



UNIVERSITY OF GOTHENBURG  
SCHOOL OF BUSINESS, ECONOMICS AND LAW

***“How Can Small and Medium Size Enterprises Benefit from  
Social and Business Networks to Improve Their  
Performance?”***

***A Single Case Study of Medi Know-How***

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## Abstract

Small and Medium Size Enterprises (SMEs) are one of the most important contributors to global economic development and job creation (World Bank, 2021). Meanwhile, the success of SMEs depends on many different aspects such as the relationship between SMEs and their social and business networks. However, the existing literature does not elaborate on how SMEs can incorporate such business networks within their operations to improve their performance. Consequently, addressing this gap may both enrich the existing body of knowledge and possibly offer managerial implications that can help SMEs to improve their performance.

The purpose of this master thesis is to fill this identified gap, hence, answering the following research question: *“How can Small and Medium Size Enterprises benefit from social and business networks to improve their performance?”*. This purpose is pursued through conduction of a qualitative and abductive research approach that includes an in-depth single case study of a small and medium size enterprise named Medi Know-How. Additionally, a theoretical framework of social and business networking is constructed by the authors based on the reviewed literature to interpret and analyze the empirical data.

As a result, it is argued social and business networks can have a significant positive impact on an SME’s performance. However, this is the case if an SME can create, maintain, and develop social and business networks and effectively incorporate them within its business operations. Moreover, it is concluded that by addressing different relevant aspects of social and business networking through implementation of a systematic approach such as the *“ Theoretical Framework of Social and Business Networking for Small and Medium Size Enterprises”* constructed by the authors of this paper, SMEs may become more effective at incorporating social and business networks to improve their performance. However, this paper has its own limitations such as the fact that it only studies one SME to answer the research question. Therefore, there is a need for future studies with regards to designing and implementing a systematic approach/framework of social and business networking by SMEs which is based on multiple case studies or that such studies can elaborate more on the impact of social and business networking on certain aspects such as SMEs’ international expansion.

**Key words:** Social and business networks, Small and Medium Size Enterprises, performance

## **Abbreviations**

MKH - Medi Know-How

SME – Small and Medium Size Enterprise

## **Definitions**

Family-owned business – a company belonging to or controlled by a family (Cambridge University Press, 2022)

Network – a closely connected group of people, companies that exchange information (Oxford University Press, 2022)

Performance – how successful an investment, company is and how much profit it makes (Cambridge University Press, 2022)

Small and Medium Enterprises (SMEs) - a company, or companies considered as a group, that are neither very small nor very large (Cambridge University Press, 2022)

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# 1. Introduction/Background

## 1.1 Background

It may be safe to claim that most people first think about large corporations and famous brands when they hear words like “international business”, “world economy”, “economic development”, and “job creation”. This may be based on our intuitive perception of large corporations and their partial role in shaping the world as the way it is today. Yet, such large corporations and brands account for a relatively small percentage of the global economy. In fact, according to the World Bank (2021), it is Small and Medium Size Enterprises (SMEs), many of them family-owned, that are one of the most important contributors to global economic development and job creation, representing 90% of all businesses and being responsible for more than 50% of global employment. In general, a “family owned” business can be defined as a business in which the majority of decisions are made by those natural/physical persons who have founded the firm, or by those natural persons who own the share capital of the firm, or by those natural persons who have family ties to the founders/share capital owners (European Commission, 2022). Moreover, a “family owned” business can mean that the majority of decision making rights are direct or indirect, or that the governance of the business consists of at least one family or kin representative, or that at least 25% of decision making rights within a listed company belongs to those who have either founded the business or acquired share capital within the company or their relatives (European Commission, 2022).

To add, based on statistical data on the European Union, the foundation of the socio-economic prosperity of the member states are strongly built upon the existence and contribution of Small and Medium Size Enterprises (Verovska and Zujeva, 2019). Consequently, improvement of SME business capacity and performance is paramount for increasing productivity of economies, job creation, increasing equality, and achieving sustainable growth (OECD, 2021). However, factors such as weak business environment and market conditions, unsatisfactory institutional and regulatory framework, and limited infrastructure may all act as barriers to SMEs to reach their full potential (OECD, 2021).

Considering the above-mentioned aspects, studies that focus on SMEs and family-owned businesses’ performance improvement may be of enormous importance and offer invaluable

and practical insights on how to help this crucial contributor of the world economy to prosper. Meanwhile, some of these SMEs and family-owned businesses may have unnourished potential for further expansion and growth into foreign/international markets. It has been observed that when Small and Medium Size Enterprises are part of formal business networks, the growth of their net assets and added value is likely to be higher (Schoonjans et al., 2013). Business networking can be defined as creating a network of mutually beneficial relationships with actors such as businesspeople and customers by a firm to gain benefits that may help the company in any way (the Balance Small Business, 2021). The knowledge, skills, and resources that are essential for the good performance of a firm are more easily accessible through participation in these networks (Schoonjans et al., 2013). It has been suggested that family-owned firms tend to have limited growth due to the conservative approach taken while conducting the business (Hamelin, 2013). This can arguably be overcome by joining the business networks previously mentioned.

## **1.2. Problem Discussion**

“Family owned” SMEs play a major role in the economy and their success greatly contributes to prosperity and welfare of the society. Meanwhile, the success of “family owned” SMEs depends on many factors both within the domestic realm of the firms as well as those outside the firms’ boundaries. Considering this, one of the factors influencing “family owned” SMEs’ performance is the relationship between a “family owned” SME and its social and business networks as argued by numerous studies such as those by Pastore, Ricciardi, and Tommaso (2020); Schoonjans, Van Cauwenberge, and Vander Bauwhede, (2013); Kontinen and Ojala, (2011); and Gronum, Verreyne, and Kastle (2012), among others.

However, the existing literature mostly focuses on the impact of social and business networks on aspects such as financial performance, knowledge creation and innovation, and business opportunity identification. Meanwhile, it can be argued that the existing literature neither elaborates on how “family owned” SMEs can actually incorporate such business networks within their operations to harvest the potential benefits that they may bring nor does it discuss the potential challenges of creating and improving such relationships from a “family owned” SME’s perspective. In other words, it may be argued that the existing reviewed literature does not include a theoretical framework that can be used by SMEs to further incorporate social and business networks to improve their performance. Consequently, the authors of this paper argue



that there is a gap or limitation in the existing literature regarding effective incorporation of social and business networks by SMEs through formulation of a social and business networking theoretical framework that if used may help SMEs optimize the benefits from such networks. Moreover, it is safe to argue that addressing this gap or limitation may both enrich the existing body of knowledge and possibly offer managerial implications that can help SMEs to improve their performance.

### **1.3. Purpose**

The purpose of this Master Thesis is to contribute to the existing literature on the relationship between business networks on SMEs' performance by investigating how "family owned" SMEs can benefit from incorporating social and business networks within their operations. This purpose is pursued by conducting a single case study of SMEs.

### **1.4. Research Question**

The following research question has been formulated to address the research purpose:

*"How can Small and Medium Size Enterprises benefit from social and business networks to improve their performance?"*

### **1.5. Contextual Background**

Our partner company for the master thesis project is Medi Know-How. Medi Know-How is a small family-owned business founded and owned by Marcelo Costa and a parent company named Know-how. The company was founded in Portugal in 2016 and it offers equipment, diagnostics, and analysis products for veterinary medicine. The products are divided in six main categories, which are quick tests, monitoring equipment, ultrasound equipment, physiotherapy equipment, laboratory equipment, and x-ray equipment (Medi Know-How, 2021). The parent company was founded in 2011 and it supplies material needed by pharmacies, laboratories and hospitals for human diagnostics, having sold materials to European countries such as Spain and Iceland, and also being present in African countries such as Angola, Mozambique and Cape Verde (Know-How, 2021).

## **1.6. Delimitations**

The main contribution to research is the effect that business networks have on the improvement of a newly found “family owned” business. According to Yin (2003), although there is an identified recurrent complaint regarding case studies which is that the results of the study cannot be generalized to other firms, even if they are from the same size or industry, it gives an insight on how it might work for the company at hand and therefore generalizations could be drawn to “theory”. To conduct the current research, boundaries have been put in place to be able to make conclusions from the subject being studied. The theoretical framework is limited to theory regarding family-owned businesses and social and business networks.

## **2. Literature and Theoretical Framework**

As mentioned before, a “family owned” business can be defined as a business in which the majority of decisions are made by those natural/physical persons who have founded the firm, or by those natural persons who own the share capital of the firm, or by those natural persons who have family ties to the founders/share capital owners (European Commission, 2022). Moreover, a “family owned” business can mean that the majority of decision making rights are direct or indirect, or that the governance of the business consists of at least one family or kin representative, or that at least 25% of decision making rights within a listed company belongs to those who have either founded the business or acquired share capital within the company or their relatives (European Commission, 2022). Meanwhile, business networking by a firm can be defined as creating a network of mutually beneficial relationships through meeting and socializing with relevant actors such as other business people and firms, suppliers, and customers to gain benefits for the company (the Balance Small Business, 2021). Additionally, there are different types of business networking such as business seminars, networking groups, and professional associations (the Balance Small Business, 2021).

### **2.1. Literature Review**

Before elaborating more on how business networks can affect SMEs, it is safe to argue that all the reviewed articles advocate the positive impact of business networks on SMEs (e.g. Maghsoudi-Ganjeh, Khani, and Alem-Tabriz, 2021; Adomako, Danso, Boso, and Narteh, 2018; Novotna, 2021; Schoonjans, Van Cauwenberge, and Vander Bauwhede, 2013). Moreover,

based on the reviewed articles it is also observed that business networks can affect different aspects of SMEs' businesses and not only their overall financial performance.

To start, Maghsoudi-Ganjeh et al. (2021) argue that a firm's financial performance is significantly positively affected by that firm's networking capability and its dimensions, and that a firm's business network also plays a negotiating role. In other words, a firm's relationships with different actors such as other firms and suppliers may allow the firm to negotiate with such actors for better business terms which may consequently contribute to better financial performance (Maghsoudi-Ganjeh et al., 2021). This finding is also advocated by Adomako, Danso, Boso, and Narteh's (2018) study which indicates that a new firm's performance is highly affected by its networking capabilities meaning the more social and business networking capabilities the better the firm's performance. Both these studies and their findings argue that a firm's financial performance is positively affected by its ability to effectively create and develop relationships within its business networks.

Furthermore, it is observed that a relatively larger number of articles focus their attention on the impact of business networks on firms' knowledge creating and innovation. To expand, it is found that having a strong social and business network by a firm does also help such firms with management of its information and knowledge which leads to higher competitiveness and resistance to market turbulence (Novotna, 2021). Schoonjans et al. 's (2013) finding is related to and in line with this finding, as they argue that one of the important intangible assets that a firm can possess is its ability to have a broad and deep external network which helps SMEs to acquire valuable knowledge and skills. Also, SMEs' networking capability helps such companies with their experiential learning and entrepreneurial orientation and this in return has a positive impact on SMEs' international performance (Karami and Tang, 2019). The notion SMEs' learning process through business networks is also addressed by other studies such as the one by Chung et al. (2015) in which the authors' study of 120 Chinese firms lead to their findings that business guanxi or channel networking by firms positively affects explorative learning through continuous experimental activities and thus improves strategic performance of the firms. Gronum et al. (2012) findings are in line with all the previously mentioned arguments regarding the positive impact of business networks on knowledge creation and overall performance, with their focus being on new innovations through exploring, creating, and sharing of ideas between actors within social and business ties.

Considering all these dimensions, Konsti-Laakso et al. (2012) argue that SMEs play an important role in creating new innovations which contribute to welfare of the society, however, SMEs also tend to experience numerous barriers such as lack of expertise, limited resources, limited specialization, and limited internal innovative capabilities. This, in return, affects SMEs' chance of survival and success. Consequently, it is of utmost importance for such SMEs to take advantage of partnership or collaboration with other firms and professionals to improve their capabilities regarding innovations and increase their chances of success (Konsti-Laakso et al., 2012). To do so, an SME should first create business connections. Later, the company needs to make mutual commitment by confirming vision of joint activity after decision making with partners and having awareness of what each side's main intentions are (Konsti-Laakso et al., 2012). This is followed by mutual dependence meaning having formal agreement to join a project together as well as sharing the costs and resources. Finally, partners within a formal business network can identify opportunities and share their findings and knowledge (Konsti-Laakso et al., 2012). Another important aspect is the role customer relationships play in affecting SMEs' knowledge creation and innovation. Löfgren (2014) findings highlight this aspect as she argues that one important dimension related to SMEs' incorporation of social and business networks is their recognition of customers' complementary knowledge as well as the firms' ability to co-innovate through closer customer relationships. Consequently, this may help SMEs to have better international network management and gain a better understanding of the customer-supplier relationship within new markets (Löfgren, 2014).

But knowledge creation and innovation are not the only main theme within the existing body of knowledge regarding business networks and SMEs. Another important theme that is elaborated within the reviewed literature is the relationship between business opportunity identification by SMEs and the firms' business networking. To elaborate, it is believed that firms' ability to create relationships with other stakeholders through effective business networking has a great impact on identifying and taking advantage of business opportunities as well as positively affecting the establishment or maintenance of a firm's existing competitive advantage (De Klerk and Kroon, 2008). Considering this, firms need to pay attention to the strength of their established alliances, the size of their network, number of partners, diversity among the partners, and development of alliances between different partners (De Klerk and Kroon, 2008). Also, by using business networking companies can take advantage of their strategic capabilities, identify business opportunities, generate profits, access, and create

knowledge, and improve business efficiency, among other things (De Klerk and Kroon, 2008). However, it is necessary to consider business networking as a continuous process in which companies and their management need to have a balance between connections, skills, abilities, knowledge, and opportunities (De Klerk and Kroon, 2008). Regarding “family owned” SMEs, studies illustrate that a “family owned” SME’s social and business networks play a major role in initial identification of international opportunities through for example accidental discovery which later may lead to more thoughtful processes for international opportunities identification by such firms (Kontinen and Ojala, 2011; Zaefarian et al., 2016).

But one question that may arise after knowing more about the mentioned impacts of networks on SMEs relates to different forms and characteristics of such networks. This question is addressed by Ibarra and Hunter’s (2007) article. According to Ibarra and Hunter (2007), networking can be categorized into three main forms: operational, personal, and strategic networking (Ibarra and Hunter, 2007). Operational networking’s characteristics include a focus on achieving efficiency, having internal contacts that are shifted toward current demands, tasks and organizational structure defining the key relevant contacts, and finally creating depth through building strong working relationships (Ibarra and Hunter, 2007). Personal networking is characterized by focusing on personal and professional development, external contacts shifted toward current and future interests, discretionary key contacts, and focusing on breadth and referrals made by contacts (Ibarra and Hunter, 2007). Finally, strategic networking is characterized by identifying future priorities and challenges as well as gaining stakeholders’ support for them, making internal and external contacts shifted toward the future, identifying key contacts based on strategic context and organizational environment while being discretionary regarding specific memberships, and focusing on leverage through inside-outside links (Ibarra and Hunter, 2007). Hence, one could argue that SMEs and their management need to gain a better understanding of these three forms of networking and their characteristics before choosing and pursuing the most appropriate forms based on their objectives in order to achieve the optimal results.

However, an interesting finding worth mentioning is the one by Pastore et al., (2020) which illustrates that business networks’ impact on SMEs’ performance may differ based on the level of legal obligations SMEs have as a result of being part of these networks. Their findings exhibit that formal business networks through heavy contractual networks (HCNs) that include legal obligations lead to a better overall performance by SMEs than those based on light contractual

networks (LCNs) which only include contractual agreements and no legal obligations (Pastore et al., 2020). In other words, SMEs might benefit more from business networks if being part of these networks is accompanied by legal obligations that need to be followed by SMEs. Meanwhile, Seaman and McQuaid (2021) offer another interesting argument in favor of a multi-rational theoretical perspective regarding firms' social and business networks. To elaborate, it is not only the business networks promoted through business support agencies that positively contribute to "family owned" SMEs' performance, but also the social ties and networks of the firms through family contacts, friendship, and the communities they belong to (Seaman and McQuaid, 2021). There is a risk that such actors are overlooked while assessing how SMEs such as "family owned" SMEs do create and develop their business networks.

Another critical article regarding business networks is the one by Kurniawan et al. (2020) which states that firms' market orientation, creating products and services based on market demand, is positively affected by firms' networking capability. Yet, Kurniawan et al. (2020) argue that such networking capability does not significantly impact firms' business process agility, a firm's ability to use technology to adapt to market changes (Impact Networking, 2021). Moreover, it is also observed that a firm's performance is not affected by its market orientation, but by the mediating role of the firm's business process agility (Kurniawan et al., 2020). In other words, Kurniawan et al. (2020) argue that firms' business networking capabilities help such firms' market orientation, but such market orientation does not help the firms' business process agility which plays an important role in a firm's financial performance.

## **2.2. Theoretical Framework**

The reviewed literature offers valuable insights on social and business networks such as their positive impacts on SMEs' financial performance, knowledge creation and innovation, and business opportunity identification. However, it is rather evident that a large number of the reviewed studies focus more on highlighting the importance of creating and developing social and business networks instead of offering guidelines or specific frameworks that could be used by SMEs to create and develop such networks. On the other hand, the authors of this paper have also identified and evaluated certain arguments and findings within the reviewed literature that, if organized and connected to each other in systematic way, can lead to creation of a theoretical framework of social and business networking for SMEs. More specifically, the main arguments and findings by Konsti-Laakso et al., (2012), De Klerk and Kroon, (2008), Ibarra and Hunter

(2007), Pastore et al., (2020), Seaman and McQuaid (2021) are of particular importance for creation of a theoretical framework of social and business networking for SMEs.

The first component of a theoretical framework of social and business networking can be based on Seaman and McQuaid's (2021) paper "integrating family, friendship and business networks in family firms" which focuses on small family businesses' multiple social networks and the way such networks interact with each other. Seaman and McQuaid's (2021) used semi-structured interviews with representatives of thirteen family-owned businesses to gain a better understanding of the pattern of networking within this type of companies. Additionally, a detailed case study has been conducted to further analyze and interpret the dynamics or interaction between different forms of networks (Seaman and McQuaid, 2021). Consequently, Seaman and McQuaid (2021) argue in favor of a multi-rational theoretical perspective on social and business networks that is not limited to business support agencies, but also include the social ties and networks of the firms through family contacts, friendship, and the communities they belong to.

These findings highlight the importance of considering a multi-rational view on networking that not only includes business support agencies as a player encouraging business networking, but also families, friends, and local communities (Seaman and McQuaid, 2021). Considering the mentioned findings and their intuitive notion on social and business networking, the author of this thesis strongly believe that any theoretical framework of social and business networking for SMEs should also highlight the importance this aspect, therefore, Seaman and McQuaid's (2021) findings build the foundation of a theoretical framework of social and business networking for SMEs.

The second components of the theoretical framework can be based on Ibarra and Hunter's (2007) study which highlights the importance of understanding different types of networks and choosing a suitable type by SMEs based on the managements' objectives. As mentioned in the literature review, Ibarra and Hunter (2007) categorize networking into three main forms of operational, personal, and strategic networking. Operational networking's characteristics include a focus on achieving efficiency, having internal contacts that are shifted toward current demands, tasks and organizational structure defining the key relevant contacts, and finally creating depth through building strong working relationships (Ibarra and Hunter, 2007). Personal networking is characterized by focusing on personal and professional development,

external contacts shifted toward current and future interests, discretionary key contacts, and focusing on breadth and referrals made by contacts (Ibarra and Hunter, 2007). Finally, strategic networking is characterized by identifying future priorities and challenges as well as gaining stakeholders' support for them, making internal and external contacts shifted toward the future, identifying key contacts based on strategic context and organizational environment while being discretionary regarding specific memberships, and focusing on leverage through inside-outside links (Ibarra and Hunter, 2007).

According to Ibarra and Hunter (2007), effective managers and leaders within companies not only have a good understanding of these three forms of networking, but they also know how to employ all these forms of networking to fully utilize the benefits of social and business networking. Moreover, Ibarra and Hunter (2007) argue that strategic networking has a paramount role for successful social and business networking within a long-term horizon due to its positive impact on achieving strategic goals and plans. Hence, having a good understanding of these three forms of networking and leaders, managers, and firms' ability to choose or combine the right forms of networking is taken as the second step or phase within a theoretical framework of social and business networking by SMEs.

The third component of the framework is based on the paper by Konsti-Laakso et al., (2012) which focuses on the impact of business networking on facilitating SME innovation capability. According to Konsti-Laakso et al., (2012), SMEs' successful social and business networking activities have a significant positive impact on their innovation capability and knowledge creation. However, one could argue that this positive impact of social and business networking on innovation and knowledge creation is not possible unless SMEs make new contacts and maintain their relationships with them in a sustainable way. Therefore, the third step or phase within a theoretical framework of social and business networking for SMEs, after having a multi-rational perspective and choosing the right forms of networking, includes SMEs' actual effort to approach relevant stakeholders outside of the firm to make value-adding contacts for their social and business networks. This is in line with recommendations offered by Konsti-Laakso et al., (2012) and necessary for SMEs to benefit from social and business networks.

Meanwhile, Konsti-Laakso et al., (2012) also provide a set of characteristics needed for network formation. These include business connection, mutual commitment, mutual dependence, and value creation (Konsti-Laakso et al., 2012). Business connection is shaped or affected by



companies' participation in different kick-off meetings and activities, companies' expression of interest towards the joint action at hand, and their ability to communicate their motivations (Konsti-Laakso et al., 2012). The mutual commitment aspect is shaped or affected by companies' ability to confirm or have a common vision when taking part in joint activities once decisions regarding such activities are made as well as a good understanding of each other's agenda or primary interests in cooperating with each other (Konsti-Laakso et al., 2012). The mutual dependence aspect is shaped or affected by partners' formal agreements while joining shared projects, fulfillment of the financing terms, and the way the partners allocate their tasks and resources to perform the joint activity (Konsti-Laakso et al., 2012). Finally, the value creation aspect is shaped or affected by partners' identification of business opportunities as a result of joint activities, and their identification of new opportunities from new joint activities while considering available resources and sharing of knowledge (Konsti-Laakso et al., 2012).

Considering the mentioned network formation characteristics, the next three components (i.e. the fourth, the fifth, and the sixth) are also based on the recommendations by Konsti-Laakso et al., (2012). Once a network has been created, the fourth step or component emphasizes on making mutual commitments by confirming alignment between each side's vision (Konsti-Laakso et al., 2012). Later, the fifth component focuses on creating mutual dependence through formal agreements with suitable levels of legal obligations (Konsti-Laakso et al., 2012). This argument is also advocated by Pastore et al., (2020). To elaborate, Pastore et al., (2020) state that cooperation strategies and effectively governed business networks through legally binding contracts can help SMEs to improve their performance over a longer horizon compared to business networks governed by less legally binding contracts. Finally, as mentioned before Konsti-Laakso et al. (2012) also highlight the importance of sharing knowledge and identifying business opportunities within the created networks, and this aspect is chosen as the sixth component of the theoretical framework.

The seventh component of the theoretical framework focuses on the evaluation of the existing social and business networks and is built upon arguments by De Klerk and Kroon (2008). De Klerk and Kroon's (2008) findings indicate that companies have referrals and strategic networking connections as two major objectives when creating business relationships. Moreover, it is also argued that aspects such as increasing profits, having access to different kinds of resources, and increasing efficiency are some of the main motivations behind business networking by the companies (De Klerk and Kroon, 2008). More importantly, De Klerk and

Kroon (2008) argue that for SME to be more successful at identifying business opportunities, they need to pay attention to the strength of their established alliances, the size of their network, number of partners, diversity among the partners, and development of alliances between different partners. Here, De Klerk and Kroon (2008) focus more on the positive impact of existing networks evaluation on business opportunity identification. However, it may be safe to claim that evaluation of existing networks can help SMEs to gain a better understanding of their networks including their strengths and weaknesses on a broader perspective, thus, possibly helping such firms with more relevant aspects than only business opportunity identification.

Finally, the eighth component of the theoretical framework includes an SME’s evaluation of its existing networking capability in order to learn from and improve upon the current capability, hence, moving into a better position to optimize the benefits of social and business networking. However, as argued by De Klerk and Kroon, (2008) business networking is a continuous process, therefore, the theoretical framework of social and business networking for SMEs can be a cycle of interconnected components.

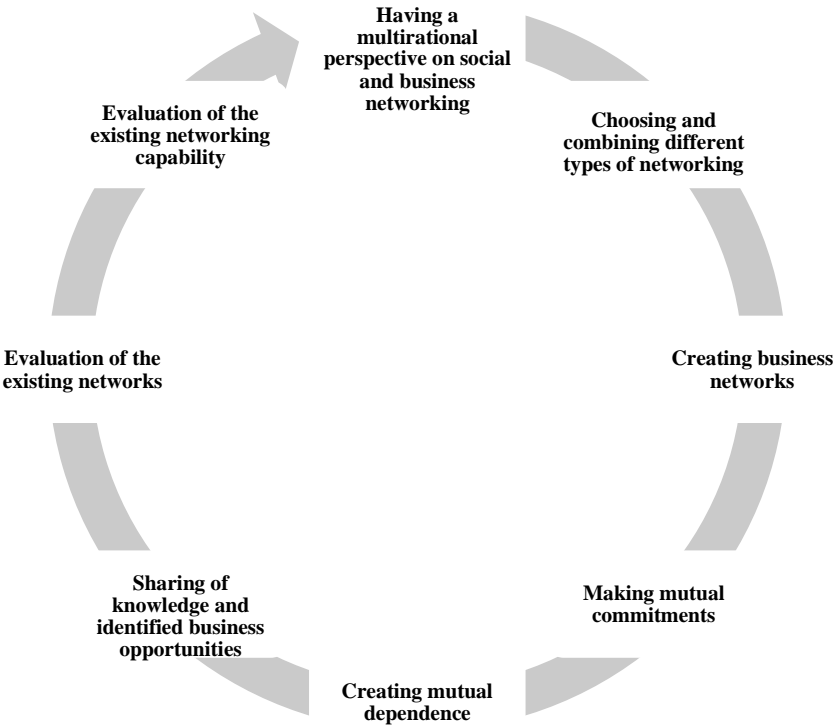


Figure (1): A Theoretical Framework of Social and Business Networking for Small and Medium Size Enterprises (authors own construction)

Figure 1 illustrates a theoretical framework of social and business networking for SMEs which is constructed by the authors of this paper based on the previously elaborated arguments provided by Konsti-Laakso et al., (2012), De Klerk and Kroon, (2008), Ibarra and Hunter (2007), Pastore et al., (2020), and Seaman and McQuaid (2021). This framework consists of eight different steps. These include: 1) having a multi-rational perspective on social and business networking; 2) choosing and combining different types of networking; 3) creating business networks; 4) making mutual commitments; 5) creating mutual dependence; 6) sharing of knowledge and identified business opportunities; 7) evaluation of the existing networks; and 8) evaluation of the existing networking capability. Finally, these steps together form a continuous process of social and business networking, therefore, the theoretical framework of social and business networking for SMEs is a cycle of interconnected steps illustrated in figure 1.

### **3. Methodology**

The current chapter of this paper aims to elaborate on the authors' approach with regards to planning, designing, and implementing the research in order to answer the research question: *"How can SMEs benefit from social and business networks to improve their performance?"*. The methodology chapter is divided into nine sections. These are: 1) Research Strategy which provides the authors' reasoning and motivation behind choosing a qualitative study to address the purpose of this study; 2) Research Approach which elaborates on why abduction is the approach chosen within the qualitative study to conduct the research; 3) Research Design, in which the reasons behind choosing a single case study as a method of addressing the research question is explained; 4) Collection and Use of Theoretical Literature, where the process of collecting information and how this information from the theoretical literature was used in the context of the study is detailed; 5) Data Generation, in which the manner in which the data was collected is explained; 6) Analysis and Interpretation of Data, where the method that was used to organize and analyze the data is elaborated; 7) Trustworthiness of Study/Reliability of the Qualitative Aspect, in which the aspects that need to be in place to make the current study credible are explained; 8) Criticism of Primary Data/Method Criticism, where the shortcomings of the current study are discussed and the potential advantages related to these shortcomings are also presented; and 9) Ethics, in which the ethical aspect related to the conduction of this study is discussed.

### 3.1. Research Strategy

The proposed research includes an in-depth single case study in which a qualitative and abductive approach is followed by the authors. Moreover, it should be highlighted that the purpose of this study is aimed to be addressed through and affected by perspectives of individuals such as a respondent and has an exploratory nature, which according to Bell et al. (2019) are characteristics of a qualitative study. Therefore, a qualitative approach is chosen to conduct the research.

To elaborate, according to Bell et al. (2019), qualitative research can be summarized in six main steps: 1) General research questions, in which the questions that guide the research are established and this shows what is the direction of the study, in this case being “*How can SMEs benefit from social and business networks to improve their performance?*”; 2) Selecting relevant site(s) and subjects, that is the phase in which the company and person(s) to be involved in the study are confirmed, which in the current study is Medi Know-How, that is directed by Marcelo Costa, the sole interviewee that was fundamental to help answering the research question; 3) Collection of relevant data, which in this case were semi-structured interviews that had their length between 20 to 70min; 4) Interpretation of data, on which the collected data is broke down in parts that make it possible to be analyzed, in this case being thematic analysis the method chosen to make sense of the data; 5) Conceptual and theoretical framework, in which the grounds that will be used to come up with the questions to be made to the interviewee are established, in this case having been done through the construction of a theoretical model comprised of eight steps identified after understanding the literature review; and 6) Writing up findings/conclusions, in which a summary of the main findings is presented.

Additionally, Bell et al. (2019) mention some preoccupations that researchers have while conducting qualitative research: 1) Seeing through the eyes of the people that are being studied, which in the current study means that it is important that the authors understand what the interviewee is telling and are able to put themselves in the interviewee’s place, taking into consideration that the outcomes of the study might be greatly influenced by the perception that the interviewee has of the facts and events that he describes. This brings forward the importance of elaborating good quality questions that have the capacity to cover all the aspects that are relevant to address the research question, create a broad understanding of the subject being studied, and go in-depth on the most relevant subjects. This is fundamental to have a good

quality research. 2) Description and emphasis on context, which refers to the importance that is given to understanding the motivations for the actions that are taken and the attention given even to the arguably small details but that are indispensable in the setting of a qualitative interview, thus highlighting the relevance the questions being asked have on the quality of the research; and 3) Flexibility and limited structure, which refers to the absence of hard formats when it comes to the manner in which the world will be seen and approached, leaving space to the analysis of the way that the interviewee sees the world that surrounds him, how he carries the daily activities, and the relevance that they have on the outcome of the company.

### **3.2. Research Approach**

Abduction is the method chosen by the authors to conduct the current study. It has been the chosen method taking into consideration that it addresses some limitations that the deductive and inductive approaches have. Bell et al. (2019) argue that one of the advantages of using an abductive reasoning is that it overcomes limitations that exist when using the deductive approach i.e. a deductive approach does not clarify the proper manner to select the theory that will be tested in the process of falsifying hypotheses. An abductive reasoning is believed to also address the limitations of an inductive approach including, but not limited to, an inductive approach having the characteristic of struggling with the amount of empirical data needed in order to build a theoretical foundation (Bell et al., 2019). The abductive approach is built through the explanation of a puzzle previously put together by the researcher (Bell et al., 2019). In this context, the word ‘‘puzzle’’ is used to account for the existence of empirical phenomena that is not covered by existing theory, and that now will potentially be explained through abductive reasoning in a process that involves continuous interaction with the social world, where theoretical ideas will be caught and compared to the literature, in a process in which the researcher aims to find the best possible explanation for the data collected (Bell et al., 2019).

The current study involves an in-depth and extensive interaction with the General Manager of the case company being studied, and long and comprehensive questionnaires were elaborated in order for the authors to be more efficient and to not lose sight of the direction to which the researchers need to follow to address the research question after reviewing the most relevant existing literature with regards to the research question. To be able to interpret the data, a continuous interaction was made between the relevant underlying arguments and ideas from the reviewed literature, different elements within the constructed theoretical framework based

on the reviewed literature, and the primary empirical data collected through the interviews. In other words, it was necessary to revisit the underlying concepts, arguments, and ideas that were identified and elaborated from the literature review, the constructed theoretical framework and its different components based on the main findings from the reviewed literature, and interpretation and analysis of the primary empirical data collected from the interviews with representative of the case company based on the mentioned theoretical framework and its underlying components as well as the authors' perspectives. This is done in an interactive manner to be able to interpret the primary empirical data and transforming it into applicable information to address the research question. Meanwhile, it is paramount to highlight the fact that this continuous interaction works as a dialogue, meaning continuously moving back and forth and elaborating on the underlying arguments and perspectives from the theoretical framework, the empirical data, and the authors' interpretation of the database on the theoretical framework and the authors' own perspectives (Bell et al., 2019). Furthermore, one needs to be always open to findings and breakthroughs that might arise from this process, knowing that the researcher must always be open to new ideas, not trying to confirm the understandings that already existed from the beginning (Bell et al., 2019).

### **3.3. Research design**

A single case study is chosen for the purpose of this study because of the given timeframe for the conduction of the study as well as potential strengths of a single case study. To expand, conducting a single case study allows researchers such as the authors of this paper to gain a more profound understanding of the case company with regards to the purpose and research question. This is because a single case study means the authors have the freedom to dedicate more time and resources to investigate the case company and its characteristics. Consequently, this may enable the researchers to collect more in-depth empirical data that can be used for interpretation and analysis to address the research question at hand. Meanwhile, it is rather safe to argue that achieving this level of data collection, interpretation, and analysis seems less likely if a multiple case study is chosen due to different factors such as time constrains and the amount of time and resources dedicated to collected the empirical data from each individual company. To add, the type of company selected for the purpose of the current study is due to the importance and relevance of such companies for economic growth and job creation, as stated in the introductory section.

Moreover, Yin (2003) argues that case studies are a good research strategy when three conditions are met: 1) when there is an aim to explain the manner in which something is conducted and the reason why it is carried out in a certain way; 2) when the person or people doing the investigation has a limited amount of control over the events involved in the research; and 3) when the study is about a phenomenon that is taking place in the moment the study is being carried out and it has real-life context.

Considering Yin's (2003) mentioned criteria for selection of case studies as a research strategy, one may argue that Medi Know-How meets the above criteria that is required for a successful case study. To elaborate, one can look at Medi Know-How and its relevance for addressing the research question based on the three conditions provided by Yin (2003). Firstly, one may argue that the research question directly addresses a phenomenon that is part of the daily routine of the company and the empirical data collected from the interviews with the company representative sheds lights on the company's perspectives and motives behind taking specific actions or approaches. Secondly, the authors of this paper do not have control over the exact way the research is conducted, considering that the conduction of interviews depend on the availability of the interviewee. Finally, the subject of the study and the possible results, empirical findings, and analysis of them to generate conclusions is of relevance and may have managerial implications that can help the company's performance.

### **3.4. Collection and Use of Theoretical Literature**

Considering the provided definition of "family owned" firms and business networks as well as the formulated research question, the authors of this paper have followed a systematic approach for identifying and reviewing the most relevant literature for the purpose of this study. First, multiple key searching terms were selected including, but not limited to, *business networking*, *business networking and firms/SMEs*, *business networking and "family owned" SMEs*, *impact of business networking on "family owned" firms/SMEs*, and *challenges of using business networking*. Second, the authors chose a scope/framework for searching the literature that included a period between 2000 and 2022, which in the authors' opinion may include the most relevant, but not outdated literature. Finally, the database at Gothenburg University library and the Google Scholar have been used as two main databases for searching relevant peer-reviewed literature on the topic of study. Consequently, numerous peer-reviewed academic journals and other relevant articles are identified, and a brief review and assessment of their main underlying

arguments are made to establish a theoretical framework that can be used to analyze and interpret the empirical data and address the research question.

### **3.5. Data Generation**

It is important to consider that the manner through which the collection, interpretation and analysis of the data is made greatly affects the conclusions that will be drawn from the investigation. It is of paramount importance that an adequate approach is taken to guarantee that the most reliable results are obtained from the work that will be conducted. The nature of the suggested research and circumstances on which the work will be conducted require flexibility from the authors and for this reason it is important to have an initial guide that will set the tone for the beginning of the process, but this may change while the work is being carried out. Having said this, the first step will be to collect relevant primary data that potentially answer the proposed research question, followed by the identification of and creation of points of connections with relevant literature that will serve as the basis for the theoretical framework through which the interpretation and analysis of data will be made and conclusions will be drawn, further contributing to the expansion of the existing body of knowledge from the scientific research.

The method of primary data collection has been semi-structured interviews with the General Manager of Medi Know-How through the digital platform Zoom. The fact that this is the method chosen for conducting the interviews allowed the authors to come up with additional questions and points while the conversations were being carried out. Initial data about the company was collected through available online resources such as the company website and social media. The interviews that were conducted were of an open-ended nature. According to Yin (2003), in open-ended interviews the key respondent can be giving information and opinion about facts and events, and the respondent can also suggest other people to be interviewed, besides suggesting other sources of information. Given the fact that the case company is relatively young and still going through development process does also mean that the general manager of the company may be considered as one of the few people within the company that has a profound understanding of the business and its different components and characteristics. This also includes the company's strategy and actions regarding its social and business networking and its impacts on the company's performance. Therefore, the general manager is selected and interviewed by the authors as the main source for collecting primary empirical data



to address the research question. Considering this, the authors formulated an extensive list of interview questions related to purpose of this paper in order to gain an in-depth understanding of the different aspects within the company, including, but not limited to, the overall business, its mode of operation, and the company’s strategy and actions regarding social and business networking, how the company has been affected by such strategy and actions so far, and the company’s future plans for this aspect. Moreover, one could argue that having the general manager as the case company representative may have helped the authors to investigate the company’s strategy and actions regarding the purpose of the study on a deeper level due to the respondent’s in-depth knowledge and responsibility for the business in general and the social and business networking strategy and actions in particular. Consequently, this may have enabled the authors to collect more profound empirical data for further interpretation and analysis to generate conclusions and address the research question.

Regarding the interviews, a total of six interviews were conducted with Marcelo Costa, the case company representative, to collect the primary data to address the research question. Table 1 illustrates an overview of these interviews including the order of the sessions, the parties involved, the platform used, the length of the interviews, and the dates in which the interviews were conducted.

Interview Session	Interviewer	Interviewee	Platform	Interview Length	Date
1st	Mauro Ribeiro and Zekria Alizada	Marcelo Costa	Zoom	40min	09/11/2021
2nd	Mauro Ribeiro and Zekria Alizada	Marcelo Costa	Zoom	1h	31/01/2022
3rd	Mauro Ribeiro and Zekria Alizada	Marcelo Costa	Zoom	45min	13/04/2022
4th	Mauro Ribeiro	Marcelo Costa	Zoom	20min	05/05/2022
5th	Mauro Ribeiro	Marcelo Costa	Zoom	60min	05/05/2022
6th	Mauro Ribeiro	Marcelo Costa	Zoom	70min	08/05/2022

Table 1: Interview sessions with Medi Know-How (Compiled by the authors)

The objectives behind each individual interview were as follows:

1st Interview: General Information on the company and the information it has displayed on its website and social media: its main activity, where it operates, how long it has been operating, which products it sells, who are the owners and how its team is constituted.

2nd Interview: On this interview the main aim was to get additional information regarding the ownership and control of the firm, the products it commercializes and its competitors.

3rd Interview: From this interview onward, the focus was on the theoretical model and each of its components. The 3rd interview contained questions about all the 8th steps of the theoretical model

4th Interview: Deeper questions about the first three steps of the theoretical model were asked, namely: having a multi-rational perspective on social and business networking, choosing the type of networking, and creating business networks

5th Interview: Additional questions about the 4th (making mutual commitments) and 5th (creating mutual dependence) steps were asked

6th Interview: Questions around the last three steps were asked: sharing of knowledge and identified business opportunities, evaluation of the existing networks, and evaluation of the existing networking capability.

Summarizing the interview sessions, the focus of the first and second interview was to have an overview of the company and understand how it operates and the environment on which it is inserted. The remaining four interviews were focused around the theoretical model that was built after doing the Literature Review and structuring the theoretical framework. Another point to have into consideration is that the last three interviews were conducted in Portuguese, which is the native language of Marcelo and one of the authors', Mauro Ribeiro. It was decided to proceed in this manner because it was realized throughout the conduction of the first three interviews that more details could be provided if the interviews were run in the language in which Marcelo Costa works on a daily basis. Another point to have into consideration is that taking into consideration that Marcelo Costa's main activity involves selling and being in constant contact with clients, suppliers and other stakeholders, it was noticed that it was best to conduct the interviews outside of the regular working hours. This transition was made from the

third interview onward and it noticeably increased the level of detail provided while the questions were being answered, and this was especially important on the last three interviews that involved more detailed questions on the theoretical model.

Overall, when analyzing the sequence of interviews, it can be seen that the interviews started with general and broad aspects about the company, having the aim to understand the company as a whole and the context in which it operates, followed by interviews in which the questions were formulated having as a basis the theoretical model that was built after the literature review was done. This was the approach taken to allow a better understanding of the company itself and the environment in which it operates, to make sure that when more specific questions were being made, the context that surrounds the company and its activities had been understood.

One thing that was noticed throughout the conduction of the interviews, particularly in the latest ones, was that while some questions were being asked, questions that were still to come were being answered. Whenever this happened, to make sure that as much data as possible was collected, the interviewee was asked to further elaborate on the topics at hand, touching on the aspects in which he had not been specific enough. On the same line of thought, questions arose from the information being provided. This flexibility existed taking into consideration the semi-structured method that was chosen to conduct the interviews.

### **3.6. Analysis and Interpretation of Data**

According to Bell et al. (2019), Thematic Analysis is a method of data analysis in which the collected data is grouped into themes that make the data easier to understand compared to the situation in which the data's structure was left in the same way it was collected. Additionally, this allows to interpret the data more easily by linking it to the research question, literature review and theoretical framework (Bell et al., 2019). It is important to mention that the focus on the data analysis stage is reducing the large amount of information collected in a manner which makes it possible to interpret it (Bell et al., 2019).

Taking this into account, in the current study, after having established the research question (first step of the analytic strategy) the literature that is relevant to the topic being studied (social and business networks and their relationship with SMEs) was then reviewed and analyzed (step two), and afterwards a theoretical model for effective social and business networking by "family owned" SMEs based on review and analysis of the existing literature was created to address the

research question (third step). Afterwards, a questionnaire was elaborated having as a basis the theoretical model created and after the interviews were conducted, the data was analyzed according to the grouping of themes that was made. A small note must be considered regarding the two interviews done before the direction of the study was established. These two interviews had the aim to understand the company as a whole and its way of functioning, and the questions that were used as a guide in these interviews were not related to the research question, literature review or theoretical framework.

### **3.7. Trustworthiness of Study/Reliability of the Qualitative Aspect**

In order to maximize the quality of the design, it is crucial to meet four conditions: 1) construct validity, which refers to the correct establishment of operation measures to be used on the concepts that are being studied; 2) internal validity (used on explanatory/causal studies), which refers to the existence of a causal relationship, where it is proven that a set of conditions are the reason for the occurrence of other conditions; 3) external validity, which refers to the identification of the domain to which generalizations can be made from the study's findings; and 4) reliability, which refers to the demonstration that operations that took place throughout the conduction of the study can be repeated and will generate the same results (Yin, 2003).

According to Yin (2003), in order for data collection to be successful and to have a high-quality case study, three principles must be respected: 1) make sure multiple sources of evidence are used; 2) generate a case study database; 3) maintain a chain of evidence. It is important to mention that following these principles will be helpful in dealing with construct validity and reliability related problems.

### **3.8. Criticism of Primary Data/Method Criticism**

Regarding the manner in which the primary data was collected, there are some aspects worth noting and that would potentially lead to a better outcome if the overall conditions associated with the conduction of the process allowed to have addressed them:

1) Usage of online tools to conduct the interviews: The interviews were conducted through Zoom and although this is a good online tool that allows to see the interviewee and his gestures, reactions, and partial body language throughout the interviews, it is not as good as in-person

interviews, in which it is possible to have a much more natural and fluid process, without the lags, connectivity, and sound problems associated with using an online tool;

2) Language barriers: The fact that the interviews were first conducted in English and then in Portuguese when the subjects were being addressed in a more profound manner allowed to see that much more detail can be provided and a more fluid conversation occurs when the people involved in the conversation are speaking their native language. This arguably has occurred because although fluent in English, the interviewee conducts most of its work and interactions in Portuguese, which makes it much easier to explain and give details in the language in which he is thinking and speaking more frequently. On the same note, when a person must think about the translation of some specific or technical words of the field, it breaks the fluidity of the conversation.

3) Only one interviewee: Having only interviewed one person provides a unidimensional perspective from the company and how things are done. If the authors had access to more people that work in the company, different points of view would have been taken into account and this would provide a multidimensional perspective coming from the company, which would add to a more complete analysis when comparing the primary data and the theoretical framework

4) Timeframe: Taking into consideration the timeframe available for the production of the current research, and the fact that the interviewee's daily routine involved constant interactions with suppliers, customers and other economic agents, the most suitable time for the conduction of interviews was short and usually after the regular working hours or on weekends, which in turn meant that the time available for a proper analysis of the gathered data and conduction of possible follow-up interviews was short.

Despite the shortcomings mentioned above, there is an advantage for each of the described elements. For instance, the usage of Zoom to conduct the interviews, brought a lot of flexibility regarding the scheduling of the interviews, taking into consideration the rapid pace of activity that characterizes the daily routine of the interviewee. Secondly, the fact that the interviews that required more in the explanation process were conducted in Portuguese allowed to have much more depth in the answers provided, knowing that it's the language in which both the interviewer and interviewee are most comfortable with. Thirdly, the fact that it has been only one interviewee throughout the process gave an in-depth and more knowledgeable perspective on the company being studied and its operations, taking into account that the interviewee runs

the company daily and has been part of it since the beginning of its operations. Lastly, although there was a short amount of time available to conduct the research, particularly on the timeframe available to analyze the collected data, more focus was put in the most important aspects of the study.

### **3.9. Ethics**

To keep the integrity of the answers collected and respect the respondent's confidentiality, having the respondent's consent, the interviews were recorded with the purpose of having the ability to relisten to the answers before writing them. Before the final submission of the current paper, the document will be shared with Marcelo Costa to make sure that the authors' interpretation of the interviewees' answers does not constitute a misrepresentation of what he mentioned while answering the questions. Another point that is important to mention for transparency of the process is the fact that Marcelo Costa and one of the authors', Mauro Ribeiro, are cousins.

### **3.10. Short summary**

To summarize, the following were the choices made to conduct the study and answer the research question "*How can SMEs benefit from social and business networks to improve their performance?*": 1) Qualitative study as a research strategy to conduct the research; 2) Abduction as the research approach chosen to carry out the research; 3) Single Case Study as the research design chosen to go after the answer to the research question; 4) Peer-reviewed academic journals as the main source of information for the literature review and to build the theoretical model; 5) Semi-structured interviews as a manner through which primary data was collected to further be analyzed; 6) Thematic analysis as the method chosen to organize the large amount of data collected and interpret it; 7) Construct validity, internal validity, external validity, and reliability as the main conditions to maximize the quality of the design; 8) Online tools, language barriers, sole interviewee, and timeframe as criticisms to the method; and 9) Ethical approach throughout the conduction of the whole study.

## 4. Results and Empirical Findings

As mentioned before, the purpose of this paper is to investigate how SMEs can benefit from incorporating social and business networks within their operations. This purpose is pursued by conducting a single case study of an SME, including collection of primary data through semi-structured interviews to address the following research question: *“How can SMEs benefit from social and business networks to improve their performance?”*. Considering this, the authors’ constructed theoretical framework of social and business networking for SMEs has been a foundation for formulating relevant interview questions to collect the primary data. Below is a thematic presentation of results and empirical findings based on the constructed theoretical framework and the conducted interviews with Marcelo Costa, the general manager and partial owner at Medi Know-How.

### 4.1. Having a Multi-rational Perspective on Social and Business Networking

It is observed that the main ways in which Medi Know-How has used its social and business networking to help the company is through close collaboration and business partnerships with its suppliers (Costa, 2022). To elaborate, the suppliers have provided the company with technical support regarding the products, sales training, marketing of products, and getting the best possible price in order to compete against other companies that offer similar products to the target customers. Moreover, it is also observed that social networking activities such as sponsorship of industry-related trade shows, congresses, events, and training programs, as well as sponsorship and advertisements on veterinary magazines have all been a significant part of the company’ social and business networking approach to create new contacts and relationships, and to market the company and its products (Costa, 2022).

*“The congresses are very important for the growth of the company’s results” (Costa, 2022)*

For instance, by participating in and sponsoring industry-related congresses and trade shows the company has been able to meet representatives from industry-related magazines that have a significant number of followers, many of them being current or potential consumers of veterinary products (Costa, 2022). The creation of these new professional contacts has later led to formal agreements between the company and the magazines for advertisements on the

magazines' websites and paper copies for specific periods such as 6 months and longer (Costa, 2022).

Furthermore, promotion/marketing companies also play an important role within the company's social and business networks as the company sponsors congresses and exhibits products at events organized by these companies (Costa, 2022). Consequently, these activities and events help the company to raise customer awareness and lead to more sales of products. Participating in these events gives credibility to the company (Costa, 2022). For instance, joining an event in Porto some time ago allowed the company to meet a diverse group of people such as academics and other people interested in veterinary equipment and products. It is believed by the company that attending these events makes the company more recognizable and credible within the industry due to many reasons such as the relatively high costs of participating in these events.

However, the company does not collaborate with business/investment agencies and consulting companies in Portugal (Costa, 2022). To elaborate, even though one of the objectives of these organizations is to help companies start and expand their businesses, Medi Know-How does not work with this type of companies. Medi Know-How's opinion on such organization is that the services offered by these institutions are not of much help for the company to expand or become more successful (Costa, 2022). Instead, the company focuses on finding other ways of becoming successful, but the company would be open to future collaboration with such organizations once it has reached a more stable phase in its development (Costa, 2022).

To add, in the past the company had an office at a business incubator in the past based on a cost-benefit analysis and the potential of meeting new people within different industries and activities (Costa, 2022). Some examples of benefits from having ties with the business incubator include, but are not limited to, having the incubator president as a bridge to meet new entities that would possibly be interested in the company's products, making new contacts with people from different companies and industries while using a room at the business incubator that was also shared with these people and companies. As a result, using this shared room allowed the company to make new contacts and expand the company's network to increase sales and have better access to third-party services when they were needed (Costa, 2022). As of the time of interview, the company had not yet used such services, but Medi Know-How believes that these contacts are beneficial and might be of help in the future (Costa, 2022).



Nevertheless, the company has also benefited from the contacts from the incubator while building and growing its presence and image on social media (Costa, 2022).

Regarding public institutions, it is believed by the company that they have not helped the company with its networking activities, but they have to a limited degree provided financial funds that were initially used by the founders to start the business (Costa, 2022). The Portuguese Chamber of Commerce has not been very helpful regarding making new contacts and expanding social and business networks, but it has been approached for financial help/funds for smaller companies such as the European Union Fund. The main way of making new social and business contacts and expanding the company's networks has been to focus on the business operations and not through established institutions (Costa, 2022).

Regarding the role of family contacts in the company's social and business networking activities, Medi Know-How has been able to benefit from the personal and professional contacts of Costa's uncle who is a partial owner/business partner at Medi Know-How. The uncle is also the founder and owner of the parent company Know-How (Costa, 2022). To expand, these contacts have been helpful with regards to executing different tasks such as having access to relevant technology and technical support, social media activities such as filming and video editing, and having access to marketing companies. This has enabled the company to use services offered by third parties that are referred and trusted by family members. However, these third parties have only been used for support services that are needed within business operations and such contacts have not directly led to more sales through for example introducing new potential customers. The same can be said about the founders/partners' friends and their role in the business (Costa, 2022). The friends have helped the company to gain a better insight on different aspects such as market conditions and employment terms for new recruitments based on common market practices (Costa, 2022).

## **4.2. Choosing the Type of Networking**

Medi Know-How has focused on visiting and looking for potential customers and presenting products through digital and physical platforms (e.g. congresses, customer visits, scheduling meetings, presentation of new products, and identifying customer needs). The company also benefits from external contacts such as the companies it works with to create trust and gain business insights hence addressing its current and future interests and expanding its network

(Costa, 2022). It has also extended its social and business networks through recommendations and referrals made by those who initially became part of its network. For instance, the company has been referred to new customers by its previous customers as well as been introduced to new potential customers such as veterinarians through those veterinarians the company had contact with in the past (Costa, 2022). The company also uses suggestions made by those within its social and business networks to identify its current and future priorities and challenges. For instance, sometimes the company considers and adjusts based on contacts' suggestions about new trends and innovations, customers' needs, market insights, and product purchasing prices. This puts the company in a better position in the market and helps the company to improve its operations.

Moreover, the company has benefited from internal contacts such as employees to address the company's interest and objectives. For example, the employees and internal contacts share information regarding their personal contacts and their past experiences, current and future needs, and thus provide information about how the market behaves and what products will be launched (Costa, 2022). Additionally, external contacts such as suppliers share their insights on new products and market trends as well as how their other customers' distributors in different countries behave (examples: prices charged and how the market works in Spain and Italy). This helps to identify new products that can be sold by the company based on demands for these products in other countries as well as creating new relationships with potential new suppliers and customers (Costa, 2022). Through its social and business networks, the company has been able to gain a better understanding of the market and customers' needs, hence, addressing its strategic goals (Costa, 2022).

### **4.3. Creating Business Networks**

It has been very important for Medi Know-How to participate in congresses, fairs and conferences due to the fact that the company's target customers often attend these events, hence, participating in these events helps the company to meet existing and potential new customers and generate more sales later on (Costa, 2022). Regarding the process of participating in and sponsoring related congresses/trade shows as well as creating new contacts and relationships during such events, the company first identifies main industry-related congresses and trade shows. Once they are identified the company then contacts the organizers of such events to express its interest in both sponsoring and joining the congresses and trade shows. This is

followed by the company's presence at the congresses and trade shows. Consequently, this presence allows the company to meet other interested parties such as potential suppliers and customers and start informal conversations about different aspects such as product features and quality based on customers' preferences, advertisement of products, and exchange of other relevant and nonconfidential ideas (Costa, 2022). The company even organizes or sponsors smaller competitions with different product discounts as the main prizes for the winners to promote itself and generate more sales as a result (Costa, 2022).

Participation and sponsorship of different events as well as the type of relationships created depends on numerous factors such as the amount of financial resources needed, the general manager's intuition and personal judgment, an analysis of advantages and disadvantages, and an analysis of the trade-off between different options or choice the company has (Costa, 2022). Consequently, these factors affect the company's decisions and actions regarding the type of social and business contacts, relationships, and networks it creates and maintains (Costa, 2022).

*“What we are going to invest in, and sponsor depends on the cost, my judgment, and weighing the tradeoff, if the positive results will compensate for the costs” (Costa, 2022)*

Furthermore, the company first evaluates its current contacts and network to decide if there is a need for a new party or relationship while considering the different resources such as time and financial funds the company has available before making new social and business relationships (Costa, 2022).

An example of how the company has made and benefited from new contacts in the past is as follows. During the early days after Medi Know-How's foundation the company came across Veterinária Actual, a famous veterinary magazine in Portugal. Later, he visited the magazine's website and through that got aware of a 1-day veterinary conference. The company contacted the conference organizers and participated in the conference. This allowed the company to have access to the list of participants which included around 80 vets, hence, 80 new contacts for the company. Later, the company contacted all these vets leading to sales being generated and half of the 80 vets becoming the company's customers. This was the basis for creating the company's email marketing database with promotional emails being sent once a month (Costa, 2022). Another example includes a new customer from Penafiel buying veterinary equipment from the company for the first time after talking to company representatives at a congress in Santa Maria da Feira a while ago. Costa personally delivered the equipment to this new

customer and this helped the company to strengthen the relationship with the customer and even receiving referrals to new potential customers (Costa, 2022).

To make new contacts and expand its social and business network, it is important for the company to visit customers, attend congresses and conferences, and use email marketing with customers and suppliers (not all suppliers are initially met in person) (Costa, 2022). The company has also hired a new salesperson to expand and develop the existing network of contacts and will continue to develop its existing networks. When meeting new people that could potentially become part of the company's social and business network, the company representatives such as Marcelo Costa present themselves, share contacts, and give information about the company's products. Sometimes trades are also made through the convergence of areas and recommendation of materials and equipment that a member within the network offers. For example, a specific equipment was requested at a congress and the company remembered that this product was offered by a contact the company made in a conference in Germany hence Medi Know-How acted as a bridge between the customer and seller (Costa, 2022). Finally, the company uses E-mail marketing to continuously present new products as well as identify customers' need to make the contacts interested in staying in touch with the company for business collaborations (Costa, 2022).

#### **4.4. Making Mutual Commitments**

The company's main vision is to have 30 to 40% of the national market share, having good results, and look for new goals to continue to grow. The company is currently active within the veterinary field and would like to start activities within other areas in the future. It also evaluates its current position and opportunities within potential new areas such as physiotherapy (physiotherapy equipment) and dentistry. The process of entering these areas is the same as the one implemented in the veterinary field, although these new fields require even more knowledge and better prepared companies. Yet, the most important thing is to focus on the current objective (achieving 30 to 40% in veterinary medicine) (Costa, 2022). This vision is communicated to current business partners and relevant contacts through conversations with actors such as suppliers and their knowledge on the best distributors who would help the company to achieve its vision, while the company needs a broad and strong network to be perceived as credible to attract and maintain customers (Costa, 2022). Meanwhile, the company aims to diversify its current and future partners and contacts in terms of other business friends

related to the company's vision and objectives while the company's relationship with third parties offering external services depends on the current needs (Costa, 2022).

To add, the company makes sure that the company's vision and its partners and contacts' vision match/align with each other through maintenance of a good relationship with partners especially with regards to payment terms, payment installments, complying with stock needs, respecting payment schedules and deadlines, and ensuring that the customers have the reagents for the equipment as the well-being of the customer affects the company and vice-versa (Costa, 2022). The company also makes mutual commitments with its partners and contacts by always complying with its promises and obligations, providing better products than the competition, ensuring that there is a winning mutual relationship between the company and its business partners and customers, and through sales and supply of the most efficient equipment (Costa, 2022). Once contacts and relationships with new businesses and other relevant parties are created the company tries to sign formal agreements or contracts to make and secure mutual commitments.

*“Sign up contracts. It is the way to make sure the commitments are followed through. Having everything written down is crucial” (Costa, 2022)*

However, sometimes the company might be in a position to collaborate with third parties that do not necessarily share the same vision as Medi Know-How but offer external services that the company uses in its daily operations, and this does not negatively affect the company's core business. There are also customers who do not have the same level of eagerness and ambition toward change and innovations, but the company still collaborates with them and this may lead to referrals to new potential customers (Costa, 2022).

## **4.5. Creating Mutual Dependence**

Medi Know-How believes that establishing partnerships has also caused a mutual dependence between the company and its partners and contacts (Costa, 2022). Since the company sponsors congresses, those organizing such congresses become dependent on the company and other sponsors. In other words, the organizers became dependent on the financial support of the company and other sponsors. Meanwhile, the company depends on such events to promote and sell its products (Costa, 2022). Same principle applies to the relationship the company has with

its suppliers, meaning achieving good business and financial results depends on a healthy mutual dependency and good relationship between the company and its suppliers.

*“With suppliers there is dependence because for everyone to achieve good results it is necessary that the business is good for both parties. A win-win situation is always required.”*  
(Costa, 2022)

Another way of making mutual dependence is to use formal agreements or contracts, but these are not used in all relationships. To elaborate, exclusivity contracts can be used with distributors when a specific annual turnover is reached (Costa, 2022). For instance, if sales per year reaches a predefined target level that is tied to/bundled with a formal agreement with a manufacturer, this leads to getting a better price offered by the manufacturer. Meanwhile, installment sales contracts can be signed with customers when a specific predefined target is reached (Costa, 2022). To add, the annual turnover that justifies the contracts can depend on different factors such as the market share that the company aims to reach, the type of product, ability to reach pre-established sales targets per product, pre-established yearly objectives of the company, and market demand for the products (Costa, 2022). However, the company may also use written agreements more as a formality and it tries to avoid legal disputes because this generally damages the company’s image and its relationship with current and potential partners (Costa, 2022).

Regarding how the company imposes these agreements, sales targets and payment deadlines for products that are paid in installments have been used. This means that the agreements include terms in which the party breaching the contract may be punished by not being provided products and equipment and even taken to court in extreme cases (Costa, 2022).

#### **4.6. Sharing of Knowledge and Identified Business Opportunities**

Discussions and sharing of ideas and information during internal meetings are an important part of knowledge creation and opportunity identification within the company. Also, continuous communication with customers has helped the company to identify and analyze customers’ needs and preferences, hence creating knowledge that could benefit the company. Meanwhile, the company has a close collaboration with its suppliers as they often share information about new product launches and whether the company wants to sell in any of the countries it operates in (Costa, 2022). Additionally, attending fairs, trade shows, and congresses also helps the

company to gather information regarding current market offerings and missing products with sales potential, as well as trends and innovations within the industry (Costa, 2022). On the other hand, partners such as the manufacturers also provide free of charge and online product training, sales training, and technical support. This also includes useful materials such as product presentation brochures/PowerPoints and other informative support materials (Costa, 2022). All these help the company to gain a better understanding of the products including their advantages and disadvantages (Costa, 2022).

Fairs, trade shows, and congresses play an important role in identifying and analyzing different business opportunities because they enable the company to understand customers' needs and preferences as well as find new products that address these needs. Visiting and close communication with customers like veterinarians also has a similar effect (Costa, 2022). This is further supported by a digital database that includes a list of the existing companies in the veterinary field as well as some information about relevant contacts at different veterinary clinics which could be contacted and visited by the company. However, this is a paid database, [www.informadb.pt](http://www.informadb.pt), established and organized by a private company (Costa, 2022).

Regarding sharing of knowledge and business opportunities with others within Medi Know-How's social and business networks, the company and its partners share information on the amount of sales, market share, number of employees, number of customers, profile of the companies they partner or works with, information about the strongest competitors in each market/location, selling prices, manufacturers' sales/distribution targets, and some sharing of business opportunities (Costa, 2022). Meanwhile, the company does share its customers' contact details to its business partners nor does it share its purchasing prices of products with its customers. The company does not share the prices charged to other customers either (Costa, 2022). The company is very cautious and reluctant regarding sharing of any identified business opportunity with its partners and contacts because this might lead to direct sales of products by the partners and contacts due to the fact that there is no exclusivity agreement in place as well as breaching of the general data protection regulation laws (Costa, 2022). Meanwhile, customers and suppliers share with the company that information that align with and do not damage their personal interests (Costa, 2022).

## **4.7. Evaluation of the Existing Networks**

Medi Know-How believes that suppliers, congresses, and clients build up the three main groups within its existing social and business networks (Costa, 2022). The main suppliers to the company are Edan, Seamaty, and Horiba. The main congress related to the company's business includes the Montenegro Congress taking place in Santa Maria da Feira, in Aveiro, Portugal. Meanwhile, the company's main clients include Hospital Veterinário do Restelo, Vet Saúde, and Universidade Lusófona. Having these clients using the company's product also helps the company with its credibility as they have been used by the company as references to promote the company and its products to the public and potential customers (Costa, 2022). These clients are chosen as part of the main partners and contacts because they help the company to generate a large proportion of its annual sales and to promote the company, while Congress of Montenegro is a national annual congress with many participants from the industry (Costa, 2022). On the other hand, having a good relationship with the manufacturers has helped the company to have access to good quality products, good prices, and respected brands within the industry (Costa, 2022).

## **4.8. Evaluation of the Existing Networking Capability**

Medi Know-How has been able to successfully benefit from its existing social and business network because they have helped the company to promote itself and generate sales (Costa, 2022). Moreover, the company also believes that so far, it has successfully utilized its social and business networking capability, and this is evident through the company's overall progress since its establishment. The company also believes that there is a good relationship between the company and its different stakeholders, however, aspects such as geographical distance and time differences between the company and its suppliers might have negatively affected the company's ability to address customers' needs (Costa, 2022). Some difficulties in communication with external partners located in countries such as China and South Korea as well as slower custom processes from import of products from suppliers in the UK (a non-EU country) are also some examples of challenges within the existing business network (Costa, 2022).

Finally, the company has learned from its past experiences that it is paramount to know all the manufacturers and acknowledge their collaboration, support, and sharing of knowledge. Also,



it is important to remember and refer to contacts made in the past to take advantage of new opportunities in the present. It is also necessary to follow-up on contacts after they have been made during social and business events (Costa, 2022). Another important point is to collect as much information as possible from the suppliers regarding the products to gain a better understanding of products, while simultaneously treating customers equally and aiming to address a wider range of customers with different needs instead of focusing on a small group of customers with specific needs (Costa, 2022).

## **5. Analysis and Interpretation**

The purpose of this chapter is to provide an interpretation and analysis of the empirical data collected from the interview sessions with the case company representative in order to address the research question on how Small and Medium Size Enterprises can benefit from or implement social and business networks to improve their performance. This is aimed to be achieved by interpreting and analyzing the empirical data using the underlying arguments and perspectives from the authors' constructed theoretical framework which itself is based on the main arguments and perspectives from the reviewed existing literature on the topic of study. However, the authors' own reflections and perspectives on the empirical data does also play a major role in interpreting and analyzing the mentioned data in this chapter. Furthermore, a similar thematic approach such as the one included in the results and empirical findings chapter is taken in order to interpret and analyze different aspects of the social and business networking at the case company. In other words, this chapter consists of different sections each elaborating more on a specific element or component of social and business networking within the case company in accordance to the individual components of the constructed theoretical framework. Finally, a summary of the main points generated from all these sections is provided at the end of this chapter.

### **5.1. Having a Multi-rational Perspective on Social and Business Networking**

Seaman and McQuaid's (2021) findings advocate for the importance of networks that come from family contacts, previously formed friendships, and the community in which the company is located, besides the business support agencies that operate in the country or region where the

company conducts its business. This is in line with the empirical data that was collected from the conducted interviews with the case company representative as part of this study. It can be argued that the data collected from the interview advocates the notion that the case company has been benefiting a lot from its social and business networking activities, and this has enabled the company generate better business performance in general. During the presentation of the theoretical framework, it was shown that in this first phase, it is necessary for Small and Medium Size Enterprises to have a broad view of the connections that surround them and make the best use of such connections to improve their business performance. Considering this, the empirical data highlights the case company's success in benefit from its social and business networks to address its business objectives. In other words, it can be stated that the company is well aware of the different actors within its business ecosystem and has been making great efforts to benefit from these actors by making a mutual and sustainable relationship that would benefit all parties involved.

As mentioned by the company representative and elaborated more by the authors of this paper, the different actors within the case company's social and business network play different important roles in creating values for those involved within the networks. The first group of actors that has a major role within the mentioned network is the case company's suppliers. These partners are of invaluable importance when it comes to providing know-how about the products and equipment that can be sold by the company, providing training on how to correctly use the equipment and fully utilize the benefits that they offer, training on how to communicate their value to the clients, how the marketization of products can be made in order to maximize the communication of value that will ultimately benefit the end-users, and insights about the pricing of the products and equipment, aspects that should be carefully taken into consideration given the fact that it is necessary for the case company to have the best knowledge possible and know how to communicate properly to be able to be the chosen company among the many companies that are selling similar products in the same markets and that have the same target audience.

The second important group within the company's social and business network consists of event organizers and marketing companies. These are of importance when it comes to the expansion of the image of the company and the establishment of its credibility, as stated by the company representative (Costa, 2022). Through the sponsorship of the industry-related trade shows, congresses, and other types of events in which the aim is to promote companies and the

industry's latest trends, the company establishes a better position in the market and more easily convinces clients about its strengths. This is also noted when it comes to having the company's image published in veterinary magazines. The number of followers that these promoters have constitute a big number of potential clients to the company. One interesting aspect regarding participating on these events is that the contacts that arise from them lead to other connections and the number of contacts the company has at hand grows at a rapid rate.

The third group of actors within the company's social and business networks includes business/investment agencies. Here, the company representative argues that the company has not yet had a significant benefit from collaborating with this type of institutions, but that the company might eventually find them helpful as the company grows further in the future. One may argue that this lack of benefit from the mentioned institutions might be as a result of the development stage in which the case company finds itself in at the moment i.e. being relatively young and small compared to larger companies in the markets. However, one may also argue that the company might be biased or have a negative perspective on the mentioned institutes based on any negative experience from collaborations in the past. Here, the company may not have received the help and collaboration it expected or that the benefits from such collaborations may have seemed insignificant while the company approached such players during its very days after its foundation. Consequently, this might have influenced the company's willingness to approach and collaborate with such institutions.

The fourth elements within the company's social and business networks includes the Co-working spaces. Here, as one may intuitively expect the company has benefited from having its office in this type of environment. To elaborate, this enabled the company to make interactions with people and companies that could be interested in buying the company's products and equipment, to meet or make contacts with people and companies that could provide professional/third-party services to the company, and to expand its social and business network. As an example, when using Marketing services to expand its social media presence, the company has benefited from the social and business network expanded in these spaces.

The fifth group within the company's social and business networks includes Public Institutions. Here, when meeting certain eligibility criteria, public institutions can be accessed to provide financial funds to start a business, although they are not of help when it comes to directly expand the company's social and business network. However, being granted financial funds would be

a great help for a company like Medi Know-How to strengthen the resources needed for social and business networking activities and thus making an impact on the company's overall success. Therefore, granted financial funds may have helped the company with improving its performance by indirectly providing part of the financial funds needed for any type of social and business networking activity and maintaining such relationship with different partners.

The sixth group within the company's social and business networking consists of family ties. As it was stated by the company representative, the company has been able to benefit from family connections from its founders to enrich its social and business network. For example, the company has been able to make contacts and enrich its social and business networks through the references made by the general manager's uncle who is also one of the founders and owners of the company as well as being the founder and owner of the parent company Know-How. This also includes business support in the form of exchange of employees and third-party service providers who initially had business collaboration with the family owner and now are also part of the case company's social and business network. Therefore, the company has been able to use its founders' family connections to its advantage and to affect its business performance directly and indirectly in a positive way. These connections are from different areas of activities, both related to the company's core business, such as suppliers, but also related to support areas, such as marketing companies.

Finally, the founders/owners' friends also play an important role in the company's social and business networking activities as interactions and sharing of ideas with friends has been helpful to identify and get updated on common practices in the market when it comes, for example, to employment conditions, hence, helping the company to assess which conditions to offer to new employees such as sales people before they would join the company.

Therefore, it can be concluded that, in the same way that the literature suggests, the findings from the interviews demonstrate the crucial importance of adopting a multi-rational perspective on social and business networking. Each actor displays a crucial role for the case company and the complementary synergies that arise from these connections can be of crucial relevance for the company's performance.

## 5.2. Choosing the Type of Networking

When Ibarra and Hunter (2007) mention the importance of knowing which type of networking should be used according to the objectives that are aimed to be achieved, the importance of having this concept organized in a systematic manner becomes of utmost importance. Considering this, based on empirical data collected from the interviews with the company representative regarding the types of networking used by Medi Know-How, it can be argued that the company's contacts fall into the three types of networking presented in the theoretical framework i.e. operational networking which focuses on achieving efficiency that ultimately leads to building strong working relationships, personal networking which focuses on achieving personal and professional development as well as accomplishing the company's interests and paying special attention to referral made by existing contacts, and strategic networking which focuses on making sure that the company's future priorities are met and the challenges are overcome (Ibarra and Hunter, 2007). However, one may also argue that the company does not follow a systematic approach with regards to the type of networking while developing its social and business network.

To elaborate, the company uses various types of physical and digital channels to reach potential customers as well as using referrals that come from its existing contacts and from the company's employees to reach its strategic goals. The step that is missing is having this list of contacts put together in a systematic way, that facilitates the work of the people that are currently in the company and people that will be joining the company in the future, so that the process of getting onboard with the processes is presented more clearly. Additionally, it would be safe to argue that having a well-thought structure in place to approach the various actors and knowing specifically what is expected and what is aimed to be achieved might increase the efficiency of the people building the networks. It is easier to carry out activities when the direction to which one is going is clear. In other words, the more knowledgeable and structured the company is with regards to different types of networking and their underlying characteristics and purposes the more successful and prepared the company can be to benefit from making contacts and creating social and business networks. This is not to claim that the company's lack of structure regarding identification and selection of different types of networking has prevented the company from benefiting from the contacts and networks it has made so far, but to propose that

having a more systematic approach would possibly help the company to be even more successful at utilizing such contacts and networks to its advantage.

Finally, the empirical data collected from the interviews also highlights the importance of maintaining a mutually beneficial relationship with the contacts that the company has made, and that even though some of such contacts within the company's existing social and business network might have not generated or affected immediate sales for those parties involved in the relationships, they might lead to new contacts and relationships with potential partners or customers that buy the company's products and equipment in the future. Therefore, this can be considered as a more long term and strategic perspective which is advocated by Ibarra and Hunter (2007) who argue that to achieve strategic goals through networking, it is important for companies to employ or have a strategic manner of networking with a longer horizon in mind.

### **5.3. Creating Business Networks**

Medi Know-How, which is currently expanding the business, emphasizes the importance of different kinds of networks based on its experiences with regards social and business networks and their impact on its business operations (Costa, 2022). This is in line with the underlying arguments within the reviewed literature and the constructed theoretical framework with regards to the importance of creating different kinds of networks by new companies (e.g. Karami and Tang, 2019; Konsti-Laakso et al., 2012; Löfgren, 2014). Moreover, accordingly, to Maghsoudi-Ganjeh et al. (2021), a company's performance is affected by its capability to positively network with other businesses. Additionally, Danso et al. (2018) touch upon the argument for improving companies' financial performance through the relationships and contacts that exist within their social and business. Meanwhile, Novotna (2021) and Schoonjans et al. (2013) provide insights and evidence for positive impact of business network on firms' ability to increase their knowledge and manage information in an effective way. Moreover, Small and Medium Size Enterprises' networking capability positively contributes to experiential learning and entrepreneurial orientation and better international performance (Karami and Tang, 2019) as well as knowledge creation and overall performance of the company through new innovations through exploring, creating, and sharing of ideas between the actors within the business networks (Gronum et al., 2012). Moreover, Konsti-Laakso et al. (2012) discusses the importance that business networks have on a company's innovation capability. In other words, each time a small and medium size enterprise makes new contacts

and expands its social and business networks in an effective manner, the company benefits from the partnership or collaboration with other firms and professionals within the created network, thus, increasing innovation and positively contributing to international performance by the companies.

One may argue the empirical data from the conducted interviews advocate the above-mentioned points made by the mentioned authors and their studies. To elaborate, social and business networking has positively contributed to close collaboration and business partnerships between the company and other actors such as the suppliers. As a result, the company has been able to receive and develop technical support regarding the products, sales training, marketing of products, and price inputs in order to compete against other companies that offer similar products to the target customers. To add, one may also argue that the mentioned aspects would not be possible or as successful without the company's effort to participate in and sponsor congresses/trade shows which have helped the company to make new contacts and create relationships during such events. These efforts include different steps such as identifying companies, contacting the event organizers, and expressing the company's interest in both sponsoring and attending these events, congresses, and trade shows.

The presence of Medi Know-How (2022) in such events allows the company to meet other interested parties such as potential suppliers and customers and start informal conversations about different aspects such as product features and quality based on customers' preferences, advertisement of products, and exchange of other relevant and nonconfidential ideas. Further examples of advantages taken by Medi Know-How (2022) were visits to veterinary conferences which led to gaining insights on the business needs and to gain access to the contact list of the participants. As a result, the company has been able to get in touch with potential customers such as vets and successfully turning these potential customers into actual customers for the company's products. Here, Medi Know-How (2022) identified an opportunity to develop their database and capitalizing such database by turning it into an email marketing database and strategy to generate market awareness and sales for the company.

Therefore, it is evident that Medi Know-How has successfully taken advantage of the information it has gathered through participating and sponsoring of fairs, visiting clients, and conversations and collaborations with the members within its social and business network. Through these interactions, the company has been able to stay informed about new products

and equipment available in the market, new trends and practices within the industry, and assessing these aspects to offer better solutions for its customers. Building upon the empirical data, it is safe to claim that Medi Know-How to a great extent has been proactive with regards to making new contacts and relationships as well as creation and expanding its social and business networks to directly and indirectly benefit its business operations. As a result of the positive impacts of such social and business networking activities on business performance, the company has recently employed a new salesperson to both develop and expand its social and business network by making and maintaining new relationship with a long term horizon in mind.

Therefore, the collected empirical data from the interviews with the company representative can be compared to and assessed based on the underlying arguments within the constructed theoretical framework. Seaman and McQuaid's (2021) paper "*integrating family, friendship and business networks in family firms*" on small "family owned" businesses' different social and business networks and the interaction among them is the first component of this framework. Meanwhile, for the focus on creating new business network which the company will have benefits from, the second and third components of the theoretical framework play a significant role at the company's success. The second component highlights the importance of understanding different types of networks and choosing a suitable type based on a company's objectives (Ibarra and Hunter's 2007), and the third component focuses on the actual contact and network creation and its impact on facilitating innovation capability (Konsti-Laakso et al., 2012).

#### **5.4. Making Mutual Commitments**

Looking at the arguments within the reviewed literature and the theoretical framework with regards to parties within a social and business network making mutual commitments and its possible impact on the business, Konsti-Laakso et al. (2012) state that the mutual commitment aspect is shaped or affected by companies' ability to confirm or have a common vision when taking part in joint activities, while partners' good understanding of each other's agenda or primary interests is necessary for a successful collaboration. Referring to the fourth step or component of the theoretical framework i.e. making mutual commitments, this component emphasizes on the importance of having mutual commitments by confirming alignment between each side's vision (Konsti-Laakso et al., 2012).



Applying the making mutual commitments concept to Medi Know-How, it is stated (Costa, 2022) that the company makes sure that both its and the partners' vision and mission are compatible with each other and that the company creates and maintains a good relationship with the partners and contacts within its social and business network to achieve the mentioned aspect. It is important to have this good relationship in order to maintain and ensure that payment terms and payment installments are up to date, stock needs are met, payment schedules and deadlines are met, and the equipment is in good shape for both Medi Know-How and its associates (Costa, 2022). The company also looks after mutual commitment with its partners and contacts by complying with its promises and obligations and, providing better products than the competition. Medi Know-How (2022) ensures that there is a winning mutual relationship between the company and its business partners and customers through sales and supply of the most efficient equipment (Costa, 2022). By creating contacts and relationships with new businesses and other relevant parties, the company tries to sign formal agreements or contracts to make and secure mutual commitments.

Based on the empirical data collected from the interviews with the company representative, it can also be argued that an ongoing conversation is kept with business partners and contacts to make sure that both the company and its business partners and contacts achieve their objectives. Additionally, one can also highlight the company's objectives with regards to its ambition of achieving a 30-40% market share and the company communicating this objective with actors within its social and business networks, given the fact that it is necessary to have equally or more ambitious partners to turn this goal into a reality. Moreover, it is crucial that both the company and its business partners to fulfill their promises and obligations as their visions, missions, objectives, and performances are most likely affected by each party's level of commitment to the relationship. Meanwhile, the company's ability to making sure that its products and equipment can compete against or surpass the quality and functionality of products and equipment offered by the competitors seems necessary for gaining and maintaining customers' trust and loyalty. Hence, the company must make sure that it sells or supplies the best products and equipment available on the market. Here, one may argue that through the offering of the best quality possible and maintaining mutual commitments the company and its partners can benefit from their partnerships in order to achieve their objectives and visions. Therefore, Small and Medium Size Enterprises should first create business connections and then make and fulfill mutual commitment (Konsti-Laakso et al., 2012).

## 5.5. Creating Mutual Dependence

After mutual commitment is created between those forming relationships through social and business networks, the reviewed literature and theoretical framework provides arguments for creating mutual dependence between small and medium enterprises and the partners and contacts within their social and business networks. Konsti-Laakso et al. (2012) presents mutual dependence as an aspect that is shaped or affected by partners' formal agreements while joining shared projects, fulfillment of the financing terms, and the way the partners allocate their tasks and resources to perform the joint activity. Partners within a formal business network can identify opportunities and share their findings and knowledge (Konsti-Laakso et al., 2012). Löfgren (2014) findings highlight the role of customer relationships which affects Small and Medium Size Enterprises' knowledge creation and innovation as she argues that one important dimension related to such companies' incorporation of social and business networks is their recognition of customers' complementary knowledge, as well as the firms' ability to co-innovate through closer customer relationships. Löfgren (2014) states that this will help Small and Medium Size Enterprises to have better worldwide network management and gain a better understanding of the customer-supplier relationship within new markets.

According to the company representative (Costa, 2022), the use of social and business networks has helped the company to create new contacts and relationships which later led to the formation of mutually dependent business partnerships. For instance, the company (Costa, 2022) sponsors congresses which leads to a mutually dependent relationship between the company and the organizers and participants of such events, affecting aspects such as financial performance through sales generated from product promotions. This is evident in the company's relationship with suppliers, meaning achieving good business and financial results depends on a healthy mutual dependency and good relationship between the company and its suppliers.

Furthermore, De Klerk and Kroon's (2008) findings advocates the idea that firms' ability to create relationships with other stakeholders through effective business networking has a great impact on identifying and taking advantage of business opportunities, as well as positively affecting the establishment or maintenance of a firm's existing competitive advantage. Considering this, firms need to pay attention to the strength of their established alliances, the size of their network, number of partners, diversity among the partners, and development of alliances between different partners (De Klerk and Kroon, 2008). De Klerk and Kroon (2008)

state also that by using business networking companies can take advantage of their strategic capabilities, identify business opportunities, generate profits, access, and create knowledge, and improve business efficiency, among other things.

Likewise, looking at the theoretical framework, the fifth component focuses on the creating mutual dependence through formal agreements with suitable levels of legal obligations (Konsti-Laakso et al., 2012). According to Pastore et al. (2012), companies that opt for legally binding contracts are more likely to do better than companies that participate in business networks in which this type of agreements are not in place. Looking at Medi Know-How, the company makes sure that contracts are put in place and signed to guarantee that what has been talked about is understood by the parties involved and that what has been agreed is followed through. This is accomplished by making sure that the agreements that are made are beneficial for all the parties involved. Nevertheless, the company may also use written agreements more as a formality and it attempts to avoid legal disputes because this generally damages the company's image and its relationship with current and potential partners.

## **5.6. Sharing of Knowledge and Identified Business Opportunities**

One may argue that a company's efforts and success at creating, developing, and maintaining social and business networks can enable both the company and those involved in such networks to take advantages and learn from each other's' strengths and weaknesses, thus, building upon each other. When a company creates business networks and has have mutual commitment and dependence, they also benefit from knowledge sharing activities and ends up identifying business opportunities for future growth. Hence, referring to the underlying arguments within the reviewed literature and theoretical framework, value creating by a company is significantly affected by partners' identification of business opportunities as a result of joint activities, and their identification of new opportunities from new joint activities while considering available resources and sharing of knowledge (Konsti-Laakso et al., 2012). Looking back to the answers provided by Costa (2022), the company representative, it is mentioned that continuous communication with actors such as customers and suppliers has helped the company to identify and analyze customers' needs and preferences, hence creating knowledge that has benefited the company. The sixth component of the theoretical framework, sharing of knowledge and identified business opportunities, goes in line with the findings from the empirical data with regards to the company's ability to create and share knowledge and business opportunities. This

is supported by Konsti-Laakso et al.'s (2012) findings on the relevance of sharing the information one has and the potential business opportunities within the network in which a company finds itself in.

Through the ongoing communication that Medi Know-How keeps with its clients and suppliers, the company is able to gain knowledge about the products and equipment that are in the market and the innovations that have been made within the industry that the company operates in leading to identification and capitalization of new business opportunities. Besides the active communication stated above, fairs, trade shows, and congresses play an important role in identifying and analyzing different business opportunities because they enable the company to understand customers' needs and preferences as well as find new products that address these needs.

This is crucial for increasing the quality and diversity of the products and equipment that the company provides to its customers in the market. Additionally, the continuous stream of information that the company receives from its suppliers regarding the new products that are being put in the market also allows the company to assess if commercializing these products in the markets it operates is a reasonable idea/opportunity for the growth of the company. Medi Know-How and its associates shares information based on the amount of sales, market share, number of employees, number of customers, profile of the companies they partner or works with, information about the strongest competitors in each market/location, selling prices, manufacturers' sales/distribution targets, and some sharing of business opportunities. Moreover, the information gathered when attending congresses is also invaluable for the enhancement of the company's performance. However, it is important to acknowledge the extent in which such information is shared by the company to those within its social and business network, due to the possibility of such knowledge and business opportunity sharing increasing the risk of higher competition which in itself could harm the company's sales and competitiveness in the market.

## **5.7. Evaluation of the Existing Networks**

De Klerk and Kroon (2008) touch upon the biggest motivations behind companies' making new contacts and relationships and creating and maintaining social and business networks, which are to increase financial success, access to a plethora of resources, and to increase efficiency.

These are the main reasons behind companies creating business relationships by referrals and strategic networking connections. These authors also argue that small and medium enterprises need to pay attention to the strength of their established alliances, the size of their network, number of partners, diversity among the partners, and development of alliances between different partner in order to identify business opportunities. However, existing networks might help small and medium enterprises with more than only identifying business opportunities such as gaining better understanding of the networks so that they grow their strengths and look after their weaknesses.

Looking at the empirical data collected from the interviews with the case company, it is rather evident that the company is fully aware of the partner's role and importance in improving the company's performance. According to the company (Costa, 2022), suppliers, congresses, and clients build up the three main groups within its existing social and business networks. These groups are chosen by the company as the main partners and contacts because they help the company to promote itself and its products as well as contributing to generation of a large proportion of its annual sales. On the other hand, having a good relationship with the manufacturers has also helped the company to have access to good quality products, good prices, and respected brands within the industry (Costa, 2022).

## **5.8. Evaluation of the Existing Networking Capability**

According to De Klerk and Kroon, (2008) business networking is a continuous process. The constructed theoretical framework of social and business networking for Small and Medium Size Enterprises can be a cycle of interconnected components. De Klerk and Kroon (2008) also discuss on the importance of the company being aware of its networking capabilities and how it can be improved to enhance the company's performance. Consequently, Small and Medium Size Enterprises' evaluation of their existing networking capability in order to learn from and improve upon such capability may help the companies to be in a better position with regards to benefiting from and optimizing their social and business networking.

Moreover, the empirical data suggests the case company's successful utilization of its social and business networking capability to pursue its mission, vision, and business objectives, which is reflected by the overall progress since its foundation. The empirical data and more specifically the company representative's answers regarding the importance of collecting as

much information as possible from the suppliers to gain a better understanding of products, treating customers equally, and aiming to address a wider range of customers with different needs instead of focusing on a small group of customers with specific needs all further support the company's overall success at using social and business networks (Costa, 2022).

Furthermore, based on the empirical data it is rather safe to conclude that Medi-Know clearly benefits from the social and business networks that the company has created and developed. However, it is also the case that the social and business networking approach taken by the company has mostly been informal and unsystematic. Nevertheless, the company has still been able to benefit from the networks, hence, it can be argued that by designing and implementing a systematic approach based on the successful social and business networking practices that the company has had so far, it can become even more effective at benefiting from such networks and further developing different aspects of its business operations and performance. On the other hand, even though aspects such as different time zones and geographical distances among participants with the company's social and business networks may have negatively affected the company's ability to serve its customers in an effective manner, the company has still managed to make the most out of the relationships and contacts within its social and business networks.

To summarize, by analyzing the empirical database on the different components from the constructed theoretical framework it can be seen that the case company has mostly been able to incorporate the underlying ideas within the theoretical framework in order to benefit from social and business networks and to improve its overall business performance. To elaborate, the company has managed to have a multi-rational perspective on social and business networking and has been able to take advantage of all actors within the different environments the company has been interacting with. Marcelo Costa knows and gets to know as time goes by. Regarding choosing the type of networking, the company has not had a systematic plan in place, but its social and business ties still fall into the three mentioned types of networking. The company has been proactive and successful at making new contacts, creating relationships, and building beneficial social and business networks. The company has also been able to make mutual commitments by reaching a win-win position and having continuous conversations with its different business partners and relationships. To add, mutual dependence has been created by the company through formal contracts and obligations between the company and different players within its social and business networks. The company has also shared knowledge and business opportunities with different parties within its social and business network. However,

the need for it must be thoroughly assessed to make sure that the company does not disclose sensitive information that can be harmful if handed to third parties. One way to minimize such a risk would be through signing of Non-Disclosure Agreements. Having said this, it would be necessary to carefully evaluate the pros and cons of taking this step. The company has also evaluated its current social and business networks based on the fact that the company has identified its main contacts and partners and this is a fundamental step in the systematization of the procedure and evaluation of the company's current position. Same goes for evaluation of the existing network capability which is believed to be currently followed by the company.

Retrospectively, it can be claimed that the company has incorporated seven out of the eight components from the constructed theoretical framework apart from having a systematic approach regarding selection of the different types of networking. Consequently, improving the manner and order in which these components have been followed as well as improving aspects such as selection of the different types of networking and sharing of knowledge and business opportunity may help the company to further improve its social and business networks and positively affect its overall performance.

## **6. Conclusion**

### **6.1. Knowledge Contribution**

This paper aims to answer the following research question: *“How can Small and Medium Size Enterprises benefit from social and business networks to improve their performance?”*. Consequently, the most relevant literature with regards to the purpose of this study was reviewed and a theoretical framework of social and business networking for Small and Medium Size Enterprises was constructed by the authors based on the main underlying arguments and findings from the reviewed existing literature. Meanwhile, a qualitative approach using in-depth single case study was taken to collect primary empirical data. Later, the collected empirical data was critically interpreted and analysed based on the existing literature and the constructed theoretical framework to address the purpose of this study.

As argued by the existing literature and the constructed theoretical framework in the present study, the main conclusion based on the interpretation and analysis of the primary empirical data is that social and business networks have a great impact on Small and Medium Size

Enterprises' overall performance, and that the constructed theoretical framework can be a helpful instrument for improving SMEs' performance through the creation and utilization of social and business networks in a systematic way. In other words, one of the main knowledge contributions from the conducted study is the construction and elaboration of a systematic theoretical framework that includes specific components and guidelines with regards to different aspects and stages of social and business networking by SMEs. However, the authors of this paper must acknowledge the fact that the mentioned theoretical framework does not include any new ideas or arguments related to the topic study, but that the constructed theoretical framework has systematically incorporated and illustrated the most relevant underlying arguments and findings (e.g. Konsti-Laakso et al., 2012; De Klerk and Kroon, 2008; Ibarra and Hunter, 2007; Pastore et al., 2020; Seaman and McQuaid, 2021) regarding how social and business networks can be created and developed to positively contribute to SMEs' overall performance.

The constructed theoretical framework is named "A Theoretical Framework of Social and Business Networking for Small and Medium Size Enterprises" and it consists of eight components. These are: 1) having a multi-rational perspective on social and business networking; 2) choosing and combining different types of networking; 3) creating business networks; 4) making mutual commitments; 5) creating mutual dependence; 6) sharing of knowledge and identified business opportunities; 7) evaluation of the existing networks; and 8) evaluation of the existing networking capability. All these components are important for small and medium enterprises to be more successful or effective at creating and taking advantage of social and business networks while pursuing their business objectives.

Furthermore, analysis and interpretation of the empirical results and findings advocates the arguments and findings made by the existing literature on social and business networks' positive impact on business operations (e.g. Maghsoudi-Ganjeh et al., 2021; Adomako et al., 2018; Novotna, 2021; and Schoonjans et al., 2013). As elaborated in the previous chapters, SMEs' effective creation and development of social and business networks may help the company to achieve higher financial performance (Maghsoudi-Ganjeh et al., 2021), higher competitiveness and resistance to market turbulence (Novotna, 2021), and have an experiential learning and entrepreneurial orientation (Karami and Tang, 2019), among other things. Considering the fact that small and medium enterprises also play an important role in creating new innovations which contribute to welfare of the society (Laakso et al, 2012), it is safe to



claim that such companies should rather follow a more systematic process of creating, developing, and maintaining social and business networks to be more successful.

Borrowing and elaborating upon Konsti-Laakso et al.'s (2012) findings, it is of utmost importance for SMEs to create and maintain social and business networks. Later, such companies need to make mutual commitments with their business partners. As a result, these mutual commitments contribute to a joint decision making process based on well-thought and clear intentions. Later, this mutual commitment is followed by a mutual agreement which means that both parts have formally agreed on joining a project together to share resources and costs. Then, given these mutual agreements, partners will also share findings and knowledge. Consequently, exchange of knowledge and ideas will also lead to more knowledge creation and innovation. Meanwhile, it is also necessary for Small and Medium Size Enterprises to be aware and capable of using their social and business networking activities to identify and capitalize on new business opportunities. Hence, by utilizing and developing their social and business networking capability, SMEs will be more successful at identifying business opportunities, generating profits, accessing and create knowledge, and improving business efficiency as argued by De Klerk and Kroon (2008).

Furthermore, another major contribution of this paper to the existing body of knowledge on social and business networks and SMEs is the insight it offers with regards to how a small and medium size enterprise has actually created and employed social and business networking to its advantage to achieve its business objectives. This has been done through a qualitative, abductive, and in-depth single case study which investigates social and business networking activities by a small and medium size enterprise called Medi Know-How.

Based on the interpretation and analysis of the primary empirical data collected from multiple semi-structured interviews with the company representative, it is concluded that Medi Know-How has been very successful at creating and employing social and business networks in order to pursue its business objectives. By studying the social and business networking strategy and activities within the case company based on the underlying arguments and components of the theoretical framework and the others' own perspectives on the topic of study, it is rather safe to claim that the different components and suggestions from the theoretical framework have directly or indirectly been implemented by the case company, and each of the mentioned

components or aspects has enabled the company to benefit from its social and business networking.

Looking at the first component i.e. having a multi-rational perspective on social and business networking, the company has managed to have such a perspective and this has enabled the company to achieve close collaboration and business partnerships with its suppliers which have provided the company with technical and competitiveness support. Also, by benefiting from participation in events and creation of new business contacts the company has gained a positive perspective on social and business networks. Understanding and choosing different types of network, the second component of the framework, has also helped the company to focus on those types of networks that the company has found most suitable and beneficial. The company has benefited from having contacts with potential customers and external contacts, among others. The third component is creating business networks. Here, the company first identifies the main industry related events such as congresses and shows. Later, the company attends these events to potentially create business networks. Once new contacts within the company's social and business networks are established, it starts to make mutual commitments, which is the fourth components of the theoretical framework. When creating business networks, the company makes sure that the company's vision and its partners and contacts' vision match/align with each other through maintenance of a good relationship. Medi Know-How also makes mutual commitments with its partners and contacts by always complying with its promises and obligations.

Creating mutual dependence, which is the fifth component, will follow mutual commitment. Here, the company applies the principle of dependency in the relationship that exists with the suppliers. This kind of relationship benefits both parties. These agreements can also be legal. Thus, both parties are protected since the agreements includes terms that can be legally obligatory, and any violation of such terms may lead to legal actions by the parties. Regarding the sixth component, sharing of knowledge and identified business opportunities, it is observed that the company continuously communicates with its customers and suppliers and this has contributed to knowledge creation and new business opportunity identification. However, the empirical data also highlights company's concern with regards to sharing of information that could possibly harm the business. Looking at the evaluation of existing networks component of the framework, it is also illustrated by the empirical data that the company constantly evaluates if its existing networks still benefit the company and its partners. Finally, regarding evaluation

of the existing networking capability, one may conclude that even though the case company has enjoyed the benefits from its business networks, it is important for the company to proactively evaluate its networking capability. For instance, as elaborated in the previous chapter some suppliers are in regions far away from the company's main market and this may have caused disruptions in supply of products and their diversity.

Nevertheless, it can be concluded based on the reviewed literature, the theoretical framework, the research approach, and the single case study of Medi Know-How that social and business networks can positively affect SMEs' business performance. This positive impact can be strengthened by designing and implementing a systematic approach of social and business networking using the constructed framework of social and business networking for SMEs. The current study is of invaluable importance as it assesses on a deeper level the role of social and business networks in improving SMEs' business performance using a systematic theoretical framework and applying this framework to the empirical data collected from the case company. Interpretation and analysis of the empirical database on the theoretical framework highlights the possible positive impacts of social and business networks on SMEs' operations using the details from the case company. By developing and improving such networks on a daily basis relevant contacts can be made that may directly or indirectly generate more sales, help to identify business opportunities, create innovation, and offer learning opportunities that will ultimately benefit the expansion of the business. Retrospectively, more research is needed on with regards to systematic design and implementation of social and business networks through well elaborated yet easily conceivable frameworks, as well as dedicating more time and resources in order to investigate the possible impacts of social and business networks on SMEs through multiple case studies or the impacts of such networks on SMEs' international expansion.

Referring back to the research question "*How can Small and Medium Size Enterprises benefit from social and business networks to improve their performance?*", it is concluded that answering this question demands for addressing multiple aspects and components within SMEs regarding their social and business networking approach and activities. In other words, successful creation, and utilization of social and business networks by SMEs demands for a more systematic approach of social and business networking that consists of different components each addressing a specific area within such companies.

## **6.2. Managerial Implications**

Beside the above-mentioned theoretical contributions of this paper to the existing body of knowledge on the topic of social and business networks and SMEs, it can be claimed that the elaborated findings and conclusions do also provide practical insights and guidelines to SMEs and their management team with regards to how they can first create, develop, and maintain social and business networks and how such network may directly or indirectly contribute to better business performance.

Firstly, the constructed theoretical framework and its underlying components provide a systematic and practical guideline for how social and business networks can be created and employed by managers at SMEs to improve different aspects of a business. By following a systematic approach such as the one suggested by the constructed theoretical framework managers of SMEs might have a better chance at maximizing the benefits of social and business networks and facilitate the process of pursuing their business objectives. This is not to claim that SMEs' success at social and business networking activities mostly depends on following a systematic approach based on a theoretical model/frameworks such as the one offered, but rather arguing that following a systematic approach of social and business networking can enhance the positive impacts of such networks on SMEs and their business performance.

Secondly, by conducting a single case study and interpreting and analysing the empirical database on the mentioned theoretical framework this paper offers in-depth insights on how social and business networking activities have successfully been employed by an SMEs as well as those areas that could be improved for even better results. Consequently, the results and conclusions based on analysis and interpretation of the collected data can be used by the managers as an example of how they themselves could create and utilize social and business networks based on the approach taken by the case company as well as consideration of the constructed theoretical framework. Hence, these mentioned aspects can help the managers to be more successful at building, developing, and maintaining social and business networks within their own companies to achieve better performance.

Considering the mentioned implications, the managers may need to take the following steps to benefit more from social and business networks within their businesses. First, creating

guidelines that indicate how employees should proceed when it comes to create, maintain, and expand social and business networks for the company, which is of utmost importance because it sets a standard that should be followed throughout the company and also shows what is expected of new employees. Second, having the company's vision and objectives incorporated widely internally as well as having standardized but flexible way of communicating to partners. This raises the chance that all the employees are aware of the direction to which the company is headed, which is helpful to help them better identify possible business opportunities along the way and help them understand how these opportunities can possibly support the company to achieve its vision, mission, and objectives. Moreover, the company's internal incorporation of its vision and objectives and effective communication of such vision and objectives can also help the partners to understanding the company's expectations and having a better match between the company and its partners' vision, hence, making it possible to establish mutual commitments that will ultimately lead to mutual gains. Third, the managers need to gain a good understanding of the different types and approaches of social and business networking and choosing the ones most suitable in accordance to the companies' objectives. Fourth, the managers need to create internal capacity within their companies so they can effectively identify their and the partners' needs and follow through with the established commitments. Finally, managers within SMEs need to establish a standardized internal system to evaluate the status and capability of their social and business networks. This is an important aspect with regards to assessing the company's current position and its ability to improve such position based on its networking capability.

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## **8. Appendices**

### **8.1. Questions for the 1st Interview**

1. So, let us start by asking you to tell us more about yourself, Medi Know-How, and your position in the company?
2. What about the ownership and corporate structure, as well as the number of employees? Can you tell us more about them?
3. You mentioned that you have a partner as well. So, is it you and your partner who own the company?
4. So, we could say that Medi Know-How is a family business?
5. Would you tell us more about the main products and services the company offers? In your opinion, which one of them has been the most important and strategic one for the company in terms of quantity and revenue?
6. What is the percentage of total sales from this product/service in euros?
7. What about your industry and competitors? Can you tell us more about the industry you operate in and the main competitors?
8. Would it be possible for you to tell us what market share you have in Portugal?
9. How about the different markets the company is operating in now? How has it been going for the company in Portuguese, European, and African markets so far?
10. And which of these markets is the most important one?
11. Can you tell us about your business model and strategy? What about your business expansion strategy?
12. Would you tell us about aspects such as strategic decision making, partnership with other companies and suppliers, distribution, and customer service?
13. How would you describe the management style and corporate culture in your company?

14. Now let us talk about another aspect, the overall performance of the company so far. How would you describe the financial performance of the company since its foundation?

15. This may directly be related to the challenges you have been facing. In your opinion, what are some of the major challenges you have encountered while expanding both in the local and international markets?

16. How has the company addressed such challenges? Do you have any strategy or process in place to overcome the challenges?

17. Looking at the orders, would you tell us about a common order you make from your suppliers? What has been the biggest order you have made for the testing sets that are your best-selling products?

18. What about the minimum order you accept from your customers?

19. Now let us talk about your plans for the future before concluding this interview. Where would you like Medi Know-How to be in 5 and 10 years and what are your plans for getting there?

## **8.2. Questions for the 2nd Interview**

### **Ownership and Control**

1. Can you tell us how much control the parent company Know-how has over Medi Know-How? Is Medi Know-How fully independent of the parent company? If not, how is the relationship between Know-how and Medi Know-How?

2. On the parent company's website it is mentioned that Know-how is active in countries like Portugal, Spain, Iceland, Angola, Mozambique, and Cape Verde. Is the subsidiary company Medi Know-How also active in all these countries or only in some of them? Which countries is Medi Know-How active in right now?

## **Products**

3. Can you tell us more about your 6 Categories of products in veterinary medicine (meaning monitoring, imaging, physiotherapy, rapid test and laboratory equipment, catheters, syringes, and needles)?
4. Do you have a list of the custom product codes for your main products? What are these codes based on? (the harmonized system, 6 level, detailed level)
5. Regarding quick tests, are they used for specific fields (cattle, poultry)? Which are the major suppliers and where are they from?
6. Can you tell us more about the main supplying companies and countries for your major lines of products? Which companies are your major suppliers? What countries are your major exporters of products?
7. Can you explain what each of the categories of products are used for (for example, what are the quick tests and diagnostics specifically for)?

## **Competitors**

8. In your opinion, what are some of the unique features of Medi-Knowhow? Why would customers such as clinics buy from Medi Know-How instead of other companies?
9. Can you tell us more about your main competitors (their name, size, market share)? How have you tried differentiating from these main competitors?
10. What are some of the main differences between you and your main competitors when it comes to price and quality of products? What are the main competitive differences?

## **8.3. Questions for the 3rd Interview**

1. How has Medi Know-How used social and business networking since its foundation to help the company?
2. Does Medi Know-How have a strategy or specific approach regarding its social and business networking activities?

3. How has Medi Know-How used social and business networks to grow and improve its performance?
4. Are there any specific steps that are taken by Medi Know-How with regards to creating new social and business contacts? If yes, can you explain more about them?
5. How does Medi Know-How create new social and business contacts? (tips: trades, business agencies, families, friends, other people)
6. How do you choose the type of network to establish and which one have you found to be the most effective so far?
7. Do you have any specific reason or purpose in mind before making new social and business contacts? If yes, can you explain more?
8. How do you usually meet and create new contacts? Do you have any approach or strategy to make the first contact with a new business or any other relevant party?
9. After creating contacts and relationships with new businesses and other relevant parties, what do you do to make mutual commitments?
10. Do you have any formal contracts or agreements with players within your business network or the relationship is mostly based on verbal agreements? Can you explain more?
11. Do you share company's knowledge and identified business opportunities with partners within your business network? What about the partners? Do they share their knowledge and identified business opportunities with you? Can you explain?
12. Do you think you have a good understanding of your current social and business network? Do you evaluate its strengths and weaknesses and what needs to be improved? Can you explain more?
13. How do you evaluate the strength of your network and how much it contributes to the enhancement of the performance of the business?
14. In your opinion, is Medi Know-How in a good position regarding using social and business networking to improve its business performance? Do you usually make evaluations to find the

strengths and weaknesses of Medi Know-How's networking capability and find ways to improve it?

#### **8.4. Questions for the 4th, 5th, and 6th Interviews**

1. What role do business support agencies have in the company's social and business networking activities?
2. How has the company benefited from business support agencies so far and what is the company's plan for using these agencies in the future?
3. What role do family contacts have in the company's social and business networking activities?
4. How has the company benefited from family contacts so far and what is the company's plan for using these family contacts in the future?
5. What role do friends have in the company's social and business networking activities?
6. How has the company benefited from friends so far and what is the company's plan for using these agencies in the future?
7. What role do local and broader social communities have in the company's social and business networking activities?
8. How has the company benefited from local and broader social communities so far and what is the company's plan for using these communities in the future?
9. What kind of social and business networking does the company have/use to achieve efficiency, understanding current demands, and creating depth through building strong working relationships?
10. How does the company use social and business networking to address the aspects mentioned in the previous question?
11. What type of social and business networking does the company use to achieve personal and professional development within the company? How does the company do it?

12. What type of external contacts does the company use to address its current and future interests? How does the company do it?
13. Does or has the company widened its social and business networking through recommendations and referrals made by those who initially became part of its network (i.e. creating new contacts through previous contacts)? How has the company benefited from this?
14. How has the company used its social and business networks to identify its current and future priorities and challenges and gaining its stakeholders' support for them?
15. Has the company made internal and external contacts to address the company's future interest and objectives? How has the company done this?
16. How has the company used its social and business networks to achieve its past, current, and future strategic goals?
17. What are the main specific steps the company often takes to make new contacts and expand its social and business network? How does the company expand its social and business network?
18. Does the company have a clearly defined and systematic strategy/plan regarding making new contacts and expanding its social and business network?
19. What are the main ways for the company to make new contacts and expand its social and business network?
20. How does the company present itself and interact when meeting new stakeholders that could potentially become part of its social and business network?
21. How does the company make them interested in staying in touch with the company for business collaborations?
22. In your words, what is the company's main current and future vision?
23. How does the company communicate its vision with business partners and other contacts/members within its social and business network?

24. Does the company have a perspective, strategy, or preference regarding the vision of its current and future partners and contacts within its social and business network?
25. How does the company make sure that the company's vision and its partners and contacts' vision match/align with each other?
26. How does the company make mutual commitments with its partners and contacts beside having a common vision?
27. Does the company collaborate with those whose vision does not align with the company's vision? If yes, how?
28. How does the company create mutual dependence with its partners and contacts?
29. Does the company use formal agreements like contracts in all its relationships or only specific types of relationships?
30. What type of the company's relationships include legally binding agreements? What is the level of legal obligations for these agreements?
31. How does the company impose these agreements?
32. What measures does the company take to ensure all parties follow the agreements?
33. What measures does the company take if a part does not follow an agreement?
34. Has the company itself followed all its mutual legal agreements so far? If not, can you explain?
35. How does the company create new knowledge that could be of importance for its business?
36. Does the company rely on its own information collection and analysis to create relevant business knowledge or it also relies on partners and contacts' information and business knowledge? Can you explain?
37. How does the company identify and analyze different business opportunities?



38. Does the company share its business insights/knowledge with its partners and contacts? If yes, can you explain why sharing of knowledge can help the company? If not, can you explain why sharing the knowledge can hurt the company?
39. Does the company share its identified business opportunities with its partners and contacts? If yes, can you explain why sharing of business opportunities can help the company? If not, can you explain why sharing the business opportunities can hurt the company?
40. Do the company's partners and contacts share their business knowledge and identify business opportunities with the company? Can you explain more? Why is this the case?
41. Which are the main partners and contacts the company currently has in its social and business network?
42. Why does the company think these are the main partners and contacts?
43. How has the relationship with these partners and contacts benefited the company?
44. What are the main strengths of having relationships with these partners and contacts? Can you explain more?
45. Does the company have a good overview of the size of its current social and business network, number of the partners and contacts, diversity among them, and the relationship the partners and contacts have with each other besides the one with the company itself? Can you explain more?
46. How have the partners and contacts helped the company to identify and take advantage of new business opportunities?
47. Do you think the company has been able to successfully benefit from its existing social and business network so far? Can you explain more?
48. Do you think the company has fully utilized its social and business networking capability so far? Can you explain more?
49. What are some of the strengths and weaknesses the company has regarding its existing social and business networking strategy and capability? Can you explain more?

50. How could the company improve its social and business networking capability to enhance its performance?

51. How does the company use the lessons and experiences from its existing and past social and business networking strategies and activities for its future social and business networking?

52. Does the company use the lessons and experiences from the past every time it tries to make new contacts and partners? Can you explain more?