

Competitive advantages and the smes: the role of distinctive competences as determinants of success, are there differences across gender, sector, and size?

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Abstract

The importance of competitive advantages and distinctive competencies as determinants of a firm's success and growth has increased tremendously in the last decade. Practitioners and academicians have centered their studies on firm specific characteristics that are unique and add value to the ultimate consumer. Most researchers agree that the success of small the small businesses segment is crucial to both the stability and health of any economy. In this context, the small firm sector contributes in many respects: through employment generation, investing in research and innovation. The sector is also responsible for most growth in the economy, in spite of the varied problems confronted and the lack of substantial assistance from policy makers.

This dissertation explores and examines, via qualitative and quantitative research methods, the competitive advantages and distinctive competencies that determine success in firms established in Puerto Rico for at least three years across sectors. The study includes case analysis, in-depth interviews with successful and non-successful firms, and an extensive island-wide survey mailed to firms established on the Island. Data was examined and analyzed using multiple statistical analyses; results were summarized and presented in table and graphic form. Moreover, after processing the data a model for predicting success was created with the intention of using it as a guideline for success and a deterrent for failure.

Findings support the idea, within limitations, that the competitive advantages present in Puerto Rico's firms relate to other empirical findings. Results strongly suggest that success determinants across size, sector, and gender seem to be nearly the same. However, in the case of females, results show that women owners seem to possess less experience before starting a business, which as a result might cause underperformance. In addition, female-owned firms have remained smaller than men's, maybe by choice, or potentially because of context specific problems. Furthermore, female CEO's have also reported more difficulties achieving their goals, and are in areas less prone to growth. Findings also suggest measures for policy makers, bankers, educators, and lenders geared to increase programs oriented towards educating SMEs, as well as to stimulate and increase available support via grants and innovating training programs. This researcher believes that the actions suggested could stimulate current and prospective entrepreneurs to better cope with economic and cultural changes, and as a deterrent to failure.