

## Get in Sync (*Entrepreneur Magazine* – October 1, 2003)

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One key to growing your business is coordinating your company strategy with a wide range of administrative and managerial processes. According to a recent study, your success at making these elements work well together is directly related to the maturity level of your industry.

In "Fit Among Competitive Strategy, Administrative Mechanisms and Performance" (*Journal of Small Business Management*, April 2003), Henrik Barth analyzed 171 growing businesses with 200 or fewer employees, comparing revenue growth to the types of competitive strategies and administrative and managerial processes the firms used. The study showed that companies in newer industries typically grow faster than those in mature industries.

But while companies in mature industries might expect to grow more slowly, there is still a way they can improve their chances of growth. Barth found that success was linked not so much to a good fit between strategy and structure, but to whether a company's administrative and managerial structures followed processes that had already proved successful in its industry. Companies in mature industries have an advantage here, because while newer industries typically have less defined ways of running operations, mature industries generally have very well-defined methods in place. In fact, Barth found that mature-industry companies that copied their industries' proven processes had the best performance of all firm types.

So if your firm is in a mature industry, but is not growing as fast as you'd like, perhaps it's time to stop trying to reinvent the wheel and focus instead on replicating the processes the top companies in your industry use all the

time. It might not feel very entrepreneurial to follow the leaders, but your success could depend on making their success work for you.