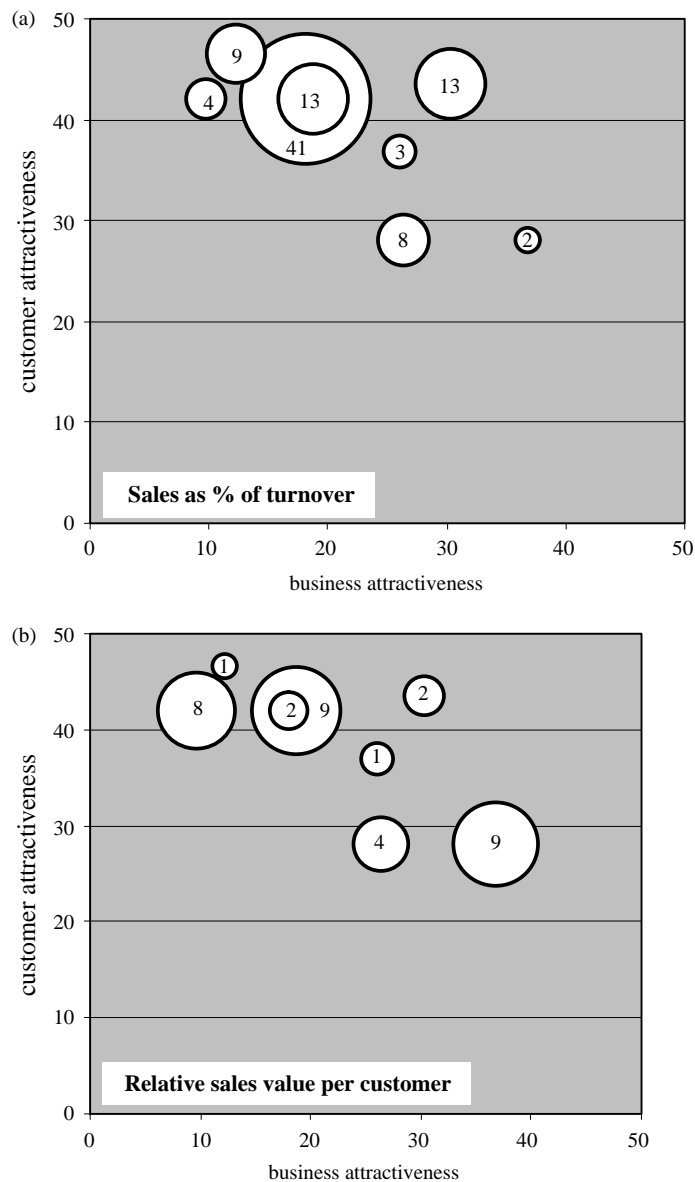


Figure 4.
(a) Sales-to-turnover ratios; (b) sales value per customer

Figure 4(a) shows the percentage sales for products in relation to customer and business attractiveness criteria, with relative sales reflected by the size of the circle. Figure 4(b) shows average sales per customer for each product category. Ideally, the company was looking for customers that would order in larger rather than smaller quantities, because it was not in a position to buy new machinery.

Though operations improvements had significantly improved set-up and tear-down times constraints posed by the number of machines available was still a problem.

From these data, the blow-moulding market segment was established as the most likely to provide an attractive source of new customers. Some of the major reasons for this included low demand on internal resources, gross profitability, lead times and the potential for repeat business. After further discussion, it was established that it could also provide a good opportunity for cross-selling additives (for example, pellets added to the mix having such special properties as colour fastness under varying light and heating conditions). The case for pursuing sales in this sector was further reinforced by the data collected relating to competitive activity, profitability potential and opportunities for developing long-term relationships with customers.

Developing a reasoned argument for a marketing approach. It is not unreasonable to assume that most of the potential customers the company was seeking to attract were relatively happy with their existing suppliers of products and raw materials. Furthermore, it is well recognised that change does not come easily. It was important, therefore, to get the company to think about potential differentiators that could be used as the basis for a marketing campaign that could overcome the above two barriers. Differentiators can be product, service or company-based features – in fact, anything that is likely to inspire confidence among customers and so increase the likelihood of making a sale. One problem faced by the host company was that colour pellets are not easy to differentiate from a product point of view, and so price had always dominated. It is a characteristic of mature products that financial persuasion is more successful than psychological persuasion in the absence of creative marketing strategies (Walker *et al.*, 1996).

To induce the company to think seriously about what customers value most, a feature-benefits analysis of the products and the company was carried out. First, managers were asked to identify what they thought were the most important features of the products produced. Five key features having been extracted from their responses, they were asked to explain how those translated into specific benefits for customers. For example, one product feature was identified as the dispersibility of the pellets. The corresponding customer benefit was described as, for instance, “to ensure the uniform flow of colour throughout the product to be moulded”. Managers were then asked to expand further on why that was important. This process was repeated for each answer, until it was eventually possible to identify significant cost-savings for customers in the form of lower reject rates as a major benefit. This process of “drilling down” was applied to each of the key features until all major benefits had been realised. In effect, the company was now in a better position to understand what might be universal features that applied in buying situations typical of their industry.

SMEs are often short of the necessary resources to implement large and expensive marketing campaigns. The host company was no exception. With this in mind, it was helped to develop a series of one-page fliers using data direct from the feature-benefits analysis. These could be inserted into a company folder normally used for sending out quotations. A covering letter was also developed, introducing the company to customers and advising them that it was on the lookout for new business. The marketing approach was designed so that feature-benefits could be easily tailored to meet the needs of diverse segments, and marketing materials could be modified easily at short notice. Should the portfolio analysis reveal new segments to be targeted, the company was in a good position to begin a marketing campaign quickly and cost-effectively.

Rather than send out marketing materials speculatively, it was decided that a better approach was to begin by contacting target customers by telephone and to follow up with the appropriate marketing materials. A sales-call script was devised, based on a simple three-step approach: a bright greeting, introducing the salesperson to the target and asking for the name of the colleague responsible for purchasing; a request to speak to that person by name; and finally a pitch to the purchasing officer on the basis that the company was currently seeking new business. It was important for the company to take the opportunity at this stage to get across those points that made the company attractive: competitive pricing, speedy turnaround times, an attractive call-off pricing structure, free colour matching service, and low minimum order quantities. The customers were asked if they could provide a sample of colour pellets currently used, so that the company was in a position to offer what they felt to be an attractive price quotation. Once the target customer agreed, marketing materials were sent to them, with a stamp-addressed envelope for a sample of pellets.

A sales-call log sheet was developed, providing details such as date and time of sales calls, name, position and telephone number of recipients, and a de-brief section so that comments, concerns or issues could be logged as well as indicating whether this person had received any marketing materials. Responses were then allocated to one of four categories indicating the type of action to be taken: immediate enquiry, promise of an enquiry at some later date, no interest or no further action, and – of course – “other”. Over a two-day test period, the approach was tested, as 30 calls were made to purchasing officers of potential new customers. From this small sample, eleven customers expressed an interest in receiving information about the company. After follow-up, six had sent samples of their pellets for analysis within a two-week period and four had become new customers. Though the order quantities were small, the potential for developing longer-term relationships with these customers was good.

Using this practical approach, the host company benefited significantly from the tools and mentoring assistance on offer. The company has since made a commitment to investing in new machinery in a bid, to capitalise on speedy turnaround times for products. Where previously there was little to differentiate this SME from its competitors, it was now able to achieve best-in-class delivery times for local customers. From a marketing point of view, opportunities for market development were apparent and an in-depth analysis of customer strategies is now under way. Strategic marketing targets have been set with respect to ability to meet short scale delivery times within a much wider radius, thereby providing opportunities for new growth targets in the short to medium term.

Summary and conclusions

This paper has demonstrated a real-world application of the ASF, developed specifically to help SMEs to reap the benefits of an “agile” approach to manufacturing and marketing. The ASF provides an all-encompassing stepwise approach to assisting companies to address their operational and marketing vulnerabilities, promoting promote growth both strategically (from a top-down perspective) and operationally (from a bottom-up perspective). The focus of this particular study was the third stage in the agility framework, namely to show how a proactive marketing approach can be used to generate new customers for the business. What is important about “marketing agility” is that the approach encourages companies to develop their marketing so that

it can be reconfigured at short notice. When opportunities arise, the company is well positioned to make customers aware of changing offerings at short notice. Importantly, this approach had to be shown to be systematic but simple in its implementation. The tools and techniques were designed such that they were easy to apply and consistent in terms of application steps. After some initial coaching, it is feasible that the techniques could be employed by the good majority of management staff in SMEs, and elsewhere.

Following an analysis of the product portfolio, it was found that on particular target market segment was likely provide a good source of new customers. Marketing materials were developed to communicate the skills and capabilities of the company. Feature-benefits analysis was used to “drill-down” to benefits that customers might find attractive, from a product point-of-view and from a company point-of-view. It was reasoned that, given that the product was low-margin, its customers would be averse to change and establishing company credibility was, therefore, paramount. A trial sales script for cold calling was developed, which proved to be successful and required no change. In almost all cases, potential customers were willing to listen to suppliers sales arguments, rather than reject an overture from a new supplier outright. While it is too early to predict the extent to which turnover growth will be affected by this initiative, the host company did recognise that marketing must play a key role in its future.

Quite often, and especially among smaller firms, marketing and sales are seen to be the same thing; SMEs tend to have a less well-rounded approach to marketing than larger firms. Marketing normally “gets done” when there is time left over from everyday operations. The emphasis lies squarely with getting products out of the door today, as opposed to thinking where tomorrow’s business might come from. From a strategic point of view, there are several reasons why that is detrimental to SMEs. First, it means that there is little time left over in which to target new customers for current products, and so growth is delayed. Second, there is little opportunity to shape the future customer-base of the company. Being proactive entails talking with customers to meet their needs now and in the future. It is only through active marketing that companies can fully exploit their creative potential. Strategically, it makes good business sense for a company to make its own products obsolete before the competition does. The continual evolution of products, and finding new ways of producing, them can often open up new niches that were previously not feasible.

The ASF was designed specifically to overcome this preoccupation with the present in SMEs, by ensuring that strategies are focused on practical action and results, providing an incentive for change. Traditionally, strategy is associated with a top-down approach involving thinking about and planning for what the future might hold. The risk is that thinking often provides a poor incentive for change. ASF-based strategies are “engaging”: in effect, the ASF forces SMEs to behave strategically, rather than thinking strategically in the hope that strategic behaviour will follow. It gives them a flavour of what is possible in relation to the creation of new markets for their products.

This paper has shown how the ASF can provide a holistic approach for SMEs that want to improve and grow their business but lack the tools and know-how to achieve their growth goals. The approach is deliberately motivational because SMEs do not have excess resources they can devote to growth in the hope that new business will come their way. The ASF provides them with a stepwise approach, so that the logic

behind the strategies can be well understood. Training and mentoring occur hands-on and are focused practically on what the company wants to achieve, given their current level of development. While agility is not a new concept, it has so far been larger firms that have reaped the greatest benefits from it. The ASF provides SMEs with the means to access the same tools and approaches. Moreover, by shifting the strategic emphasis from thinking to doing, it overcomes the traditional limitations of getting SMEs involved in improvement and growth, so increasing the likelihood that they will not only survive but also thrive into the longer-term.

As with all approaches intended to effect change, the struggle to introduce new ways of working is not always easy. Quite often, a severe crisis is upon the firm before there is any real consideration that change may be necessary – for instance, loss of a key account. Under these circumstances, there is a tendency to resist solutions to problems other than those which relate to the crisis itself. For example, the SME offers a “solution” to the loss of a key account as doing sales or doing marketing, when in reality what is needed is a more robust production system so the customer base can be fragmented to reduce its vulnerability to losses of key accounts. Though the ASF can provide good “medicine” for company ills, its success actually depends crucially on the readiness of an SME to understand that a step-change in thinking and doing is necessary.

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