

# Business, post-growth

## Observations and Recommendations

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# What we would like to achieve

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- expand the current post-growth discourse by the role of small and medium-sized companies (SMEs)
- explore how SMEs may successfully deal with environmental, social, demographic and economic limits to growth
- demonstrate development orientations as well as options for strategy and action that would be independent of (quantitative) growth
- increase the knowledge base about how to successfully manage a non-growing company
- increase the level of acceptance and diffusion of alternative growth and development models of SMEs

# What we started

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- **Project „Growth-neutral Companies“ in 2012**
  - self-financed by IÖW with additional support by

Mit freundlicher  
Unterstützung von



- **Project „Post-Growth Pioneers“ in 2013/2014**

- in cooperation with



- sponsored by



# What we did and are doing

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- **Document analysis to identify SMEs with an explicit non-growth strategy**  
motives, key performance indicators, and strategies
- **Online survey among SMEs to explore different growth orientations**  
strategic importance, meaning, chances & risks of growth, (post-)growth types
- **Qualitative case studies to analyse and communicate success potentials**  
strategies & scaling practices, qualities, chances & risks, drivers & barriers, potential to significantly contribute to environmental relief & social and environmental transformation processes
- **Company workshops**  
post-growth perspectives on (expandable) scopes of action with regard to various thematic fields
- **etc. pp. (*communication project*)**

## What we found (preliminary extract)

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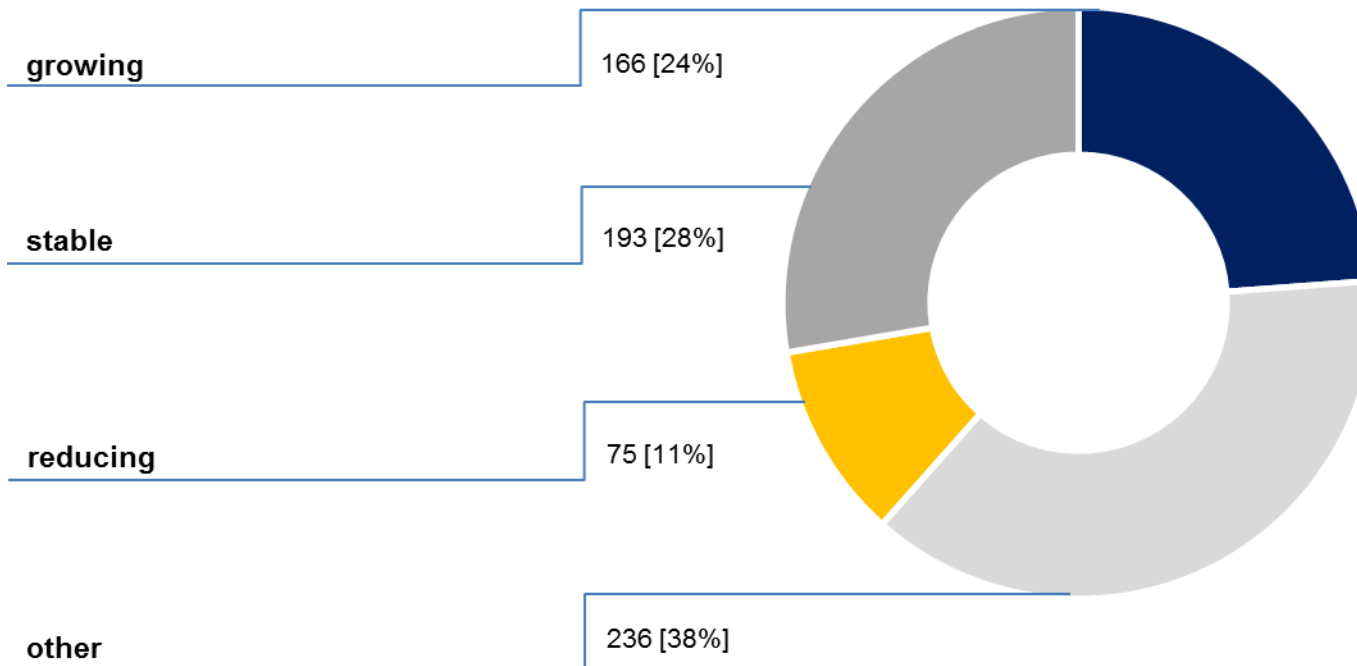


- **Non-growth with regard to company size is a generally observable „phenomenon“ among SMEs**
  - it applies to a large proportion of SMEs (not only in our study)

# Figure 1: firm growth



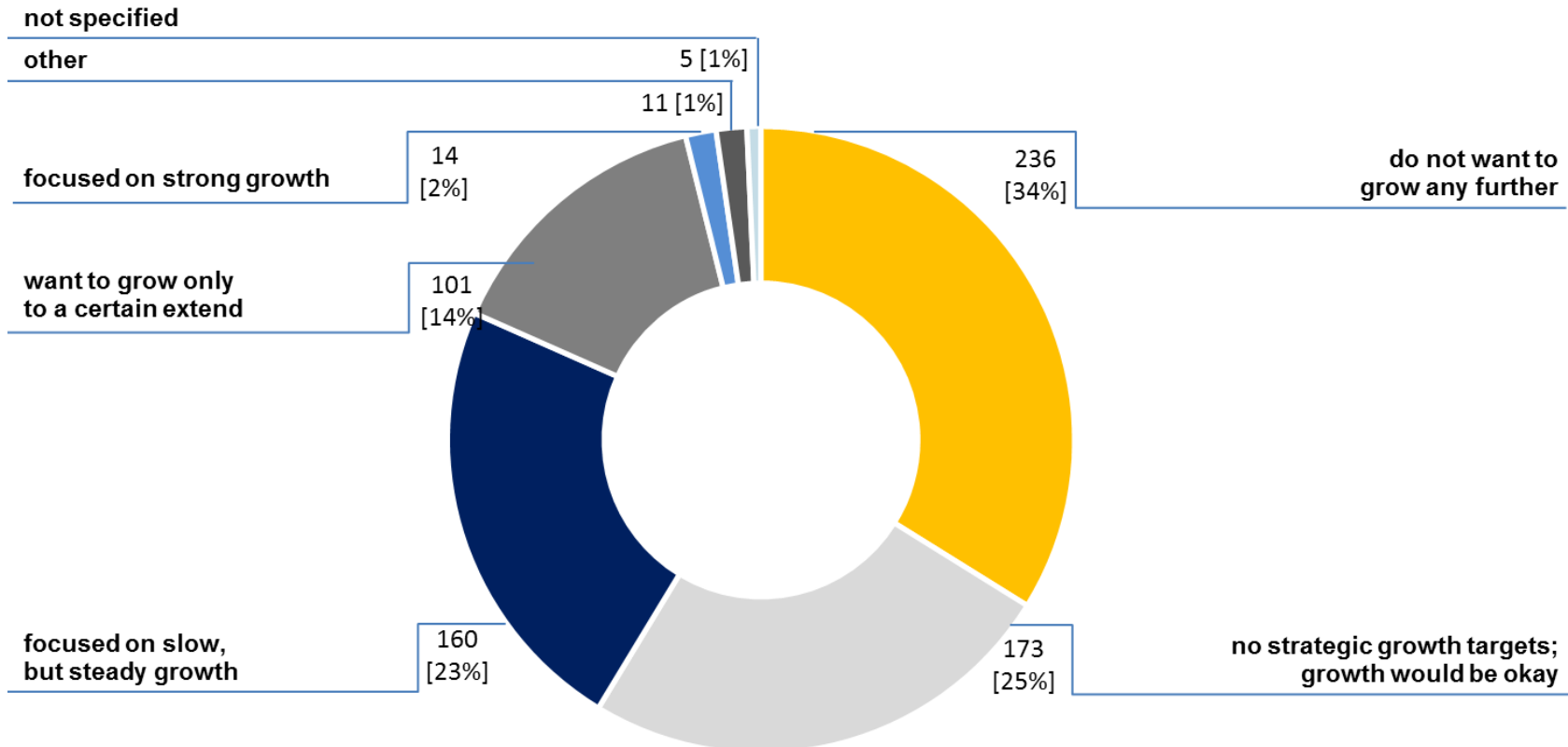
rough approximation: firm growth w/ regard to employees and revenue (last 5 years)



# Figure 2: firms' growth orientation



Growth orientation of participating companies



IÖW Online Survey 2014; N = 697

# What we found (preliminary extract)

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- **Non-growth with regard to company size is a generally observable „phenomenon“ among SMEs**
  - it applies to a large proportion of SMEs (not only in our study)
  - it applies to all kind of companies in our sample
    - we found only few factors that significantly related to a non-growth orientation
      - Market dynamics (fast vs. slow growing, mature, declining markets)
      - Company age (younger vs. older companies)
      - Company size (micro vs. small, medium companies by number of employees)
      - Sales market (international vs. local, regional, national market)
      - Perception of growth compulsion (is in line with our own expectations ... is irrelevant to us)



# What we found (preliminary extract)

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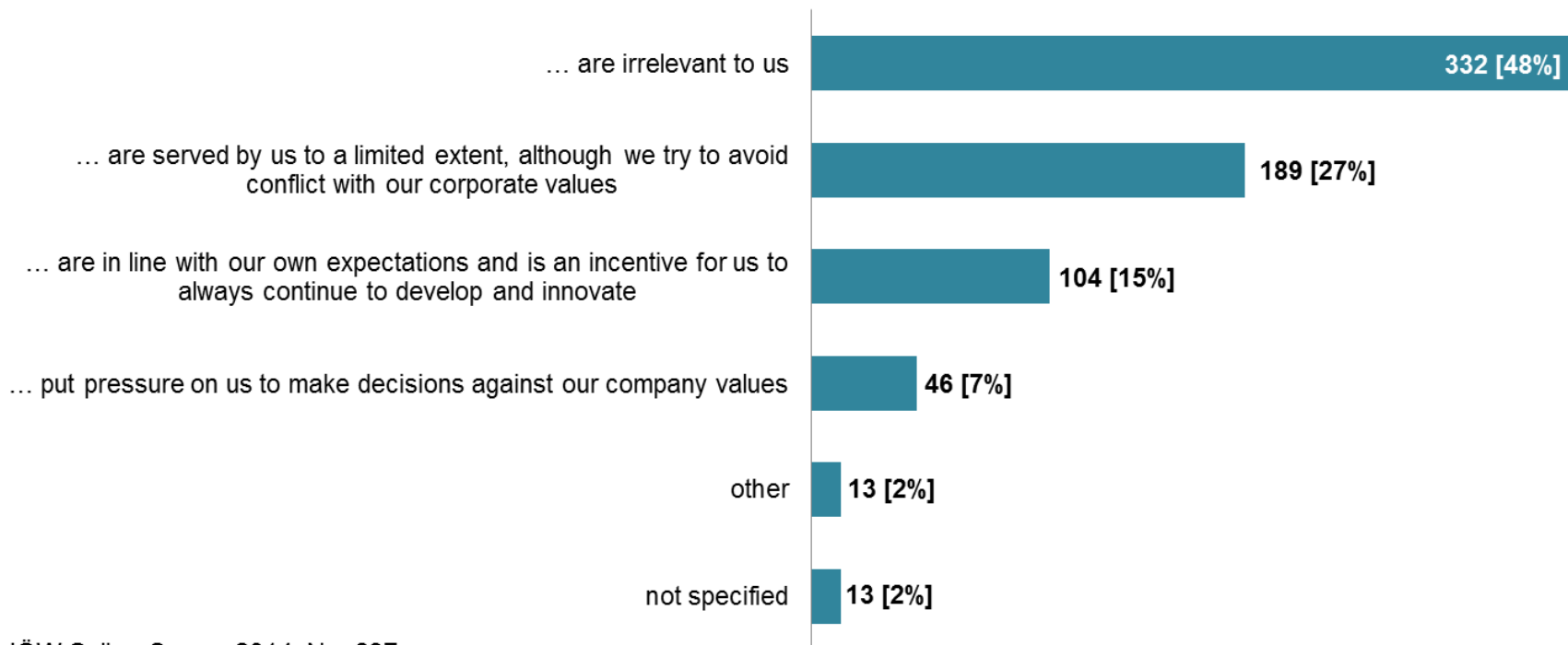


- **motives, attributes and development strategies of non-growth firms are by no means homogeneous or clear-cut**
  - if it's an active decision, motives can be
    - personal
    - structural-organisational
    - normative-ethical
  - often, a company's motivation for a non-growth strategy appears as a blend of several – e.g. ethical as well as structural-organisational – motives

# Figure 3: Perception of growth pressure



Societal expectations or economic pressures to grow permanently...

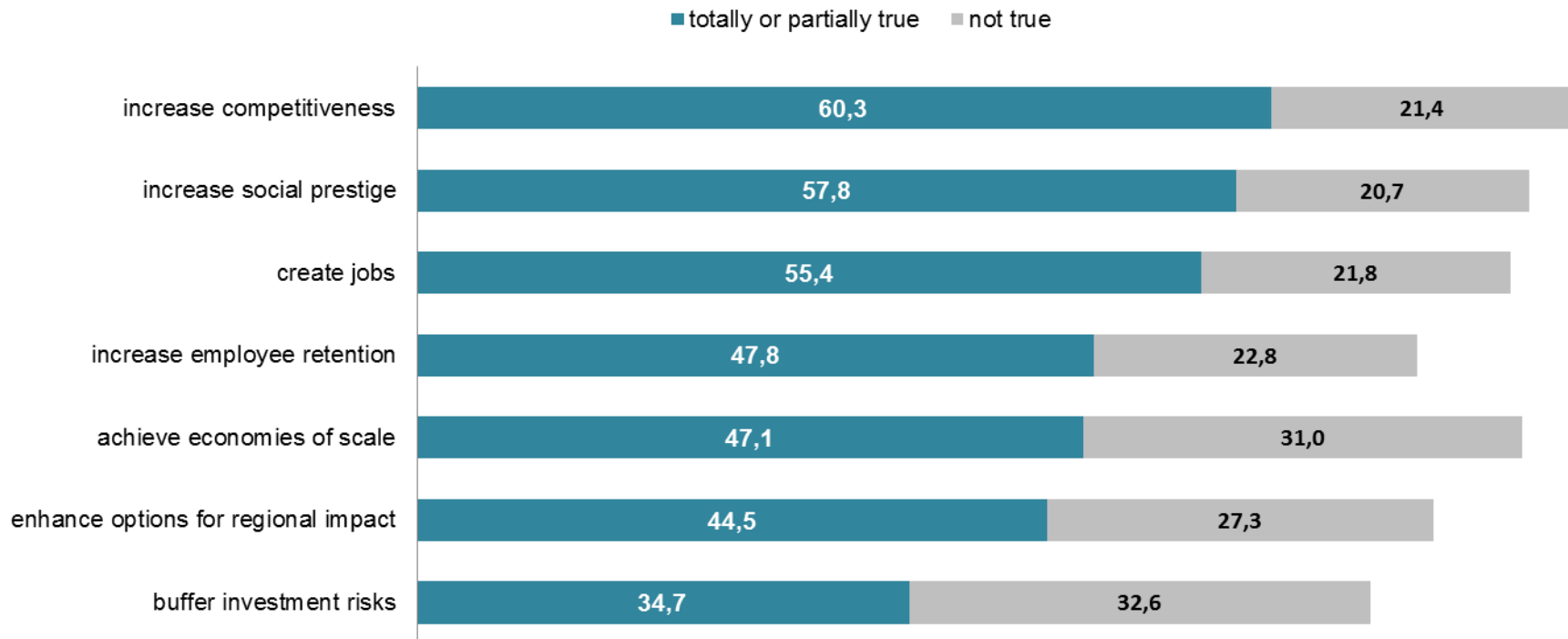


IÖW Online Survey 2014; N = 697

# Figure 4: Chances of growth



Perception of chances of growth (multiple answers) - here: rather true

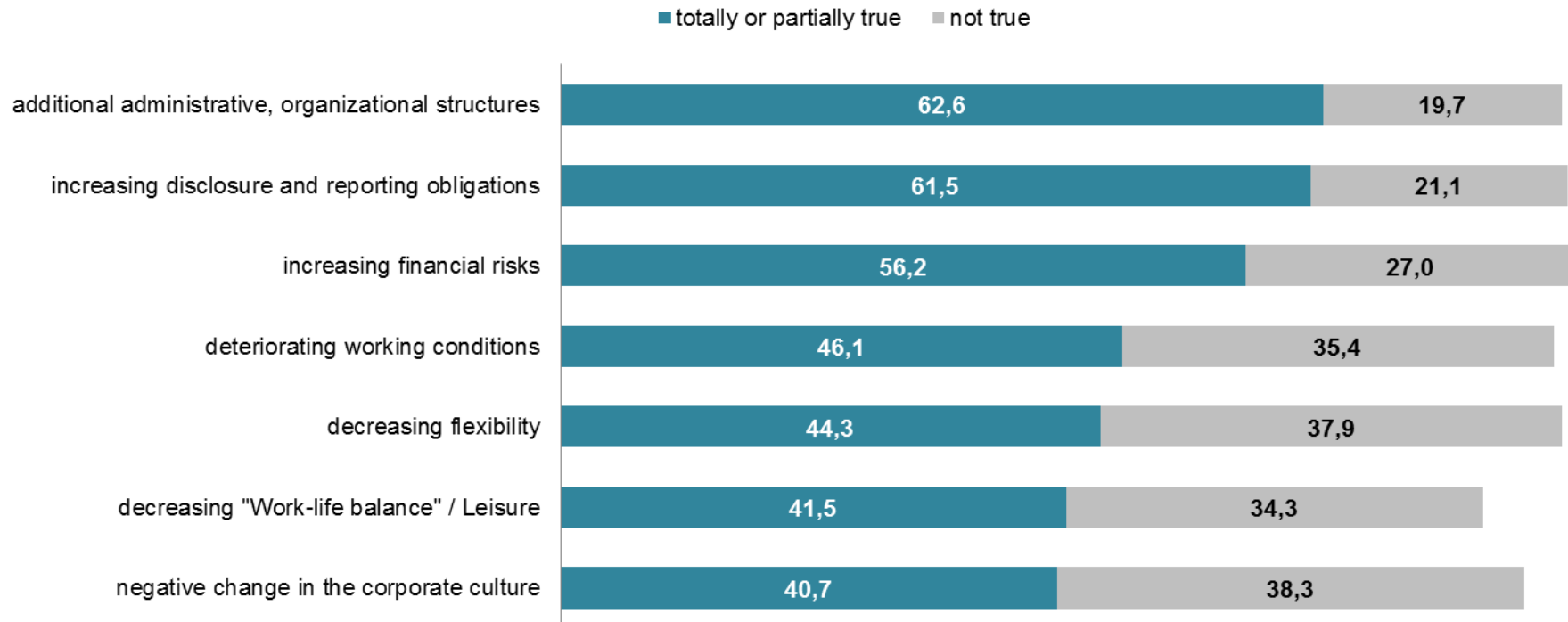


IÖW Online Survey 2014

# Figure 5: Risks of growth



Perception of risks of growth (multiple answers) - here: rather true



IÖW Online Survey 2014

## What we found (preliminary)

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- **Non-growth companies with a link to post-growth?**
  - distinguish between traditional growth in numbers and growth in qualities (not *more* but *better*)
  - Results hint that when growth in qualities is given preference over quantitative growth, several characteristics follow that are advantageous for the transition to a post-growth economy
  - heterogeneity of competitive strategies points to complex and dynamic strategic orientations
  - in the online survey: SMEs with sustainability driven competitive strategy are not significantly but slightly more often prone to grow in size (diffuse innovation, market development)

## What we found (preliminary)

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- **SMEs use a variety of indicators for “growth” which they prioritise and weight according to their mission**
  - companies w/ a post-growth perspective prioritise indicators of quality and development
  - which – at the bottom line – allow for a significant positive social-environmental contribution of the company

## What we found (preliminary)

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- **from a post-growth perspective, entrepreneurial challenges as well as options and means change w/ regard to**
  - a company's self-determined, planned decision about its growth orientation
  - a targeted extension of entrepreneurial room for manoeuvre
  - the necessity to network and shape the political, economic, and cultural environment

# From growth to post-growth perspective

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- **usually highly relevant growth factor: an explicit motivation and strategy to grow, investment in growth**
  - non-growth firms need an explicit non-/ post-growth strategy and communication, „investment“ in post-growth
- **usually recommended: cooperate to support growth**
  - cooperate/ collaborate to avoid growth/ support post-growth
- **usually companies shall be made „fit for growth“**
  - companies need to be „fit for post-growth“ (qualities!! impact!!)
- **usually success is measured in terms growth-related KPI**
  - successful non-growth firms are under the radar >> KPI??  
What is success of a company? Why link it to growth?



And many more ... But for now:  
Thank you for your attention.



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