



FACULTAD DE CIENCIAS JURÍDICAS Y DE LA EMPRESA

Departamento de Ciencias Sociales, Jurídicas y de la
Empresa

VALUE BASED MANAGEMENT IN YOUNG INNOVATIVE GROWTH COMPANIES

Autor:

C. Torsten Bernasco Lisboa

Directores:

Dr. D. Soumit Sain

Dra. Dña. M.^a Concepción Parra Meroño

Düsseldorf, Julio de 2017


AUTORIZACIÓN DEL DIRECTOR DE LA TESIS
PARA SU PRESENTACIÓN

El Dr. D. Soumit Sain y Dra. Dña. María Concepción Parra Meroño como Directores de la Tesis Doctoral titulada "VALUE BASED MANAGEMENT IN YOUNG INNOVATIVE GROWTH COMPANIES" realizada por D. C. Torsten Bernasco Lisboa, en el Departamento de Ciencias Sociales, Jurídicas y de la Empresa **autorizan su presentación a trámite** dado que reúne las condiciones necesarias para su defensa.

Lo que firmamos, para dar cumplimiento a los Reales Decretos 99/2011, 1393/2007, 56/2005 y 778/98, en Murcia a julio de 2017.



Fdo. Soumit Sain



Fdo. María Concepción Parra Meroño

PREFACE

For the support in advance and during the dissertation phase the author expresses his sincere gratitude to the UCAM FOM Doctoral School of Business. In addition, a special note of gratitude goes to the supervisors: Prof. Dr. Soumit Sain and Dra. M.^a Concepción Parra Meroño for sharing their wisdom, knowledge, outstanding support and encouragement in completing this scientific work.

The journey was made possible through the endless support, love and encouragement of my loving parents, which have supported me during my whole education both materially and mentally, friends and colleagues. I would like to dedicate this dissertation to my parents since without them this scientific effort would not be possible.

Düsseldorf,

C. Torsten Bernasco Lisboa

TABLE OF CONTENTS

TABLE OF CONTENTS	X
LIST OF FIGURES.....	XXI
LIST OF TABLES.....	XXV
LIST OF ABBREVIATIONS.....	XXVII
1 Introduction	1
1.1 Problem Statement.....	1
1.2 Study objectives, research questions and conceptual Model.....	5
1.3 Methodology and structure.....	6
2 YOUNG INNOVATIVE GROWTH COMPANIES – Concept and characteristics	9
2.1 Definition of YIGC.....	9
2.1.1 Term and conception	9
2.1.2 “Growth” as crucial characteristic	10
2.1.3 “Innovation” as a crucial characteristic	12
2.1.4 “Youngness” as a crucial characteristic	14
2.1.5 Correlation between Youth, Growth and Innovation.....	14
2.1.6 Summative definition of YIGC.....	15
2.2 YIGC – driving economic development	17
2.2.1 YIGC – major thrust: Innovation and corporate expansion.....	17
2.2.2 Creation of micro- and macroeconomic growth.....	19
2.2.3 Employment creation	19
2.3 Founders’ and top managers role and characteristics	22
2.3.1 Entrepreneurial orientation	22
2.3.2 Empirical insights on entrepreneurial traits and behaviour	24

TABLE OF CONTENTS XI

2.3.3	A summative mind map of entrepreneurial characteristics of YIGC founders and managers.....	27
2.4	YIGC advisory management team.....	28
2.4.1	Tasks and opportunities of an advisory management team.....	28
2.4.2	Success factors of advisory team operation.....	29
2.4.3	A summative model of entrepreneurial team cooperation.....	32
2.5	YIGC human resource and knowledge management.....	33
2.5.1	Resource and knowledge based view as a theoretical framework	33
2.5.2	Conceptions of human resource and knowledge management	34
2.5.3	Implementation of HR and knowledge management in YIGC.....	36
2.5.4	HR and knowledge management as key success factors for R&D and innovation.....	37
2.5.5	Summative model of YIGC HR and knowledge management strategy	39
2.6	Governance structures of YIGC.....	40
2.6.1	Fundamental governance concepts.....	40
2.6.2	A structural model of corporate governance	42
2.6.3	Normative or behavioral governance of YIGC	44
2.6.4	Shareholder or stakeholder oriented governance systems in YIGC	45
2.6.5	A summative process model of governance structure evolution in YIGC.....	48
2.7	Financing of YIGC	49
2.7.1	Fundamental financing options	50
2.7.2	Equity financing strategies and their aptitude for YIGC.....	51
2.7.3	Debt financing – strategies and their aptitude for YIGC.....	54
2.7.4	Overview on YIGC financing options, opportunities and limitations.....	60

2.8	Summary of results.....	64
3	Value Based management.....	67
3.1	Conception of VBM	67
3.1.1	Origins of VBM.....	67
3.1.2	Term of VBM.....	69
3.1.3	Objectives of value based management.....	72
3.2	Classical shareholder value orientation.....	75
3.2.1	Foundations in the capital asset pricing model (CAPM)	76
3.2.2	Discounted cash flow valuation to determine the shareholder value.....	79
3.2.2.1	Rappaport's Free cash flow method.....	79
3.2.2.2	Equity based alternatives to Rappaport's Free-cash flow approach.....	81
3.2.3	Economic value added	83
3.2.4	The shareholder value network	86
3.2.5	Critique of the quantitative shareholder value approach	87
3.2.5.1	Critique concerning the validity of the underlying CAPM.....	88
3.2.5.2	Critique concerning the relevance to future oriented business valuation.....	91
3.2.5.3	Critique concerning lacking stakeholder orientation.....	92
3.3	Extended stakeholder value orientation.....	94
3.3.1	A value based market model as an analytical framework	94
3.3.2	Value-based management of management and employee relationships	96
3.3.2.1	Conceptual foundations of agency theory.....	96
3.3.2.2	Corporate value creation by interest alignment	101
3.3.3	Value based management of supply chain relationships.....	105

TABLE OF CONTENTS XIII

3.3.3.1	Relevance and agency challenges of supply chain management.....	105
3.3.3.2	Value-based supply chain management.....	108
3.3.4	Value based management of customer relationships	112
3.3.4.1	CRM as a value based conception	113
3.3.4.2	The establishment of a customer-related value creation chain.....	114
3.3.5	Value based management of public relationships.....	117
3.3.5.1	Principles of sustainability and corporate social responsibility.....	118
3.3.5.2	Value orientation by corporate social responsibility.....	120
3.4	Towards an Integrative perspective of Value-based management	125
3.4.1	Integrative value models.....	125
3.4.1.1	The balanced scorecard model	125
3.4.1.2	Keeney's value orientation.....	127
3.4.2	A comprehensive model of value orientation.....	128
4	Value Based management in corporate practice – status of research.....	133
4.1	Review Methodology	133
4.1.1	Theoretical review concept	133
4.1.2	Review implementation	134
4.1.2.1	The research questions	134
4.1.2.2	Process of narrowing down and delimitating the issue	135
4.1.2.3	Process of study selection.....	140
4.1.2.4	Coding of the studies.....	141
4.1.3	Overview on identified studies.....	143
4.1.4	Quantitative overview on review results	164

4.2	Shareholder orientation	166
4.2.1	Implementations of shareholder orientation.....	166
4.2.2	Opportunities of shareholder orientation.....	168
4.2.3	Limitations of shareholder value orientation.....	170
4.2.4	Preconditions to shareholder value orientation success.....	172
4.2.5	Conclusions on opportunities, risks and success factors of shareholder value orientation	174
4.3	Value-based human resource management.....	177
4.3.1	Implementations of value-orientation in HR Management.....	177
4.3.2	Opportunities of value-orientation in HR Management.....	177
4.3.3	Limitations of value-orientation in HR Management.....	180
4.3.4	Preconditions to success value-orientation in HR Management.....	181
4.3.5	Conclusions on opportunities, risks and success factors of value based human resource management.....	183
4.4	Value based supply chain management.....	186
4.4.1	Implementations of VBM.....	186
4.4.2	Opportunities of VBM.....	187
4.4.3	Limitations of VBM.....	191
4.4.4	Preconditions to VBM success.....	193
4.4.5	Conclusions on opportunities, risks and success factors of value based supply chain management.....	194
4.5	Value based customer Relationship management	197
4.5.1	Implementations of VBM.....	197
4.5.2	Opportunities of VBM.....	198
4.5.3	Limitations of VBM.....	201
4.5.4	Preconditions to VBM success.....	201

TABLE OF CONTENTS XV

4.5.5	Conclusions on opportunities, risks and success factors of value based customer relationship management.....	203
4.6	Value based CSR Engagement.....	206
4.6.1	Implementations of VBM.....	206
4.6.2	Opportunities of VBM.....	206
4.6.3	Limitations of VBM.....	210
4.6.4	Preconditions to VBM success.....	212
4.6.5	Conclusions on opportunities, risks and success factors of value based social commitment.....	213
4.7	Conclusions from the Review.....	216
4.7.1	Summary of Review Results concerning VBM opportunities, limitations and success factors.....	216
4.7.2	Synthesis of insights for YIGC in comparison to other company types.....	223
4.7.3	Further empirical research needs.....	225
5	Empirical research Methodology: Indepth Case Study on VBM application in YIGCS.....	229
5.1	Empirical research rationale and Objective.....	229
5.1.1	Central questions.....	229
5.1.2	Study localization: Europe, Germany.....	230
5.1.3	Study contribution.....	231
5.2	Choice of Research approach.....	232
5.2.1	Quantitative or qualitative research design.....	232
5.2.2	Choice of qualitative research design.....	235
5.2.3	Methods of qualitative research.....	238
5.2.3.1	Document analysis.....	239
5.2.3.2	Field research.....	240

5.2.3.3	Summary of research methodology.....	242
5.3	Interview guidelines and implementation.....	242
5.3.1	Process of interview implementation.....	243
5.3.2	Surveying guidelines.....	243
5.3.2.1	Level of structuring.....	243
5.3.2.2	Interview structuring.....	244
5.3.2.3	Preliminary survey guidelines and prompts	246
5.3.2.4	Survey verification in a pilot study	247
5.3.2.5	Final survey questions.....	250
5.3.3	Participant and setting selection	251
5.3.3.1	Question of validity and reliability.....	251
5.3.3.2	Process of sampling, sampling criteria	254
5.3.3.3	Interview settings and anonymization.....	256
5.3.4	Data collection and preparation.....	257
5.3.5	Data analysis and presentation	259
5.3.5.1	Analysis scheme	259
5.3.5.2	Analysis of balances.....	259
5.3.5.3	Analysis of interview results	263
6	Research Findings	265
6.1	Portrays and verification of the participating YIGC.....	265
6.1.1	Participant overview and representativeness	265
6.1.2	Kirchner and Robrecht GmbH Management consultants.....	266
6.1.2.1	Youth and growth.....	267
6.1.2.2	Innovation	268
6.1.3	Ziener GmbH & Co. KG – sports fashion designer and producer	269
6.1.3.1	Youth and innovation.....	270

6.1.3.2	Growth.....	271
6.1.4	Allsafe GmbH & Co. KG - truck cargo securing systems	272
6.1.4.1	Youth and growth	272
6.1.4.2	Innovation	273
6.1.5	Nagarro GmbH Germany (Allgeier Group) - IT consultant and developer.....	274
6.1.5.1	Youth and growth	274
6.1.5.2	Innovation	274
6.1.6	blu professionals GmbH, blu Gruppe AG - employment agency and business angel	275
6.1.6.1	Youth and growth.....	276
6.1.6.2	Innovation	276
6.1.7	Comparative overview on the YIGC profiles.....	277
6.2	Understandings of VBM	279
6.2.1	VBM understanding of Kirchner and Robrecht Management Consultants	279
6.2.2	VBM understanding of Ziener	280
6.2.3	VBM understanding of Allsafe.....	281
6.2.4	VBM understanding of Nagarro GmbH (member of Allgeier SE)	282
6.2.5	VBM understanding of blu professionals GmbH (member of blu Gruppe).....	283
6.2.6	Comparative Summary of VBM understandings.....	283
6.3	VBM implementation and potentials of Kirchner and Robrecht Management Consultants.....	285
6.3.1	Value based human resource management	286
6.3.2	Value-based customer management	287
6.3.3	Value-based supply chain management.....	288

6.3.4	Social and ecological value orientation.....	288
6.3.5	Shareholder value orientation.....	290
6.3.6	Limitations and success factors of VBM according to Kirchner and Robrecht Management Consultants	292
6.4	VBM implementation and opportunities of Ziener	293
6.4.1	Value based human resource management	293
6.4.2	Value-based customer management	294
6.4.3	Value-based supply chain management.....	295
6.4.4	Social and ecological responsibility	295
6.4.5	Shareholder value orientation.....	296
6.4.6	Limitations and success factors of VBM according to Ziener.....	299
6.5	VBM implementation and opportunities of Allsafe.....	300
6.5.1	Value-based customer management	300
6.5.2	Value based human resource management	301
6.5.3	Value-based supply chain management.....	302
6.5.4	Social and ecological value orientation.....	303
6.5.5	Shareholder value orientation.....	304
6.5.6	Limitations and success factors of VBM according to Allsafe	308
6.6	VBM implementation and opportunities of Nagarro/ Allgeier	309
6.6.1	Value based human resource management	309
6.6.2	Value-based supply chain management.....	310
6.6.3	Value-based customer management	311
6.6.4	Social and ecological value orientation.....	312
6.6.5	Shareholder value orientation.....	312
6.6.6	Limitations and success factors of VBM according to Nagarro Germany GmbH.....	316

6.7	VBM implementation and opportunities of blu professionals gmbH/ blu Gruppe.....	317
6.7.1	Value based human resource management	317
6.7.2	Value-based customer management	318
6.7.3	Value-based supply chain management.....	318
6.7.4	Social and ecological value orientation.....	319
6.7.5	Shareholder value orientation.....	319
6.7.6	Limitations and success factors of VBM according to blu professionals/ blu Gruppe	322
7	A comprehensive value based mangement model for YIGCs	325
7.1	Objective and Rationale	325
7.2	VBM understanding of YIGC.....	326
7.2.1	Value based human resource management in YIGC	327
7.2.2	Value based customer relationship management in YIGC	331
7.2.3	Value based supply chain management in YIGC.....	333
7.2.4	Corporate social and ecological responsibility in YIGC.....	334
7.2.5	Shareholder value orientation in YIGC.....	336
7.3	A shareholder value growth model for YIGC	341
7.4	Value based process model for YIGC	342
7.5	Value based management scorecard for YIGC.....	346
8	Conclusions and Outlook	349
8.1	Summary of results and academci contributions.....	349
8.2	Management implications	351
8.3	Limitations and further research needs	352
9	REFERENCES.....	355
10	APPENDIXES	427

10.1	Survey questionnaire in German.....	427
10.2	Interview transcription 1: Krichner & Robrecht Management consultants	429
10.3	Interview transcription 2: Ziener GmbH & co. KG.....	436
10.4	Interview transcription 3: AllSafe GmbH Co. KG.....	443
10.5	Interview transcription 4: Nagarro GmbH Germany	454
10.6	Interview transcription 5: blu Professionals GmbH, blu Gruppe.....	463

LIST OF FIGURES

Figure 1: Conceptual framework of the study (own illustration)	8
Figure 2: Summative concept of YIGC (own illustration)	16
Figure 3: Mind map of empirical characteristics of successful YIGC founders and managers (own illustration)	28
Figure 4: Success factors of YIGC management team cooperation (own illustration)	33
Figure 5: Model of YIGC Human Resource and knowledge Management strategy (own illustration)	39
Figure 6: Corporate governance concepts and target systems (own illustration drawing on Hambrick et al. (2008, 382) and Hanschke (2010, 19)	43
Figure 7: Development model of YIGC governance (own illustration)	49
Figure 8: Fundamental financing strategies (own illustration)	50
Figure 9: Comprehensive model of YIGC (own illustration)	66
Figure 10: Integrative model of value based management (own draft drawing on Krol, 2009: 66)	75
Figure 11: Economic value added (EVA) (own illustration drawing on Weber & Schäffer, 1995: 172)	85
Figure 12: Shareholder value network (own illustration following Rappaport, 1995: 79)	86
Figure 13: Value based market model (own concept drawing on Porter, 1996: 20 and Kraus & Britzelmaier, 2011: 329)	95
Figure 14: Shareholder value and agency costs as a function of governance instruments (own illustration drawing on Wagenhofer, 2009: 12)	105
Figure 15: Value based management of the corporate supply chain (own	

illustration; following page).....	112
Figure 16: Integration of customer-related and corporate target system at all levels of the value-added stage as core function of CRM (own draft drawing on Haller, 1997, 77-82; Fischer-Winkelmann, 1983, 1212-1213; Porter, 1996, 63-68).....	117
Figure 17: Social responsibility pyramid (own illustration drawing on Carroll, 1991: fig. 3).....	122
Figure 18: Balance scorecard model, (source: Kaplan & Norton, 2004: retrieved form Reason Street, 2017: online)	126
Figure 19: Model of comprehensive corporate value orientation (own draft drawing on the Balanced Scorecard model, BSC, 2017).....	129
Figure 20: companies comparable to YIGC concerning one or more characteristics (own illustration)	136
Figure 21: Cubic model of empirical VBM studies (own draft).....	140
Figure 22: Orientation of the studies (own illustration)	164
Figure 23: Orientation of the studies (own illustration)	165
Figure 24: Relevant company types of the empirical studies (own illustration)	165
Figure 25: Summative cycle model of financial shareholder value orientation (own illustration)	176
Figure 26: Summative cycle model of value based human resource management (own illustration)	185
Figure 27: Summative cycle model of value based supply chain management (own illustration)	196
Figure 28: Summative cycle model of value based customer relationship management (own illustration)	205
Figure 29: Summative cycle model of corporate social responsibility (own illustration)	215

LIST OF FIGURES

XXIII

Figure 30: Extended Model of comprehensive corporate value orientation including empirical review results (own draft)..... 217

Figure 31: Combined survey design comprising document analysis and problem centered interviews (own illustration)..... 242

Figure 32: Interview process plan..... 243

Figure 33: Relationship between number of cases and analytical depth per interview and as a whole (own illustration drawing the discussion in Yin, 1994: 36; Lincoln & Guba, 1985: 28 and Baker, 2012: 10-33) 255

Figure 34: Brunswick’s lens model (own illustration based on Connolly et al., 2007: 7)..... 258

Figure 35: Steps of data analysis (own illustration drawing on Mayring: 2015, 62)..... 259

Figure 36: Value orientation at Allsafe GmbH & co. KG (source: Allsafe, corporate presentation, 2017, internal document) 281

Figure 37: VBM philosophy, vision and mission in the participating YIGC (own draft)..... 284

Figure 38: Kirchner & Robrecht - Balance data development 2010 to 2015 (own analysis based on the data published in bundesanzeiger.de, 2017) 291

Figure 39: Kirchner & Robrecht - Key ratio development 2010 to 2015 (own draft based data published on Bundesanzeiger.de: 2017, online) 293

Figure 40: Ziener - Balance data development 2010 to 2016 (own draft based on data published on Bundesanzeiger.de: 2017, online)..... 298

Figure 41: Ziener - Key ratio development 2010 to 2016 (own draft based on data published on Bundesanzeiger.de, 2017, online) 299

Figure 42: Allsafe GmbH & Co. KG - Balance data development 2010 to 2015 (own draft based on data published on Bundesanzeiger.de: 2017, online)..... 305

Figure 43: Allsafe - Key ratio development 2010 to 2015 (own draft based on

data published on Bundesanzeiger.de, 2017, online)	308
Figure 44: Nagarro Germany GmbH - Balance data development 2010 to 2015 (own draft based on data published on Bundesanzeiger.de: 2017, online).....	315
Figure 45: Nagarro Germany GmbH- Key ratio development 2010 to 2015 (own draft based data published on Bundesanzeiger.de, 2017, online).....	316
Figure 46: blu professionals GmbH - Balance data development 2010 to 2015 (own draft based on data published on Bundesanzeiger.de, 2017).....	322
Figure 47: blu professionals GmbH- Key ratio development 2010 to 2015 (own draft based on data published on Bundesanzeiger.de, 2017, online).....	323
Figure 48: Growth rates of YIGC compared (own calculation drawing on the values in published on Bundesanzeiger.de, 2017: online)	338
Figure 49: Overview on YIGC-SV key ratios by company in 2016 (own calculations based on data published on bundesanzeiger.de, 2017: online).....	340
Figure 50: Prototypical development time line of YIGC (own draft)	342
Figure 51: Comprehensive value-based management process model (own draft).....	345
Figure 52: Value based scorecard model for YIGC (own draft, following page).....	347

LIST OF TABLES

Table 1: Overview on YIGC financing options, their opportunities and risks (own illustration)	63
Table 2: Product and process-oriented Definitions of VBM (own draft)	70
Table 3: Integrative definitions of VBM (own draft)	72
Table 4: Overview on problem sets and solutions of principal agent theory (own illustration drawing on Jost, 2000: 156)	101
Table 5: Key word combinations for the selection of academic studies from data bases (own illustration)	141
Table 6: Overview on empirical studies in VBM with a focus on shareholder value orientation	146
Table 7: Overview on empirical studies in VBM with a focus on human resource orientation	150
Table 8: Overview on empirical studies in VBM with a focus on supply chain orientation	154
Table 9: Overview on empirical studies in VBM with a focus on customer relationship orientation	158
Table 10: Overview on empirical studies in VBM with a focus on corporate social responsibility orientation	163
Table 11: Quantitative as compared to qualitative research designs (own draft drawing on Brüsemeister, 2008: 48)	233
Table 12: Overview on qualitative empirical research designs (own draft)	236
Table 13: Relevant document types for document analysis	240
Table 14: Interview participants and their companies	265
Table 15: Overview on the participating businesses (own draft)	278
Table 16: Shareholder value development of Kirchner & Robrecht (source: Bundesanzeiger.de, 2017, own illustration)	290

Table 17: Shareholder value development of Ziener GmbH & Co. KG (source: Bundesanzeiger.de, 2017, own illustration)	297
Table 18: Shareholder value development of Allsafe GmbH & Co. KG (source: Bundesanzeiger.de, 2017, own illustration)	307
Table 19: Shareholder value development of Nagarro Germany GmbH (source: Bundesanzeiger.de, 2017, own illustration)	314
Table 20: Shareholder value development of blu professionals GmbH (source: Bundesanzeiger.de, 2017, own illustration)	321
Table 21: Implementations and success effects of value based human resource management in the interviewed YIGC	329
Table 22: Implementations and success effects of value based customer management in the interviewed YIGC	332
Table 23: Implementations and success effects of value based supply-chain management in the interviewed YIGC	334
Table 24: Implementations and success effects corporate social and ecological responsibility in the interviewed YIGC	335
Table 25: Implementations and success effects of shareholder value orientation in the interviewed YIGC (own draft)	337

LIST OF ABBREVIATIONS

Abbreviation	Full Expression
B2B	Business to business
B2C	Business to consumer
BSC	Balanced Scorecard
CAPM	Capital Asset Pricing Model
CEO	Chief Executive Officer
CF	Cashflow
CFO	Chief Financial Officer
CNC	Computerized Numerical Control (machine)
CVM	Customer Value Management
COO	Chief Operating Officer
CRM	Customer Relationship Management
CSR	Corporate social responsibility
CTO	Chief Technical Officer
CVA	Cash Value Added
DCF	Discounted Cashflow
EBIT	Earnings before Interest and Tax
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EBT	Earnings before Tax
e.g.	Lat. <i>exempli gratia</i> or in English for example
EP	Economic Profit
EU	European Union
EUR	Euro
EVA	Economic Value Added
F	Fixed, risk-free interest rate

FCF	Free Cashflow
FTE	Flow to Equity
GDP	Gross Domestic Product
GOP	Gross Operating Profits
IFRS	International Financial Reporting Standards
IPO	Initial Public Offering
IR	Investor Relation
IRR	Internal Rate of Return
IT	Information Technology
KonTraG	Corporate Sector Supervision and Transparency Act
LQ	Liquidation Value
M&A	Mergers and Acquisitions
MVA	Market Value Added
NIE	New Institutional Economics
NOA	Net operating assets
NOP	Net operating Profits
NOPAT	Net Operating Profit After Taxes
NOPLAT	Net Operating Profit Less Adjusted Taxes
NPAT	Net Profit After Tax
NTBFs	New Technology-Based Firms
P	Price
P/E	Price to Earnings Ratio
PR	Public Relations
P&L	Profit and Loss
OEM	Original equipment manufacturer
RT	Residual value
UK	United Kingdom
U.S.	United States of America
R&D	Research & Development

ROCE	Return on capital employed
ROE	Return on Equity
ROI	Return on Investment
ROIC	Return on Invested Capital
ROS	Return on Sales
SCM	Supply chain management
SGP	Stability Growth Pact
SME	Small and medium-sized enterprise
SV	Shareholder Value
SVM	Shareholder Value Management
T	Tax Rate
TSD	Thousand
TSR	Total Shareholder Return
VBM	Value Based Management
VC	Venture Capital
VR	Value Reporting
V_{EK}	Market value of equity
V_{FK}	Market value of debt
WACC	Weighted Average Costs of Capital
YIGC	Young Innovative Growth Companies
β_i	Beta Factor of a security i
ε	Error term in regression model
$\widehat{\mu}_M$	Expected return of the market portfolio
$\widehat{\mu}_i$	Expected return of a risky asset or share
σ	Standard deviation

1 INTRODUCTION

1.1 PROBLEM STATEMENT

Young innovative growth companies (YIGC) are stunning investors and promise exceptional development: Technology startups like Oculus VR or Magic Leap are raising billions of US dollars without having even launched a product on the market. Facebook bought Oculus VR at \$2 billion in 2014 January (The Guardian, 2014, online; Zuckerberg, 2014: online). Magic Leap is valued \$3.7 billion after they raised \$542 million from Google in quarter 4 of 2015 and up to \$827 million from Alibaba, the Chinese e-commerce platform provider in 2016 (CNBC, 2016: online).

This development pattern is typical for YICG: In their early stages, startup companies' expenses tend to exceed their sales revenues as they work on developing, testing, and marketing their idea. Entrepreneurial startup managers are generally facing two main problems:

Firstly, financing is essential to cover initial expenses. Financial means however are hard to attain, since start-ups are perceived risky, they don't have much history and so far lack profits. For start-up managers, it is essential to find external investors. YICGs frequently take recourse to risk capital to realize expansion and develop their business concepts. Venture capital investors intend to participate in corporate value creation. Venture capital funds benefit from a differentiate exit strategy, to secure their profits, which, until resale rely on hope and speculation alone (Weitnauer, 2001: 4-10).

Secondly, entrepreneurial startup managers have to build up, control and monitor novel organizational structures (Haps 2001: 197; Klandt, et al., 2001: 56; Brettel et al., 2000: 11-13; Szyperski 1999: 31-35). Due to initial development uncertainty deviations of actual results from planning are frequent and YIGC have to discover irregularities early to succeed (Horváth 1998: 122-126).

Value-based management (in the following VBM) could assist YICG concerning these issues. VBM concepts aim at long-term and sustainable corporate development. Sustainable shareholder value growth depends on a reasonable

fundamental value orientation concerning the company's material and immaterial assets. Management accordingly should be future-oriented, devoted to risk control and pay-out generation (Achleitner & Bassen, 2000: 154; Düsterlo, 2003: 12; Weber et al., 2002, p.8). Value based management models enable firms to enhance long term shareholder value by selecting adequate organizational designs and strategies, identifying value drivers and developing action plans, accounting and measurement systems (Ittner& Larcker, 2001: 353, Black et al., 1998: 298).

Value based management approaches have been established successfully with large exchange traded companies since the beginning of the 1990ies. A broad investor audience expects sustainable shareholder value creation and stock markets honor transparency and engagement in this regard (Coenenberg & Salfeld, 2003: 6).

Business economists however often refuse to transfer theories that are valid for large companies to YIGCs. It is assumed that YIGC differ from large corporations not only in size but equally in concept and quality:

A major problem concerning the applicability of value based management to YIGC is the theoretical foundation of the approach: It originates in and draws on Rappaport's shareholder value model, which is based on neoclassical investment theory and mainly addresses exchange-listed companies. The Capital Asset Pricing Model (CAPM) - the fundamental model of neoclassic - assesses the costs of equity capital as a linear function of incurred risk (Sharpe 1964: 425; Markowitz, 1952: 77).

This fundamental assumption may not be valid for YIGC: They typically do not have access to the public capital market, but are in the ownership of few founders and venture capitalists (Hamer, 1984: 34). Existing capital market models accordingly could be inappropriate. Shareholders of start-ups could behave differently than the public capital market and display lower levels of risk aversion and higher levels of opportunity orientation. Although the risks YIGC incur are significant, the opportunities emerging from a fundamentally novel concept could be exorbitant and harbor exponential profit and growth potential (Cheng & Lyu, 2003: 28). The linear relationship between profitability and risk assumed by the neoclassical capital market model accordingly could not hold for these companies

(Wonglimpiyarat, 2007: 721).

Since the theoretical assumptions underlying YIGC investment differ from neoclassical theory, conceptual problems concerning the application of VBM valuation methods result: Value based management refers to fundamental performance measures, e.g. the EVA (economic value-added concept), the difference of return on capital and cost of capital (Young & O'Byrne, 2001: 2). YIGC however frequently lack financial profits in the beginning and accordingly cannot be judged by fundamental figures.

This is why empirical research so far focusses on larger and more conservative companies. These are clearly comparable according to value based ratios and the assessment of fundamental measures' relevance is particularly placated and mostly conducted for exchange traded companies: Fama and French for instance compare the stock price performance of small and large companies and companies with high and respectively low book-value (from stock-market capitalization) and find that large and high book-value companies perform better in the long run (Fama & French, 1993: 3; Fama & French, 1998: 1975; Fama & French, 2006: 2163). As a matter of methodology however, they only consider exchange traded companies but neglect start-ups that are not listed with stock exchanges so far. Value based management research referring to stock companies only accordingly is biased.

Some research grounded in value-based management on SMEs is available: Bahri et al. (2011: 603) for instance suggest the EVA as a useful instrument for Canadian SME performance measurement. Günther & Gonschorek (2001: 18) however discover that in Germany mainly larger medium sized and management guided companies practice value based management, while owner-guided small companies do not apply value based principles but are more prone to risk and to a larger extent future oriented than their larger and established competitors. Equally Beck and Britzelmeier (2010: 14) find that SMEs tend to neglect value based management since they do not feel responsible to a majority of shareholders but to the owner mainly. Unfortunately, studies on VMB in SME do not explicitly refer to YIGC, but mainly to conservative SME without significant innovation or growth potential (Krol, 2009: 3; Krol 2007: 10-13; Khadjavi, 2005: 53).

This brief overview illustrates that value based management so far is widely neglected as an analytical framework for smaller, owner-led companies and particularly risky and innovative ventures. Previous research in SME however suggests that the application of VMB principles disposes of significant potential in this field (Kayser and Wallau 2003:84), but hardly analyzes the applicability of VBM practices to YIGC in detail. Analyses how value based management practices could be applied to YIGC and what potential opportunities or risks would emerge, are missing.

The development of sustainable corporate values however should be a major practical thrust for YIGC investors and managers.

Novel capital market regulations that have emerged after the 2007/08 economic crisis stipulate the application of VBM investment and financing principles: Basel III and the Dodd-Frank-Act have established novel and stricter regulations for outside creditors' investments, concerning the assessment of the target's equity base and profit prospects (Presber and Stengert, 2002: 34; Keiner, 2001: 25; Gleißner and Leibbrand, 2003: 369). YIGCs face a flood of regulations concerning balancing and publication which previously had only been applied to large corporations: e.g. the Corporate Sector Supervision and Transparency Act" (KonTraG) and the International Financial Reporting Standards (IFRS) which will prospectively be applied to SME in the near future. In order to benefit from the globalization of financial markets, attract risk-capital investors or realize an initial public offering (IPOs), start-ups cannot ignore these generally accepted valuation standards.

The application of VBM principles accordingly is useful and will in the near future be indispensable for YIGC to set foot on international capital markets and acquire sufficient equity and loan capital to realize the intended growth. VBM principles however are more than a necessary burden, but can contribute to rationalize internal decision-making and to structure corporate processes and accordingly encourage the sustainable development of YIGC (Krol, 2009: 18-21).

In sum, YIGC so far do not dispose of a profound understanding of the essence of VBM and lack theoretically founded and empirically applicable advice

on how VBM could be implemented in small but fast growing innovative businesses. The flat transference of established VBM approaches to YIGC is impossible since the standard valuation concepts just do not fit with YIGC investment and financing. Academically founded studies on value based YIGC investment are virtually unavailable.

1.2 STUDY OBJECTIVES, RESEARCH QUESTIONS AND CONCEPTUAL MODEL

This study intends to close the described research gap. It relies on essential three information resources:

1. A synthesis of so far theoretical insights on VBM and YIGC,
2. systematic review of available empirical research on existing VBM applications in large corporations and SME and
3. own empirical research in YIGC, concerning their value-based orientation in entrepreneurial practice,

Integrating these data, the study develops a novel framework for VBM in YIGC.

The study accordingly combines theoretical analysis in YIGC and on VBM, so far academic research on empirical VBM applications in other partly comparable companies and own empirical research in YIGC to develop an own YIGC oriented VMB model.

With the development of a YIGC specific VBM model this study supports and enriches academic research as well as entrepreneurial practice (Ulrich, 1998: 179): The dissertation provides YIGC with a guideline to adopt this framework to systematically and sustainably develop shareholder value. It contributes to academic research by developing a general VBM model that meets the particular needs of YIGC and is based on previous research in this field directed to other company types.

To concretize this extensive objective the study works on the following research questions:

1. What makes out YIGC, which objectives do they follow, how are they organized and which strategic concepts do they apply?

2. What is the essence of VBM and which principles and measures are applied to implement VBM?
3. In which companies is VBM applied empirically and what is the outcome concerning opportunities, limitations and success factors of the VBM approach?
4. In how far do YIGC so far apply VBM in entrepreneurial practice, how do they implement the strategy and what is their experience on opportunities, limitations and success factors?
5. How can a YIGC oriented VBM concept be designed to make it applicable for YIGC in general concerning basic conception, objective and valuation strategies?

1.3 METHODOLOGY AND STRUCTURE

To accomplish the above research objective and answer the research questions the study combines a theoretical and an empirical approach. The research methodology is detailed here. It corresponds to the structure of the following chapters.

The theoretical part of the study answers research questions 1 to 3 based on a systematic analysis of theoretical and empirical literature. It comprises chapters 2 to 4.

Drawing on previous theoretical and empirical studies in YIGC, chapter 2 analyses the business concept of YIGC concerning innovativeness, growth orientation, investment and financing. Organizational structure, human resource requirements, corporate governance system and financing strategies are contrasted to conventional companies. The particular risks and opportunities of YIGC as well as success factors of YIGC to attain sustainable profitability and growth are discussed.

Chapter 3 introduces to value based management from a theoretical perspective. Value is classified as a financial concept. The major economic theories – the neoclassical perspective and agency theory – on which VMB is based are explained. Chapter 3.3 extends the idea of value based management to further qualitative factors and external stakeholder groups, suppliers, managers, customers

and society. It is argued that sustainably developing companies cannot ignore stakeholder interests in order to ensure long-term growth and profitability. Shareholder and stakeholder objectives are intertwined.

Chapter 4 contains a systematic review of previous academic empirical VBM research that to some respect is applicable to YIGC. The reviews systematized applications of VBM, opportunities, limitations and success factors that have been reported in previous empirical studies e.g. on large innovative corporations and SME. Assumed opportunities, limitations and success factors on VBM implementation in YIGC are summarized. It is observed that a specific framework for VBM in YIGC has not yet been established. Neither have individual practical applications of VBM management been analyzed systematically.

The empirical part of this study works on this research gap. It comprises chapters 5 to 8. The idea of the empirical part is to inquire the objective and implementations, perceived opportunities, limitations and success factors empirically in the form of interviews with YIGC which apply VBM in practice.

Chapter 5 develops the methodology of the empirical analysis. An interview approach is chosen and this methodological choice is explained. Interview guidelines are developed and participants are selected systematically. A method for structured data evaluation and the analysis of publicly available balance data is developed.

Chapter 6 presents the interview results and compares the insights across the companies to find out on methods, potentials, limitations and success factors of VBM in entrepreneurial practice.

Chapter 7 compares previous VBM approaches for conventional companies as reported in previous empirical studies to the interview insights and integrates the results to come to a novel YIGC-specific model of VBM. The concept provides practical guidelines for conception and implementation of VBM in YIGC.

Chapter 8 concludes by contextualizing the framework within the body of previous VBM research. Limitations and further research needs are outlined.

The conceptual framework of the study is visualized in Figure 1. It illustrates the five blocks of the dissertation. It departs from the description of the ex-

isting theoretical frameworks of YIGC research and VBM. For both issues fundamental concepts, objectives, organizational framework and implementation/organization strategies are explained. Based on this theoretical foundation previous empirical research on the implementation of VBM in corporations is analyzed. So far identified implementations, opportunities, limitations and success factors for VBM are systematized.

The own empirical analysis mirrors this structure and evaluates practical applications of VBM in YIGC. A novel theoretical model - a specific concept for VBM in YIGC -results as the synthesis of theoretical and empirical analysis: It corresponds to existing theoretical frameworks in structure but equally mirrors the particular framing and needs of YIGC. In that, the novel model meets the requirements of both entrepreneurial practice and academic research for a novel theoretically founded and practically applicable VBM approach directed to YIGC.

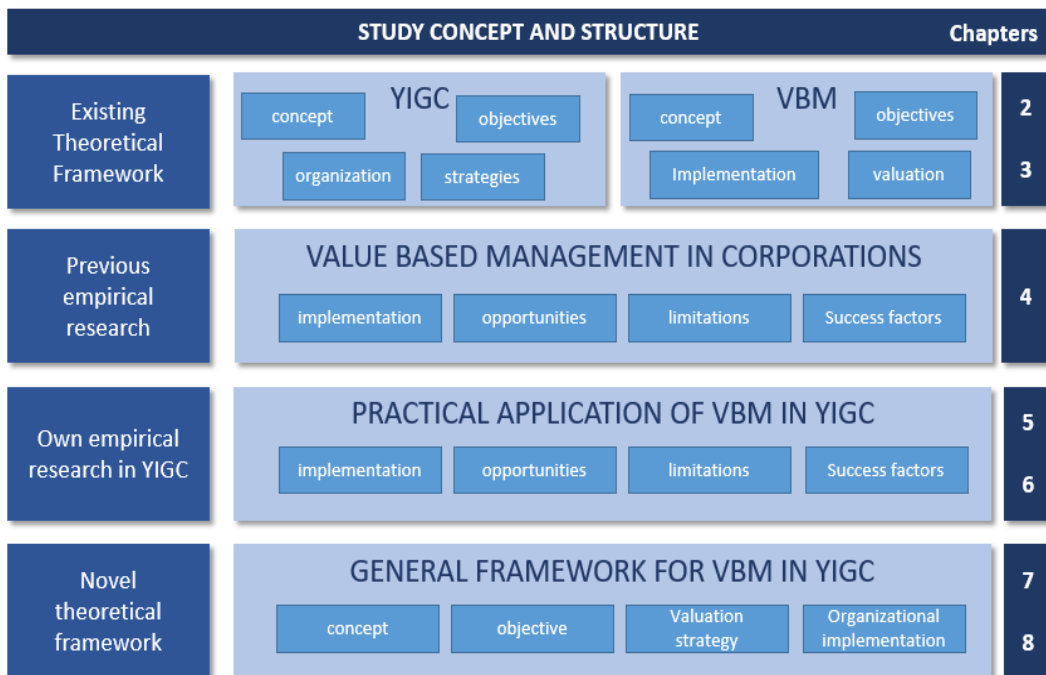


Figure 1: Conceptual framework of the study (own illustration)

2 YOUNG INNOVATIVE GROWTH COMPANIES - CONCEPT AND CHARACTERISTICS

2.1 DEFINITION OF YIGC

2.1.1 Term and conception

YIGC (young innovative growth companies) differ to conventional and established companies in several respects and previous research has found diverse designations for this company type. YIGCs are equally named gazelles (Birch and Medoff, 1994: 159), high growth companies (Ahrens, T. 1999: 1), high-growth ventures (Siegel, et al., 1993: 169), high-growth firms (Delmar and Davidsson, 1998: 399), rapid-growth firms (Barringer, et al., 2005:663; Barringer, et al., 1998: 97; Fisher, et al., 1997: 13) or New Economy and e.g. new technology-based firms (NTBFs) (Schefczyk and Pankotsch, 2002: 21pp). The variety of the terminologies indicates that there are many different kinds of YIGCs. Partly the names are interchangeable however (Schefczyk and Pankotsch, 2002:21pp).

The question of which characteristics are common to young innovative growth businesses has been discussed extensively:

Delmar and Davidsson (1998: 399) point out that in spite of increasing interest in high-growth enterprises, there is little understanding about the characteristics of these businesses. Wiklund finds the complexity of corporate development, which brings forth exceptional performance and above-average success, a major reason for this shortcoming (Wiklund, 1998. 36). A broad range of aspects can contribute to rapid entrepreneurial growth and the factors usually interact (Dautzenberg, et al, 2012: 21; European Commission, 2015: 13; Coad and Rao, 2008: 3; Henrekson and Johansson, 2009: 5).

The term YIGC contains the elements

- Young
- Innovative and
- Growth

The relevant companies should unite all three traits. Previous research however frequently focusses on one or the other aspect. The following paragraphs provide a synthesis of the points made on each issue to come to a comprehensive definition of YIGC:

2.1.2 "Growth" as crucial characteristic

Previous investigations show remarkable differences in their approach to measure growth. Differences can be predominantly found in the selection of the growth indicators - i.e. the measurement of growth such as absolute, relative and combined in time or how and in which way growth is generated (Dautzenberg, et al., 2012: 8). Common growth indicators are financial assets, market share, physical output, profit, sales revenue and the number of persons employed (Ardishvili, et al., 1998: 21-23; Delmar, 1997: 62-63). Most of the studies use quantitative growth indicators like sales revenue and number of employees, which can usually be traced in financial reports and statements and are not correlated to capital intensity and other ratios (Dautzenberg et al., 2012:8).

Previous research further differs concerning the growth level expected for growth companies: According to Barringer et al (2005: 664), rapid-growth firms are companies with a three-year consecutive sales revenue growth rate of 80 percent. Such tremendous high growth rates in sales prove market acceptance and corporate success and have been realized by Apple Computer, Cisco Systems and Oracle for instance. Earlier studies indicate more conservative performance measures: Atkinson & Court (1998: 13) find an annual 20 % sales growth during five consecutive years sufficient. Similarly Birch and Medoff (1994: 159) define firms with as sales growth over 20% per year and a minimum sales of 100.000 USD per year as YIGC. Sigel et al. (1993: 172) expect sales revenue growth of at least 25 % over the last three years.

Employment is another established measure of corporate growth. High-growth firms according to the U.S. National Commission on Entrepreneurship dispose of annual employment growth rates of more than 15 percent for a period

of 5 consecutive years (Volkman, et al., 2009: 46). Birch and Medoff (1994: 160) name fast growing young companies, which dispose of absolute annual employment growth rates of 20%, as “gazelles”. Growth in employment rates is an indicator of successful corporate human resource management (Hambrick and Crozier, 1985: 31-32; Barringer, et al., 2005: 664; Kotter and Sathe, 1978: 29).

Sales revenue and employee growth differ concerning advantages and disadvantages. Both performance indicators measure growth quantitatively and are available and comparable easily. Quantitative growth is linked to the increase of measurable variables, e.g. sales revenue, profit margins and employees (Volkman, et al., 2009:45; Ahmad and Seymor, 2008: 11).

However quantitative growth measures are not comprehensive: Sales revenue reacts very sensitively to market changes e.g. inflation and currency effects, while employment is a more stable indicator (Dautzenberg, et al., 2012:8). Some successful growth companies especially innovative and technology firms are primarily growing through investment in skilled employees and in innovative developments. Under these conditions sales revenue growth is not an adequate growth indicator (Delmar et al., 2003: 11). Employment growth is the most frequently applied measure and a proven indicator for YIGCs. The introduction of the minimum employment rate is a main differentiation factor from small and smallest companies to YIGCs (Dautzenberg, 2012:32).

To compare heterogeneous businesses' and companies' growth more profoundly qualitative criteria are helpful. Qualitative measures characterize corporate growth orientation without referring to business figures directly and usually are future-oriented i.e. assess the future growth potential of an organization (Mitsch & Schimke, 2011: 3). They thus are more challenging to assess. They refer to the continuous development of corporate practices and the organizational behavior (Volkman, et al., 2009:45) or character and behavior of the founder (Barringer, 2005:667pp).

Relevant qualitative growth measures for founders' characteristics quoted in literature are for instance:

- relevant industry experience (Siegel, et al., 1993: 169; Feeser and

Willard, 1990: 87; MacMillan and Day, 1987: 27)

- subject-specific and management oriented educational background (Sapienza and Grimm, 1997: 5; Dautzenberg, et al., 2012:29;)
- entrepreneurial experience (Stuart and Abetti, 1987: 215)
- dense private and business-related social networks (Hansen, 1995: 7)
- reliable founding partners and entrepreneurial team (Eisenhardt and Schoonhoven, 1990: 504; Feeser and Willard, 1990: 87).

Relevant qualitative measures of corporate growth refer to:

- clear commitment to growth combined with an entrepreneurial vision and a distinct organizational mission statement (Kim and Mauborgne, 1997: 11)
- strategic organizational structure apt for growth including concrete mid-term and long-term plans for sustainable growth initiatives (Fisher, et al., 1997: 13)

Measures of growth and definitions of “high growth” accordingly differ in literature. In practice both qualitative and quantitative measures of YIGC success should coincide to ensure sustainable growth and development (Mitusch et al., 2011; Dautzenberg et al., 2012: 20).

2.1.3 “Innovation” as a crucial characteristic

Innovation is the second major characteristic of YIGC in highly industrialized countries (Dautzenberg, et al., 2012:20). A company is innovative when its business concept is new. Especially foundations in intensive future-oriented research areas are considered innovative (Langenberg, 2008:18; Szyperski and Nathusius, 1977:28).

Although, innovations are as a rule connected to novelty, there is no uniform definition. Innovations can relate to novel products, processes or even to processes that enable novel problem solving. Pleschak and Sabisch (1996: 1) distinguish product innovations, process innovations, market innovations, procurement innovations, social innovations, organizational innovations and strategy

innovations.

Innovations emerge from a new combination of objectives with means of production or service provision. Innovations therefore require the perception or creation of new needs. However, a new invention is not yet an innovation. Innovation also requires its implementation in a product that satisfies the need (Hauschildt & Solomo 2001: 6). Product innovations result in an increased performance capability and a benefit improvement from the point of view of the customer or buyer (Körner et al., 2008: 35).

The concept of innovation also depends on the perspective: in addition to the objective dimension ("What is new?"), it includes the subjective distinction "For whom is it new?" And the procedural dimension ("When does the innovation begin?" (Körner et al, 2008:35). This means that the perception of the customer or purchaser of innovation also plays a decisive role concerning the perceived degree of innovation.

Entrepreneurial innovativeness orientation usually is not reflected in business figures directly but only measurable by qualitative standards. Several qualitative innovation indicators are quoted in previous literature and comprise:

- New demand creation by the development of innovative products and services that meet upcoming trends and satisfy customer desires (Kim & Mauborgne, 1997: 2, 2005:1)
- Innovation by R&D activities to establish a unique selling position by new products and services (Deeds et al., 1999: 221; Chakrabarti, 1990: 48; Schoonhoven et al., 1990: 177)
- Entrepreneurial marketing-initiatives to launch new products and open up novel markets (Carree & Thurik, 2003: 437; Acs & Audretsch, 2003: 55)
- Strategic human resource management initiatives to support the implementation of strategic growth objectives, e.g. recruitment of skilled employees, performance adequate payment, training on the job and future-oriented R&D activities (Barney, 1991: 99; Canals, 2000:13-14; Merchant and Van der Steede, 2007: 90; Hamilton, et al., 2003: 98; Kato, et al., 2010: 1; Barringer, et al., 1998: 97; Boxall, 1996: 59).

2.1.4 “Youngness” as a crucial characteristic

Growth and innovation accordingly are the major characteristics of IYGS. Previous studies differ concerning the age up to which growth and innovation companies can be called young or start-ups:

Young companies according to Fallgatter (2004: 29) and Langenberg (2008: 21) are aged between 0 and 5 years. The definition of YIGC is rarely applied to startups initiated 0-4 years ago. The term YIGC usually does not apply to very recent start-ups, since these companies hardly have developed significant growth effects. Acs and Mueller (2008, online) argue that companies aged five years and more start to unfold their major employment effect. Only 2-5 percent of the startups are counted as YIGCs.

Over 90 percent of the companies classified as YIGCs are older than 5 years (Acs, et al., 2008: 22; Anyadike-Danes et al., 2009: 5; Dautzenberg, et al., 2012: 19). Sometimes companies with an age up to twelve years are still classified as young (Chrisman, et al., 1998:6; Bantel, 1998: 208; McDougall and Robinson, 1990: 447; Langenberg, 2008: 21).

Although most YIGC are younger than low impact-firms according to more recent studies the average age of YIGCs is 25 years, (Acs et al., 2008: 22; Dautzenberg, et al., 2012: 19).

2.1.5 Correlation between Youth, Growth and Innovation

The available definitions for the characteristics youngness, growth-orientation and innovativeness suggest that all three characteristics are correlated and partly conditional for one another. Previous studies find support for this hypothesis:

More than 75 % of YIGCs develop innovations directly after their foundation. This ratio is by far higher than for regular small and medium sized companies. Outstanding and rapid growth is often generated by radically innovative companies (Veugelers, 2009: 1). As compared to conventional small and medium sized companies, YIGCs are investing much more in research and development. High R&D expenses are predominant in information technology, engineering and healthcare (Dautzenberg et al., 2012: 94). According to Dautzenberg et al. (2012:

24), YIGC investments in research and development are encouraging stronger corporate growth. Two-thirds of the strongly growing companies are generating radical innovations while regular small and medium sized companies' innovation outcomes are frequently incremental. Radical innovation accordingly is a predominant characteristic of growth companies (BMBF, 2007: 37pp; Veugelers, 2009: 3).

Empirical studies with exclusive focus on strong growth companies conclude that there is an interlinkage between the innovation activities and growth of YIGCs (Coad and Rao, 2008: 633-648pp; Hölzl, 2009: 59-75pp; Dautzenberg, et al., 2012: 24; Henrekson and Johansson, 2009: 11-19; Bos and Stam, 2011: 2-3). Companies with technological development and innovation experience a higher increase in labour and capital productivity (Solow, 1956: 65-94pp; Mankiw, et al., 1992: 407-437pp; Dautzenberg, et al. 2012: 70-71pp). In the long-run however innovation and technological development can be connected to low output-employment ratios but high sales volumes (Dautzenberg, et al., 2012: 8).

Newly founded companies frequently show high innovation potential. In 2009 nearly every sixth start-up developed a market innovation or conducted research and development activities. Around 20 percent of German start-ups introduce process innovations and more than one third rely on product innovations after their first year of operations (KFW and ZEW, 2010: II). Youth, growth and innovation are intertwined.

2.1.6 Summative definition of YIGC

The following chart summarizes the points made on YIGC in the above paragraphs:

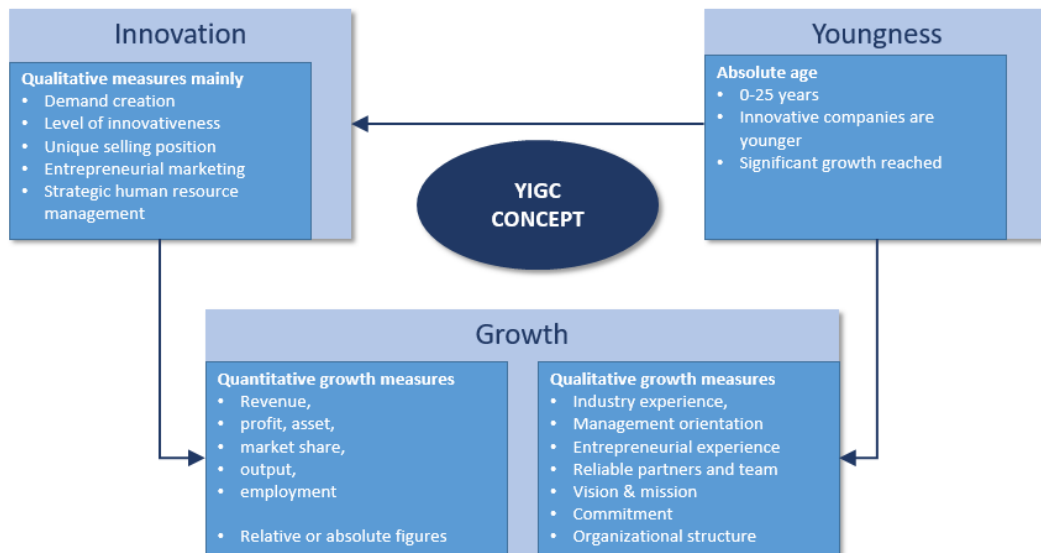


Figure 2: Summative concept of YIGC (own illustration)

YIGC combine the attributes youngness, innovation and growth, where youngness encourages both other characteristics and innovation again encourages growth. While youngness can be defined only relatively and innovation is mainly assessed by qualitative attributes, a broad variety of measures has been suggested for growth. While realized growth can be measured quantitatively, growth potential assessment has to rely on qualitative information.

Combining the age definition, innovative characteristics and growth measures discussed above, YIGCs and following Dautzenberg (2012: 32pp) - for the purpose of this paper are defined as follows:

YIGCs dispose of

- An average employment growth rate over 20 percent for a time period of minimum three consecutive years.
- A total employment growth rate of minimum 72.8 percent between foundation and assessment point of time.
- More than 10 employees in the base year

Aspirant YIGCs

- Employ about 10 employees in the base year
- Have reached the growth criteria of employment growth of 72.8 percent in three consecutive years.

2.2 YIGC - DRIVING ECONOMIC DEVELOPMENT

YIGC are important drivers of economic development. They create innovation, growth and employment:

2.2.1 YIGC - major thrust: Innovation and corporate expansion

Business foundations and particularly foundations of YIGC are innovative processes. According to Weick entrepreneurial foundations are processes of “organizing and assembling ongoing interdependent actions into sensible sequences that generate sensible outcomes” (Weick, 1979: 3).

New companies – like any kind of innovation – result as the combination of objectives and means of output creation. Innovative business foundations presuppose the analysis of overt or latent consumer needs and the creation of novel demand (Hauschildt and Salomo, 2001: 6). Business foundations correspond to innovations in so far as not only an invention is made but a marketable concept is put into practice on the basis of an economic concept that satisfies market needs (Disch, 2016: 3).

Any innovative foundation is a new challenge to the founders. Entrepreneurs succeed by establishing new social networks and creating new corporate structures corresponding to the business objective (Brüderl and Preisendörfer, 1998: 213).

Innovative foundations are subject to insecurity because proven routines are missing and patterns of action still have to be established. Any innovative foundation is an act of entrepreneurial creation and implies novelty and uncertainty (Schumpeter, 2000: 51).

It is an inner innovative vision that keeps YIGC going and growing: They desire entrepreneurial growth to expand their own sphere of influence, power and impact (Kuivalainen et al., 2012: 452). The corporate expansion implies the growth of personal responsibility, raises the hope to increase entrepreneurial profit and justifies higher salaries (Meyer & Skak, 2002: 179-180). This at first sight egocentric managerial strive, frequently coincides with shareholder objectives.

In resource intensive innovative businesses, continuous growth is seen as the only chance to survive in a steadily growing market in the long-term. Expansion is supposed to provide, economies of scale and scope. Previous success stories of competitors promise YIGC rapid development and growth in international markets. Particularly SME are forced to grow continuously to keep pace with established competitor and close up on larger multi-national corporations (Schueffel et al., 2011: 376). Larger supply chain partners prefer suppliers with an international network to service local manufacturing plants without delay (Moen et al., 2004, 1237).

Managers act as facilitators in building up business relationships and transfer their vision to the firm as a whole (Kviselius, 2008: 74-75). In a survey on internationalization patterns among German YIGC Olenik and Swoboda show that founders' and managers' experiences are the principal impetus for growth. Growth orientation and intelligence development as well as the change of market patterns determine growth strategies (Olenik & Swoboda, 2012: 480-482).

Customer orientation, synergy effects, sustainable development and the acquisition of internal and external partners are further thrusts of innovative entrepreneurial activity (Pörner, 2003: 5-8). Pörner's study shows that entrepreneurial target systems are in the tension field of a complex and conflict-loaded decision process. Strategic internationalization decisions go beyond short-term shareholder-value maximization and reflect the interests of further stakeholder groups like the management, employees, customers and society (Ulrich and Fluri, 1995: 79).

2.2.2 Creation of micro- and macroeconomic growth

Innovation is a primary source of economic growth and wealth. YIGCs promise technological performance and exceptional growth and attract growing attention from governments and economists. Policy-makers encourage corporate innovation (Harrison et al., 2005:2). According to academic investigations of corporate growth corporate performance and macro-economic growth correlate (van Stel et al., 2005:311-321; Carree and Thurik, 2010:557-594). According to Romer's 1990 macro-economic model, technological change, R&D investment, human capital resources and deliberate investment decisions drive growth (Romer, 1990:71pp). Innovation causes endogenous extraordinary growth shocks (Geroski, 1996: 141). Innovation equally is a resource of individual corporate growth and success: Growth implies change and stimulates change. Growth triggers economic, political and social evolution. YIGCs therefore are drivers of economic change and development (Seifert, 1997:21-27pp). Growth contributes to value generation and long-term survival (Canals, 2000:2). Empirical observations on YIGC confirm this theoretical argumentation: According to a survey among Flemish companies in 2001 to 2008 young and innovative companies indeed grow faster than their less innovative and more established counterparts and in this way, foster macroeconomic growth of the whole economy in the long run (Czarnitzki and Delanote, 2012: 3). European SMEs contribute to innovation. While established large corporation increasingly exploit proven and well-known technologies, small and particularly young companies are forced to explore new economic sectors and technological fields. Comparing the share of innovative EU companies by size the share of innovative enterprises is much higher among small but growing corporations (Veugeler, 2008: 240-243).

2.2.3 Employment creation

Growth is of particular relevance in Western European mature economies displaying modest annual GDP growth and high unemployment. Canals argues that growth companies create employment in future oriented projects (Canals, 2000:2) through product innovation which initiates sustainable economic growth. Governmental support by education, training and scientific research further en-

courages YIGC product and process innovation (Blechinger, et al., 1998).

Doms argues that employment or employment growth is positively related to technological innovation (Doms, et al., 1995). Research and development creates sales revenue growth and product innovation and hence employment growth (Blechinger, et al., 1998; Regev, 1998:301-323pp). Innovative products generate novel demand. Profits stimulate new investments which in turn push growth. The creation of new markets by innovation and improvement of productivity by technology fosters employment and raises the skill level of the work force (Blechinger et al., 1998: 2; Bresnahan, et al., 2002: 339; Aguirregabiria, et al., 2001: 43).

Empirical data for the USA and Germany support this assumption: YIGC comprise 350.000 companies out of a total of 6.000.000 current U.S. businesses and created about 60 percent of new jobs in the years 1993 to 1996 (Atkinson and Court, 1998:13). German SME employ more than 29.6 million people and realize more than 35.5% turnovers in Germany (ifm, 2015/II: online). Innovation in German YIGC creates employment: German SME invest 17.8% of their spending in R&D and 20% of their employees are engaged in this field. Large German corporations on the other hand invest only about 4.8% of their Budget in R&D and employ only 7% of their staff in this field. R&D growth is significantly higher among SMEs than among large companies (ifm, 2015/I: online).

Even in times of economic crisis, e.g. during the 2008 mortgage crisis, German small and medium sized enterprises had a stabilizing effect on employment. The research and development activities of small and medium sized enterprises increased by more than 35% between 2005 and 2010. YIGCs' contribution to employment growth was more important than for large enterprises' (Belitz, et al., 2012: 31).

YIGC activity could even compensate rationalization and crowding-out effects that impair the long-term positive impact of technological development on employment:

According to the displacement effect growing corporate efficiency at first encourages automation and leads to work force reduction. Rationalization

strengthens corporate competitiveness and results in price reductions which forces competitors to rationalize and reduce staff, too. In established markets competition is mainly driven by price reductions and quality improvements. German markets of the 1990ies for instance were characterized by growing but lowering rates of employment (Rauen, 1999: 19).

A compensation effect however results when consumers benefit from lowering prices and demand increases, which then again creates new employment. The net long-term effect of innovation on employment should be positive and its magnitude depends on the price elasticity of demand. The change in demand might encourage further corporate investments and reinforce product innovations (Katsolaucos, 1984: 83; Hamermesh, 1993: 61-62; Garcia, et al., 2002: 2).

YIGC focusing on new products, technologies and markets compensate for the displacement effect by creating employment in scientific research and development (Dautzenberg, et al., 2012:19). Innovative businesses and products are not subject to price competition to the extent established branches are. YIGC create new demand and realize turnovers at higher prices. Resulting margins are utilized for novel innovation and employment (Ali, et al., 1995:54-69pp).

Growth companies buffer the temporary effect of disappearing workforce and cut the cycle of employment- crowding-out short: While process innovation is associated with work force rationalization, strong positive effects on employment are expected from radical product innovation (Harrison, et al., 2005: 30). Growth takes place when companies and individuals discover and implement new formulas and recipes, briefly, new methods of doing things.

The key to growth are soft assets such as knowledge, leadership or new ways to rearrange things rather than invested capital or raw materials, but. Human creativity brings forth new ideas and products and discovers new service desires. Flat markets can be restored by R&D and human resource investment (Canal, 2000:3). Continuous innovation can keep growth rates and employment development up for many years (Huergo and Jaumandreu, 2004:541-559pp).

YIGC could equally support a sustainable pension fund system. While revenues from investments in established companies are limited, YIGC investments offer exponential growth opportunities and hence would cover pension funds

growing expenses over the next decades (Lezius, 2006:95). Investments in new growth companies could become an important component of a stable pension provision system (Leibfried, 2002:10). Based on YIGC investments a reliable pension fund system could equally be established in Europe (Thurow, 1999:90; Trampusch, 2009:28).

Previous studies agree that strongly growing firms have got a positive effect on national economy. The assessment of YIGC is essential to better understand entrepreneurial characteristics and behaviors linked to corporate growth (Barringer et al., 2005: 664pp; Feeser and Willard, 1990: 87).

How do YIGC implement their innovation and growth objectives? A broad range of studies have discussed strategic orientation and typical development patterns and success factors of YIGC growth:

2.3 FOUNDERS' AND TOP MANAGERS ROLE AND CHARACTERISTICS

Founders and top managers take a crucial role in YIGC. Ownership and management often coincide and frequently are in the hand of one person or a limited number of people (Schachner, 2006: 530). YIGC top managers and founders usually show entrepreneurial traits in the sense of Mintzberg's and Water's (1982: 495) entrepreneurship conception:

2.3.1 Entrepreneurial orientation

The concept "Entrepreneur" was introduced into the English language more than 150 years ago from French. Entrepreneurialism has frequently been discussed in economic literature and usually refers to essentially three human characteristics, to be detailed in the following: creativity respectively innovativeness, risk-taking and a so-called proactive behaviour. (Hennerkes and Kirchdörfer 1998: 36; Dunn, 1996: 141; Naldi et al., 2007: 33-34).

Several authors transfer entrepreneurship or "entrepreneurial orientation" to an organizational level (corporate entrepreneurship), describing a process of radically redefining the competitive situation by developing new resource combi-

nations (Sammerl, 2006, 113). Entrepreneurial orientation frequently is re-connected to the presence of an entrepreneur or firm owner, who has got a personal interest in the company beyond mere financial goals. Entrepreneurship implies sort of an idealistic personal commitment concerning the success of a business. This approach is based on Miller's (1983: 771) definition:

„... an entrepreneurial firm engages in product market innovation, undertakes somewhat risky ventures and is first to come up with ‚proactive‘ innovations, beating competitors to the punch.“

What do the key words creativity, innovation, proactivity and risk-taking imply in detail? Several authors have discussed this question:

Creativity according to Micheau (2004: 179) is pre-conditional to innovativeness. Creativity implies the inner belief in the inadequacy of existing solutions and the desire to optimize products or processes. Innovativeness according to Miller (1983: 771) is the basic openness towards new ideas, experiments and creative processes and results in the creation of new products, processes or services.

Schumpeter extends the concept of innovativeness to opening up new markets and resources (Micheau, 2004, 180) I.e. innovativeness is not restricted to the process of idea creation itself but comprises its implementation and economic exploitation (Volery, 2004: 5). Innovativeness, according to Weitz (2003: 13) necessarily implies economic or social use. Entrepreneurs develop products or production processes in a new way (Schumpeter, 1934: 132) generate valuable ideas for new goods or services that target an identifiable market with potential opportunities. An entrepreneur is a person who is willing and able to convert a new idea or invention into a successful innovation. He simultaneously develops new products and business models that create industry dynamics and long-run economic growth (Volkman, 2009:43).

The entrepreneurial manager is a shareholder and leader. His drive is to survive and to achieve growth in a changing environment. Entrepreneurial managers and founders will take advantages of technological changes and development to create new products for new markets (Gartner and Shane, 1995: 291).

Risk-taking is the third accepted characteristic of entrepreneurship. Risk

taking implies the willingness to accept uncertainty and manifests in a firm's readiness to incur financial efforts of even take out loans, to leverage the chance of profits (Knust, 2008: 16). Risk taking founders are ready to take charge of all business projects and to manage their business under uncertainty. Risk-taking is an important part of personal growth and useful in conducting business activities.

Proactivity means the ability to foresee and make use of new chances in recently developing markets. Proactivity is opposed to reactive behaviour. A proactive person or firm will not only react to competitors' strategies but develop own and new concepts (Schmelter, 2009, 24). Entrepreneurs are usually high involved with the company and often unable to delegate tasks, but strongly engaged in operative business (Gélinas and Bigras, 2004:269; Börstler, 1982:126).

This combination of innovativeness, creativity, risk-tolerance and proactivity is crucial to YIG development and long-term survival (Mugler, 1998:23; Mintzberg and Waters 1982: 495). The entrepreneurship concept in Schumpeter's tradition has frequently been criticized however. Lumpkin and Dess (1996: 193) for instance assert, that the attitudes innovativeness, risk taking and proactivity are overlapping to some extent and on the other hand do not necessarily go together. An entrepreneur should be innovative but simultaneously reluctant to take excessive risks (Lee and Lim, 2008: 3925). The concept of entrepreneurialism hence is under continuous discussion and evolution.

2.3.2 Empirical insights on entrepreneurial traits and behaviour

Empirical studies on entrepreneurship mirror the correlation but equally the conflict between entrepreneurial characteristics. The studies evaluate character traits and entrepreneurial behavior.

Initial human capital and basic character traits have repeatedly been found an important predictor of new venture performance: Cooper's (1994: 371) study among 1,053 start-ups differentiates entrepreneurs' demographics (e.g. race, gender, education), general entrepreneurial and management know-how and industry specific knowledge: Accordingly, all three factors contribute to growth and survival significantly. General human capital is more important to survival and growth than specific competences however.

Box et al. (1994: 261) test these success factors for future employment growth for a sample of 327 US manufacturing companies and find that entrepreneur's age, founding and management experience, industry experience and environment scanning intensity indicate later growth and profitability. Gimeno (1997: 750) confirms the results across 1, 547 US start-ups in several industries: Formal education, management and supervisory experience are highly significant success factors.

Jo (1996: 161) confirms the relevance of education to short-term entrepreneurial success for 48 Korean start-up companies. Entrepreneurs with high managerial start-up and high-growth experience but low education or lack specific business knowledge tend to be less successful concerning the parameters returns on assets, sales and employees as well as growth rate.

Cooper's et al.'s (1994: 371) similar sample of 1,053 US businesses from several industries and business fields delivers partly corresponding results for the target parameters failure quota, marginal survival and high growth. High education, white race, and entrepreneurial parents contribute to survival. Education, male gender and white race contribute to growth. "Experienced partners" and sufficient capital are essential positive moderators to growth as well as survival. For Cooper's sample however management experience is not a significant indicator of survival or growth. The formal education of the entrepreneur determines YIGC innovativeness (KFW and ZEW, 2010; Dautzenberg, et al., 2012: 29).

Toft-Kehler's et al.'s (2013: 453) study among 14,288 Danish and Swedish start-ups explains for these contrasting results on the effect of entrepreneurial experience on new venture performance. Prior experience has only got a positive effect, when the entrepreneur starts afresh in the same branch or business. Industrial, geographical and temporal similarities between recent and actual ventures are further positive moderating parameters. High founder's age, educational level and management experience are positive indicators of success for start-up in similar industries. Indeed Gimeno (1997) equally finds that similar business experience and the number of months spent in the same business enhance entrepreneurial performance.

Beyond demographic and mental characteristics that encourage entrepreneurialism several behavioral patterns have been analyzed directly.

According to Frese (2000: 1) the intensity and quality of entrepreneurial planning is an important success indicator for 80 small business start-ups in the Netherlands. They find that reactive strategies are less successful than critical point strategies. Entrepreneurs combining the later with opportunism are most successful, while reactive-opportunistic entrepreneurs disappoint. Critical point strategies work on difficulties and weaknesses of the business first before addressing inherent strengths. This focused approach is superior to a comprehensive detailed planning approach, particularly when combined with the opportunistic element of jumping on instantaneous opportunities that go beyond the original plan.

For a sample of Chinese start-ups Baron and Tang (2009: 282) find that entrepreneurs' social skills, particularly social perception (accuracy of perceiving others) and expressiveness are pre-conditional to new venture financial performance (i.e. sales profit and employment growth). Social adaptability and perception improve information acquisition capabilities. Expressiveness and social adaptability support resource acquisition. Both informational and resource related capabilities further enhance success. Firm size is a positive, firm age a negative moderator.

US culture seems to expect more extroverted and less society oriented founders. Ciavarella's et al.'s (2004: 465) longitudinal study of long-term new venture survival of U.S. multi-industry post-graduate start-ups between 1972 and 1995 refers to the so-called big-five character-traits extraversion, emotional stability, agreeableness, conscientiousness and openness to new experience. Only the character trait conscientiousness is positively correlated to survival beyond 8 years after foundation. Openness even diminishes survival quotas.

For a sample of 49 US high-tech start-ups a positive performance effect of psychological characteristics of CEO related to transformational leadership, i.e. hope, optimism and resiliency, has been found. This trait is more important for new ventures than for established firms (Peterson et al., 2009: 348). Hmieleski and Baron (2009: 473) on the other hand argue that exaggerate optimism is negatively

correlated to revenue and employment growth of new ventures. Experienced and skeptical or moderately optimistic entrepreneurs are more successful. They prove this for a sample of 111 US multi-business new ventures.

Hmieleski's and Corbett's (2008: 482) study on 159 random US entrepreneurial start-ups confirms that an improvisational attitude and behavior of the founders takes a positive effect on sales growth when combined with entrepreneurial self-efficacy. When the founders' latter characteristic is missing, improvisation affects performance negatively.

2.3.3 A summative mind map of entrepreneurial characteristics of YIGC founders and managers

In sum, the interaction of innovativeness, creativity, proactivity and risk-tolerance makes out a successful founder or YIGC manager. The comparative relevance of these traits is partly business specific and partly depends on the target culture. The following mind map summarizes the most relevant character traits and behavioral patterns identified in the above review and arranges them in the context of the initially defined major entrepreneurial characteristics creativity, innovativeness, proactivity and risk-tolerance. The chart summarizes the major empirical manifestations of the rather abstract conception of entrepreneurship.



Figure 3: Mind map of empirical characteristics of successful YIGC founders and managers (own illustration)

The graphic integration of the empirically observed character and behavior traits of successful entrepreneurs and founders illustrates that a balanced relationship of the entrepreneurial traits creativity, proactivity, innovativeness and risk-tolerance is in fact crucial to YIGC business success.

2.4 YIGC ADVISORY MANAGEMENT TEAM

2.4.1 Tasks and opportunities of an advisory management team

A permanently and increasingly quickly changing environment means new challenges to decision makers. Internationalization of markets, growing competition, the pace of technological change, governmental regulations, and demographic development have increased the complexity of decision making while decision time is diminishing. Founders and managers have to rely on an experienced advisory board to cope with this challenge and keep the YIGC competitive (Ruter, 2009:209; Henseler, 2006:1).

A competent advisory council helps top managers out of the dilemma of

loneliness and reduces the risk of undifferentiated assessment and inconsiderate decision-taking which is particularly poignant in hazardous business situations (Hennerkes & Kirchdörfer, 1998:4-6pp).

Competent dialogue partners discuss strategic questions in the management team and discharge entrepreneurs who are often strongly involved in the operational business and simply lack the time for strategic considerations (Upton, et al., 2002: 80). The advisory council ideally is a competent, neutral interviewer, sparring partner or playground to reflect, discuss and reconsider decisions (Achenbach, 2010: 3).

Consultative boards can take advisory-, control- and management-functions. Concerning the advisory function, they bring know-how and expertise to decision processes and enhance the profoundness and quality of decision outcomes. They provide new perspectives based on profound practical and scientific expertise, support internal and external communication and provide inputs to innovation processes. Concerning the management function, they provide practical knowledge, coordination tools and strategic planning. Concerning the control function, they inspire to reflect founders' actions and decisions and help to identify mistakes and mitigate risks (Blunck, 1993:55). In YICGs practice the main task area is councils' advisory function.

2.4.2 Success factors of advisory team operation

Advisory councils add value to any company and are particularly valuable for YIGC for which in the face of strong market and development dynamics managerial decision taking is strategically essential (Becker, et al., 2010:2). But how should the advisory council ideally operate and interact with the founder or top manager to make the YIGC succeed and grow sustainably?

Upper Echelon theory and models that explain top management team performance (Finkelstein & Hambrick, 1996: 15ff; Hambrick & Mason, 1984: 193) have motivated studies on the relevance of the interaction in the leading entrepreneurial team.

Team composition is an essential success factor: Chandler's (2005:705) survey among 728 start-up entrepreneurs indicates that adding entrepreneurial

members to a new venture team is negatively associated with performance while team members' departure improves performance significantly. Both effects gain in strength with progression in the business development stage but this relationship is inverted in highly dynamic industries. The number of team members is not correlated to member addition but augments member drop-out. Team heterogeneity, industry experience and diversity in functional expertise encourage team turnover.

Amason et al. (2006: 125) argue that top management team size and heterogeneity are particularly negative for new ventures entailing a high level of novelty, while for conservative businesses the contrary is true. They prove this assumption for a sample of 174 high-potential new ventures that issued IPOs between 1983 and 1988. The analysis assesses sales growth, profitability and market performance. Possibly novel businesses succeed better, when all team members are deeply involved and follow the same objective. This should be easier to achieve for small and coherent teams.

The form of interaction and communication in the advisory team is another determinant of YIGC business success: Based on a study among 159 German entrepreneurial teams Lechler (2000: 263) focusses on technology-driven companies and founders who hold shares of the company themselves. He evaluates various success factors e.g. profits and sales, efficiency, customer satisfaction and entrepreneurs' satisfaction over 5 years and argues that the intensity of social interaction within the team is crucial to new venture success.

For 70 U.S. new ventures from 42 industries, Ensley et al. (2001:145) find a positive correlation between affective and cognitive conflict in the top management team. Cohesion in the team reduces affective conflict but provokes cognitive conflicts - independent of the moral attitude of the team. Ensley et al. (2002: 365) suppose that cohesion improves entrepreneurial decision making, however cannot prove a relationship between team conflict or team cohesion and new venture success. They find a positive relationship between cognitive conflict and new venture growth while affective conflict impedes this success effect. However cognitive conflict heightens affective conflict which moderates the positive effect of

cognitive conflicts on the venture team. Cognitive conflicts increase “shared strategic cognition” which in the long run might contribute to new venture success. There are no definite empirical results on this final point however.

Effective top management teams sharpen their thinking by controversial discussion to find optimal strategic options (Amazon and Sapienza, 1997: 495; Maxwell, 2009:71ff). Every team member fulfills different tasks and functions which increases creativity and opens up new opportunities for corporate development. Decision speed, flexibility and responsibility are encouraged by task-distribution (Forbes and Milliken, 1999: 489).

Finally, the interaction between advisory board and founder or leader is essential: In a review based study Klotz et al. (2014: 226) explore the relationship between entrepreneurs’ personality, team processes, and performance outcomes of YIGC. Managerial experience, social capital, founders’ personality and mental ability take effect on the team building process. Entrepreneur’s characteristics precisely determine to what extent transition processes are managed successfully, team conflicts are solved constructively. Planning and goal setting take place diligently. The emergent state and development of the team depend on its members, their cognitive and affective status and relationships. Team development and team member interaction and mental state are crucial to YIGC success. Two studies support this complex causal chain empirically:

Founder personality according to DeJong’s et al.’s (2011: 1825) survey among 323 US based YIGC mediates task and relationship conflicts in the top management team. In accordance with previous assumptions they show that task conflict increases venture performance, whereas relationship conflict is an impediment. The study analyses the so-called big-five character-traits and finds that neuroticism impairs any form of conflict management. Conscientiousness diminishes both conflict types. Extraversion and openness decrease relationship conflicts. Openness and agreeableness increase task conflict. Openness, agreeableness and extraversion accordingly improve new venture success. These results differ to Ciavarella et al. (2004: 465), who find that only conscientiousness is relevant to long-term entrepreneurial success. The deviation could result from differences in sample selection, and observation methodology.

Watson's (2003: 145) analysis of 70 US new ventures finds the parameters, partner synergy, partner direction and educational differences important success factors for business growth, while perceived synergy and direction differences impede entrepreneurial growth. Top management team inter-relationships have not got any significant impact on profits. Lechler (2001: 265) points out however, that team composition and the entrepreneurial context are further important co-determinants that take effect on social interaction and task performance which should not be neglected in practice. Lechler assumes that cognitive and affective conflicts in the top management team of new ventures – which he shows to be positively correlated – affect success.

2.4.3 A summative model of entrepreneurial team cooperation

In sum, entrepreneurial team structure and cooperation have proven important success factors in previous research. The authors agree that permanent changes on the management team are a success impediment. Successful teams cooperate closely but limit their controversies to subject questions without becoming over-emotional. Team members' individual personalities and personality fit codetermine team interaction and are crucial to YIGC success. A definite relationship between conflict or agreement on the top management team and success has not been found yet. Synergy effects among founders are fruitful but they should agree on the development direction to succeed.

The following chart illustrates the major success factors of advisory board composition and management team interaction identified in the review:

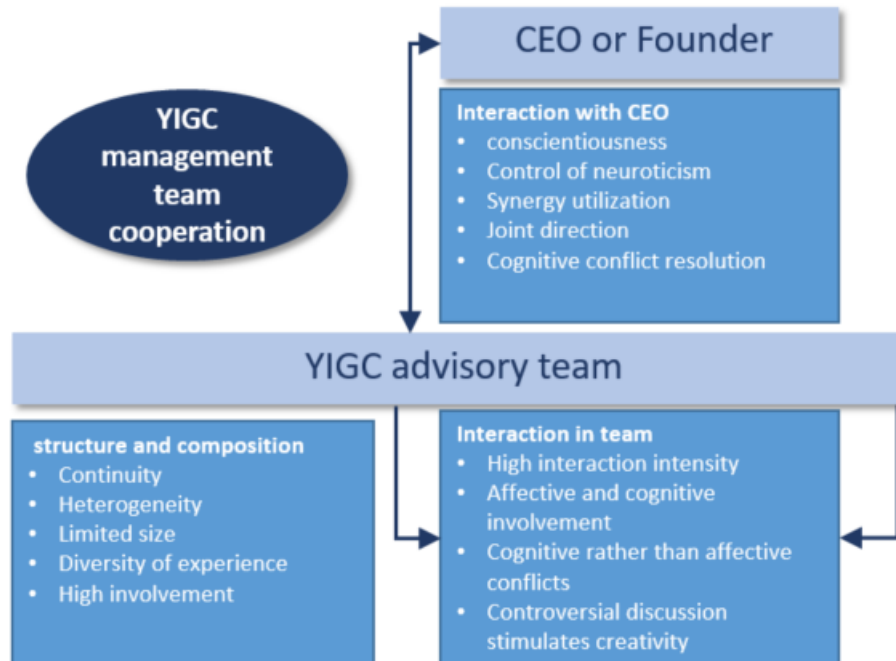


Figure 4: Success factors of YIGC management team cooperation (own illustration)

2.5 YIGC HUMAN RESOURCE AND KNOWLEDGE MANAGEMENT

2.5.1 Resource and knowledge based view as a theoretical framework

The so far discussion has focused on founders and the top management team. Section 2.1.3 however has shown that YIGC growth success equally depends on innovation, i.e. the development and production of novel products meeting novel demands. The whole entrepreneurial team – leading, strategic and operative departments - cooperate in this respect. Human resource and knowledge management accordingly are a major challenge and success factor for YIGC competitiveness, development and growth (Popa and Pater, 2006: 39).

The resource based view emphasizes that the human resources are a major source of competitive advantage (Barney, 1991:99-120pp, Drucker, 1954; Boxall, 1996: 59; Hannon and Atherton, 1998: 19; Dyer, 1993: 3-5). This approach draws on the work of Penrose (1958) and in contrast to the market based perspective

(Porter, 1996: 285) focusses on the inner values of a firm. It analyses the impact of access to unique and specific resources, technology, and knowledge bases, on growth and performance (DeSarbo, Benedetto & Song, 2007, 103-104). In that, the quality and the combination of internal resources is essential. If a company manages to combine valuable, rare, in-imitable and non-substitutable resources effectively, it generates core-competencies (Barney, 1991:99-102; Amit and Schomaker, 1993:36; Barney 1986: 1231; Rumelt, et al., 1984: 286; Petegraf 1993: 179). The accumulation of inner resources, i.e. employees, knowledge and material assets, according to Penrose, should augment synergetic effects and render firms more competitive in new markets (Penrose, 1958: 55ff). Competitive advantage lies in the application of valuable resources at the company's disposal (Wernerfelt, 1984:172; Rumelt, et al., 1984: 557-558; Penrose, 1959). This insight has made the resource-based view a guideline for strategic management (Conner and Prahalad, 1996: 477).

The knowledge-based view of the firm originates in and builds on Penrose's resource based perspective. Conner and Prahalad (1996: 477) regard knowledge resources as the essence of the resource-based view. Know-how is considered a particularly important intangible corporate asset (Hamel and Prahalad, 1989:69). In a continuously changing and evolving society knowledge turns out the key resource to ensure entrepreneurial success and competitive advantage. Knowledge is inimitable and penetrates all levels of the corporation. Knowledge is constitutive for business culture and becomes effective by cooperation and its practical application (Grant, 1996: 109; Alavi & Leidner (1999), S. 108-109).

2.5.2 Conceptions of human resource and knowledge management

Human resource management draws on the insights of the resource based view. The term refers to the activity of hiring staff, allocating employees and jobs and developing people in a rapidly changing environment (Morris, 2001: v). Human resource management aims at improving work satisfaction, employee performance, staff continuity, the development of knowledge and responsibility and conflict avoidance (Ramsey et al, 2000: 51, Becker & Gerhart, 1996: 779). Human resource strategies comprise adequate staff selection, qualification and training,

organization of work routines, the development and application of effective evaluation and control systems and motivation systems (Bartel, 2004: 181; Harley, 2007: 608).

According to Kehoe and Wright, Human Resource measures can be classified into ability enhancing, motivation-enhancing and opportunity-enhancing practices. Ability enhancing practices comprise training and selection routines. Opportunity enhancing practices refer to material or immaterial incentives evaluation schemes and performance oriented payment. Motivation enhancing practices are employee participation in job design and planning, communication and information models and self-determined decision making (Kehoe and Wright, 2010: 4).

The above definition of human resource management indicates that there is a close interlink to knowledge management. Employees' knowledge makes out corporate knowledge. Knowledge resources comprise „Facts, information, and skills acquired through experience or education; the theoretical or practical understanding of a subject“ (OED, 2014, online). Knowledge management is a continuous process to develop new products, services, technologies and systems (Takeuchi, et al., 2004: 29-31).

Polanyi (1966, quoted from Sen, 2009: 3) differentiates explicit and implicit knowledge. While explicit knowledge is coded in formal language, implicit knowledge is intuitive and not coded. It usually is linked to particular contexts, activities and even sentiments and emotions (Nonaka et al: 1994: 339-340). While explicit knowledge is teachable, implicit knowledge is experienced by work practice or imitation only. This tacit and implicit knowledge however is of particular importance to innovation and development. It emerges in cooperation and communicative interchange (Schubert, 1998: 618). While explicit knowledge can be documented and taught, tacit knowledge resources are locked up with the employee and open up when employees are motivated to collaborate (Meier, 2011: 6; Dalkir, 2013: 3).

Knowledge management intends to make use of employees' knowledge for the firm by encouraging knowledge acquisition, knowledge transfer and applica-

tion in entrepreneurial organizations. Knowledge management understands that knowledge is the essential resource and intends to optimize knowledge usage to enhance entrepreneurial competitiveness and success (Demarest, 1997: 374).

2.5.3 Implementation of HR and knowledge management in YIGC

Human resource and knowledge management are of particular importance and simultaneously are a particular challenge to YIGC. Both disciplines are strongly intertwined here: Innovativeness and growth orientation make employees readiness to contribute their explicit and tacit knowledge even more important than in conventional businesses (Arthur, 1995: 29).

According to Takeuchi, a permanently changing environment redefines the sources of competitive advantage. Classical production factors like land, capital, and labor lose in importance. Knowledge is the most important resource of YIGC, the basis for production and a key factor on organizational performance and competitiveness (Takeushi, 1998: 21-29pp).

Strong growth implies the continuous evolution and change of organizational structures. Short development and launch periods presuppose integrative cross-functional communication. Human resource management and practices in YIGCs have to be aligned to their growth strategy to achieve sustainable competitive advantage. Growth increases the number of communicative relationships exponentially which impairs the efficiency of decision processes (Kotter and Sathé, 1978: 29). Human resource policies are essential to handle growing complexity (Arthur, 1995: 29-33).

Knowledge management is the key resource for successful research and development i.e. the implementation of product and process innovations. R&D is indispensable for sustainable YIGC growth (Eglau, et al., 2000: 105pp). Internal or external research and development activities of YIGCs are the sources for innovation. YIGC competitiveness originates in the acquisition of embodied or disembodied technology (Griliches, 1979: 92; Griliches, 1990: 1661). Growth strategies with focus on customer wishes and market developments are based on profound analyses on the market environment. Strategic planning anticipates the emergence of new and follow-up products (Prahalad and Ramaswamy, 2000:79pp).

Empirical studies prove the interdependence of R&D and process and product innovation:

The degree of planning formality (i.e. the existence of a complete business plan) and the degree of innovation have been found determinants of sales growth for a sample of 500 US small growth companies. Both strategic orientations according to Olson (1995: 34) reinforce each other.

According to Koeller's et al.'s (2006: 427) study among 158 German start-ups innovation and managerial capability strengthen corporate growth, while total market growth is insignificant. The combination of innovation and management resources apparently is decisive to growth.

For a sample of 123 US independent new ventures industry growth and innovation strategy interact: In high growth industries firms following a breadth strategy display strongest sales growth. These winners are aggressive, innovative and active in advertising and promotion (Robinson et al., 1988: 74).

Zahra's and Bogner's (2000: 135) survey among 116 US software companies proves that in dynamic environments the radicalism of innovation, intensity of product upgrading and level of external technology resource employment are crucial success factors. R&D is essential in heterogeneous environments YIGC are exposed to. Matching technological and innovation strategy with environment conditions is indispensable to business success. In accordance with Olson (1995: 34) they suggest a formal and well-planned innovation strategy. Although high R&D efforts do not at short notice result in profitability and growth R&D is essential to sustainable growth (Reid and Smith, 2000: 165).

2.5.4 HR and knowledge management as key success factors for R&D and innovation

Human resource and knowledge management prove success factors for YIGC development: Systematic knowledge management in YIGC is based on learning orientation (Sinkula, et al., 1997). Continuous learning encourages the collection and application of knowledge to generate competitive advantage (Calantone, et al., 2002: 515).

For instance, an orientation phase for new employees can be used to intro-

duce into corporate history, philosophy, vision and mission (Kotter and Sathé, 1978: 29; Canals, 2000: 13). The encouragement of individual professional and personal development helps to integrate employees and enhances their contribution to actual and future projects in a dynamic environment. Decision taking, creativity and innovativeness can be encouraged by a culture of risk-and error tolerance (Canals, 2000: 65-68). Companies developing appropriate human resource practices will generate visionary employees. Such an entrepreneurial culture strengthens sustainable profits (Penrose, 1959: 39).

YIGC managers systematically assemble, organize and develop organizational knowledge. Data basis, documents and news-letters and networking seminars are effective strategies to bring employees together. The development of know-how is crucial to solve innovation related tasks (Höpner and Hofer, 2010:24).

The combination of managers' and employees' knowledge contributes to competitive advantage (Wiklund and Shepherd, 2003:1313). In a dynamic environment which is characteristic for YIGCs quick adaption to new circumstances and the ability to learn and change are the most important capabilities (Barney, et al., 2001:631). Therefore, it is crucial that company leader are experts in knowledge management. Companies have to develop internal know-how and integrate external know-how and expertise. Dedication and the ability to question existing knowledge enable reflective learning and corporate development (Jenner, 2003:209pp). Alternative strategic options in a dynamic environment emerge from corporate knowledge resources. Knowledge management creates a culture of innovation which brings YIGC ahead of competitors (Canals, 2000: 12)

Effective human resource and knowledge management in brief are indispensable to YIGC success, since these are the major sources of R&D success and product and process innovation. Creativity and innovation are the foundations of YIGC growth (Adler and Chen, 2011: 63).

2.5.5 Summative model of YIGC HR and knowledge management strategy

In a highly dynamic environment of rapid technological change, high competitiveness and resulting high levels of uncertainty, YIGC depend on effective human resource and performing knowledge management. Human resource activities of YIGC combine diverse employee resources and are based on the intense interaction of employees and management. YIGC are open to novel ideas to a larger extent than established corporations and cultivate innovation by intense communicative interchange across all corporate levels. The result is a highly effective R&D management characterized by radical innovation and rapid product launches and development cycles emerging from an accurate sense of market development. The following chart illustrates this mechanism:

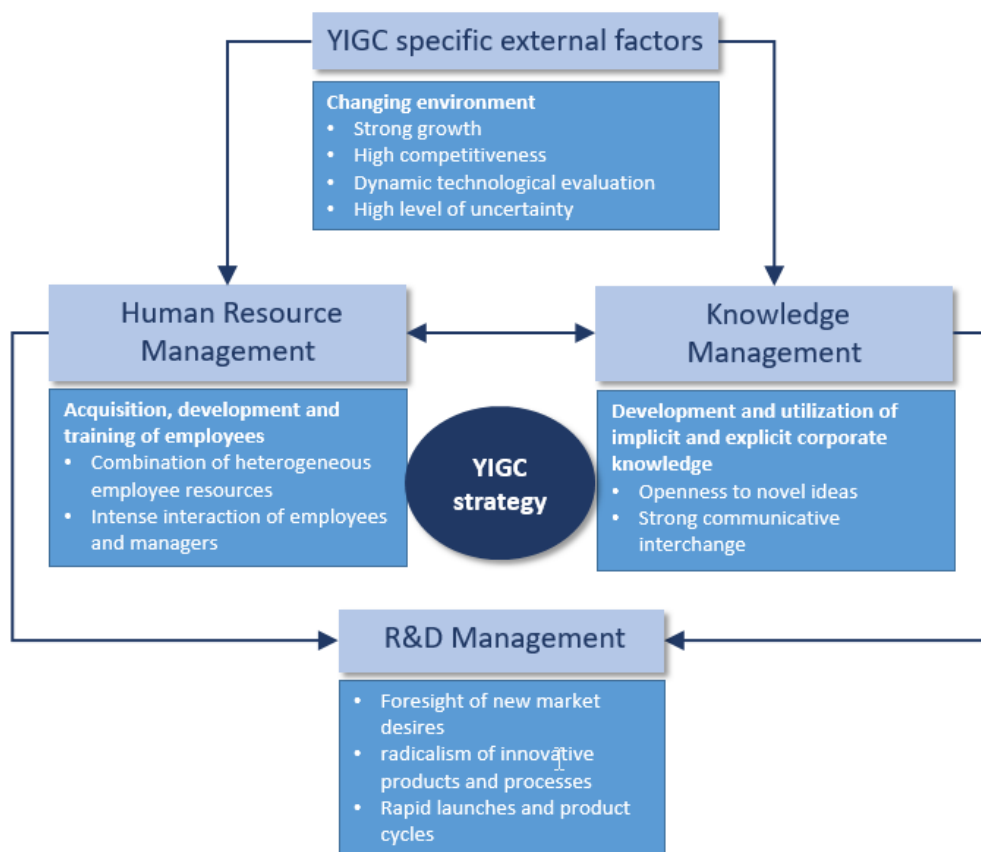


Figure 5: Model of YIGC Human Resource and knowledge Management strategy (own illustration)

2.6 GOVERNANCE STRUCTURES OF YIGC

Successful human resource and knowledge management rests on the selection of adequate governance structures. What make out corporate governance and in what respect are YIGC governance patterns specific? The following paragraphs discuss these questions:

2.6.1 Fundamental governance concepts

Governance concerns all processes of decision making and interactions among individuals and communities. Governance is relevant at all social levels: family, tribe, urban communities, companies, non-commercial institutions and last but not least the state (Clark, 2005: 4). The term governance originates in political science and implies shaping stable practices and conveniences that provide orientation to all individuals and teams involved in a certain process, which implies a gain in efficiency and order (Hewitt de Alcántara, 1998: 104). Governance uses particular instruments for instance laws, norms or a particular language, to create a common understanding and to purport binding objectives and agreements. They are intended to make sense and organize a plurality of individuals and objectives. (Hufty, 2011: 403-404). According to Tiihonen, (2004: 17) governance concepts have been evolving from top down to bottom-up, from domination to participation.

Economic studies have adopted the governance concept. Corporate governance refers to mechanisms of pushing through individual or corporate objectives successfully (Budäus, 2007: 18-19).

Governance according to Williamson aims at minimizing these transaction costs by shaping an optimal contractual solution (Williamson, 1979: 236; Osterheld, 2001: 104). Its type depends on the level of task specificity, information asymmetry and mutual interdependence of the contract parties (Richter & Furubotn, 2003: 41).

Recent contributions in the field of governance have additionally pointed out the relevance of sustainability to the governance approach. Governance accordingly is more than reaching a mass consensus but intends to find a sustainable solution that enables long-term growth and prosperity.

Governance refers to the whole system that insures monitors and controls this process (Johannsen & Goeken, 2006: 13). Corporate governance concepts in enterprises are classified with regard to their perspective and target system (Hambrick et al., 2008: 382; Hanschke, 2010: 19).

From the normative perspective, corporate governance establishes a “set of rules” determining the relationships between management, shareholders and other stakeholders. Corporate governance accordingly is the basic law on which strategies are developed and pursued (OECD, 2004: 17-18). In the normative sense, corporate governance refers to the corporate constitution, as the set of agreements the firm is based on, e.g. compliance regulation (Hanschke, 2010: 522), corporate objectives, fundamental structures and decision modes (von Werder, 2003, 4; Schwertsik, 2012: 17)

From the behavioral perspective corporate governance considers the relationships that establish between management, shareholders and other stakeholders in organizational practice. Governance should be based on a joint code of conduct trust. Behavioural governance intends a continuous process of harmonization and coordination (OECD, 2004, 19-20; Meyer et al., 2003, 445). Corporate governance principles take effect on the strategic and operational level and ensure desirable behavior in all corporate departments.

Target systems of corporate governance have been classified as shareholder or stakeholder oriented: A shareholder value oriented governance system as suggested by Rappaport (1998: 35) focusses on the interests of business owners, the shareholders. Efficient decision making should augment the value of their shares, by either maximizing profits using a fixed set of inputs or minimizing costs for a predefined set of outputs (Heinen, 1983: 33).

A survey among 30 German DAX companies however illustrates that most companies are about to deviate from this rather narrow perspective and purport a broader target system representing the perspectives of further corporate stakeholders. Globalization, growth, innovativeness, sustainable development, deregulation, decentralization, the utilization of synergy effects with partners and suppliers and last but not least an orientation towards customer needs are among the principal corporate objectives (Pörner, 2003: 5-8). This enumeration illustrates that corporate goals partly collide and represent diverse stakeholders’ interests (An-

soff & Sullivan, 1993: 12).

Achleitner and Gilbert (2009: 13) point out that the objectives of creditors, employees, managers, clients and society are much more extensive and partly contradict profit maximization as suggested by the shareholder value approach. Fair wages, occupational safety, harmonious supply-chain cooperation, dedication to customer needs and environmental protection do not reduce costs or augment returns at first sight. However, they ensure long-term survival and sustainable global growth.

Corporate governance, understood in a democratic sense, increasingly has to observe multiple corporate stakeholder interests. Corporate governance makes part of the entrepreneurial management process aims at optimizing shareholder value but equally at organizing governance structures sustainably and self-reliantly in order to optimize the process of value creation from the perspectives of all parties involved. (Van Grembergen, 2000: 2).

This perspective corresponds with Keeney's value-oriented target system which suggests to integrate all stakeholders into the process of target definition and prosecution equally (Keeney, 1996: 537). Fundamental and means objectives according to Keeney are defined interactively in a continuous process of discussion. A stakeholder oriented approach according to Keeney ensures compliance at all corporate levels and helps to avoid inner and external unexpressed conflicts from the beginning (Keeney, 1994, 33-35). This results in improved employee motivation, innovativeness and public acceptance of the firm and in the long run ensures competitiveness and growth (Keeney, 1999: 467-472). Finally, a stakeholder oriented perspective supports the essential shareholder objective of sustainable profitability (Arvai et al., 2001: 1073, Rose & Mejer, 2003: 335; Allen et al., 2008: 19-20).

2.6.2 A structural model of corporate governance

Bringing the conceptual perspectives of corporate governance, i.e. normative and behavioral positioning and the possible objective systems of corporate governance i.e. shareholder as opposed to stakeholder oriented target system together, a matrix results as follows.

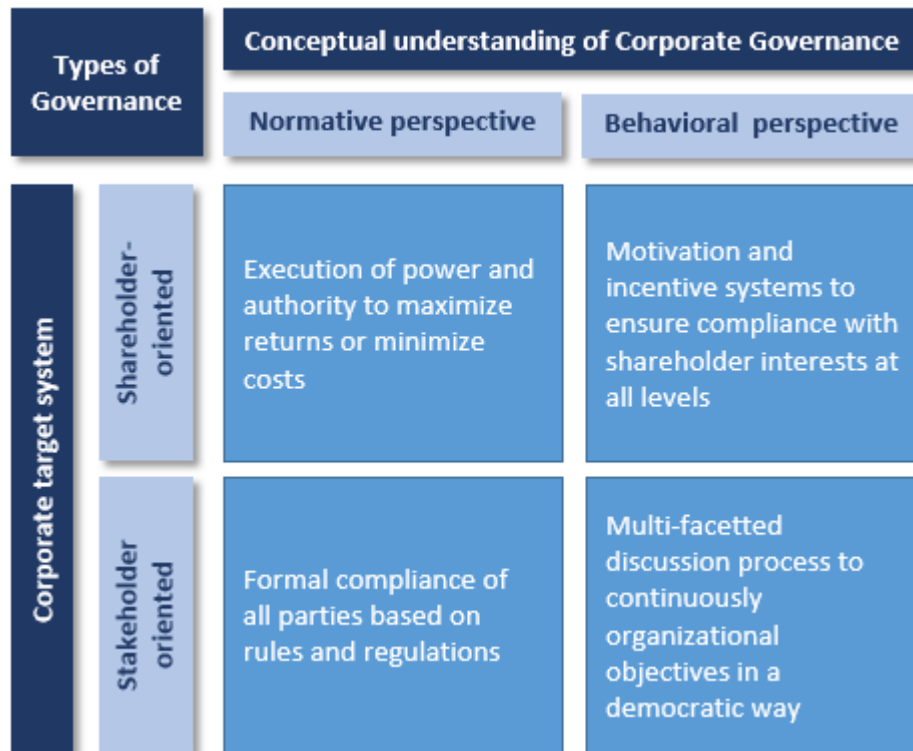


Figure 6: Corporate governance concepts and target systems (own illustration drawing on Hambrick et al. (2008, 382) and Hanschke (2010, 19))

Normative governance concepts rely on joint rules and regulations. In a shareholder-oriented target system these standards are imposed by an authority representing these usually mainly financial objectives (Lazonick & O’Sullivan: 2001, 13-14). If a normative perspective of corporate governance is combined with a stakeholder oriented target system, formal compliance regulations exist, that have been agreed on by a majority of stakeholders (Donaldson & Preston, 1995, 65). All participants are expected to comply with these norms. Normative approaches tend to be little flexible towards environmental changes but provide certainty and reliability (Allen et al.: 2008, 1).

The behavioral perspective allows a more “human” and communicative mode of interaction. If shareholders dominate the target system here, they develop a network of incentives and motivations that urges participants to comply

with their goals (Höpner, 2001: 2). If a stakeholder oriented target system dominates organizational structures and processes are renegotiated continuously among the stakeholder groups in a democratic way. Behavioral stakeholder oriented approaches reduce organizational stability but improve flexibility and dynamism (Gelter, 2009: 129). Stakeholder orientation encourages innovativeness and ensures broad support for agreed target, but in contrast to shareholder oriented target systems, agreements are more difficult to achieve (Wang & Dewhirst 1992: 119-120).

Which governance conceptions are practiced in YIGC and accordingly encourage growth and innovation? An extensive body of literature has discussed this question. The following paragraphs provide a summary of the results:

2.6.3 Normative or behavioral governance of YIGC

Previous literature suggests that corporate governance in YIGC frequently takes a behavioral perspective:

Entrepreneurship and innovation are based on creativity and an unconstrained work climate contributes to the development of soft factors (Page and Jones, 1990:45).

On the other hand, some authors suggest that a more authoritarian governance style emphasizing the normative perspective could equally be adequate. Canals (2000: 32-37pp) and Tonge et al. (1998: 842) see a linkage between systematic internal control and fast growth. Systematic control mitigates risks and reduces uncertainty and accordingly could be effective to develop a reliable work climate (Page and Jones, 1990:45). Employee control ensures alignment organizational interests, strategies and short-term goals (Merchant and Van der Stede 2007: 5).

Governance systems finally have to correspond to the individual culture and characteristics of a company (Langfield-Smith, 1997: 207).

In R&D intensive businesses and in the early start-up phase a behavioral

governance scheme seems more adequate. In highly dynamic companies, formal structures should only be implemented at the top management level while creative departments should focus on soft aspects (Sandelin, 2008: 324). YIGC frequently cherish the collaboration of their employees, team cooperation and support employee orientation by adequate incentive schemes: Profit sharing and team incentive plans enhance team performance of teams and strengthen the sentiment of belonging in work groups (Hamilton, et al., 2003: 465). It is shown that such concepts significantly increase productivity in YIGC (Kato, et al., 2010: 111).

The importance of authoritarian governance however increases with the number of employees. With company growth, organizational structures become increasingly complex and the focus shifts towards cost efficiency. The implementation of systematic control instruments particularly in production sites facilitates cost savings. The division into business units, separation of responsibilities in management and regular reporting promise efficiency gains (Sandelin, 2008: 326-327).

The mix of formal and informal governance tools should be balanced according to situational requirements however. This is of particular importance in dynamic environments YIGC are usually operating in. Managers should react sensitively to imbalances between environmental and internal corporate demands and governance style. External changes may be at hand or internal improvements could be necessary (Nilsson, 2010:4).

2.6.4 Shareholder or stakeholder oriented governance systems in YIGC

Successful YIGC according to previous studies are partly stakeholder and partly shareholder oriented in their governance target system:

Most owner managers dispose of a strong mental linkage to their company (Ikävalko, 2010:11; Mintzberg, 1979: 580; Gray, 2002: 61; Woods and Joyce, 2003: 181). From founders' perspective, YIGC frequently are status symbols, evoke a sentiment of possession and provide self-confidence. Owners feel in control of the firm and are their most intimate wizards (Ikävalko 2010:12; Pierce, et al., 2001: 298, 2003: 84).

Corporate target systems usually evolve however when YIGC grow. 'A small business is not a little big business' (Welsh and White, 1981:18):

Start-up owners usually feel personally responsible for all risks and opportunities their enterprise incurs (Ikävalko, 2010:11; Bennedzen and Wolfenzon, 1999: 113). The owner manager frequently takes decisions on his own. High levels of identification with the corporate lead him to intertwine corporate and personal objectives (Davis and Useem, 2002: 241). The linkage between ownership and responsibility evokes a long-term commitment to the company (Nordqvist, 2005: 39-41pp). As long as ownership is aggregated in the hands of the founder, managers are exposed to limited stress and pressure. External monitoring, control of operational and strategic directions and transparency regulations are dispensable in this period (Carney, 2005: 249). The major risk of a strong shareholder orientation in this phase is excessive control and the omnipresence of a single owner manager while external control and monitoring systems are neglected (Krol, 2009: 1; Khadjavi, 2005:252). With growing business reach owner-managers might find it difficult to keep control and to differentiate between urgency and importance (Behringer, 2009: 42).

The governance target system has to change towards stakeholder orientation when the company reaches the growth phase. Soon more than one shareholder emerges and the property right structure is diluted. Total and perfect managerial control now is not possible any more. The owner or founder discharges tasks to managers and employees (Nordqvist, 2005: 49-51). Frequently external consultants, the advisory board and councils, influence power structures during the growth phase (Emerson, 1962: 31). Conflicts of interests between the stakeholders particularly between outside owners and managers now can result. A stakeholder oriented more complex governance culture can be adequate in this situation (Khadjavi, 2005:58-60pp).

Adapted strategic management tools or processes help to foresee environmental changes and support entrepreneurial managers' decision processes. Stakeholder oriented governance target systems still should be flexible and agile to react towards external and internal changes (D'Amboise and Muldowney,

1988: 227). Differences result from firm specific factors and industrial as well as situational requirements (Nilsson, 2010: 4pp).

However, there is no automatism or stereotyped pattern of transition from a shareholder- oriented towards a stakeholder oriented governance target system when companies grow strongly and rapidly. Each YIGC has its own individual hierarchical structure (Krol, 2009: 31; Wortmann, 2001: 148). Although growth requires control, in YIGCs the tension between flexibility and regulation is obvious. It is the job of the entrepreneurial manager to find an equilibrium between flexibility and control to maintain the entrepreneurial spirit (Sandelin, 2008: 324).

A shareholder oriented target system can be combined with a normative or behavioral governance perspective – depending on the personal orientation of the owner-manager. A strong autocratic orientation and the prioritization of the profit objective corresponds to a normative governance pattern (Krol, 2009: 34-35pp; Behringer, 2004: 15). Some companies are more successful and avoid planning gaps when they operate on a centralized management control system (Risseeuw and Masurel, 1994: 314; Storey, 1994: 218). On the other hand, the owner manager's central positioning links him to employees and customers closely, which given an idealistic social or emotional leader goes along with a behavioral governance style (Süss, 2001: 22).

Similarly a stakeholder oriented target system can be combined with a normative or behavioral governance model (Adler and Chen, 2011:63): Organizational growth encourages functional differentiation and entails the emergence of specialized departments e.g. finance, purchase, marketing, engineering and research and development, which are under the management of department directors e.g. Chief Financial Officer (CFO), Chief Operating Officer (COO) or the Chief Technical Officer (CTO) apart from the company's product or geographic unit (Menz, 2012: 45-80pp). This structure of business management invites normative leadership decisions that are independent, content driven and partly appear bureaucratic (Segbers, 2007: 225).

A behavioral governance model can overcome bureaucracy inherent in stakeholder oriented target systems when communication and emotional involvement remain important across departments and hierarchical levels (Steiner, 1980:35-36pp). A comprehensive control system can equally integrate soft man-

agement instrument which encourage share values and compliant behavior and self-reliance (Langfield-Smith, 1997: 220; Merchant and Van der Stede, 2007: 685). In a stakeholder dominated behavioral system, however, YIGC run the risk of losing managerial control and their competitive focus (Behringer 2002:17). Managerial responsibility and employee engagement are essential to create a fruitful work atmosphere in a stakeholder oriented governance system (Grochla et al., 1981: 9pp). Incentive programs can contribute to create a sense of belonging and to maintain the impetus of aspiration and improvement (Canals, 2000: 65-66pp).

2.6.5 A summative process model of governance structure evolution in YIGC

Summing the review results up, YIGC can prosper under each of the governance scheme systematized in Section 2.6.2 – a normative or behavioral perspective and a shareholder or stakeholder oriented target system.

However particular governance forms dominate depending on the stage of development and growth: In the initial start-up phase the majority of YIGC is shareholder oriented and follows a behavioral governance style, since owner founders are strongly involved in every business area and hierarchical structures are very flat (Flacke and Krol, 2007: 39; Sorg, 2007: 50). Growth, diversification and technical specification frequently contribute to the development of a stakeholder-oriented and more normative governance pattern, since growth presupposes the differentiation of departmental structures and owner-founders' disassociation from operative business routines (Hmieleski, 2009: 11-12).

Environmental and business specific factors moderate this development and can bring forth a shareholder oriented and normative governance style when the owner management remains strongly involved and crucial to strategic planning and key asset allocation or market acquisition (Pelz, 2004: 23-101; (Sorg, 2007: 48). A stakeholder oriented behavioral governance style can result in highly communicative and R&D oriented environments depending on cooperation and mutual interchange across hierarchies and functions.

The following chart, emerging from the four-sector model of governance derived in section 2.6.2 illustrates possible development paths of YIGC depending on business and environment characteristics in an exemplary way and in so far as

documented in previous analyses:

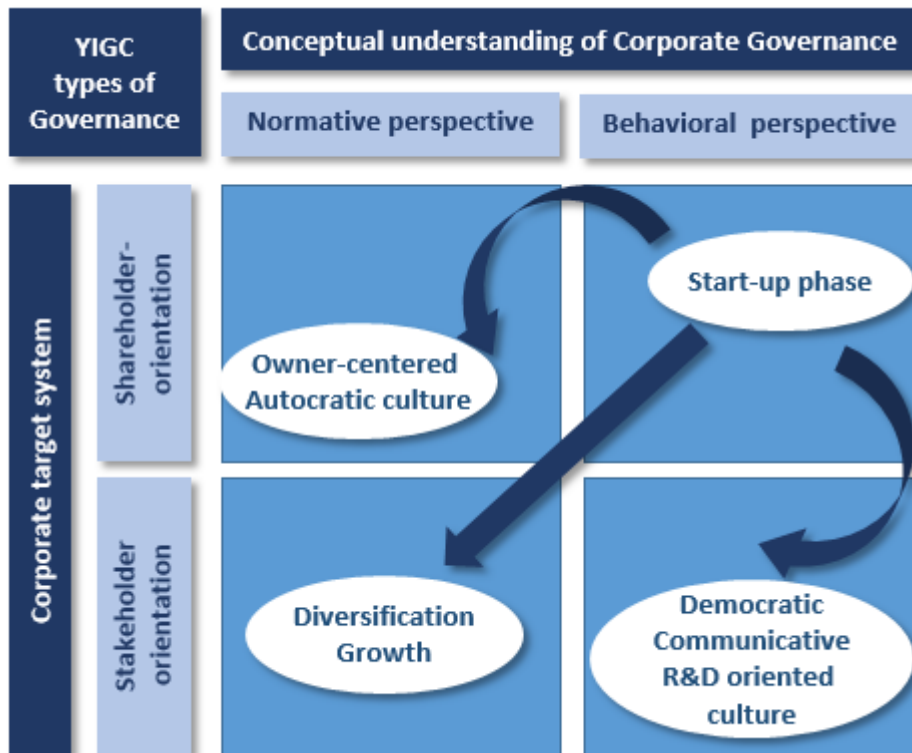


Figure 7: Development model of YIGC governance (own illustration)

The adjustment of governance schemes to corporate proprieties and business environment is essential to competitiveness and sustainable development of YIGC (Yukl and Lepsinger, 2004: 14pp). Strategic decision-making presupposes the systematic organization of the governance model with regard to the dynamically changing business environment of YIGC (Hauschildt et al., 1983: 242:244pp; Krol 2009: 40).

2.7 FINANCING OF YIGC

Capital acquisition is essential to growth. Young innovative companies however face particular challenges of capital acquisition. To ensure sustainable strong growth capital is the most important resource and its availability is pre-

conditional to the development of any other growth factor (Canals, 2000: 14).

According to a KfW-survey, for 68% of German founders financing problems are the major reason for failure (Bonnemeier, 2013: 25). According to Global Entrepreneurial Monitor financing financial means available to German founders are limited and impair start-up activity (Sternberg, 2015: 21).

The following sections systematize fundamental financing options and evaluate which strategies YIGC prefer or depend on and assess the reasons for particularities in YIGC financing behavior.

2.7.1 Fundamental financing options

Financing in the narrow sense, refers to all processes of capital acquisition, i.e. the procurement of money and other financial assets (Wöhe and Bilstein, 2002: 2). In a broader sense financing comprises all measures necessary to maintain the financial equilibrium of a corporation (Becker, 2008: 103ff). The overview on the following page summarizes several relevant financing strategies.



Figure 8: Fundamental financing strategies (own illustration)

Basically, there is equity and debt capital. According to IAS 32.16 (a) debt capital is provided on the basis of a legal obligation to pay the money plus an agreed interest payment back at some point of time. Equity on the other hand

participates in the business opportunity and risk and is only paid back when the business succeeds and after the debt service is paid (Schimpf & Terfurth, 2008: 137). The equity provider has got a share in the surplus. While return on loan capital is fixed, returns on equity are variable and depend on business success (Bohl et al., 2009: § 12 Rz. 5).

Mezzanine capital takes an intermediate positioning in between equity and debt capital and is equally called hybrid capital (Eayrs et al, 2007: 477). Mezzanine capital does not hold voting rights but partly participates in business risk. Depending on the proximity to equity or debt capital the papers are called mezzanine debt or mezzanine equity (Häger & Elkemann-Reusch, 2007: 22). The following paragraphs focus on pure equity and debt financing.

Available types of equity and debt financing and Opportunities and risks from the perspective of YIGC are discussed in the following paragraphs:

2.7.2 Equity financing strategies and their aptitude for YIGC

Self financing

Self-financing is the acquisition of capital from founders' own reserves or retained corporate surplus which is not distributed to the shareholders (Jung, 2004: 749). Apart from bank-loans self-financing is the most important financing strategy for SME (Becker, 2008: 245).

However, YIGC usually dispose of limited own resources since benefits have not been realized. In the beginning, margins frequently are low in order to find access to expanding markets or to open up new markets and customer needs and surpluses not achieved (Keuschnigg & Nielsen, 2004: 1028-1029). Investment needs usually exceed revenues (Jung et al., 2004: 749).

YIGC hardly realize surpluses until a very mature stage since extensive investments into R&D have to be made. Although 40% of a sample of 1.869 start-ups from 27 countries take recourse to self-financing partly, hardly any corporation copes with own means. The share of founders who depend on more than self-financing is much higher in innovative and technology-oriented businesses than in other business contexts (Nofsinger & Wang, 2011: 2282-2290).

External equity can be acquired by public stock emissions or from private

investors e.g. business angels and venture capitalists (Geisel, 2004: 9).

External equity

In a stock emission, the issuer contracts capital from stockholders. Emissions are usually mediated by an investment bank which obtains 7 to 12 % of the revenues from the sale. The issuer retains the remaining capital which is realized at first sale. Stockholders benefit from in business surpluses by dividend payments and usually participate in corporate policy through their voting rights (Dowling & Drum, 2005, 323).

Stock emissions offer YIGC the opportunity of participating in positive market trends. The issuer however faces the risk that the intended market price is not reached. Publication duties entail bureaucratic efforts and transaction costs (Leavitt, 2004, 223-224).

Stock companies get into the focus of public attention but run the risk of external blockholder domination in strategic decision making. A survey among German stock companies results that external blockholder dominated companies are less profitable than companies whose stocks are at the hands of family members (Andres, 2008: 431). YIGC usually depend on self-determination in their early stages to implement innovative ideas and incur ventures that external shareholders could consider risky (Leavitt, 2004: 223-224). Exchange listed YIGC risk a hostile takeover. In volatile market situations YIGC are strongly exposed to price fluctuations and possible block-holder lump sales, which can impair enterprise ratings and the availability of loans (Baker & Wurgler, 2006: 23-25).

Stock emissions after all are restricted to companies disposing of significant capital volumes e.g. from other capital sources like large mother corporations or equity investors. For small start-ups, an issuance is too costly. The majority of YIGC dispenses with the option of an early issuance in the start-up phase (Beckman et al., 2007, 147).

Private equity investment causes less transaction costs and is an alternative for smaller YIGC from an early development stage onwards (Baumann, 2008: 30-31). Private equity is a cover term and comprises pure equity including venture

capital as well as mezzanine strategies (Gompers & Lerner, 2004: 17). The following paragraph refers to pure private equity only.

A private equity investor provides a single company in a particular situation (e.g. new foundations, businesses experiencing significant changes or exorbitant growth) with equity capital, which plus an equity premium is withdrawn in tranches after a certain period (Damaschke & Züchner, 2005: 29). If the company realizes a loss or goes bankrupt the investment is lost. To compensate for potential losses private equity investors frequently attempt to take influence on the strategic planning process of the target company i.e. on R&D or staff policy (Bader, 1996: 10). Venture capitalists influence on the start-up partly encourages rapid growth (Verheul & Thurik, 2001: 330).

The sustainability of private equity investors' engagement in corporate policy however has been questioned: Investors' sole objective frequently is rapid growth and high returns on equity – until the target company is sold at the stock exchange (Matthews et al., 2009: 21; Ballwieser, 1994: 1391-1402). Private equity investors' objectives frequently do not correspond to founders' who desire the long term sustainable and technology-based growth of their venture. Private equity investors frequently favor a riskier policy than the owner-manager and partly jeopardize the stability of YIGC (Jegadesh et al, 2015: 7; Kaserer & Diller, 2005: 107).

The term "business angel" suggests that these investors pursue a more sustainable policy than venture capitalists. Business Angels are wealthy private individual who support entrepreneurs with financial means and their knowledge and experience from a very early stage onwards. Business Angel activity frequently precedes venture capital investments (Maxwell et al, 2011: 212).

The fundamental business of business angels corresponds to venture capital financing. In interviews with both investor groups Van Osnabrugge (2010: 91) finds however that business angels invest earlier and get involved to a larger extent with the target company to reach more sustainable project success. By more intense participation business angels reduce agency conflicts with the management.

On the other hand, both business angels and venture capitalists have to

consider opportunities and risks of a project. Since start-ups and YIGC in particular are exposed to higher investment risk, their revenue prospect has to exceed conventional investments (Paul et al., 2007: 108-109). This is why business angels and venture capital companies prefer innovative and technology oriented enterprises and private equity is a promising capital source for YIGC (Kelly, 2007: 317-319).

2.7.3 Debt financing – strategies and their aptitude for YIGC

Debt financing seems to be more transparent and secure than equity strategies at first sight. The following paragraphs however illustrate why YIGC still depend on private equity to a large extent:

Classical debt

Shareholder loans are an alternative to self-financing. Different to owner's equity however the loan sum has to be paid back according to an initially agreed plan. According to BilMoG § 6 shareholder loans are subordinate and usually lost in case of insolvency and external creditors have to be served first (Wischemann, 2010: 5; Hoffmann, 2006: 6). The availability of shareholder loans depends on the liquidity of the owners however and in practice the instrument is used for tax or balance-sheet strategies mainly (Hilverkus & VonRosenberg, 2003: 127).

Many corporations take recourse to supplier loans to cover their short-term obligations. Supplier loans are simple but expensive and are available only when assets have been bought (Pott & Pott, 2015: 238). YIGC frequently dispose of only few supplier connections and fear that supplier loans impair trust in the young company (Drukarczyk, 2006: 503).

Private loans e.g. from family members cause similar problems. YIGC run the risk of losing the money and jeopardize the relationship between founder and loan partners in this way (Imai & Kawagoe, 2000: 118-119). On the other hand it could be argued that the agency problem is reduced for intimate loan relationships and in result loan conditions are cheaper and more flexible (Cassar, 2004: 26-263). Family loans however are usually insufficient to cover YIGCs' huge growth capital needs.

Because of their flexibility and transparency bank loans are the most im-

portant instruments of start-up financing in Germany (Drucarcyk, 2006: 217). Bank loans can be agreed on fixed or flexible interest rates. Diverse maturities can be arranged depending on financing needs (Schimpf and Terfurth, 2008: 137). Repayment can be analysed on at the end of the maturity period or at regular intervals (Büschgen, 1998: 951).

For YIGC however bank loans are not always an ideal solution: Banks demand high material securities, which YIGC usually cannot provide when their major potential are future profitability expectations or innovative products that have still to be developed (Schweizerische Nationalbank, 2008: 1). Banks usually draw on analysts' ratings or internal calculations to assess credit default risks. YIGC frequently do not attain adequate ratings (Deutsche Bundesbank, 2012: online).

Basel III has tightened equity cover standards and solvability guidelines and in result banks have become more restrictive in granting loans. The 2008 credit crisis has increased banks risk sensitivity further. YIGC have to compensate calculative credit default risks by higher risk premiums i.e. interest payments (Finma, 2012. online).

In Europe, governmentally subsidized and promotional loans are an alternative to classic bank credits (KfW, 2016, online). These are more flexible on terms and provide better interest conditions. However, they are limited in extent and partly do not satisfy YIGC growth capital needs: The German ERP start-up credit for instance is a junior debt provided by KfW and the federal government for the acquisition of material assets. Its maximum amount is 500.000 Euros per founder at interest rates between 0.4 and 2.4%, depending on the maturity which is 15 years at maximum. Repayment starts from year seven after conclusion of the loan. Founders' equity should amount to 10 to 15 % (Existenzgründer, 2016: online).

This offer may be attractive for conventional founders who mainly invest in material assets, cope with limited financial resources and reach profitability within few years. YIGC however frequently need higher investments, dispose of lower securities, invest in human capital (employees) mainly and their profitability target is more distant in time. Governmentally subsidized loans accordingly do not exactly meet YIGC demands.

Debt substitutes

A corporate bond is a fixed-income security issued by a company with financing needs and is offered on the capital market. Compared to a loan, bonds can only be issued by companies with issuance rights. The issuer of the bond is subject to publication duties in order to ensure the transparency of the investment (Busse, 2003: 40).

Bonds are traded at the securities exchange. This results in a market value above or below the nominal value. The maturity of corporate bonds is generally two to ten years. The nominal value of the bond then is repaid. There are also zero-coupon bonds, for which the interest is paid at maturity (Olbrich, 2012: 33-34).

The borrowing conditions in the event of financial bottlenecks are detailed in bond prospectus. In the case of a collective clause, for example, the majority of the creditors of a company can determine that the repayment of a bond ceases. In the case of insolvency, the repayment of the bond is abolished completely. This means additional risks for borrowers. The interest rate of the bond risk results as the premium in%, as compared to a risk-free and unconditionally fixed interest investment (Baetge et al, 2002: 291). The risk premium and resulting interest rate for YIGC accordingly can be comparatively high.

Corporate bonds typically have a volume of around 100 million to one billion Euros. Due to their denomination in small units, corporate bonds are attractive to a large number of investors. This means that the company can raise larger capital amounts, which would be a major risk for a single investor (Unternehmensanleihe, 2009: online).

In contrast to shares, corporate bonds can be placed privately or publicly. The bond buyers only receive the right of interest and repayment but not the right to participate in business decisions. The company remains strategically independent and can, to a certain extent, influence which investors that buys assets (Hofer, 2005: 1382). In many cases, however, additional reporting arrangements are agreed with the bond buyers in order to reduce information asymmetry. This results in transaction costs which frequently go beyond the costs of a bank loan

(Lingnau, 2008: 269).

Due to the rising risk of default in market distortions, market demand for bonds can be severely restricted in a recessive period. Bonds are also subject to the valuation of external rating companies. This has contributed to an increase in market transparency and improved investor acceptance (Seethaler, 2007: 318-319). On the other hand, it can be difficult for YIGC to place bonds at adequate conditions due to the negative assessment of rating agencies. Depending on the terms on which the bond is offered, there are surcharges on the market interest rate, which may be above the loan (Olbrich, 2012: 33-34).

Due to the legal framework and the transaction costs of the bond issuance, bond financing generally is an option for listed companies with greater capital requirements only. For YIGC in their early stages bonds are too costly and large scaled (Rudolph, 2006: 354).

Mezzanine credit substitutes display characteristics of loans or bonds depending on their design and extent. While mezzanine loans are bilateral agreements, convertible bonds are offered on the public capital market. The final assignment of a paper to one of the groups is issuance specific, since the terms for mezzanine capital can be agreed individually.

For mezzanine capital, YIGC face basically similar difficulties than for corporate bonds. As compared to a classical loan, there are comparatively high transaction costs for issuance or securitization. Borrowers frequently are reluctant due to the comparatively high investment risks YIGC incur.

Since bonds and mezzanine bonds as established debt substitutes partly cause high transaction costs for YIGC, novel debt market instruments have been emerging in the recent decade. Here factoring and crowd-financing are discussed.

Factoring is the purchase of trade receivables before maturity by a factor (special financing or credit institution). It usually includes certain service functions e.g, the management of receivables, credit assessment and advice (Schierenbeck, 2003: 443). Thus, factoring allows YIGC revenue-compatible resource management. Factoring is, however, not a credit relationship, but a change

of creditors and thus legally a sale of receivables (Bette, 1999: 42).

The factor assumes the default risk (delcredere risk) of the sold receivables up to a certain limit, which means that these receivables shift to the balance sheet of the factor (Peemöller, 2003: 190). The factoring customer therefore has the right to demand immediate payment of the factor less a security deposit of the factor. The factor is subject to an interest rate for the disposal of this liquidity. Part of the claim will be forfeited by the factor until settlement by the customer. This amount secures the liquidity of the factor in the event of debtor insolvency (Schäfer: 2002: 340-341).

The immediate payment of large parts of the receivables by the factor enhances YIGC liquidity, which can be used to pay incoming invoices with a cash discount and thus strengthens supplier relationships. Short-term liquidity can be a valuable resource for YIGC and ensure survival in bottlenecks. Companies with strong seasonal sales fluctuation, a low equity base but pronounced fixed costs benefit from factoring. According to an analysis by Asselbergh on factoring behavior in Belgium, start-ups with high capital expenditure and seasonally fluctuating sales take recourse to factoring (Asselbergh, 2012: 2).

However, equally factoring firms demand proofs of creditworthiness. Factoring fees depend on sales volume and the quality of the debtor relationship. For YIGC the opportunities of factoring are limited since in the start-up phase frequently no products are sold and no receivables are available. Research and development companies for instance can only charge a service to the customer after the first orders have been completed (Steiner & Starbatty, 2004: 31-32). The development process can take years for larger projects. Moreover, the factoring customer must accept a discount to the claim resulting from the factoring fee and the security deposit until the final payment of the claim. Since start-up companies often operate at low margins, the assignment to the factor leaves a substantial portion of the profit from the business. Another problem is the possible loss of customer trust, when receivables are collected by a third party. Since newly founded companies generally have to develop customer relationships, the assignment of receivables to factors should be carefully examined (Klapper, 2006: 3115-3117).

Crowdfunding (alternately: Crowd Investing, or Crowd Lending) is an alternative method of borrowing funds, organized through the Internet. The basic idea is that a large number of private individuals pool their resources and invest in a project (Schweinbacher & Larralde, 2010: 4). As a "thank you" for their commitment, they then receive an additional payment, i.e. the repayment plus interest (Orthwein, 2014: 18-19). In some cases, an intangible compensation (attribution of the investor etc.) is offered. While crowdfunding was initially used primarily for social projects and small-scale financing, the establishment of crowdfunding forums has increasingly made it a financing option for entrepreneurs (Mollick, 2014: 1-2).

The fundamental difficulty of crowd funding from the perspective of investors is that the investor has no, or only limited, insight into the use of funds by the investor and also has little effective means to retain the money (Agrawal et al. 2013: 1). Internet portals are trying to increase the transparency of crowdfunding by borrower rankings, the presentation of projects on their websites and taking guarantees (Orthwein, 2014: 12-13).

According to Schweinbacher and Larralde (2010: 6-7), YIGC mainly use crowd funding to reduce financing costs or to obtain loans at all. Crowd funding cuts the lengthy journey through the bureaucracy of conventional loan providers. Crowd funding is successful when investors are enthusiastic about the projects and follow idealistic objectives. Crowdfunding is therefore suitable for innovative business models, which also have a social utility aspect.

However, crowd investing is still significantly less established in Germany than in other countries. In Germany, a total of 101 Crowd Investing projects with a total volume of 44.8 million euros were realized between January and October of 2016 amounting to 15.4 million Euros only. In terms of the sales volume of other capital markets, the German crowdfunding market thus is very small, but disposes of future growth potential given high growth in other countries and continents (Crowdfunding, 2016: online).

2.7.4 Overview on YIGC financing options, opportunities and limitations

Which financing options do YIGC utilize in practice, given the above opportunities and limitations? Although hardly any information on the factual financing strategies of YIGC is available, an analysis of German start-ups illustrates that risk capital for strongly growing companies is hard to acquire: 80 % of SME are purely self-financed based on current revenues. Less than 3% of the start-ups acquire equity or venture capital. Bank loans are the major source of loan financing for German founders (IBB, 2015: 25).

Equally international studies assert that the majority of YIGC today are loan financed and frequently utilize conventional bank loans. The present situation of low interest rates contributes to this trend (Krol, 2009: 51-52pp). To meet banks requirements YIGC have to adjust their strategy and commit to transparency and sustainable strategic development (Khadjavi, 2005: 63-66pp). YIGC which in their early stages do not dispose of sufficient revenues to cover their expenses and cannot offer sufficient securities or convincing strategies to attain bank loans hardly can grow extensively (Veugelers, 2011: 1-4pp).

Company growth is limited unless YIGC succeed to open up alternative capital resources (Dautzenberg, et al., 2012: 27). A mixture of debt and equity financing could help YIGC to transfer risks to external equity providers partly and follow a more growth oriented strategy (Leibfried, 2002: 31-33; Hombeck, 2000: 66pp).

The differentiated analysis of financing options for YIGC is summarized in an overview which contrasts the opportunities and limitations of the strategies on the following page.

Finance instrument	Strategy	Opportunities for YIGC	Limitations for YIGC
Equity financing			
Self-financing	Founder's private equity Own retained profits	<ul style="list-style-type: none"> • Major capital source of SME • Low risk due to limitation to own free resources 	<ul style="list-style-type: none"> • Lacking capital base of most start-ups for strong investment growth • Limited margins in early phase
Stock emission	Sale of shares by stock issuance at an exchange	<ul style="list-style-type: none"> • High flexibility and transparency • Mainly for large foundations 	<ul style="list-style-type: none"> • High transaction costs • High bureaucratic effort • Loss of founder's control
Private Equity/ Venture Capital	Equity investment of private external investors, participation in profits and losses	<ul style="list-style-type: none"> • Know-how support for founders • Low risk of venture capital 	<ul style="list-style-type: none"> • Strategic intervention of external investors • Discrepancy of external investors' and founder's objectives
Business Angels	Early stage risk capital investment and advice of private individuals	<ul style="list-style-type: none"> • Strategic advice for founder • More sustainable interest than pure private equity investor 	<ul style="list-style-type: none"> • Intervention with business strategy • Possible divergence of interests

Finance instrument	Strategy	Opportunities for YIGC	Limitations for YIGC
Debt financing			
Shareholder loan	Shareholder investment against interest payment	<ul style="list-style-type: none"> • Tax and balance sheet strategy 	<ul style="list-style-type: none"> • Limited to shareholders' equity • Loss of private equity in case of insolvency
Supplier credit	Short term loan by delayed payment	<ul style="list-style-type: none"> • Short term liquidity gain • No formal requirements 	<ul style="list-style-type: none"> • No long-term solution • High costs • Loss of supplier trust
Private loan	Loan of family or friends	<ul style="list-style-type: none"> • Low formal requirements • reduced agency-problem 	<ul style="list-style-type: none"> • loss of trust in case of insolvency • limited capital base
Bank loan	Loan against interest payment	<ul style="list-style-type: none"> • high transparency • low dependency 	<ul style="list-style-type: none"> • Strict formal requirements due to Basel III • Continuous solvency check-up • Limited when securities are low
Subsidized loan	Governmental loan at low interest payment	<ul style="list-style-type: none"> • Improved conditions as compared to bank loan • Designed to YIGC needs 	<ul style="list-style-type: none"> • Limited growth capital • Formal requirements
Corporate bond	Public or private bond emission against interest pay-	<ul style="list-style-type: none"> • High transparency and flexibility 	<ul style="list-style-type: none"> • High bureaucratic effort • High emission volume

	ment	<ul style="list-style-type: none"> • Liquidity of exchange traded bonds 	<ul style="list-style-type: none"> • Risk-adjusted interest payment
Crowd-Financing	Loan of a majority of private investors usually mediated through internet	<ul style="list-style-type: none"> • Low transaction costs • Low securities 	<ul style="list-style-type: none"> • Agency-problem limits investment height • Mainly for idealistic projects
Factoring	Sale of receivables to a factor against discount and deposit	<ul style="list-style-type: none"> • Rapid liquidity • Avoidance of transaction costs of forfeiting 	<ul style="list-style-type: none"> • Discount due to fees and deposit • Image loss with customers • Limited when few receivables in start-up phase

Table 1: Overview on YIGC financing options, their opportunities and risks (own illustration)

2.8 SUMMARY OF RESULTS

Based on the insights attained on YIGC in chapter 2 now research question RQ1 “What makes out YIGC, which objectives do they follow, how are they organized and which strategies do they apply?” can be answered:

YIGC are young, innovative and grow strongly. Strong corporate growth is usually accompanied by radical technological innovation which generates an increase in labour and capital productivity (Dautzenberg, et al., 2012: 8, Veugelers, 2009: 3). Youngness is a relative concept and usually refers to the first 10 years of a firm’s existence. In this period, frequently highest growth rates are reached (KFW and ZEW, 2010: II).

In highly dynamic businesses marked by rapid innovation, growth frequently is the only strategy to survive. YIGC are driven by an inner mission to succeed, develop and exponentially increase their technological advantage and in the long run realize exceptional entrepreneurial profits (Kuivalainen et al., 2012: 452; Meyer & Skak, 2002: 179-180). Simultaneously YIGC are important drivers of macroeconomic growth. According to macroeconomic growth models, economic development and output gains rest on technological development and innovation (Romer, 1990: 71pp; Seifert, 1997: 21-27pp). YIGC simultaneously generate employment in R&D. Technological changes of paradigm contribute to exceptional productivity gains which in the long run increase economic output and public welfare (Belitz, et al., 2012: 31; Katsolaucos, 1984: 83; Hamermesh, 1993: 61-62; Garcia, et al., 2002: 2).

YIGC founders dispose of what has been called entrepreneurial orientation i.e. a combination of creativity, innovativeness, proactivity and risk-tolerance (Hennerkes and Kirchdörfer 1998: 36; Dunn, 1996: 141; Naldi et al., 2007: 33-34). Entrepreneurship results as a product of particular demographic characteristics (e.g. technological and managerial expertise) and behavioural attributes (e.g. openness, conscientiousness, critical scepticism and self -efficacy). These attributes make founders successful YIGC leaders who implement radically new ideas into product and service solutions and exploit these to realize profits (Peterson et al., 2009: 348; Hmieleski’s and Corbett’s (2008: 482; Ciavarella’s et al.’s, 2004: 465; Baron and Tang, 2009: 282).

YIGC founders depend on a cooperative and hard-working advisory team,

which supports the management and development process (Ramsey et al, 2000: 51, Becker & Gerhart, 1996: 779). Diverse studies confirm that team continuity, heterogeneity, diversity and involvement are essential to YIGC success (Takeuchi, et al., 2004: 29-31; Meier, 2011: 6; Dalkir, 2013: 3). Team interaction should be emotionally harmonious but controversial on factual business issues. Discussion and intense interaction stimulate competition and creativity Lechler, 2000: 263; Ensley et al., 2001:145; Amazon and Sapienza, 1997: 495; Maxwell, 2009:71ff).

Environmental factors co-determine YIGC growth. Since they emerge in highly dynamic and competitive environments, they are exposed to technological change and uncertainty (Takeushi, 1998:21-29pp). In accordance with the resource based and knowledge based perspective, YIGC accordingly depend on effective human resource and knowledge management to create a continuous stream of innovation and ensure competitive advantage (Arthur, 1995: 29, Kotter and Sathe, 1978: 29; Canals, 2000: 13; Wiklund and Shepherd, 2003:1313). Well-aimed motivation and incentive strategies support this orientation (Meier, 2011: 6; Dalkir, 2013: 3; Demarest, 1997: 374).

Corporate governance of YIGC accordingly emerges from a culture of entrepreneurship and shareholder orientation and frequently a behavioural incentive oriented soft mode of interaction (Page and Jones, 1990:45). With YIGC growth however, governance structures evolve depending on the business environment and activity (Langfield-Smith, 1997: 207). Growth frequently is correlated to the strengthening of the stakeholder perspective (Sandelin, 2008: 326-327; Nilsson, 2010:4; Sandelin, 2008: 324).

Equally financing patterns of YIGC depend on the organizational environment (e.g. the availability of financing resources and the capital market situation) and business orientation (e.g. the intended growth rate, accepted risk and duration of the investment period). YIGC managers weigh the opportunities and risk factors of financing options when choosing an adequate capital mix.

In sum the so far analysis illustrates that YIGC are far from homogenous. Their business concept, leadership structure, team composition, governance structure, strategic orientation and financing models vary depending on internal fac-

tors and environmental influences. YIGC are the product of their founders and the entrepreneurial team, available resources (financing and knowledge) but equally of the competitive situation and the macroeconomic environment as well as the market and customer needs. Corporate governance and business strategy and orientation evolves in the tension field of these market forces at the input and output side.

The following chart draws on Porters (1980, cited from Grundy, 2006: 215) five forces model illustrates this interplay:

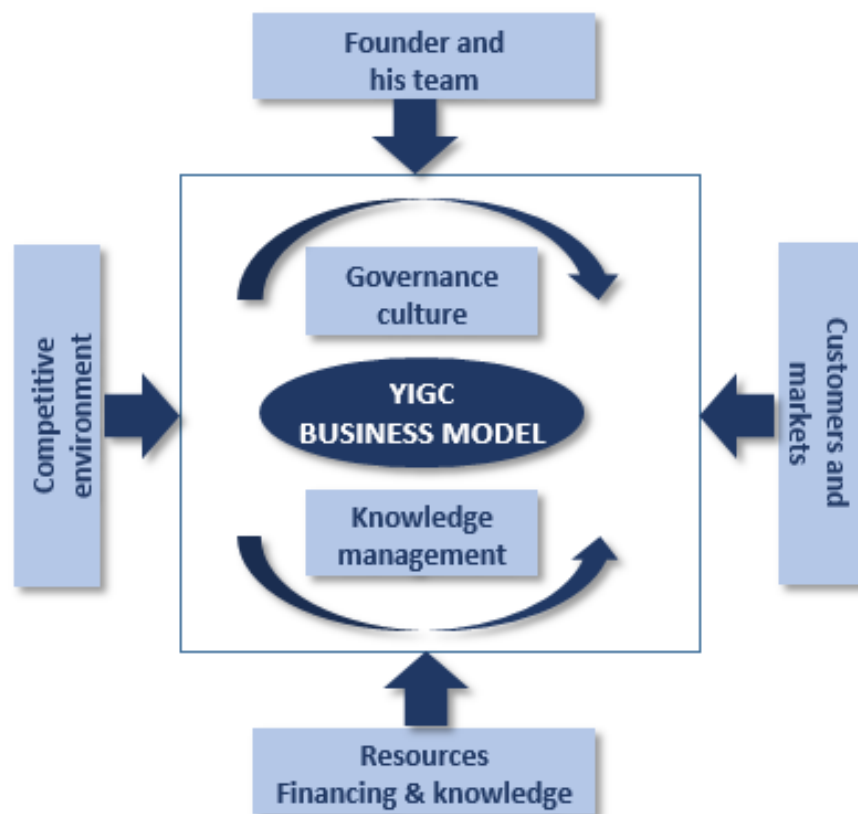


Figure 9: Comprehensive model of YIGC (own illustration)

3 VALUE BASED MANAGEMENT

3.1 CONCEPTION OF VBM

3.1.1 Origins of VBM

The objective of maximizing shareholder value has got a long history in the field of economic theory and can be traced back to the 17th century (Seligman 1909: 351). Enterprise value has always been of relevance to assess the fair price of a company in purchase negotiations. Sustainable corporate value development accordingly is essential to maintain and possibly augment invested capital (Copeland, et al., 1993: 66pp; Rappaport, 1986: 3).

In the 1960ies, Solomon et al. (1966) suggested the residual income ratio which however did not establish in academic discourse and managerial practice. Residual income is the amount of money which a person or company disposes of after deduction of all personal debts and expenses, including mortgage payments (Solomon, 1970: 65). Only one decade later the shareholder value concept, which shows strong parallels to the residual income, was established successfully (Seal, 2010: 107).

The shareholder value concept in its present meaning has its origin in the late 1970ies, when Fruhan and Rappaport - almost at the same time - published books on the necessity and importance of creating value to business owners (Fruhan, 1979; cited from Düsterlho, 2003: 1; Rappaport, 1979: 99). Rappaport however was the first to develop the idea of value based management on the basis of his shareholder value concept. Shareholder value maximization according to Rappaport is the predominant fundamental objective of any business (Spremann, et al., 2001: 27pp; Rappaport, 1986: 4).

These considerations marked a change of paradigms as compared to previous management approaches:

According to a 1998 statement of the International Federation of Accountants, managerial accounting so far has experienced four fundamental periods. In the 1950ies the focus was on target costing and financial control (Anthony, 1965: 27). In the mid 1960ies information provision to meet planning and controlling objectives became a major issue (Langfield-Smith, 1997: 207). This approach was

based on the resource based and knowledge based perspective introduced in section 2.5.1 of this study. In the 1980ies, a third shift towards quality management took place, which was implemented in managerial accounting in the form of activity based costing, and strategic cost management (Cooper & Kaplan, 1991: 15; Shank & Govindarajan, 1994: 23). Each of these initial paradigms however was cost-oriented.

This change of paradigms in economic research took place in the 1980ies, and meant a change of perspectives from an inside towards an outside orientation of business economics: Porter's market model is central to this novel outside orientation: Porter sees companies in the tension field of market forces. Corporate success or failure are considered a function of the market environment, and the firm's adaptation to it (conduct) (Kühn & Grünig, 2000: 119).

The shareholder perspective emerges in this larger context and sees companies obliged to their external owners (shareholders) which although not directly involved in business activity own the company and accordingly should benefit from the business (Porter, 1991, 108). Shareholders do not value the company for its inner capital flows but for the flow of capital that emerges outside and is directed to the owners. The shareholder value accordingly represents the value of a company from the perspective of its owners (Hawawini, et al., 1990: 6).

The spread of the shareholder value concept in managerial accounting practice according to Ittner & Larcker (2001: 5) took place from the 1990ies onwards and was propagated by diverse international consulting agencies. Academic authors like Stewart, Copeland and Lewis introducing the model to economic research emerged from management practice (Dillerup, 2006: 2; Copeland, et al., 1994: 22pp). Major international stock companies who introduced VBM concepts in their organizations further contributed to the reputation and global recognition of the approach (Krol, 2009: 56). In 2000, a McKinsey and Co study proved that large corporations relying on the principles of VMB are more profitable than others, since they take a balanced view on risk and profitability (Copeland et al., 2000: 550).

Until today VBM is seen as predominant guideline for modern corporate management (Dillerup, 2006: 2). VMB today is equally established among several

small and medium sized companies (Müller et al., 2005: 83).

3.1.2 Term of VBM

Value based management definitions vary in previous research. There is no coherent understanding of the term so far (Weber et al., 2004: 19; Krol, 2009: 59).

The range of definitions reaches from accounting oriented perspectives to qualitative perspectives emphasizing the relevance of sustainability and responsibility of management. The following table provides an overview on the broad range of available definitions:

Value-based management – definitions of the term	
Outcome oriented definitions focusing on quantitative figures	
Bannister & Jesuthasan, 1997: 12	“Value-based Management is based on the notion that the central objectives for all public traded companies is to maximize shareholder value.”
Condon & Goldstein, 1998: 10	“Value-based Management is a management philosophy which uses analytical tools and processes to focus an organization on the single objective of creating shareholder value.”
Marsh, 1999:58	“Value-based management is a framework for measuring and managing businesses to create superior long-term value for shareholders. Rewards are measured in terms of enhanced share price performance and dividend growth.”
Ronte, 1999: 38	„Value-based Management is a framework for measuring and, more importantly, managing businesses to create superior long-term value for shareholders that satisfies both the capital and product markets“
Christopher & Ryals, 1999: 2	“Value-based Management is a new way for managing, focused on the creation of real value not paper profits. Real value is created when a company makes returns that fully compensate investors for the total costs involved in the investment, plus a premium that more than compensates for the additional risk incurred.”

Simms, 2001:34	„Value-based Management is essentially a management approach whereby companies. driving philosophy is to maximize shareholder value by producing returns in excess of the cost of capital“
Process oriented definitions focusing on qualitative developments	
McTaggart et al., 1994: 26	“Value based Management is a combination of beliefs, principles and processes that effectively arm the company to succeed in the battle against competition from the outside and the institutional imperative from the inside. These beliefs, principles and processes form the basis of a systematic approach to achieving the company’s governing objective.
Armitage & Fog, 1996: 21	“Value-based Management is a term that describes a management philosophy based on managing a firm with Economic Value Creation principles.“
Black et al., 1998:193	“Value based Management...aligns strategies, policies, performance, measures, rewards, organization, processes, people, and systems to deliver increased shareholder value.”
Merchant, 1998: 851	“VBM is a management tool, a control system; an apparatus that is used to integrate resources and tasks towards the achievement of stated organizational goals.“
Morrin & Jarell, 2001: 399	“VBM is a prescribed and usually repetitious way of carrying out an activity or a set of activities that propagate its values all over the organization. It is a robust disciplined process that is meant to be apparent in the heart of all business decisions“

Table 2: Product and process-oriented Definitions of VBM (own draft)

The above definitions to some extent correspond in their basic understanding of VBM: Value based management is not a strategy in itself. However, its system of key figures supports strategic planning and provides planning directions (Rappaport, 1995: 87). Any managerial analysis and decision making at the operative investment and financing level according to Rappaport should be directed upstream, i.e. aim at optimizing shareholder value (Rappaport, 1995: 89).

According to Ashton (2007: 2) VBM focusses on the definition and implementation of sustainable strategies creating shareholder value and on selecting those strategies from a set of available options that maximize it (Ashton, 2007:2).

Managerial capability is crucial to implement value based strategies successfully (Kaplan and Norton, 2001: 1). Shareholder value generation depends on

operational efficiency. Efficiency leverages cash flows and profits (Cokins, 2004:11).

However, Table 2 shows that in essence basically two conceptual strands of VBM can be differentiated:

- a) The first set of definitions focusses on the financial product of VBM, which in essence is shareholder value. These definitions mainly refer to quantitative valuation standards that assess the economic value of a corporation.
- b) The second group of definitions sees value based management as a continuous management process, and emphasize diverse qualitative aspects of value as a development target. These definitions keep in mind further stakeholder groups apart from shareholders.

This differentiation into quantitative product-oriented and qualitative process-oriented conceptions corresponds to Krols (2009: 80-80) differentiation into explicit and implicit value management conceptions to a large extent.

Only view definitions of VBM illustrate that both – the product-oriented and the process-oriented perspective are closely intertwined:

Integrative definitions of value based management	
Arnold, 1998: 1050	“Value-based management is a managerial approach in which the primary purpose is shareholder wealth maximisation. The objective of the firm, its systems, strategy, processes, analytical techniques, performance measurements and culture has as their guiding objective shareholder wealth maximisation.
Doyle, 2000: 463	“Value Based Management is a management approach which puts shareholder value creation at the centre of the company philosophy. The maximization of shareholder value directs company strategy, structure and processes, it governs executive remuneration and dictates what measures are used to monitor performance”
Martin & Petty, 2000: 249	“VBM, then, is that measuring and rewarding activities that create shareholder value will ultimately lead to greater shareholder value.”
Ameels et al., 2002: 3	“an integrated management control system that measures, encourages and supports the creation of net worth”

Table 3: Integrative definitions of VBM (own draft)

Shareholder orientation accordingly penetrates all levels and processes of the corporation and all entities involved keep in mind the superior objective of maximizing shareholder value.

3.1.3 Objectives of value based management

There is no homogenous understanding of “Business value” in previous studies (Weber et al., 2004: 19). Value is not necessarily only a financial figure but contains further aspects e.g. individual utility, ethical and social value (Ballwieser, 2002: 71). Although most of the above definitions focus on the economic aspect of value generation, the following sections illustrate that alternative value conceptions are inseparable from the sustainable generation of economic value.

Krol (2009: 66) identifies four long term orientations or objectives of value based management in previous literature these are:

- Focus on corporate value.
- Payment orientation and
- Risk orientation and
- Future orientation

Focus on corporate value brings the essence of the shareholder value ideal to the point. Corporations should in the long run focus all their engagements to the increase of the profitability of the firm in the interest of the shareholders, who operate the business with the sole intention of increasing their wealth (Ballwieser, 2009: 94-95).

Payment orientation means that corporate value materializes in the payment stream generated by the business activity (Krol, 2009: 64). Positive payments result when the revenues from business activity exceed the costs of operation and investment sustainably. Only financial surplus contributes to the financial benefit of the owner. But equally other stakeholder groups participate in business profitability. Profitability is preconditional to sustainable employment and frequently managers and employees benefit from business surpluses in the form of incentive premiums. Only profitable companies can invest to generate new products and develop new production technologies. In the long-run equally customers and society benefit from corporate profitability (Ansoff & Sullivan, 1993: 12).

To generate sustainable payments risk orientation is indispensable. According to neoclassical capital market theory an increase of expected return always corresponds to an increase in risk (compare section 3.2.1). Although a linear relationship between profitability and risk has frequently been doubted in literature (Mehra, 2003: 2; Dimson et al., 2002: 51-52; Laux & Schabel, 2008: 447), it is generally recognized that the engagement in extraordinary development opportunities, which promise excess returns as compared to competitors, usually bear the risk of failure. Risky investments on the other hand are only made, when they promise extraordinary returns (Duncan, 2001: 3). Section 2.3.1 has shown that the balancing of profitability and risk is a major success factor of entrepreneurial activity. Weighing risk exposure and risk control is a central point of discussion and conflict between diverse corporate stakeholder groups (Basak & Shapiro, 2001: 371)

and sustainable risk assessment in the face of the opportunities of an investment is of equal interest to shareholders and all other stakeholder groups.

Future orientation implies that corporate value gains, i.e. payments to shareholders are not only attained in the short run i.e. for the present and immediately upcoming balancing periods (Gleißner, 2004: 40). Any corporate decision making should be oriented towards long term sustainable profitability and growth (Palli, 2004: 79; Schomaker and Günther, 2006: 219). Value oriented management rewards any initiative that contributes to the long-term competitiveness of the business (Riedl, 2000: 122). Investments in innovation and R&D for instance should be prioritized as compared to immediate dividend payment, when the investment is essential for future competitiveness.

This discussion illustrates that all four value-based orientations – value generation, payment orientation, risk control and future orientation are inseparably linked. A value based management strategy cannot ignore one or the other aspect. Simultaneously the four value orientations do not concern shareholders alone but equally all other stakeholder groups of the company. The four targets of value based management comprise financial and qualitative aspects of value management and accordingly confirm the conceptual understanding gained in section 3.1.2 that quantitative and qualitative value management aspects are inseparably linked. The following summative chart visualizes that all aspects of value orientation evolve in the tension field of shareholder and stakeholder interests and comprise quantitative and qualitative factors.

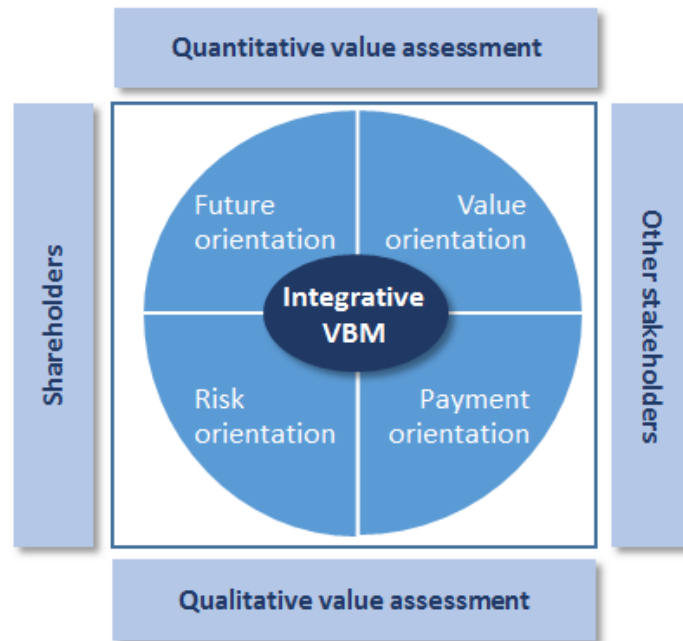


Figure 10: Integrative model of value based management (own draft drawing on Krol, 2009: 66)

The remainder of this thesis follows this integrative the value based perspective. The following sections systematize models applicable to all facets of value based management: quantitative and qualitative value assessment, shareholder and stakeholder orientation.

Sections 3.2 focusses on the quantitative measurement concepts which so far are mainly oriented towards the shareholder perspective. Section 3.3 focusses on qualitative approaches to VBM, which see all stakeholder of the business in the focus of attention. A comprehensive value based management system that integrates shareholder and stakeholders, quantitative and qualitative parameters is derived in section 3.4.

3.2 CLASSICAL SHAREHOLDER VALUE ORIENTATION

The product-oriented definitions of value based management in (section 3.1.2) illustrate that the discipline has its origins in managerial accounting and quantitative value assessment. The objective of maximizing shareholder value

here is pursued by systematically optimizing a scheme of financial key ratios.

3.2.1 Foundations in the capital asset pricing model (CAPM)

The shareholder value concept originates in neoclassical capital market theory.

The capital asset pricing model, which was independently developed by Sharpe, Lintner and Mossin in the 1960s (Sharpe, 1964: 425; Lintner, 1965: 13; Mossin, 1966: 768), considers a securities portfolio that is aggregated based on investors' risk and return preferences and is measured against the market portfolio of all equities (Nazmer, 2011: 64). The approach thus goes beyond conventional fundamental and technical methods of analysis, which select individual stocks for the forecast (Graham and Dodd, 2008; Murphy, 2008: 22) but considers a stock portfolio.

The CAPM is based on the behavioral assumptions of the market model of portfolio theory. It emerged from the work of the economist Harry M. Markowitz in 1952 (Markowitz, 1952: 77). Portfolio theory assumes a decision under risk where all possible future environmental conditions and their probabilities are known (Mandl and Rabel, 1999: 212). The investor decides according to the Bernoulli principle and optimizes the expected value of his economic benefits by electing from available investment alternatives (Modigliani & Miller, 1958: 260).

The model capital market for which the CAPM is calculated is complete and information efficient. This means that every investor disposes of all price relevant information at any time and decides rationally considering these data. There are no transaction costs, costs of information and taxes are irrelevant. There are securities for any future environmental state (Velthuis, 2004: 5; Grossmann, 1995: 773-775; Merton, 1987: 483).

According to portfolio theory, under these conditions efficient, and thus profit-maximizing portfolios, are on a straight line in a risk-return diagram. The CAPM accordingly suggests a linear relationship between return and risk (Markowitz, 1952: 85). The investor's return expectations increase (only) when the risk increases.

Assuming that there is a linear relationship between the achievable rate of

return, the risk-free market interest rate and the risk of an investment, the CAPM presupposes an equilibrium in a perfect capital market (Modigliani & Miller, 1958: 261). Under this condition each investor is in a position to fully hedge the risk of a single investment by completely diversifying his portfolio (Laux & Liermann, 2013: 217).

For a risk-free financial investment, a safe market interest rate k is reimbursed. The financing rate to be paid by a company can therefore be divided into a risk-free interest rate and a risk premium. To calculate the risk premium, the risk-free interest rate, the expected return on the fully diversified market portfolio and the risk or beta factor of the financial investment to be assessed must be known. In practice, these are estimated on the basis of historical data (Baetge et al., 2002: 291). Depending on the investor's risk perception, a single efficient portfolio results, which is a mixture between a risk-free bond investment and the market portfolio.

In correspondence to portfolio theory the CAPM market model thus finds a linear relationship between the expected return on an investment $\hat{\mu}_i$, and a completely diversified market portfolio $\hat{\mu}_M$. The slope of the straight line is determined by the beta-factor β_i and accordingly represents the risk of the individual investment. The following linear equation results depending on the investor's risk tolerance (Markowitz, 1952: 87-89):

$$\hat{\mu}_i = f + \beta_i \cdot (\hat{\mu}_M - f) + \varepsilon$$

Accordingly, a risky investment should afford proportionally higher than the market portfolio. The return- surplus should correspond to the increased risk over the return on the market portfolio. This additional income is referred to as an equity premium (Zagst et al., 1996: 45-46).

It can be shown that the beta factor of a security is the quotient of the covariance between the return of the security and the return of the market portfolio in the counter and the variance of the market portfolio in the denominator (Callsen-Bracker, 2015: online). This means with an increase of the risk of an investment the shareholder's return on equity of the equity increases linearly. A beta-factor of 1 means that the expected return on the investment corresponds to the return on

the market portfolio (Baezner and Timmreck, 2004: 16).

Since a fully diversified market portfolio does not exist, the weekly or monthly yield of a stock index is used to determine the beta factor in valuation practice (Baetge et al., 2002: 292). This method can be used to determine β_i from the distribution of the yields of the market portfolio and the individual stocks. A broadly diversified stock index is assumed for the market portfolio. For securities and the market portfolio, variances and covariance are calculated for the period of observation and the empirical beta-factor β_i is calculated using the following formula (Sharpe, 1964: 277-281):

$$\beta_i = \frac{\sum_{t=1}^T (r_i - \bar{r})(r_{M_t} - \bar{r}_M)}{\sum_{t=1}^T (r_{M_t} - \bar{r}_M)^2} = \frac{\sigma_{im}}{\sigma_m^2}$$

The beta-factor of a securities-portfolio or index is determined as the weighted average of the beta-factors of the individual securities (Zagst et al., 1996: 46).

The CAPM, which has been developed to predict equity returns is applicable to business valuation when corporate risk is assessed as the ratio of debt to equity capital. According to the theory of irrelevance of financing, the in a complete and information-efficient capital market the market value of a company does not depend on the degree to which it is equity or debt financed, provided that insolvency is excluded and the fixed interest rate of debt is risk-free (Perridon & Steiner, 2007: 473-475).

Under these conditions the risk-free rate of equity corresponds to the risk free rate of debt and only shareholders have to inculcate the risk of the venture in their interest rate demand r , while borrowers content themselves with the risk free rate f . The total corporate value V results as the sum of equity and debt capital (Modigliani & Miller, 1958: 269-270):

$$V = V_{EK} + V_{FK}$$

The weighted average costs of capital accordingly do not depend on the

capital structure of the company and the cost of equity increase linear with the debt ratio.

$$WACC = r \cdot \frac{V_{EK}}{V} + f \cdot \frac{V_{FK}}{V}$$

Dissolving for the return on equity r , the modified CAPM equation for the average price of corporate capital is (Modigliani & Miller, 1958: 271):

$$r = WACC + (WACC - f) \cdot \frac{V_{FK}}{V_{EK}}$$

The market value of equity is a linear function of the firm’s debt level since, the return on equity investors’ demand is a linear function of risk incurred and risk rises with the amount of fixed interest payments to borrowers (Dehmel & Hommel, 2008: 239). The CAPM accordingly has become a valuable tool in investment practice and is fundamental to value based accounting:

3.2.2 Discounted cash flow valuation to determine the shareholder value

The shareholder value model is based on the assumptions of the CAPM and the above observation that equity return increases with debt level (Fischer, 1999: 4). Based on these insights diverse methods to calculate corporate value have been derived. In value-based management Rappaport’s Free Cashflow method is the most established approach for the valuation of businesses in the situation of a transaction.

3.2.2.1 Rappaport’s Free cash flow method

Shareholder value according to Rappaport corresponds to the market value of equity of a firm in the capital market and intends a fair and transparent valuation. The so called ‘shareholder value added’ is an “entity” based measure (Kuhner & Maltry, 2006: 198) and comprises the value creation a firm has achieved to the benefit of its owners. The measure inculcates all values that will have been generated in the firm until a period T and contribute to shareholders’ equity at the moment of assessment.

The FCF measure is future oriented and with its introduction the expected future value has become a main criterion in strategic decision making and in-

vestment (Rappaport, 1998: 4). The FCF approach today is an essential tool for the valuation of enterprises in certain points of time, for instance in the event of a sale or acquisition (Pfaff & Bärthel: 1999: 97).

The calculation of the cost of equity, i.e. the shareholder value according to the Free Cash-Flow model is based on the CAPM. It assesses the “fair” return a shareholder would realize if he invested his assets in an alternative security of equal risk and equal payment structure. The costs of capital are assumed as weighted average of costs of equity and costs of debt (Fischer, 1999: 5; Drukarczyk, 1003: 251-152; Schneider; 1998: 1476). For a differentiate analysis of the role of the weighted average cost of capital in the shareholder value concept compare section 3.2.3).

The economic value of an investment according to Rappaport’s shareholder value approach results as the present value of all cash flows expected for the future. Future free cash flows are discounted by the market interest rate k . The market value of debts is subtracted from expected surplus. Debts comprise bond issues, borrowings, liabilities and accruals. Non-operating assets, like rented real estate or share in other firms, are added estimating their net sales value (Rappaport, 1998: 32-33).

Mathematically, the shareholder value is figured by subtracting the market value of debt from the market value of equity, which results from current cash flows and the liquidation value of the business (Kuhner & Maltry, 2006: 198; (Ballwieser, 1998: 80):

$$V_{EK} = \sum_{t=1}^T \frac{FCF_t}{(1+k)^t} + \frac{R_t}{(1+k)^T} + LQ - V_{FK}$$

with

V_{EK} = market value of equity (Shareholder Value)

FCF_t = Cashflows for each year of the assessment period

k = calculative fixed risk-free interest rate

T = assessment period

R_T = residual value

LQ = liquidation value of non-operating assets

V_{FK} = market value of debt

The shareholder-value formula shows that dividends and other direct payments to shareholders are not discounted in t but only in the owners' balance in T .

The calculative interest rate for discounted cash flow methods usually is derived from the Capital Asset Pricing Model. It assumes a (long-term) capital market equilibrium, i.e. a linear relationship between market interest rate and business risk. The beta-factor of a firm represents the risk premium investors expect as compared to a risk-free investment (i.e. in the bond market) (Baezner & Timmreck, 2004: 16; Peemöller, 2002: 35).

The discounted cash flow method takes account of potential of entrepreneurial growth and future development and discounts expected future cash flows by the calculative interest rate. This is a major advantage as compared to market valuation: A market capitalization based valuation (e.g. stock returns) would be subject to the speculative influences of capital markets. Rappaport's approach equally takes account of the fact, that capital structure (i.e. the equity to debt ratio) influences the net value. Market capitalization based valuation frequently neglects capital structure and long-term growth prospects (Colbe, 1997: 289-290). Supporters of the discounted cash flow approaches assert that the market interest rate is a reliable and objective measure, since investment alternatives might be selected haphazardly (Peemöller & Kunowski, 2002: 234).

3.2.2.2 *Equity based alternatives to Rappaport's Free-cash flow approach*

Apart from Rappaport's Free Cashflow model, several further discounted cash flow calculation standards exist, which however are less established for value based management. The equity based FTE model is presented here:

The equity approach calculates corporate value directly at the owner per period and discounts these expected payments by period - i.e. the payments to the shareholders are added up individually and each discounted by the calculative interest rate. This measure corresponds to the German "Ertragswertverfahren" in principle, which however does not apply the risk-free market rate but a

calculative alternative investment return (Hachmeister, 1996: 357). Taxation of the flows to equity accordingly can take place directly at the owner. Flows to equity FTE result as

$$FTE_T = \sum_{t=1}^T \frac{FTE_t}{(1+k)^t}$$

$$\text{with } FTE_t = (CF_t - f \cdot FK_t) \cdot (1 - s)$$

In the model shareholders are paid out after debt service ($f \cdot FK_t$), i.e. after interest payments have been made to creditors. Shareholders then are taxed by the tax rate s per period (Dehmel & Hommel, 2008: 227).

The problem with the FTE procedure is that it is not possible to separate strategic and operational cash flows from purely disposition-related cash flows within the framework of the model, since the figure FTE cannot be split up. Therefore, different marginal prices for different capital structures cannot be derived. In the case of a leveraged buy-out for instance, it is not possible to calculate the benefit separately, if the indebted company is sold with its debt. The FTE procedure is difficult to apply to individual parts of a company (Koller et al., 2005: 128).

In a tax-free world, all discounted cash flow approaches (FTE and FCF) should deliver the same results (Peemöller & Kunowski, 2002: 234). In practice however, valuations differ: The FTE method and other adjusted present value concepts, immediately discount equity payments by period (Copeland et al., 1998: 175-176). For the entity based assessment concepts, like Rappaport's free cash flow approach, retained profits or invested profits are not given regard, since they do not immediately reach the shareholders (Baetge et al.: 2002: 272).

The FCF accordingly calculates cash flows more conservatively than equity-models. The FCF considers the "practical" experience of shareholders: Revenues and benefits remaining in companies own books are shareholder-relevant values only when they are paid out. Although accumulation results in an increase in the company's value and thus in an increase of the proceeds at the time of sale. How-

ever, between the time of the potential dividend payment and the date of sale, there is a further period of uncertainty in which reinvested profits can be lost again. The flow of payments inside the company do not necessarily correspond to the owner's income, since profits can be paid out, accumulated or reinvested under risk (Laux & Schabel, 2008: 279).

Although the DCF models of shareholder value differ in detail, they have revolutionized managerial accounting and introduced a shift from cost- to value orientation.

3.2.3 Economic value added

For accounting practice the FCF approach, which as detailed above is based on the discounted cash flow valuation, is difficult to apply since it always refers to the whole lifetime of an asset or project. Accounting is based on periodized figures and ratios however (Fisher, 1999: 1).

The economic value added (EVA) is an alternative scheme for assessing the shareholder value based on net operation profits after taxes and the cost of capital. The ratio was introduced by the consulting agency Stern Stewart & Co. (Stern, 2007: 18) and by 2000 all German DAX companies had established EVA as a central controlling instrument (Young & O'Byrne, 2000:3). Other than the FCF approach EVA refers to periods of operation (Fisher, 1999: 2). EVA usually is calculated on the basis of the balance data at the end of each year of operations (Weber & Schäffer, 1995: 116). The EVA model accordingly is apt for the annual valuation of a business as a controlling activity. While the DCF approach is common practice for business valuations in exceptional situations (e.g. sale, merger or divestment), EVA is applicable for regular periodical valuations (Slater & Olson, 1996: 49)

The EVA approach draws on balance sheet positions (Horvarth, 1998: 116). For this reason, it does not include initially invested capital. To reach comparability to the FCF model, costs of capital have to be adjusted based on the calculative interest rate on the capital stock of the previous period (Lücke Theorem) (Küpper, 1998: 529-530).

EVA then results from FCF as follows:

$$\sum_{t=1}^N \frac{EVA_t}{(1+k)^t} = \sum_{t=1}^M \frac{FCF_t}{(1+k)^t}$$

Stewart (1991: 307-308) proves that for endless periods of observation $EVA = FCF$.

Young & O'Byrne (2001: 28) suggest the EVA for calculating the shareholder value and argue that EVA provides a holistic overview on the major entrepreneurial processes since - in contrast to pure market or cost based measures - EVA includes both cost of debt and equity financing and operational profits. EVA is the "Per-period difference between the economic profit generated by the invested capital and the cost of a company's capital commitment."

To retrieve EVA from the company's balance, the following calculations are necessary: The periodical residual wealth of a company EVA results as the difference of its cost of capital ($WACC =$ weighted average cost of capital) from its operating profits after taxes ($NOPAT =$ net operating profit after taxes) (Weber & Schäffer, 1995: 172):

$$EVA = NOPAT - WACC \cdot NOA$$

Net operating profits are gross operating profits multiplied by 1 minus the tax rate. $NOP (=$ net operating profit) result as gross operating profits minus depreciation and amortization, i.e. the loss of value the assets incur over time (Stewart, 1991: 137):

$$\begin{aligned} NOPAT &= NOP \cdot (1 - \text{tax rate}) \\ &= [GOP - (\text{depreciation and amortisation})] \cdot (1 - \text{tax rate}) \end{aligned}$$

$WACC$ i.e. the cost of capital result in accordance with the CAPM (capital asset pricing model compare section 3.2.1) as the average price of equity and debt capital. This price of capital is multiplied by the net operating assets, i.e. the invested capital, which is necessary for business activity (Bühner, 1996: 337; Günther, 1997: 234).

It can be shown that EVA results as the product of net operating assets (NOA) times the difference of return on employed capital (return on investment) and the average cost of capital ($WACC$). This term is called capital charge formu-

la:

$$EVA = (ROCE - WACC) \cdot NOA$$

where return on capital employed = ROCE with

$$ROCE = \frac{NOPAT}{NOA}$$

This formula is called “value spread” and illustrates the immediate relationship between return on investment, cost of capital and value growth. An investment affords as soon as ROCE (return on capital employed) exceeds WACC (cost of capital) (Fisher, 1999: 3). The economic value-added value driver tree corresponds to the shareholder value network for FCF and illustrates how EVA results from balance sheet data:

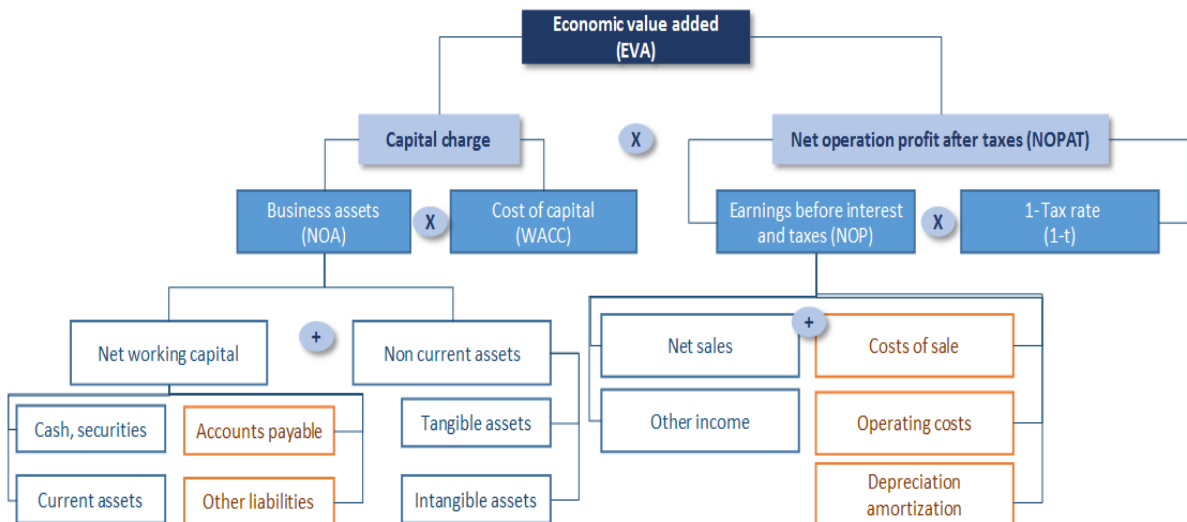


Figure 11: Economic value added (EVA) (own illustration drawing on Weber & Schäffer, 1995: 172)

EVA accordingly corresponds to the shareholder value in principle but is a period-related value, can be deduced from balance sheets and accordingly is apt for the period-related and regular valuation of businesses for controlling reasons.

3.2.4 The shareholder value network

How can companies be managed in a value-oriented way based on the shareholder value principle? To answer this question the key ratios of the shareholder value system have to be transformed into managerial decision concepts.

Rappaport suggested the so-called “shareholder-value network” to implement this objective. The shareholder value network is a map of the way shareholder value is created from bottom to top in corporations and transforms the model into a strategy of managerial action and decision making. Any managerial decision activity – i.e. operative, investment and financing-related decisions – accordingly serve the final objective of adding shareholder value to the company (Rappaport, 1995:79; Bea and Thissen, 1997: 787). The shareholder value network is based on Rappaport’s FCF model.

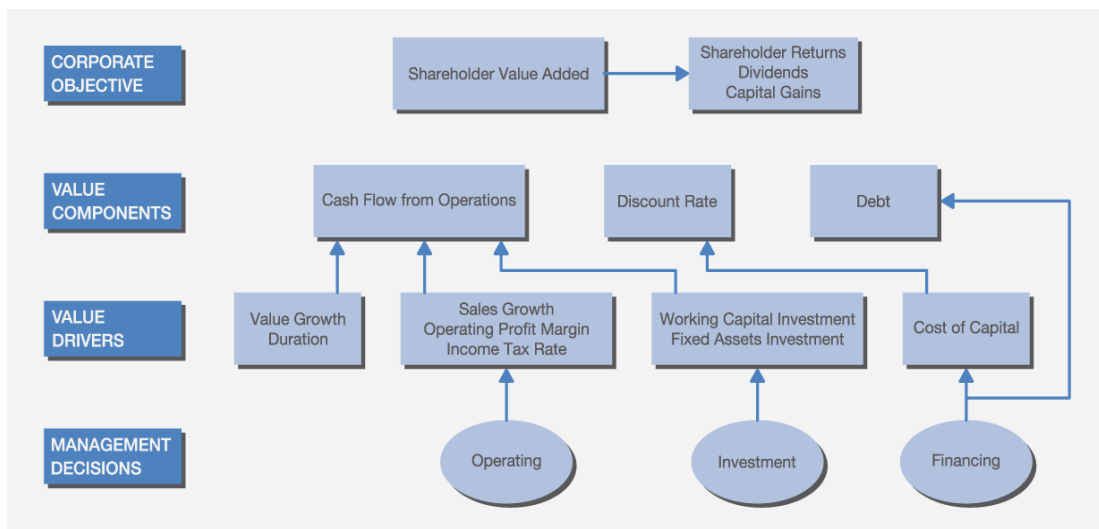


Figure 12: Shareholder value network (own illustration following Rappaport, 1995: 79)

The implementation of managerial decision making in corporate development is measured by value drives, which contribute to value components and finally to the superior objective of adding shareholder value which generate returns, dividend payments and capital gains for the shareholders of the firm (Rappaport, 1995: 79). Shareholder value emerges from the development of value generators which again constitute the value components operative cash-flow, dis-

count rate and debt. The shareholder value emerges from corporate value which again is the discounted sum of corporate cashflows minus debts (Rappaport, 1995: 80)

Cash flow is determined by the value generators turnovers, benefits, taxation and investment in fixed and current assets in the assessment period. Operative and investment decisions are responsible for optimizing this operative cash flow. Discount rate, cost of capital and debt capital are determined by financing decisions. E.g. creditworthiness and incurred risks codetermine the available interest rate and in result – costs of capital (Penman, 2003:687). Companies reduce risk and simultaneously augment turnovers and profits when they create innovative and outstanding products superior to competition (Rappaport, 1995:102) or invest in growth markets or innovative technologies early (Brealy et al., 2005:160pp). All corporate decision levels thus are interdependent.

All three decision categories – operative, investment and finance interact to optimize value generator, value components and shareholder value (Golsner et al., 2012: 31pp).

The shareholder value framework in sum is applicable in three contexts:

- a) The assessment of corporate value in extraordinary valuation situations (e.g. In the instance of sale), applying the FCF or the FTE.
- b) The regular periodic valuation, applying the EVA model
- c) Managerial decision making, applying the shareholder value network.

The shareholder value accordingly is a comprehensive instrument for business development under the premise of maximizing the benefit of its owners. Still the shareholder concept has frequently been criticized:

3.2.5 Critique of the quantitative shareholder value approach

Basically, there are three major strands of critique of the quantitative shareholder value approach in the tradition of Rappaport:

1. The first is technical, inherent in the system and based on fundamental criticism on the CAPM.
2. The second refers to the applicability of the shareholder value to the future-oriented valuation of individual companies.

3. The third is fundamental and refers to the perspective of the quantitative shareholder value approach, which focusses on shareholders only.

3.2.5.1 *Critique concerning the validity of the underlying CAPM*

Technical critique of the shareholder value model originates in a critique of neo-classical capital market theory, which is its theoretical foundation. Both the CAPM and quantitative shareholder value models assume a linear relationship between return and risk of an investment. The WACC- key ratio is based on the assumption that returns increase at the cost of higher investment risk (Drukarczyk, 1993: 251; Schneider, 1998: 1476):

Empirical observations partly have not confirmed the CAPM (Mehra (2003: 2; Dimson et al., 2002: 51-52). The deviation of the real stock returns from the CAPM approach is referred to in the literature as the "equity premium puzzle":

In 1985, Mehra (2003: 2), evaluates the validity of the CAPM for US shares for the period of 1802-2000 to forecast the stock premium on the basis of the portfolio return. He finds that the difference between the average return on equities and the risk-free return on a government bond (T-bond) is between 4.1 % (for the period 1802 to 1998) and 8% for the period 1947 to 2000, which exceeds the CAPM forecast by far.

Equally Dimson, Marsh and Staunton (2002: 51-52) report in a comprehensive analysis of the global equity and bond markets by region for the period 1900 to 2000, that share prices- adjusted for inflation, outperformed fixed-income government bonds (T-bonds) beyond the predictions of the CAPM. The average nominal arithmetic yield of equities exceeded government bond yields five to eight times over a period of 25 to 101 years. The observed yield exceeds the predicted risk-adjusted return according to CAPM over many years accordingly. The CAPM seems too simple in design because of too restrictive fundamental assumptions on market transparency and information efficiency as well as the possibility of hedging and speculation beyond rational targets (Piotroski & Roulstone, 2004: 119; Rudolph, 2006: 67; Laux and Schabel, 2008: 258).

The beta factor of the CAPM is not sufficiently significant in various studies to explain market movements: Bhandari shows that the leverage, i.e. the ratio of

debt to equity, provides an explanation of the yield curve of shares that is not covered by the classic CAPM (Herrmann, 2005: 47). For example, the degree of significance of the regression increases when the CAPM is augmented by a debt factor. This is surprising since the company's risk increases with the debt level, which should actually be represented by the beta factor alone (Bhandari, 1988: 507). The results suggest that a prognosis on the basis of beta factor is insufficient, and that the prediction model of the CAPM can be improved by adding further factors (Laux & Schabel, 2008: 447).

In fact, a broad range of theory-based argumentations suggest that the basic assumptions of the CAPM are not realistic:

The assumption of a complete capital market would imply that no transaction costs exist. This is not realistic for business valuation (Huschens, 2006: 25).

The CAPM is based on the assumption of unlimited hedging options for an investment. These however do not exist in real-world capital markets. It can be shown that an unlimited range of so-called Arrow-Debreu securities¹ would have to exist to construct hedges for all sorts of potential future environment situations, which is impossible, since not all possible future states of environment are known in the instance of hedging (Rudolph, 2006: 67).

Only when a duplication portfolio exists which can be sold or bought at equivalent prices, the individual marginal price of the investor corresponds to the market value of the firm (Laux & Schabel, 2008: 324). If no hedge for a risky investment exists, individual valuation usually is below market valuation for an individual risk-averse investor, since he has to calculate a discount on the market price to insure the risk of lacking hedges (Laux & Schabel, 2008: 267). On the other hand, individual investors disposing of specific hedges or particular opportunities from an investment might rate the asset higher than the general market (Ballwieser, 1994: 1391-1402). Due to a lack of efficient hedges in an incomplete capital market, the CAPM and shareholder value accordingly are poor approxi-

¹ An Arrow Debreu paper is a security covering the return in a particular state of environment in a simple two period model (Copeland et al, 2008: 1818-119).

mations to real corporate values.

The emergence of new financial products on the capital market can lead to a revaluation of company shares by the individual as new investment and hedging opportunities arise (Hagstrom, 2000: 64-67). The subjective individual limit price is constantly changing since the capital market is never complete and finite. Investors' estimates and expectancies are not always coherent. In fact, the assumption of rational expectations is not always met (Copeland et al, 2008: 239).

Roll, an early critic of the CAPM, argues that the model is circular: the CAPM can only be tested *ex post* on the basis of a market portfolio that contains all values. This perfect market portfolio however cannot be found in practice (Roll, 1997: 129-132). It is, therefore, not possible to subject the validity of the CAPM to a reality check, since the result of the examinations is predefined: the mathematical definition implies a correlation between a single title contained in the portfolio and the portfolio itself. Roll points out that the CAPM market valuation can lead to both over- and undervaluation, since there is the risk of double-counting company-specific risks (Rebien, 2007: 72).

Capital market theory assumes that the decision-maker knows all possible future environmental situations and has subjective assumptions about their occurrence. He takes his decisions under risk but not under uncertainty (Franke & Hax, 1994: 291). The CAPM does not take into account that new situations may arise which make the decision-making process complex and change the framework of decision making. In the context of capital market theory, the final decision between investment A or alternative B can only be justified *ex post*. A rationally founded decision-making requires complete information on all possible future payment flows (Müller, 2007: 73-74).

Emotional decisions sometimes appear to be the only way out if there is no knowledge about future environmental conditions. Due to future uncertainty, predictable subjective marginal rates lose their theoretical justification. Bamberg et al. (2006: 4-14) for instance prove that an obviously myopic decision for a buy-and hold strategy can be successful under incomplete information although it contradicts rational decision making when returns are not independent and identically distributed and accordingly a primary assumption of the CAPM is not met.

Capital market theory is explicitly restricted to financial decision-parameters (Laux & Schabel, 2008: 7). Individuals, however, often follow more extensive objectives, which partly are negatively correlated to the development of financial parameters. Thus, the hope of developing personal power and gaining fame can be crucial to the acquisition of a company. In order to achieve personal goals, investors are often willing to adapt their individual marginal costs beyond a rational calculation. However, decision-makers' immaterial value estimates can still follow strategic objectives and thus indirectly affect future earnings prospects. This is true for volume discounts and baggage effects for instance (Rebien, 2007: 184).

The negotiating skill of individual stakeholders, can be another reason for valuations diverging from the CAPM - above or below the fair value. The capital market model concludes that the negotiation process between stakeholders will result a fair valuation. However individual calculations and personal considerations under limited rationality are not included in capital market theory (Laux & Schabel, 2008: 451-452).

3.2.5.2 *Critique concerning the relevance to future oriented business valuation*

Direct criticism on the application of the FCF or EVA model to business valuation, partly draws on the fundamental critique of the CAPM as an underlying model:

Rappaport's FCF approach is criticized for its future orientation and consequent uncertainty of prognostic results: As the FCF formula shows uncertain parameters determining the return on equity according to the Rappaport method essentially are the height of expected free cash flows, the calculative interest rate and the residual values in T. In a speculative capital market interest rates can't be predicted for sure, neither can future cash flows. Given uncertainty of future events it is hard to determine the future value of a project started in the present (Coenenberg et al., 2003: 50).

Laux and Schabel (2008: 276-278) argue that the definition of company-specific beta factors is arbitrary, too. A fair risk-free rate is hard to determine in an imperfect and incomplete capital market. This discussion shows that the DCF based valuation approaches deliver equivalent results under standard model

conditions only. In practice, any valuation based on future expectations is far from objective but remains subject to individual assumptions.

Beta factors in business practice are not stable in time but can change which means that valuation would have to be adjusted: The calculation of the beta-factor is based on past profits. Due to uncertain future developments, future revenues can deviate strongly from current estimates and environmental developments cannot be predicted (Kuhner & Maltry, 2006: 166). Due to the high volatility of beta-factors, the company's valuation can vary greatly depending on the valuation date. Sometimes new beta factors are estimated for companies after a merger or acquisition, which brings additional valuation uncertainty (Laux & Schabel, 2008: 276-278).

It is under discussion, whether, as CAPM assumes, capital providers actually react to a rising proportion of borrowed capital by adjusting their return requirements (gross profit margin). It is equally plausible that the yield requirement remains constant with increasing debt levels, when for example, tax advantages are realized by borrowing capital (net profit approach). This assumption does not correspond to the CAPM model (Langenkämper, 2000: 53-54; Hachmeister, 1999: 100-101).

3.2.5.3 Critique concerning lacking stakeholder orientation

The above points of critique (1 and 2) concerning the mathematical approach of the CAPM and of the shareholder value model illustrate that corporate valuation depends on factors that go beyond mathematical assessment. Corporate value is subjective and depends on the valuation of business opportunities that emerge under specific future environmental conditions. Opportunities and risks usually depend on the interplay between all internal and external stakeholders of the corporation.

Enterprises have started to understand that beyond the maximization of shareholder value there are further factors that create corporate value but do not - at least not during the usual assessment periods - concretize in measurable shareholder value increases. Their observation and development however is essential to maintain shareholder value in the long run. A survey among German DAX corporations illustrates this perspective:

For 11 of 16 responding companies, internationalization and globalization are among the most dominant strategic objectives. Seven companies state that they are primarily pursuing a growth path; for six companies however, business focusing is a major objective. Another seven companies, are committed to consolidation. Opening up new business opportunities and realizing product innovations is of high relevance for six to eight companies. Various companies mention organizational objectives such as deregulation, the handling of structural and procedural problems, the decentralization of the organization, the alignment of processes with customer requirements, the realization of synergy effects at a company level and with internal and external partners as strategic core targets (Pörner, 2003: 5-8).

Corporate goal formulation is a complex and conflicting decision-making process. Until the 1950s, entrepreneurial planning had been primarily production-driven and designed to maximize profits in the short term (Fromman & Dahmann, 2005. 12-13). Since the 1980s and 1990s, orientation to international markets, technological advances i.e. shareholder value development had been in the focus of corporate development. Recently however expectations of the social environment and other internal and external stakeholder e.g. employees and suppliers have gained consideration in the target system of European companies (LaPorta et al., 1999: 471).

Operational target systems accordingly do not focus on Rappaport's classical shareholder value conception any more, but are defined in correspondence with numerous other interest groups such as, for example, employees, customers and society. According to Achleitner and Gilbert (2009: 16), the goals and interests of these stakeholders are much broader than the financial shareholder value and partly even contradict profit maximization based on the shareholder value principle. Employees desire remuneration and job security, borrowers estimate a corporate policy designed for security, rather than growth. Society and policy expect sustainable, ecologically sound and socially responsible projects, processes and products.

Value based management today, accordingly has to take a broader perspective than suggested by the shareholder value approach in the tradition of Rappaport and the CAPM. The following sections systematize value based concepts that go beyond this perspective:

3.3 EXTENDED STAKEHOLDER VALUE ORIENTATION

3.3.1 A value based market model as an analytical framework

The above fundamental critique of the financial shareholder value concept illustrates that in essence corporations today are exposed to target conflicts that emerge from the interaction of diverse stakeholder groups within and without the organization. This differentiation follows Kraus' and Britzelmaier's (2011: 329) paradigm of corporate governance relationships. Equally Krol (2007: 3) differentiates internal and external business relationships for the implementation of value based management.

To structure stakeholder networks, businesses operate in, again the basic principle of Porter's market model is helpful. Porter sees the corporation exposed to five major external market forces, which are personalized by suppliers, competitors, customers and the public (alternative goods market) (Porter, 2008: 20; Porter & Millar: 1985: 153).

Porter's model is criticized for its relatively low flexibility with regard to relevant market forces. Grundy however argues that Porter's market model could be even more widely applied by adapting the market forces depending on the requirements of industry environment and research (Ajitabh & Momaya, 2003: 47-48). Accordingly, it is legitimate to modify the relevant market forces in accordance with the research objective, while preserving the fundamental idea of the tension field of the core business in the interplay of market actors (Grundy, 2006: 218-219). This idea is taken up here:

There are essentially four major theoretical strands of value-based research that have taken influence on and partly have modified the original accounting based value-management model. Each research strand focuses on a particular stakeholder group and its relevance to value based management. The major influence strands to corporate value based management are:

1. Employees and management. Agency theory has been developed to optimize value orientation in the relationships between shareholders and managers or employees (Jensen, 1986: 323; Murphy, 1985:11; Baker, 1986: 1-2).

2. Suppliers. Supply chain management intends value orientation in the management of corporate supply side relationships (Kuhn and Hellingrath, 2002: 10; Janker, 2008: 13).
3. Customers. Customer relationship management is as strategy to develop value orientation in the interaction between shareholders and customers (Eckhardt & Schane, 2003: 333; Kuratko et al., 2001: 60).
4. The broad public and society as a whole. The concepts of sustainability and corporate social responsibility reflect social influence of on value based orientation (Brandl, 2011, 174-176; Meins, 2010: 279).

The following illustration summarizes these corporate relationships relevant to value based management and the underlying economic theories.

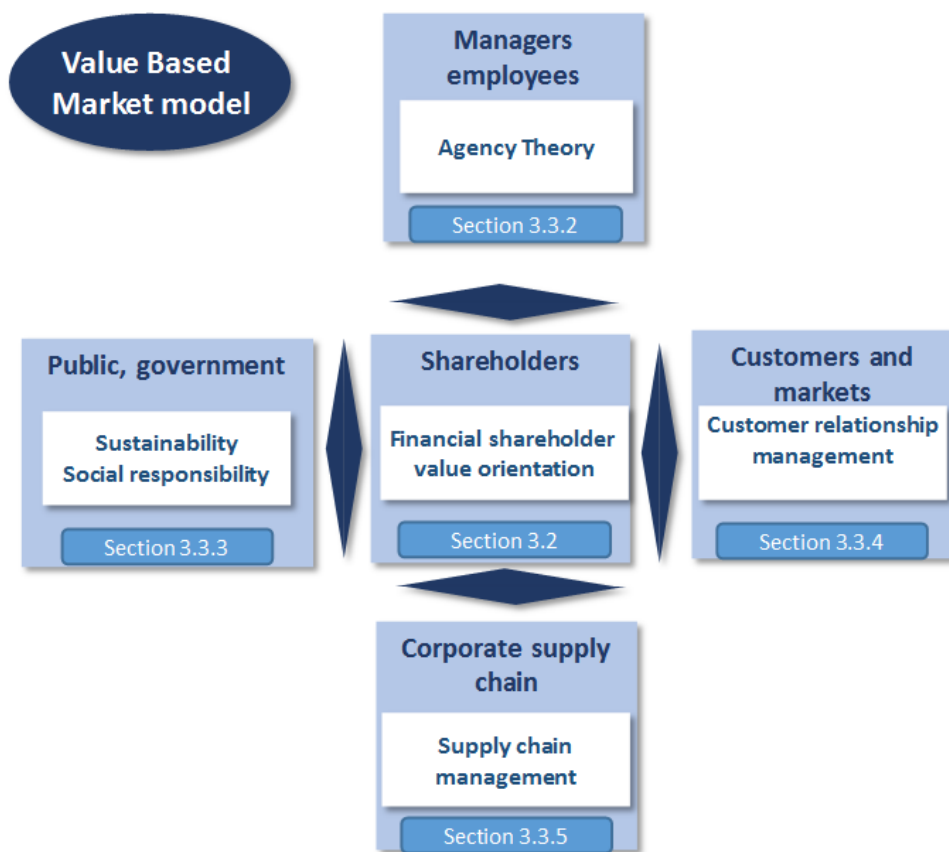


Figure 13: Value based market model (own concept drawing on Porter, 1996: 20 and Kraus & Britzelmaier, 2011: 329)

At the center of the model the classical shareholder principle - detailed in section 3.2 - is located. The following paragraphs of chapter 3.3 refer to the external factors that take effect on corporate value.

3.3.2 Value-based management of management and employee relationships

3.3.2.1 *Conceptual foundations of agency theory*

New institutional economics was among the first theoretical research strands which consider that beyond the financial figures and ratios that appear in corporate balances, further implicit costs are relevant for entrepreneurial value creation. According to industrial economics owner-led and management led companies basically should correspond in their efficiency provided they observe the fundamental economic principles of cost minimization or profit maximization (Witte, 2007: 51). Shareholder profit in the conception of Rappaport, (1998: 35) only depends on direct costs of production and financing and on revenues from business activity.

Economists, however, have observed that owner-managed and externally managed corporations do not perform equally and vary in profitability depending on their organizational characteristics: Internationally family-owned companies contribute to GDP significantly and frequently show extraordinary performance results as compared to larger corporations (Lee, 2006: 103). Owner-led companies show stronger growth and stability even in economic down-turns (Rößl et al., 2008: 1). A strong owner commitment to responsibility and sustainable growth according to Leyherr (2000: 71) is at the bottom of this success story. Familiness according to Habbershon & Williams (1999: 2-3) provides these companies with a particular form of strategic and competitive advantage as compared to manager-guided corporations. This effect originates in the absence of conflicts of interests between the owner and the leading management team (Nordqvist, 2005: 49).

Similarly venture capital funded companies reach long-term improvement of venture success, when they are owner-managed, while curtailing founders' responsibility has got negative performance effects. Busenitz et al. (2004: 787) find this for a sample of 2,000 VC backed US biotech ventures in different life stages.

New institutional economic research assumes that in non-owner led corporations, entrepreneurial objectives are frequently less important. The interests of corporate insiders e.g. managers who control costs and profitability, partly do not correspond to the interests of shareholders who remain outsiders to daily business operations (Jensen, 1986: 323; Murphy, 1985:11; Baker, 1986: 1-2).

New institutional economics (NIE) starts from the weak points of neoclassical theory (compare section 3.2.5). It abandons the assumptions of complete information and schematic and decision-making under risk in correspondence to a state tree of future possible environmental conditions (Osterheld, 2001: 57). Economic issues are no longer explained on the basis of a price-fixing mechanism initiated by the capital market only. NIE instead assumes imperfect and changing knowledge and incomplete predictability of future developments. Market participants act rationally to a limited extent only and often are opportunistic (Currie & Messori, 1998: 171). The result are motivation and coordination difficulties. Economic costs do not only emerge in the production process itself, e.g. for wages and materials, storage and logistics (production costs) but also because of cooperation problems between economic entities within and outside the organization (Helm, 1997: 4).

Neoclassic principles basically are relevant to New Institutional Economics, too, but they only describe the first-best solution, which would have emerged under rational decision making and risk without information asymmetry (Osterheld, 2001: 86). NIE-models however determine the so-called second-best solution, which takes account of friction losses in the interaction process (Rudolph, 2006: 164).

Institutions in the sense of the NIE are instruments and regulations which are intended to control the behavior of individuals (Fischer: 1992: 40). Institutions serve to reduce insecurity and promote interpersonal exchange and interaction relationships (Blum, 2005: 43). Institutions, accordingly should reduce the costs for the exchange of goods (Richter, 2004: 312-316). Legal, political, and economic organizations and frameworks are institutions in that sense. NIE pursues diverse objectives, e.g. the establishment of institutions and their development, the analysis of the impact of institutions on interpersonal behavior and their suitability for achieving certain results (Richter & Bindseil, 1995: 132).

NIE comprises several models which are all based on similar assumptions about human behavior, these are:

- Individuals maximize their personal benefit and often act opportunistically for this purpose, which means that the transaction partner has to accept a disadvantage if it is an advantage for the actor (Rippberger, 1998: 35).
- In contrast to the models of capital market theory, subjective values, like power and fame, can be equally desirable as financial and material assets from the perspective of the individual. However, the accounting is generally limited to financial values (Blum, 2005: 45).
- In contrast to the assumptions of neoclassic economics, NIE-capital market actors are only partly rational in their decision making, because the future is uncertain. In neoclassic economics, action under risk was assumed (Picot et al., 1998: 37).
- Individuals have uncertain assumptions about the actions of the contract partner and about the future. Business outcomes are thus uncertain and subject to the individual valuation of capital market actors (North, 1994: 360).

Agency Theory is a strand of NIE and was initiated by Jensen & Mecklin (1976: 305) who discussed the effects of a separation of ownership and control in a business context characterized by information asymmetry. They argue these divided roles and interests entail uncertainty that causes indirect costs, so-called agency costs.

Principal agent theory analyzes the relationship between a principal (Outsider, shareholder) and an agent (insider manager) in a joint business activity i.e. entrepreneurial decision making in a company.

The principal finances a venture but due to his position outside of operational business has only got partial insights on the activity of the agent, who takes the role of a manager. The principal-agent relation hence is characterized by information asymmetry and uncertainty (Jansen, 2000, 49-52). While the principal intends to maximize firm value, agents will be tempted to employ their informational edge to draw fringe benefits and augment their own power instead of act-

ing in the interest of the firm and its owners (Holström & Milgröm, 1999, 214-242). The personal interests of shareholders and management insiders accordingly do not necessarily correspond since managers only act in the interest of the firm when this corresponds to their private (dominant) interests. When private interests diverge, the managers as agents will choose the option that maximizes their own benefit, unless the principal (shareholder) manages to control agents' activity.

Agency costs describe the financial loss that results between the first best solution (under symmetric information) and the second-best solution under asymmetric information. Principal agent theory attempts to minimize the sum of all the transaction costs incurred suggesting adequate strategies of reducing information asymmetry. Equally the agent however attempts to minimize agency costs. He anticipates the principal's distrust and undertakes activities to reassure him. (Picot et al., 2003, 48).

To analyze these effects agency theory systematizes relevant agency costs as follows (Picot et al., 1998: 48; Picot et al., 2002: 88-89):

- The principal incurs monitoring costs (control costs of the principal) which result from monitoring and disciplining the agent. They include, for example, incentive premiums and control efforts.
- The agent incurs bonding costs to reduce information asymmetry and establish a relationship of trust with the principal. These are self-control or guarantees for instance (Picot et al., 2002: 89).
- Despite the efforts of both parties, a residual loss results since the information asymmetry cannot be completely eliminated and a difference between the realized contract solution and the theoretically best solution remains.

When one cost type can be mitigated by accepting another there is a trade-off relationship between the different agency solutions, but a zero agency-cost solution in practice is impossible. Agency analysis attempts to minimize the sum of all costs arising from the relationship.

Due to the divergences in interest between Principal and Agent, there are three basic strategic uncertainties in the PA model.

Hidden characteristics are the pre-contractual uncertainty about the quality

characteristics of the agent, which become apparent during the contractual relationship only. This may lead to so-called "adverse selection" when an agent with unfavorable properties is selected. This problem can be partially solved by approximating the interests between the principal and the agent, by signaling (quality evidence of the agent), screening (quality testing of the principal), or self-selection (mechanisms that disclose the properties of the agent) (Jost, 2000: 156).

Hidden intentions are intentions of the agent, which only show up in his behavior after conclusion of the contract, although they were already present before conclusion of the contract but are not recognized by the principal. Principal's specific investments into the business relationship, make him vulnerable to adverse actions of the agent (danger of hold-up). Strategies of interest-sharing between principal and agent diminish this problem (Göbel, 2002: 101).

A hidden action and hidden information refer to adverse activities and information retention of the agent after contract conclusion, which cannot be observed by the principal because of the agent's informational edge. There is the risk that the agent does not perform, shirks or uses funds other than in the interest of the owner to gain advantages for himself (moral hazard). The principal can mitigate this behavior by monitoring and interest alignment (Jensen & Meckling, 1976: 308).

The following overview summarizes these conflict situations of the Principal Agent Relationship:

Information asymmetry	Hidden characteristics	Hidden intention	Hidden action, hidden information
Problem	Agent's quality unknown	Agent's intentions unknown	Agent's actions and information strategy unknown
Time point	Pre-contract	Pre- and- post contract	Post-contract
Strategic uncertainty solutions	Adverse selection	Hold up	Moral hazard
	Interest adaptation, signalling, screening self-selection	Interest adaptation, monitoring	Interest adaptation, monitoring, signalling

Table 4: Overview on problem sets and solutions of principal agent theory (own illustration drawing on Jost, 2000: 156)

3.3.2.2 Corporate value creation by interest alignment

Value based management at the human resource level stands in the tradition of the human resource accounting approach, an analytical accounting framework that juxtaposes human resource expenses and their contribution to corporate value (Flamholtz et al., 2002: 947-948). HRA proves that human resource practices contribute to or equally delete enterprise value. The management of human resource issues accordingly is an entrepreneurial key competence and indispensable element of the value based approach (Flamholtz et al., 1999: 25-30).

VBM reduces agency conflicts in organizations by improving decision making processes at all levels of the organization (Koller, 1994: 1) and mitigates agency conflicts, by providing businesses with adequate governance mechanisms to control and guide managerial action. VBM can be understood as a concept for the alignment of the interests of managers (agents) and shareholders (principals). VBM proposes a generally accepted framework – the maximization of shareholder value – which all parties should follow (Ameels et al., 2002: 5).

Top-down command systems cause high agency costs of monitoring and control and accordingly do not work out well. VBM suggest that managers implement value-based performance metrics in the tradition of Rappaport's approach to improve their decision making and align their target structure with

shareholders (Koller, 1994: 3).

Value based management points out that in the long run the assumed conflict between management, owners and other stakeholders' interest should not exist since a profound shareholder value orientation in the long run contributes to the accomplishment of all relevant objectives (Brigham and Houston, 2001: 21): For instance, sustainably profitable companies create employment. Management salaries and bonus payments rise when the firm flourishes. A consistent shareholder value orientation in the long run is in the interest of all stakeholders (Young & O'Byrne, 2003: 3; Crowther, 2003: 49). The draft of a compatible incentive scheme and adequate control and surveillance standards can reach an alignment of interests.

Value based management focusses on three major interest conflicts between owners and managers (Byrd et al., 1998: 15-19):

1. Effort: Management incentive to maximize shareholder value is low, since they do not directly benefit from an improvement of profitability. These conflicts can be resolved by the creation of incentive schemes based on corporate success (i.e. profit premiums).
2. Horizon: Managerial planning horizons are much shorter than shareholders'. While managers change company every few years, owners frequently see it as a life-project. To align management and shareholder interests, management incentive scheme should be tailored over several years or reward investments into the future profitability of the firm (i.e. high innovation rates instead of rampantly rising profits).
3. Risk preference: Managers typically are less risk averse than owners, since they do not participate in a potential loss of equity capital. Particularly when profit premiums are agreed on, managers might be tempted to incur excessively risky ventures to rise their premiums within short time. An alignment of interests can be reached when managers participate in short-term losses e.g. by payments in corporate options or shares.
4. Asset use: Managers might be tempted to misuse corporate assets for their own purpose, i.e. draw fringe benefits. Monitoring and control mechanisms e.g. the consultation of an external supervisor can protect owners from such

strategies.

Shareholder value oriented corporate governance influence agency relationships in corporations through two major cause and effect chains (Weichsler, 2009: 12; Günther & Gonschorek, 2008: 136):

- a) the increase of cash flows by enhancing managerial commitment
- b) the decrease of costs of capital by reducing by reducing agency costs of interaction.

Ad a)

The first effect is attained since monitoring and control strategies improve value generating processes. Management activities are better aligned with shareholder objectives. Monitoring and control systems as well as incentives ensure that the shareholder value network is pursued more effectively at an operational and investment level. It is ensured that management decisions are consistent with sustainable corporate growth and development.

Ad b)

Lombardo et Pagano (2002: 1) argue that creditors and external shareholders will associate expected agency costs with increased investment risk and accordingly will charge a risk premium for management-guided companies. Activities to diminish agency costs by incentives, surveillance and control of the management can diminish investment risk and risk premia for debt and equity financing (Drobetz & Zimmermann, 2006: 498; Hirt, 2007: 137).

Empirically both effects of agency costs of corporate management usually are hardly separable and difficult to differentiate from other direct cost factors. Improving surveillance, control and incentives for managers however contributes to enhance business efficiency and reduce the costs of capital acquisition (Weichsler, 2009: 14; Raskop, 2004: 240).

Further steps to improve management control are the presence of large and responsible block-holders, which have got an in-depth insight into management activity and can stop management decisions in the board. High debt levels further contribute to management control since they restrict the available equity base and

subject management to the additional control of external creditors, which usually are risk-averse (Byrd et al., 1998: 18).

Excessive control and monitoring levels however can have a contrary effect, i.e. be averse to interest alignment between management and shareholders. When managers feel shareholders' distrust they might decide more risk-aversely and restrictively than under un-controlled decision making. The shareholder value result according is inferior to an optimal agency solution (Wagenhofer, 2009, 11).

The composition of incentive instruments is relevant to agency costs. Incentives for managers for instance can be more successful than pure control mechanisms. Premium payments and bonuses in case of shareholder value increases align managerial and owners' interest, while control instruments show open distrust and necessarily are imperfect in the face of managers' superior informational position (Bassen et al., 2006: 377; Weber & Velte, 2011: 43).

Wijbenga et al. (2007: 257) find for a sample of 93 Dutch venture capital (VC) funded companies: entrepreneurial control systems as well as incentive and reward system are stimulated by VC funding, i.e. strong shareholder presence. But the effect of VC fund intervention on corporate financial performance is positive only when the VC fund combines its monitoring activity to additional service activities that encourage entrepreneurial engagement.

The following chart illustrates the relationship between the extent to which governance instruments are applied and the development of the shareholder value:

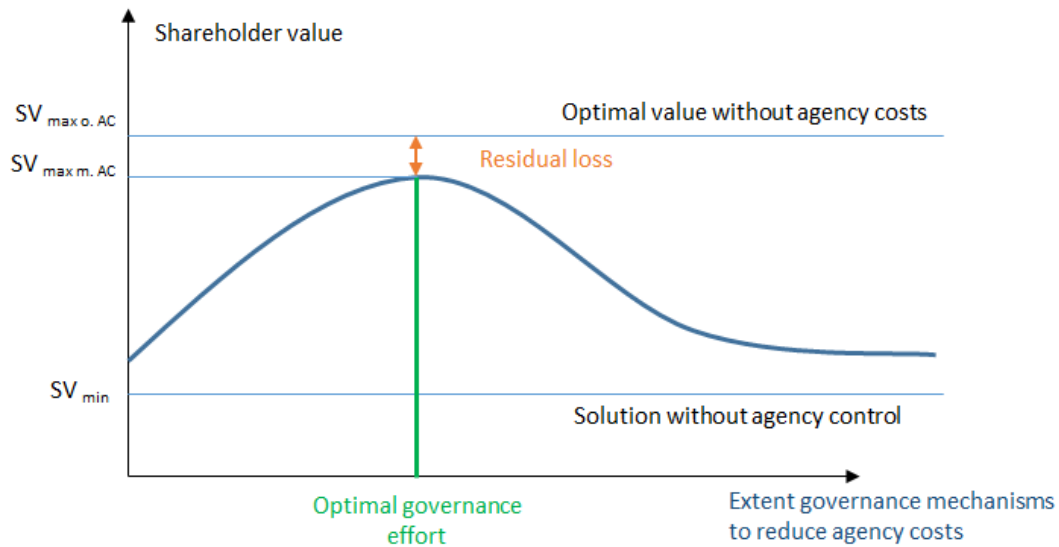


Figure 14: Shareholder value and agency costs as a function of governance instruments (own illustration drawing on Wagenhofer, 2009: 12)

Certainly, further value drivers beyond management engagement contribute to corporate success. Beyond the management of internal relationships, further external relationships are essential to develop corporate value sustainably:

3.3.3 Value based management of supply chain relationships

Supply chain relationships for instance cannot be measured base on direct costs of production alone. Equally here agency problems have to be considered to optimize value orientation sustainably:

3.3.3.1 *Relevance and agency challenges of supply chain management*

Supply chain management (SCM) is the integrated process-oriented planning and controlling of all goods, information and cash flows along the value creation chain from suppliers to final customers. Suppliers, logistics, production and sales are integrated into a complex and interactive virtual and real network. Supply chain management is based on the insight, that optimising individual element of this network is impossible because the management of interdependencies is the key factor of success for the whole system (Kuhn and Hellingrath, 2002: 10). Supply chain management comprises distribution, logistics and acquisitions management, which are closely intertwined (Janker, 2008: 13).

In a work-sharing economy, development, production and distribution processes the activities of the participants of supply chains are becoming increasingly inter-correlated. Active management of supply chain processes becomes a core corporate factor of success in many industries. The effective management of the supply chain is essential to develop shareholder value directly and indirectly. According to Gorchla and Schönbohm (1980,16) outsourcing comprises goods, services, workforce and capital as well as rights and information, i.e. material and immaterial assets. Supplier share in production and development has risen from 65 % in 2004 to 75% percent in 2015. (Kinkel and Zanker, 2007, 34).

Development tasks today are frequently taken over by suppliers. Suppliers consequently invest know how in the product creation process. Many OEMs on the other hand have already lost central in-house development competencies which leads to strong interdependence between supplier and OEM (Wildemann, 2004: 1-2). OEMs have been diminishing storage capacity and obliged suppliers to deliver just-in time, which results in strong mutual interdependency. Both OEMs and suppliers need frictionless delivery processes to keep their production going (Kinkel & Zanker, 2007: 36).

Considering the EVA model (compare section 3.2.3 Figure 11) again, supply chain management increases net operation profit after taxes by augmenting earnings before interest and taxes. Efficient supplier management diminishes operating costs, for instance when pre-products are produced at better prices and R&D costs are deduced by outsourcing to suppliers (Rudolph et al., 2007: 1-3).

Supplier management however comprises more than the selection of cost-efficient sub-contractors and the effective organization of logistic processes (Thaler, 2007: 154). SCM equally means the trustful design of a long-term development and production partnership (Arnolds, et al., 2001: 263). Agency theory is helpful to analyze this situation:

The three central strategic uncertainties described for the management-owner interaction in section 3.3.2.1 are of parallel relevance for the supply chain relationship:

Hidden Characteristics describe the pre-contract risk that attitude or quality of the supplier don't correspond to needs and expectations of the OEM and that thus an inadequate or second-best supplier is selected. there is an informational difference between suppliers as agents and OEMs as principals in the value-added process. The OEM disposes of limited information on the supplier's quality and engagement. Information deficits encourage opportunism and are responsible information costs and sunk expenses (Richter and Furubotn, 2003: 41). The principal can reduce this risk by making inquiries on the supplier (screening), the supplier will participate in the rating process to prove his aptitude (signaling) (Picot et al.: 2002, 88-89).

Hidden intentions describe the risk that the agent intends to deceive the principal before or during the contract relationship to draw personal profits. Controlling the value-creation process the supplier gains an informational edge on the OEM which he may employ opportunistically to his personal advantage, for instance by producing parts of inferior quality or adapting prices inadequately in a long-term development partnership. An automotive supplier might intend to invest less effort or deliver inferior parts to lower his development or production costs for example. Again, signaling and screening as well as supervision and control may help to avoid the problem (Göbel, 2002: 101). The principal may anticipate these possibilities and try to control the activities of the agent supplier. The supplier on the other hand may make efforts to reduce the principal's mistrust (Holström and Milgrom, 1999: 214-242). Agency costs resulting from these activities are result from information deficits remaining in spite of the joint efforts of the cooperation partners produce residual losses (Jensen and Meckling, 1976: 308).

Hidden action and hidden information result after the conclusion of the contract of cooperation. Since the principal can't control all the actions of the supplier the latter can deceive him. In automotive industry for instance, secret development know how might be sold otherwise or quality-relevant production efforts be reduced. The OEM can avoid this by monitoring the agent. A good-willed agent will readily cooperate. Incentive schemes may reduce the supplier's moral hazard. (Jensen and Meckling 1976: 308)

Screening, signaling and rating however is costly and the additional effort causes agency costs as compared to the first-best solution of in-house develop-

ment and production without an agency conflict. The extent of agency costs is depending on the power and information relationship between OEM and supplier and hard to calculate (Janker, 2008: 29). An ideally designed, value maximizing principal-agent relationship manages to minimize the sum of production and agency costs by an adequate design of evaluation systems. (Picot et al., 1998: 48).

3.3.3.2 *Value-based supply chain management*

The principles of value based management are crucial to the minimization of direct costs and agency costs in the supply chain relationship: Supplier evaluation makes part of supplier management and describes the continued process of performance assessment of suppliers on a pre- and post-contractual level (Narasimhan et al., 2001: 1), and intends to implement value based principles in the supply chain relationship.

Supplier development and supply chain improvement involve a continued performance measurement process (Hildebrandt and Koppelman 2000: 123; Hieber, 2002: 107). Supplier evaluation includes supplier analysis, selection and controlling (Janker, 2000: 33). These evaluation steps are interdependent.

Supplier analysis ensures the selection of adequate and cost efficient suppliers with specific qualifications concerning the principal's needs and comprises the acquisition, processing and presentation of information on (eligible) suppliers (Glantschnig, 1994, 12). This information results from market research, personal inquiries and auditing of suppliers. These measures deliver a snapshot of the supplier's performance (Hartmann et al., 1997: 18). Based on the results of audits or other analysis tools suppliers can be evaluated systematically i.e. classified according to standardized measures (Fuchs and Zachau, 2000: 52-53).

Efficient supplier selection tries to draw on the results of several analysis models integrating qualitative and quantitative aspects (Hartmann, 1997: 459). Supplier selection can comprise strategic aspects i.e. rate success potentials of suppliers or be tied to a concrete project or product on an operative level (Cachon and Fischer, 2000: 1032: 146).

In many cases a clear decision in favour of one supplier is difficult since ei-

ther there are only marginal differences between them or several suppliers lead on different aspects. Supplier selection thus often demands the development of further selection procedures weighting capable of various aspects (Janker, 2008, 46).

Supplier controlling comprises the continued supplier evaluation in the course of the contract relationship and may draw on insights of selection processes for instance to in time discover decreasing quality standards (Melzer-Ridinger, 2003: 6; Lawrenz et al., 2000: 94-97, Karrer, 2006: 20-23).

An assessment that goes beyond shareholder value oriented performance is adequate to find cooperation partners corresponding with regard to knowledge, quality and reliability. Koppelman (2003: 112) differentiates fundamental, strategic and operative aims of supply chain management and categorizes these into product, relationship, payment, communication and service related targets.

Janker (2008: 17-18) - referring to this concept - differentiates 5 superior objective categories of supply chain management:

- Cost objectives comprise all aspects to lower the cost of the final product or the input factors needed.
- Quality objectives imply measures to improve quality or performance of processes or products.
- Security objectives are intending to enhance supply security by optimizing storage capacity or commodity supply.
- Flexibility objectives help to maintain flexibility of action in extraordinary situations.

Richert (2006: 22) adds

- Transparency objectives intending to enhance process understanding and clarity,
- Productivity objectives to increase output,
- Capacity utilization objectives intending to optimise usage of existing capacities.

To meet these selection- and controlling- objectives value based supplier management relies on a mix of quantitative and qualitative value based methods of evaluation:

Quantitative measures of supplier evaluation rely on the basic principles of the shareholder value approach:

Particularly in medium sized companies and for simple products, prices and costs are the only criteria according to which suppliers are selected. Usually prices of an asset are observed for some time to make a prognosis when they will be at a low and decide for acquisitions then. (Arnolds et al., 2001: 138) Price observation can be a helpful source of information in contract negotiations. To select suppliers, prices of different providers for comparable or corresponding products are compared (Glantschnig, 1994: 28). Structural analysis of prices gives insights into the provider's calculation, production- and resource - costs as well as profit margins. (Arnolds et al., 2001: 162)

Product quality, terms of delivery and payment as well as the basic characteristics of the supplier company however are not part of quantitative evaluation. (Glantschnig, 1994: 27). Long term successful supply partnerships are based on soft factors like trust and reliance or data security to a large extent, not on prices alone. Transaction and agency costs are hard to model by price analysis (Beamon, 1999: 279)

Although key data analysis is a mere quantitative procedure, it allows to consider further aspects. Failure quotas, for instance, display the number of defective parts per parts delivered. Quotas to assess reliability and service of supplier are parts delivered in time per parts ordered in total for instance (Koppelman, 2000, 140-154) Index figures display the change of parameters as compared to a period of reference (Harting, 1994: 58-59)

Comprehensive evaluation approaches try to integrate several key figures into a total ratio. The challenge about this approach is to define main and subordinated performance parameters which are to be weighted accordingly and will become part of a final comprehensive key figure (Hartmann et al., 1997: 91-98) Qualitative aspects frequently are hard to measure in figures and should be assessed separately (Gunarsekram et al., 2004: 334).

Pure verbal procedures try to pay regard to all parameters of supplier evaluation on a qualitative level. The most important are check lists, portfolio analysis and supplier typologies (Harting, 1994: 44-75).

- Check lists usually comprise multiple choice questions on performance factors needed. They can easily be adapted to new decision procedures (Harting, 1994: 27; Hartmann et al., 1997: 37).
- Portfolio analysis originates in financial theory but is equally used in controlling and logistics to arrange suppliers as to their strategic positioning. Market-power portfolios for instance display the relationship between supplier and OEM with regard to the power position of each partner within the relationship (Arnolds et al., 2001: 316; Wildemann, 1999, 54-55).
- Supply typologies categorize suppliers into homogenous classes according to several aspects (A, B, C suppliers) (Harting, 1994: 53). Supplier matrices integrate several influence factors into a three-dimensional supplier profile. The effort to obtain univocal results though is considerable due to the amount of relevant information (Muschinski, 1998: 118-125). This point of critique is valid for all qualitative approaches.

Supply chain value management accordingly relies on a broad range of instruments, to reduce the direct and indirect costs and increase output, quality, safety, flexibility and transparency of the supply chain relationship (Richert, 2006: 22). The integration of qualitative and quantitative performance measures is essential to maximize corporate value results and equally to maintain a trustful and cooperative relationship with experienced and expert supply chain. Qualitative value indirectly generates financial value since product quality, joint knowledge development and experience contribute to save costs and to develop and produce convincing products which are sold at higher prices and contribute to revenue increases.

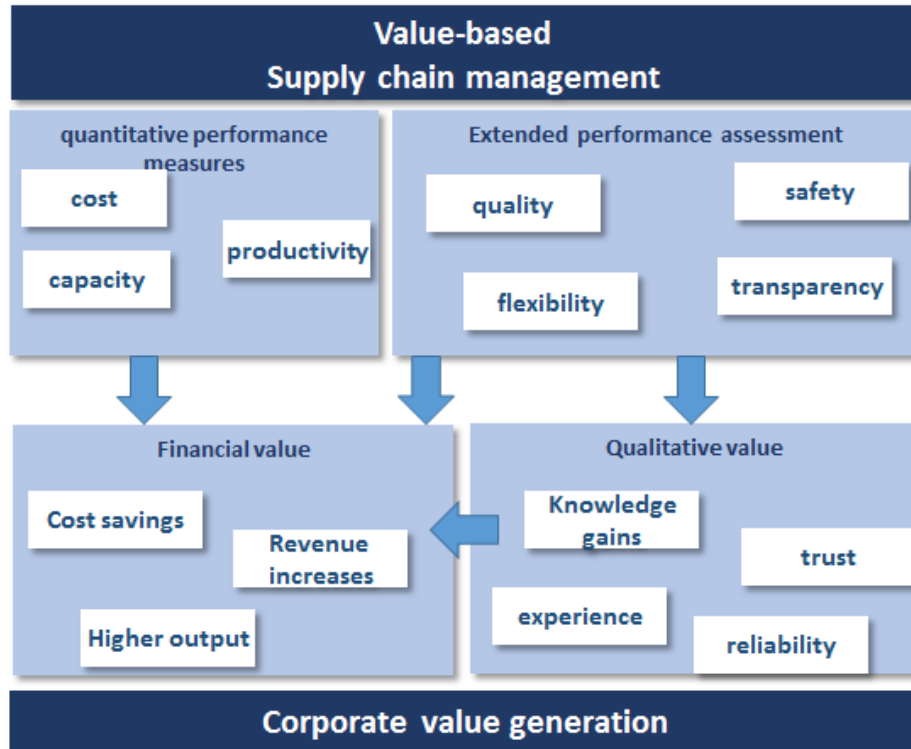


Figure 15: Value based management of the corporate supply chain (own illustration; following page)

The analysis of the corporate supply chain relationship exemplifies that financial and qualitative value management are inseparably linked.

3.3.4 Value based management of customer relationships

Customers take an essential part in the corporate value generation framework. Customer relationship management (CRM) is a proven instrument for value based management of the provider-customer relationship (Tsai et al., 2012: 1415).

3.3.4.1 *CRM as a value based conception*

Customer orientation in the long-run is indispensable to business success, and is inseparable from the provision of sustainable products, which meet market demands.

Due to increasing global competition among businesses and organizations, there is the need to focus on the customer as the most instrumental element to ensure growth. The customer is the main entrepreneurial resource. Customers provide valuable inputs how companies should operate to satisfy market needs (Eckhardt & Schane, 2003: 333; Kuratko et al., 2001: 60).

Various definitions of customer relationship management have been suggested in previous research. Bhattacharya (2011: 45) explains that the fundamental elements in customer relationship management are strategies that “reduce costs and increase profitability by solidifying customer satisfaction, loyalty, and advocacy” for a company. CRM includes all activities directed to existing or future relationships between customers and companies. A fully-implemented CRM system enables companies to address customers quickly, flexibly, individually and to establish a long-lasting relationship (Zentes & Swoboda 2001: 98). Customer relationship management is a “comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customer” (Tsai et al., 2012: 1418).

Customer relationship management accordingly concretizes value management objectives at the level of the customer and accordingly is a strategic task: Ang and Buttle (2006: 5) suggest, that “CRM is the core business strategy that integrates internal processes and functions and external networks, to create and deliver value to targeted customers, at a profit.” CRM accordingly is part of a comprehensive approach to value based management according to the initially (section 3.3.1) suggested market based value management model. CRM supports shareholder value development in the conception of the EVA model: CRM increases net operation profit (NOPAT) by maximizing earnings before interest and taxes (NOP), by augmenting net sales and reducing the cost of sales (Bühner, 1996: 337).

CRM however equally is an instrument of supporting customer relationships and thus creates value from the perspective of the customer, too. Raab et al. (2009: online) see CRM as a feedback system designed for customers. Customer

relationship management should seek to provide customers with what they want rather than what the company believes that the customer wants: Most studies, like Rigby et al. (2004: 118) or, Winer (2001: 89) find the aspect of creating customer loyalty essential. The concept of customer oriented value creation accordingly comprises more than the classical shareholder oriented EVA model can conceive: Values generated for the customer do not immediately appear in corporate balance sheets, but in the long run unfold positive performance effects by strengthening customer loyalty, encouraging recommendation and repeat purchase for instance (Achleitner and Gilbert, 2009: 18).

Customer relationship management accordingly creates benefit for both stakeholder groups, shareholders and customers: Customer relationship management strengthens the relationship between shareholders and customers. In essence CRM is about building a long-term customer relationship, to sustainably increase sales, improve image and promote long term growth (McKenna, 1991: 25; Parvatiyar & Shet, 2001: 1).

3.3.4.2 The establishment of a customer-related value creation chain

The philosophy and principles of customer relationship management depend on the surrounding organizational structure and its process-related embedding in this context to a large extent. The concept of the entrepreneurial value-added chain implies that production processes step by step shape the final marketable product (Haller, 1997, 77-82). Corporate value-added results as the difference between inputs and outputs in this process. Value creation takes place in an inner- and extra-organizational framework and includes the customer as a crucial element (Fischer-Winkelmann, 1983, 1212-1213).

CRM is a functional and cross-departmental, customer-oriented process, which is supported by both organizational and technological components and includes analysis, planning, implementation and control of customer relationships (Homburg & Sieben, 2005: 86). CRM accordingly takes place at every stage of a value-added chain (Porter, 1985: 61).

Chase suggests a model of process classification that evaluates value-added processes by intensity of customer contact (Chase, 2010: 11). Davies takes up the idea of classifying process types by customer contact intensity to develop meth-

ods of process optimization (Davies, 1994: 1365). The degree to which processes can be standardized and enhanced in efficiency according to Chase (2010: 12) depends on the relevance of customer integration to a large extent.

Several value creation models have been suggested which see the customer in the center of corporate value creation and particularly as key focus point of marketing, which in this conception is a comprehensive entrepreneurial function. Hesse et al. (2007, 30) suggest a value-creation model of customer directed marketing strategies which comprises, market research, product planning and positioning, product communication, sale and customer servicing. Corporate products are devised, advertised, sold and served with the customer perspective in mind. The value generating mechanisms are detailed for each step of Hesse's et al.'s value-added stage here:

In market research, the customer is the central source of information. Corporations and particularly service-oriented firms have to find out what customers want or care for and how these desires are changing in time. This process is called Customer Knowledge Management (CKM) (Gibbert et al 2002: 5). Specific knowledge resources on development or production processes, resource availability and sales markets, mean a competitive advantage in global markets and are the main immaterial capital in a continuously changing world (Quintas et al, 1997: 385). Customer-directed market exploration accordingly is a key entrepreneurial value driver. Customers are seen as partners in a symbiotic process that enhances customer success and corporate competitiveness, innovation and growth (Gibbert et al., 2002: 3).

In product planning and positioning customers' expertise is a crucial guideline: Customers are innovation partners (Gibbert et al 2002: 11-12). CRM creates a feedback loop to corporate strategy and product design and ensures that concepts and goods are adjusted to consumer needs continuously (Teece, 2000: 35).

Product communication according to Peppard (2000: 323) is the essential strategy of getting into touch with customers. It starts customer relationships and - more importantly - designs them. Product communication determines the basic communicative pattern, formal or relaxed, standardized or individual. Advertisement is the main touch point between consumers and provider. Product

communication usually takes influence on the psychological factors that may induce buying decisions later on. Successful advertisement understands to mobilize the customer i.e. to make him/her think about his needs, feel his/her desires and finally acquire the product, recommend it or rebuy it later on. Advertisement establishes a mental and emotional relationship between consumer and product or service and creates an “open channel” for communication (Meffert & Bruhn, 1997: 337). By communicating the company’s culture, values and customer-related attitude, advertisement is crucial to corporate image and social prestige (Chen & Poppovich, 2003: 672). There is a feedback loop between customer directed communication processes and inner corporate values which create shareholder value accordingly.

At the stage of product sale customer relationship management ensures that product value perception in the buying process is conclusive. It establishes correspondence between product quality, price and perceived image, i.e. it selects a target clientele (Ryals & Knox, 2001: 535). CRM enables customers to provide feedback on their perception of product performance and the delivery process and implements these inputs into operational and strategic practice (Bose, 2002: 89). Again, value creation at the customer enhances corporate value. CRM contributes to improve product quality and conception as well sales strategy and in the long run increase operational returns.

At the stage of customer servicing i.e. in the after sales period, CRM equally is an essential value driver. CRM intends to ensure sustainable customer value and to close the perception gap between desired and delivered product (Christopher et al., 1991: 1). Post purchase CRM accordingly substantiates in customer service i. e. all post-transaction customer-related activities, like product returns, warranty claims, user instruction and coaching on product use.

CRM balances customer and provider perspective. According to a 2012 survey (Raub & Liao, 2012: 651) among 900 front-line- employees in hotels successful customer servicing means proactivity in a friendly and customer oriented atmosphere. It intends to develop synergies between customers and provider and communicate joint objectives. Customer service can compensate for difficulties and quality short-comings when it manages to communicate in a positive way and induce affection (Ladhari et al., 2011: 224). This strategy of customer activa-

tion keeps the customer engaged, loyal and willing to provide feedback on critical issues (Tsai et al., 2012: 1418).

Bringing all these argumentative strands together, customer relationship management is relevant at all stages of the entrepreneurial value-added process in so far as it is directly or indirectly related to the customer (Gibbert et al., 2002: 10). Continuous integration of CRM in the corporate value-creation process equalizes corporate and consumer perspective.

The four identified functions of CRM in the corporate value-added process can be put together and form a CRM-related value-added chain, a process that takes place in the tension field of customers' and corporate target system and intends to create a symbiosis by meeting customers' needs and ensuring sustainable entrepreneurial performance and growth. Figure 16 illustrates this model:

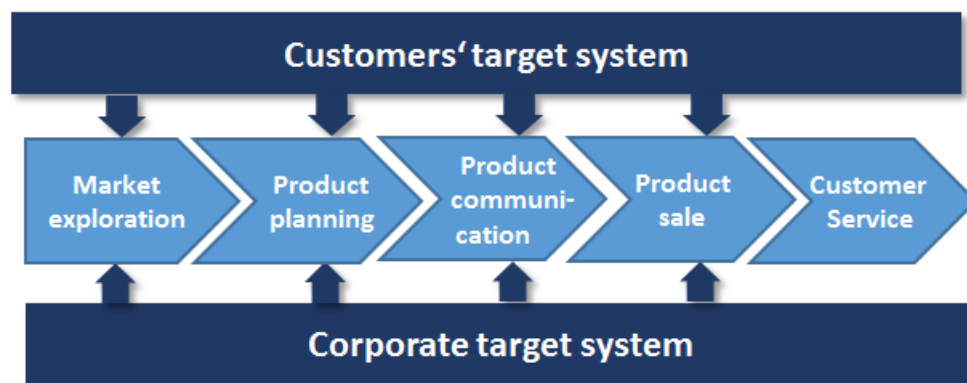


Figure 16: Integration of customer-related and corporate target system at all levels of the value-added stage as core function of CRM (own draft drawing on Haller, 1997, 77-82; Fischer-Winkelmann, 1983, 1212-1213; Porter, 1996, 63-68)

Increasingly, however, customers demand more than the pure fulfillment of consumption desires. The global debate on sustainability has created a new consciousness for businesses responsibility for their employees and partners, the protection of environment and preservation of natural resources:

3.3.5 Value based management of public relationships

The principles of sustainability and corporate social responsibility accordingly have become key words for entrepreneurial value based orientation beyond

corporate frontiers:

3.3.5.1 Principles of sustainability and corporate social responsibility

From an entrepreneurial perspective, the creation of shareholder value, more concrete profits and growth, are the primary objectives of any business activity. The economic principle postulates utilizing economic resources efficiently to reach a certain predefined business target (minimal principle) or alternately to maximize the outcome of business activity using a certain factor set (maximal principle) (Heinen, 1983: 33). This objective is pursued by the classical shareholder value approach (compare section 3.2) and equally by agency theory (compare section 3.3.2.1).

However, the strict adherence to profit maximization alone has been questioned from early onwards.

Since the initiation of mankind man had to fit into the natural balance. Hunting and agriculture had to be adjusted to seasons and rain periods. Writings from Ancient Egypt prove that Nile inundations for instance were used for agriculture and man attempted to live in harmony with natural powers (Osteroth, 2008: 11-20). The term sustainability originates in forestry. As early as 1442 scriptures in the Diocese of Speyer, Germany) use the term sustainability to describe, that the economic exploitation of forests has to consider biodiversity and recovery and maintain their natural vitality (Peters, 1984: 25).

The idea of ecological value orientation accomplished the idea of ecological sustainability from the years of early industrialization onwards. When a majority of virtually destitute workers strongly depended on few powerful industry magnates, the demand of integrating the working population as a stakeholder in entrepreneurial decision processes gained in impetus (Meffert & Münstermann, 2006: 12-15). Since social security systems were hardly established at that time, private charity engagement became an important social factor. This turn towards social consciousness and responsibility started from the USA and soon established in European countries (Backhaus & Maul, 2004: 43). In 1941 economist Abrams explains "Corporate Managers should voluntarily act as trustees of the

public interest" (cited from Frederick, 1960: 56). This argument calls for managers to acknowledge their social power and their inherent responsibilities.

Until the 1950s, however entrepreneurial planning remained production oriented and stuck to purely economic principles. Securing tolerable work conditions until then was the major and frequently only entrepreneurial contribution to social responsibility. Since the 1970ies however this attitude is being revised and a new form of discussion has found entrance to management levels: Firms are beginning to understand that long-term survival and growth is impossible without utilizing human knowledge resources at all operative levels actively. Businesses find that sustainable benefits presuppose the protection of social rights and ecological resources and that inversely technological progress and innovation thrive on the foundation of sustainable thinking (Ansoff & Sullivan, 1993, 12).

A political debate that was initiated during the United Nations 1972 World Conference is at the bottom of this change of social and ecological values (DiGiulio, 2000, 27): Then the term sustainability was for the first time referred to, to describe human responsibility for the conservation of natural resources, and social structures. Since then the "pro-active development of economic, ecological and social issues is understood as a process at the joint hands of companies, consumers and state" (Burger, 1999: 21).

In 1987, the Brundtland-Report was published by the Report of the World Commission on Environment and Development. Sustainable development was defined in a double sense here: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations" (Brundtland-Report, 1987: 46). Sustainable development is understood as a process of change, in which resource utilization, investment objectives, technological development and institutional change are integrated to harmonize in order to enhance the potential to fulfill human needs and desires in the long run (Brundtland-Report, 1987: 49). Sustainability accordingly aims at inter- and intra-generational justice: All peoples of the earth should be granted equal development opportunities and future generations should be able to live the way we do now. The present generation is in demand to protect ecological resources and to develop a sustainable social system (BUND MISEREOR, 1996: 2-5).

This wording mirrors the insight that economic, ecological and social aspects of sustainability are closely interwoven (Bundesregierung, 2008: 2). The sus-

tainability debate bridges national boundaries (Baumgartner & Biedermann, 2009: 17). Sustainable economic progress presupposes respect towards natural and sociocultural resources (World Business Council, 2007: 1). An optimization of economic progress at the cost of one of the other factors, causes costs in all three domains in the long run. This observation likewise concerns society and businesses (Meins, 2010: 279).

3.3.5.2 *Value orientation by corporate social responsibility*

Drawing on the insights of the Brundtland Report, today's political and social discussion points out that globally commercial companies are responsible for social and ecological responsibility (Habisch, 2003: 42-46). The demand for businesses' higher social and ecological orientation increasingly dominates public debates at a national and international level. The World Conservation Strategy which was agreed on during the UN conference in Rio has become a driver of this discussion. In 1999, UN General Secretary Kofi Annan created further stimuli for commercial companies when he installed the platform "Global Compact", which businesses who agree on the necessity for sustainable and humanitarian economic principles can join voluntarily (ICC, 2010: online, Ruggie, 2004: 32-35).

To encourage and stabilize global peace social equity and cohesion are indispensable. Due to their economic power, global industrial corporations determine life standard in industrialized nations, utilize resources at the cost of poorer economies and accordingly have to take responsibility. Consumers in industrialized nations increasingly stipulate commercial corporations' ecological and social engagement. They increasingly understand that there is a close relationship between consumption patterns, ecological integrity and individual health and sanction ignorant policies of industrial corporations in their buying decisions (RICS, 2008: 5). Consumers' ecological and social conscience implies loyalty with firms, which invest and produce sustainably and responsibly. Product design and marketing have to meet these consumer demands to ensure long-term survival, growth competitiveness. In the sense of the triple-bottom line concept of social-ecological and economic sustainability, the development of social and ecological targets becomes a major business objective and ensures long-term economic pros-

perity in a changing and global market environment (Brandl, 2011: 174-176).

Companies' own long-term survival and prosperity depends on the maintenance of social stability and an ecologic equilibrium. Enterprises globally cannot ignore the public and governmental urge for sustainable corporate behavior and otherwise have to fear official restrictions. Ecological and social responsibility accordingly are essential long-term objectives of value based management concerning financial as well as more far reaching qualitative aspects.

The triple bottom line model of sustainability mirrors and illustrates these considerations and purports a balanced perspective of economic, social and ecological objectives (Lützkendorf, 2010: 1). Economic growth in the long run is impossible without environmental protection and social stability: The exploitation of natural resources in developing countries for instance will in the long run destabilize their political system and cause war and social unrest, which will destroy businesses' economic foundations. Environmental pollution in the present generation will deprive future generations of these resources and impair economic development in future (Ree and van Meel, 2007: 2).

Corporate social responsibility (CSR) is a voluntary corporate self-obligation to meet these new expectancies of markets and policy. CSR is obliged to economically, legally ethically, socially and ecologically sustainable corporate governance and intends sustainable development in the sense of all internal and external stakeholders (Baker, 2004, online). The CSR definition of the EU commission brings this idea to the point:

"Corporate social responsibility is the responsibility of enterprises for their impacts on society". "CSR comprises a process to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders." (EU, 2011: 6).

The CSR concept accordingly comprises an orientation towards customers and the broad public, concerning social and ecological issues. Value based management can rely on established CSR models, which are detailed in the following paragraphs:

In 1971, the Committee for Economic Development suggested a circular model, to describe the fundamental entrepreneurial tasks from a broader viewpoint which includes ecological and social aspects (Davis, 1973: 312). The inner circle represents fundamental economic responsibilities of the firm, for instance the production of goods and the provision of labor. An intermediate circle comprises the solution of social and ecological problems at the firm level, for instance the creation of an agreeable work climate and efficient and ecological resource usage in production. The outer circle concerns social and ecological responsibility outside the firm, at the level of society, e.g. the fight against poverty and environmental policy (Anderson & Frankle, 1980: 469).

Carroll (1991: 261) uses the analogy of a “responsibility pyramid” to illustrate the same basic idea that entrepreneurial engagement should reach beyond profit maximization.



Figure 17: Social responsibility pyramid (own illustration drawing on Carroll, 1991: fig. 3)

The concept of economic responsibility forms the foundation of the pyramid: The firm produces goods and offers services as expected by market participants. At the individual level of social responsibility, the firm is seen as a cooperation of individuals, i.e. the employees with customers and shareholders. Responsible behavior is essential to maintain and develop the trust of customers and

shareholders. Managers who neglect social responsibility will fail at the economic level in the long run and the business might falter (Wood, 1991: 693).

Responsible behavior at the economic level presupposes the acceptance of social responsibility in the sense that legal and moral norms and values are observed (Wood & Jones, 1995: 229). Legal responsibility means compliance with contractual conditions, warranties and obligations. Ethical responsibility according to Carrol refers to the observation of implicit norms and values of a society.

At the third level of analysis the firm is seen as member of a superior ethical framework. From a macroeconomic perspective, the interaction of economic subjects will only work out in the long run, when the well-being of all members of the society is ensured (Wood & Jones, 1995: 229). According to the social responsibility pyramid model, the firm is embedded in a dynamic framework of interaction of stakeholder groups and its ability to integrate these interests determines long term business success (Sigler, 2010: 19-20).

Philanthropic responsibility is the consequence. The success of society as a whole in the long run is inseparable from corporate success and the success of its managers as individuals (Sigler, 2010: 18). Philanthropic responsibility finally refers to charity-engagement, e.g. in the form of donations and foundations (Carroll, 1979: 95).

The four basic dimensions of responsible behavior should be implemented at the level of products, environmental protection, work conditions and stakeholder policy (Carroll, 2000: 466).

Based on this insight Carrol (1979: 502) and later Wood (1991: 507) develop the concept of Corporate Social Responsiveness. It describes the possible reaction patterns of a company towards social expectations and the pressure of stakeholder groups (Wood & Jones, 1999: 166). While reactive or defensive companies adjust to these demands reluctantly or even refuse compliance, proactive companies will self-reliantly and responsibly engage for society at all levels of the responsibility pyramid. Proactive firms will interact with all stakeholder groups in a constructive process (Thommen, 2003: 22).

Diverse contributions have detailed what the demands of CSR models mean for corporate policy and governance in practice: According to Wieland and

Schmiedeknecht (2010: 92) businesses are in demand to adjust economic, social and ecological objectives. Financial have to be adjusted to other targets and financial means partly have to be reinvested to reach ecological and social objectives. From a legal perspective, CSR entails a responsible business policy that respects human rights at the national and international level. Socially responsible companies get engaged for human rights with their suppliers and business partners. As suggested by the circle model, responsible social policy starts from inside the company and is oriented outside (Sayer, 2010: 111): Human rights enforcement within the own company is the foundation for external engagement. The conservation of human rights implies the creation of development opportunities and social security systems for employees and the integration of all hierarchy levels in the corporate decision process (Ruggie, 2002: 32).

The demand for legal transparency and adequacy is closely correlated to social and ethical responsibility. Companies have to exclude any form of discrimination and corruption in the corporate context. Product range and external engagement should comply with ethical codes (Tokarski, 2008: 154).

CSR refers to social but equally to ecological responsibility. Ecological soundness is pre-conditional to humane work conditions and social respect. Human subsistence is unimaginable without a working ecological framework. Ecological responsibility equally refers to the internal and external level of engagement. Responsible corporate governance avoids environmental damages in production, in the supply chain and in product application and consumption. The consistent communication of ecological principles contributes to establish ecological conscience among competitors and consumers (Fuerst & McAllister, 2009: 5-6).

Corporate value based management is inseparable from the principles of the described CSR models. In the long-run corporate value and profitability is impossible without a sound eco-system, social peace and fairness. Value based management is obliged to economic profitability, but equally to social and environmental values.

3.4 TOWARDS AN INTEGRATIVE PERSPECTIVE OF VALUE-BASED MANAGEMENT

3.4.1 Integrative value models

3.4.1.1 *The balanced scorecard model*

It could be argued that the conception of corporate social responsibility detailed above originates from the thought of social planners and environmentalists and that firms should for the sake of profitability propagate their individual financial and shareholder-related interests first. However equally economists have started to understand the immediate relevance of an integrative value orientation to corporate value:

Unlike sustainability models, the balanced scorecard, has its roots in strategic management and was developed by Kaplan and Norton as a tool for the performance evaluation of companies with the aim of taking financial and non-financial parameters into account ("balanced view") (Kaplan & Norton, 1992: 71-72). In addition to performance measurement, the Balanced Scorecard also serves as a strategic and operational planning tool. While sustainability models often place financial key figures behind, the Balanced Scorecard explicitly maintains a shareholder oriented reference system and financial perspective and supplements this view by three further parameters (Balance Scorecard Institute, 2017, online):

- The learning and growth perspective reveals the potentials of human resource management and provides a path to the further development of the company and its core competences through training and motivation of its employees.
- The customer perspective provides opportunities to inspire customers for the company and to build up a uniform corporate image.
- The business process perspective shows ways to reconcile the needs of shareholders and suppliers or business partners on the production side.

The balanced score card model evaluates corporate objectives, performance measures future targets and existent initiatives for each value element in the form of a chart, which results in a comprehensive value based alignment of corporate vision and strategy (Nørreklit, 2003: 591).

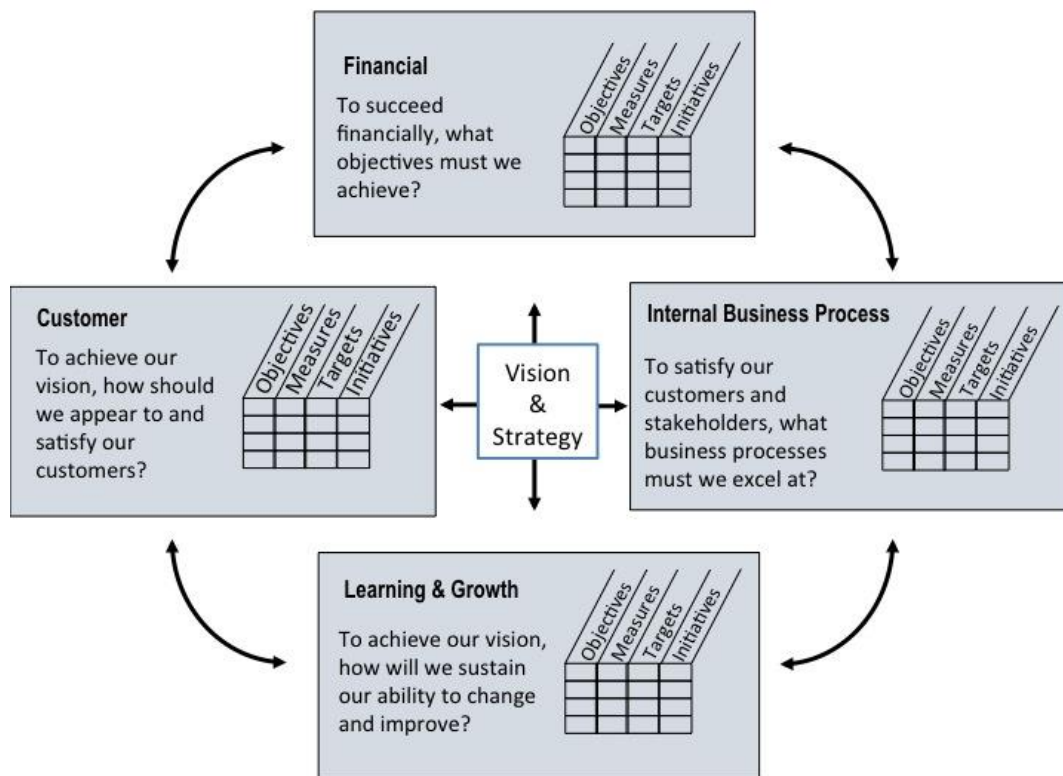


Figure 18: Balance scorecard model, (source: Kaplan & Norton, 2004: retrieved from Reason Street, 2017: online)

However, the Balanced Scorecard is criticized for being primarily a convincing medium, since the assessment of the individual aspects is arbitrary (Lee et al., 2000: 70). The stakeholders are not differentiated clearly on the basis of the model. It does not show how new customers and new markets can be integrated (Keeney, 1996: 537). The BSC is highly general and does not meet the needs of individual companies or particular company types.

There is accordingly further development potential of the balanced score card approach particularly concerning the value orientation of Young innovative growth companies.

3.4.1.2 *Keeney's value orientation*

Keeney's values-oriented target system reverts to the BSC and the CSR model and extends them to an integrative view (Keeney, 1996: 537). According to Keeney, value-oriented thinking necessarily goes beyond a pure profit perspective and involves all stakeholders of the company on a parity basis into the targeting process (Keeney, 1996: 538). Keeney differentiates corporate core objectives (basic objectives), basic decision-making variables, and objectives that are used to achieve these core objectives (Keeney, 1994: 34-35). All categories are determined interactively in a corporate discussion process. This ensures that the target system is individually adapted to the needs of the company and all stakeholders. Conflicts and contradictions are recognized and discussed from the outset (Keeney, 1992: 55-60). Objectives can thus be structured and quantified concerning their significance.

Based on an individualized decision-making process, Keeney's approach identifies basic objectives and finally comes to a goal hierarchy (Keeney, 1999: 467-472). By identifying attributes of the individual sub-targets, it is possible to determine an attribute-specific utility function, which can ultimately be extended to several target attributes. Based on the benefit assessment of the sub-objectives, the target system and the goal hierarchy can now be re-defined and modified as part of the discussion process of the stakeholders.

Keeney's development concept of corporate target systems shows high correspondences with the "Activity Network" suggested by Porter (1996/II: 71-72). Porter proposes to summarize main and subordinate objectives within a network model, thus revealing their interactions. This results in a company-specific and democratically negotiated adaptive target system, which integrates quantitative and qualitative performance measures as well as shareholders and diverse stakeholders to come to a comprehensive and integrative value based management approach (Keeney, 1994: 37).

Applications of Keeney's target system are usually case studies. This is due to the high level of individualization of Keeney's target planning model. Although a generalization of the individual target variables is not possible, a comparison of different case studies reveals correspondences. Within the framework of a case study at CMI Inc., Keeney identifies social benefits, customer benefits,

quality objectives and employee well-being as the strategic core objectives of the company (Keeney, 1994: 37).

Arvai et al. (2001: 1073) determine 10 core objectives on the basis of Keeney's conception: governmental and political contacts (lobbying), transparent decision-making, public image, R&D advancement, social orientation and social responsibility as well as uncertainty avoidance. In a case study at British Columbia, Keeney identifies six key objectives: contributing to the country's economic development, environmental sustainability, avoiding health risks, fair pricing, enhancing service quality and image improvement (Keeney, 1996: 540).

These results show that Keeney's model leads to an equitable evaluation of the objectives of different stakeholder groups. In the process, non-financial objectives such as those required by the BSC model or the sustainability concept are in the center of interest as they are of great importance for the democratic majority of the stakeholders involved in the discussion process. Keeney's valuation concept cannot avoid target conflicts, but invites the discussion on the core objectives of value based management.

3.4.2 A comprehensive model of value orientation

Based on the conceptual pattern of Keeney and the BSC approach here are prototypical value based management model is derived which builds on the insights of the previous paragraphs 3.2 and 3.3.

Since the construction of a target hierarchy according to Keeney and Porter usually is an individual corporate decision, the study basically refers to the balanced scorecard model which chooses a parity design in the form or a four-quadrant-solution. This conception equally corresponds to the initially suggests value based market model (compare section 3.3.1). The major corporate stakeholder groups: shareholders, customers, suppliers and the public are positioned in a circular way. In the tradition of Rappaport's fundamental shareholder Model, shareholders are placed in the center. This design corresponds to the pattern of analysis in section 3.3, which has focused on the relationship of each stakeholder group with the shareholders.

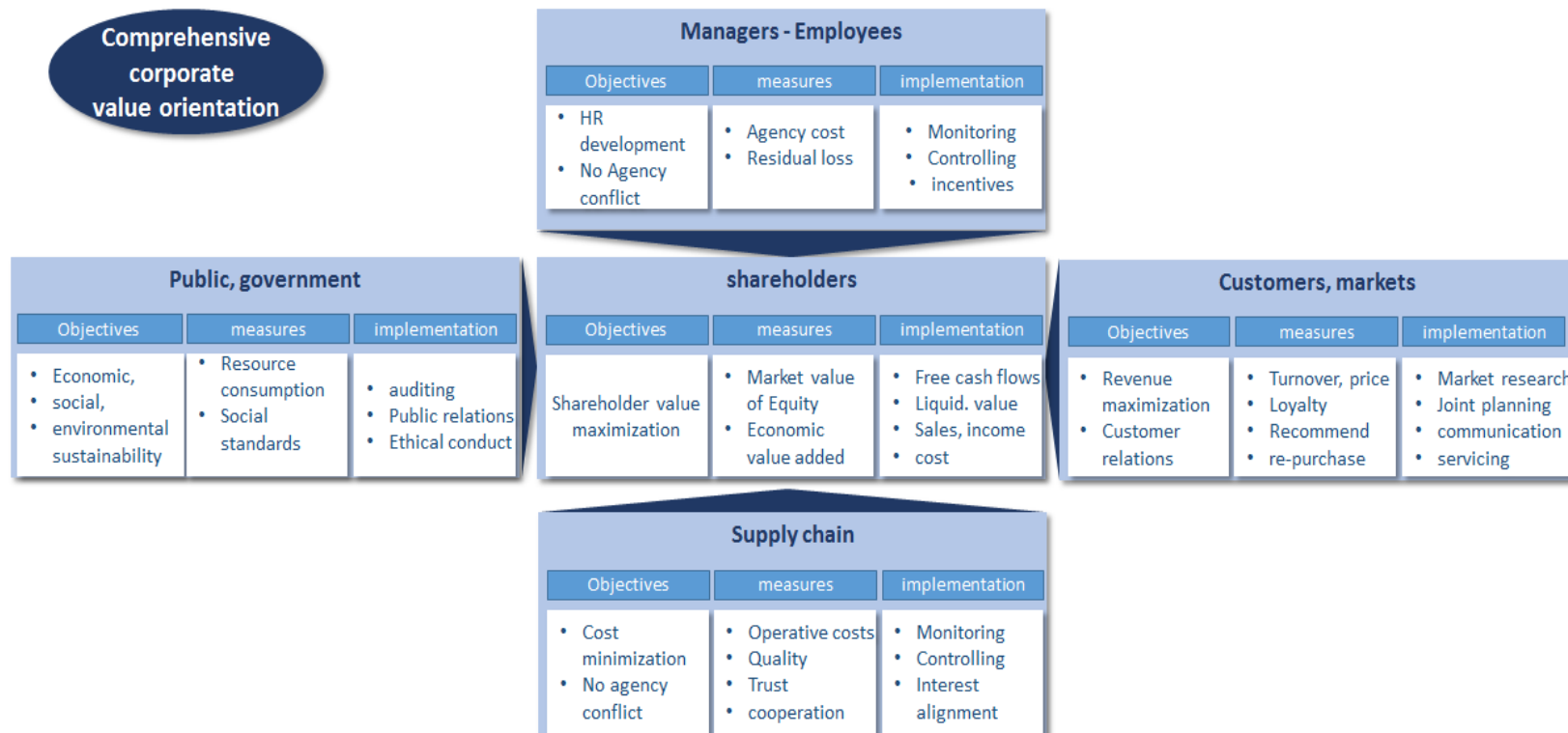


Figure 19: Model of comprehensive corporate value orientation (own draft drawing on the Balanced Scorecard model, BSC, 2017)

The Balanced Scorecard (BSC, 2017, online) structures each model sector into corporate objectives, relevant value measures, development target and initiatives. Similarly, Keeney (1994: 37) suggests basic objectives, decision variables (measures) and implementation objectives.

This tripartite structure for each of the sectors is taken up here and basically was pursued in the above paragraphs. It refers to objectives, measures and implementation principles. The illustration on the previous page summarizes the results of a comprehensive stakeholder oriented a value analysis in a model of comprehensive value-based management. Simultaneously the model is a summary of this study's understanding of value-based management and will be concretized for YIGC in the following chapters.

Objectives and decision measures for the shareholder perspective result from DCF valuation and the EVA model (Kuhner & Maltry, 2006: 198). The market value of equity or economic value-added is maximized by increasing free cash flow and liquidation value Weber & Schäffer, 1995: 116). In accordance with the shareholder network model this is reached by augmenting sales and sales income or saving costs (Rappaport, 1995:79; Bea and Thissen, 1997: 787).

A trustful relationship to managers and employees is pre-conditional to shareholder value maximization. To reach this, human resources have to be developed and agency conflicts avoided. Agency theory provides qualitative instruments to assess agency costs of interest alignment and the residual loss (Jensen, 1986: 323; Murphy, 1985:11; Baker, 1986: 1-2). To implement this objective, monitoring, control and incentive schemes are planned systematically (Young & O'Byrne, 2003: 3; Crowther, 2003: 49).

Agency theory equally supports supply chain management. Supplier relationships should be cost efficient and at the same time avoid agency conflicts (Kuhn and Hellingrath, 2002:10; Janker, 2008: 13). Beyond quantitative measures like acquisition costs, quality has to be ensured, trust and cooperation are essential. Supply chain targets can be achieved by monitoring and supervising suppliers but equally by strategies of interest alignment like development partnerships (Hildebrandt and Koppelman, 2000: 123; Hieber 2002: 107).

To succeed in customer relationship management and to limit legal risks of

operation an economically, socially and environmentally sustainable business policy today is indispensable (Osterroth: 2008, 11-20). Responsible entrepreneurs control resource consumption and provide social work standards in their supply chain (Ansoff & Sullivan, 1993, 12; Lützkendorf, 2010, 1). Auditing, public relations and a generally ethical business conduct are implementation strategies concerning these objectives (Fuerst & McAllister, 2009, 5-6).

The model illustrates that the detailed value-based corporate stakeholder-relationships are interdependent (Keeney, 1994: 34-35). Customer and supplier orientation for instance are inseparable from ecological and social responsibility. The short-sighted maximization of returns or minimization of costs at the expense of other value adding soft factors i.e. trustful customer and employee relationships is not in accordance with sustainable value based orientation. Value based management is a holistic concept and has to consider a broad range of quantitative and soft factors as well as all stakeholders of the company equally.

This comprehensive draft so far is a general conception which can be concretized in corporate application and will be refined further for YIGC in the following chapters.

4 VALUE BASED MANAGEMENT IN CORPORATE PRACTICE – STATUS OF RESEARCH

Chapter 4 evaluates the status of so far empirical and academically founded research on value-based management in YIGC and comparable businesses. Section 4.1 develops the review methodology. The following sections 4.2 to 4.5 assess so far findings on strategies opportunities and limitations of value based management in the relevant businesses.

4.1 REVIEW METHODOLOGY

4.1.1 Theoretical review concept

The approach of a systematic literature review is employed to develop the theoretical background of the empirical research. A founded method is essential to obtain reliable research results:

A systematic literature review is an academic method to summarize diverse empirical studies concerning the same research question. It intends to gain new insights by comparing the results. A literature review accordingly should go beyond a summary and bring together primary and secondary studies in a structured way to come to a novel perspective and research concept (Drinkmann, 1990: 12).

An arbitrary interpretation of individual studies would deliver a misleading picture of the area of research. A systematic strategy of selecting, coding and comparing a larger sample of studies drawing on detailed and corresponding evaluation criteria reduces the potential biases and is essential to ensure the quality of results (Weiber & Mühlhaus, 2010: 3). Referring to meta-analytic evaluations Eisend (2006: 6) suggests proceeding in five steps:

1. Definition of research question: The result of a review improves, with the preciseness of questioning. The initial research questions simultaneously are the starting point of systematic literature evaluation (Cooper et al., 2009: 359).
2. Process of narrowing down and delimitation the search (Urbach et al., 2009: 365-366): This step comprises the definition of criteria for the choice of prima-

ry studies. The criteria can be chosen content-wise or methodologically. Exclusion and inclusion criteria have to be defined unequivocally, to maintain reference to the original research objective.

3. Process of literature selection: Relevant databases, an adequate research horizon and relevant key words are defined. An accurate formulation of key word combinations supports the identification of relevant articles (Moher et al., 1999: 1896-1897).
4. Coding the studies: In meta-analytic reviews the coding and quantitative, statistical evaluation of studies referring to common issues takes a central function to come to new conclusions (Eisend, 2004: 6). In simple systematic reviews – as implemented here – the coding process concerns the arrangement of results with regard to the subtopics addressed and a qualitative overview on the identified research field.
5. The final step comprises the content-wise evaluation, interpretation and comparison of previous studies and the development of novel conclusions and research objectives from limitations of previous research (Eisend, 2004: 6).

4.1.2 Review implementation

The following paragraphs implement this prototypical research methodology for the purpose of in this paper. Section 4.2 to 4.5 then present the review results.

The review is implemented according to the five steps Eisend (2004: 6) suggests:

4.1.2.1 *The research questions*

To implement the initially formulated research objective, the identification of previous empirical studies of value based management on YIGC and comparable businesses, the following research questions are helpful:

1. Which businesses are relevant?
2. Which value based strategies are of relevance?
3. Which opportunities of value based management are discovered?

4. Which limitations for the applied value based strategies have been found?
5. What are the preconditions to apply value based management successfully?

4.1.2.2 Process of narrowing down and delimitating the issue

To conduct a reliable data base research, questions 1 and 2 have to be answered on the basis of so far theoretical insights on the issue:

To answer research question 1, relevant business types have to be identified. The selection empirical research in YIGC lies at hand. Is the available corpus of literature sufficient however?

A preliminary keyword analysis in the comprehensive academic data base Scholar Google applying the key words

Young AND innovative AND growth AND company AND “value-based management” AND empirical.

Delivers only 1.210 rough results. Most however do not in fact concern value-based management YIGC mainly. Only 18 studies concerning YIGC could be retrieved in a profound analysis of this initial test selection.

To provide an in-depth analysis of the issue of value-based management, a broader sample of empirical contributions is desirable. Accordingly, businesses that to some extent are comparable to YIGC have to be found:

Comparability means that an object that is “capable of being compared” and this according to OED implies that it “has got features in common with the basic object” (OED, 2017, online). Which features to comparable companies have in common with YIGC?

According to 2.1 YIGC are defined by their here attributes “youngness”, “innovativeness” and “growth”. Accordingly, all company types that correspond to YIGC in at least one of these characteristics are comparable to some extent.

A semantic evaluation shows that essentially three company types have got one or two characteristics in common with YIG and accordingly are comparable to the YIGC in some respect, these are:

- a. Innovative SME
- b. Start-ups

- c. Established growth companies.

The following chart illustrates this selection.



Figure 20: companies comparable to YIGC concerning one or more characteristics (own illustration)

What are the characteristics of these company types:

- a) Innovative SME

Innovative SME resemble YIGC concerning the feature innovativeness, but are not necessarily young and partly cannot be classified as strongly growing. The term of innovation has been delimited initially in section 2.1.3 and refers to business concepts or processes, which are perceived as novel by the market (Köerner et al., 2008: 35; Hauschildt & Salomo, 2001: 6). SME are small and medium sized enterprises concerning the number of employees, turnovers and balance sum (EU, 2003, online) which can however display significant growth potential when the innovative concept is successful. A major reason for this extraordinary potential are further qualitative characteristics of SME, which according to Mugler (2005: 31-32) are:

- Imprint of the personality of the entrepreneur, the leader and often the

owner of the enterprise.

- presence of a network of personal contacts of the entrepreneur with customers, suppliers and the relevant public.
- Creation of services according to customers' individual needs.
- Close informal contact between company management and employees
- Low level of formalization of the organization.
- Ability to react quickly to environmental changes

Equally YIGC frequently dispose of these characteristics which make them extraordinarily successful. Innovative SME accordingly are in many respects comparable to YIGC.

b) Start-ups

Start-ups are newly founded companies. From the legal point of view, the foundation is manifested by the registering of the commercial register of the private or public partnership (Dietz, 2013: 25).

The most obvious start-up characteristic – newness in markets, only partly corresponds to YIGC, which according to the definition in this study can be up to 25 years of age (compare 2.1.4), (Acs et al., 2008: 22; Dautzenberg, et al., 2012: 19). In several respects however, YIGC correspond to start ups:

According to Weick (1979: 3), founding means to organize or to assemble ongoing interdependent actions into sensible sequences that generate sensible outcomes".

The concept of founding a company is thus linked to the concept of innovation. Innovations - and new companies - result from a new combination of objectives with means of service provision. Innovations therefore require the perception or creation of new needs (Hauschildt & Salomo, 2001: 6). The implementation of an economic concept that satisfies the need. The entrepreneur, who realizes innovation, makes a marketable concept and sells products that use innovation, is the actual innovator (Disch, 2016: 3).

The idea of founding as an innovative process is equally inherent in other characteristics of start-ups: the foundation is a new challenge for the founding team. A new social entrepreneurial network has to be established and new struc-

tures have to be created in the company (Tushman & Anderson, 1986: 439-4440). Foundations take place under uncertainty, since established routines are missing and action patterns have yet to be developed (Schumpeter, 2000: 51). A foundation is thus an innovative entrepreneurial act, characterized by novelty and uncertainty (Brüderl & Preisendörfer, 1998: 213).

All these conditions do equally fit for YIGC, which continuously reinvent themselves in novel market- environments and accordingly are perpetual innovative foundations at the micro-level (Kim & Mauborgne, 1997: 2, 2005:1; Deeds et al., 1999: 221; Chakrabarti, 1990: 48; Schoonhoven et al., 1990: 177).

c) Established growth companies

At first sights YIGC differ from established companies in structure and approach: While established firms usually are exchange listed and proven in established markets which show moderate growth, YIGC conquer novel dynamic markets and grow strongly. The part group of exchange-listed growth companies however shares essential financial characteristics with YIGC: Fama & French observe that exchange listed companies differ concerning their profitability and find that the correlation between company size and book-to market ratio explains part of corporate performance. Comparatively small stock companies which dispose of a low market to book value afford comparatively better than very large companies with a high market to book value (Fama & French, 1993: 12). Larger businesses are favoured by investors and therefore have higher prices as measured by the book value. On the other hand, small-scale corporations, which are riskier from the investor's perspective, must provide investors with a higher risk premium in order to be attractive to the market. In addition, small stocks often have a higher growth potential than more mature companies (Fama & French, 1992: 446-451).

Even for established exchange traded companies accordingly the success story of YIGC prevails: Innovation orientation and high growth potential increases return and growth perspectives. Exchange traded growth companies accordingly are comparable to YIGC in this respect.

The three above identified company types – innovative SME, start-ups and exchange traded growth companies accordingly are comparable to YIGC concerning value based management applications, opportunities and limitations. A comparison of the four company types is of interest to identify similarities and differences concerning VBM concepts and to characterize YIGC in more detail by a comparison to these businesses. Since so far research in YIGC is limited the following review identifies VBM concepts for all four company types and compares their characteristics, opportunities and limitations of VBM, to come to a comprehensive picture.

To narrow down data base research and study analysis further, question 2 - Which value based strategies are of relevance? - has to be clarified: the comprehensive VBM model derived in chapter 3 provides a guideline in this respect. Drawing on Keeney's VBM model and the Balanced Scorecard five directions of value-based management have been identified:

1. The shareholder value perspective
2. The human resource perspective
3. The supply chain perspective
4. The customer directed perspective
5. And the social responsibility perspective.

The review of empirical studies relies on the same categories and identifies practices, opportunities, limitations and success factors of value based management on these five levels and for each company type.

The following model systematizes these issues in a threedimensional cubic matrix:

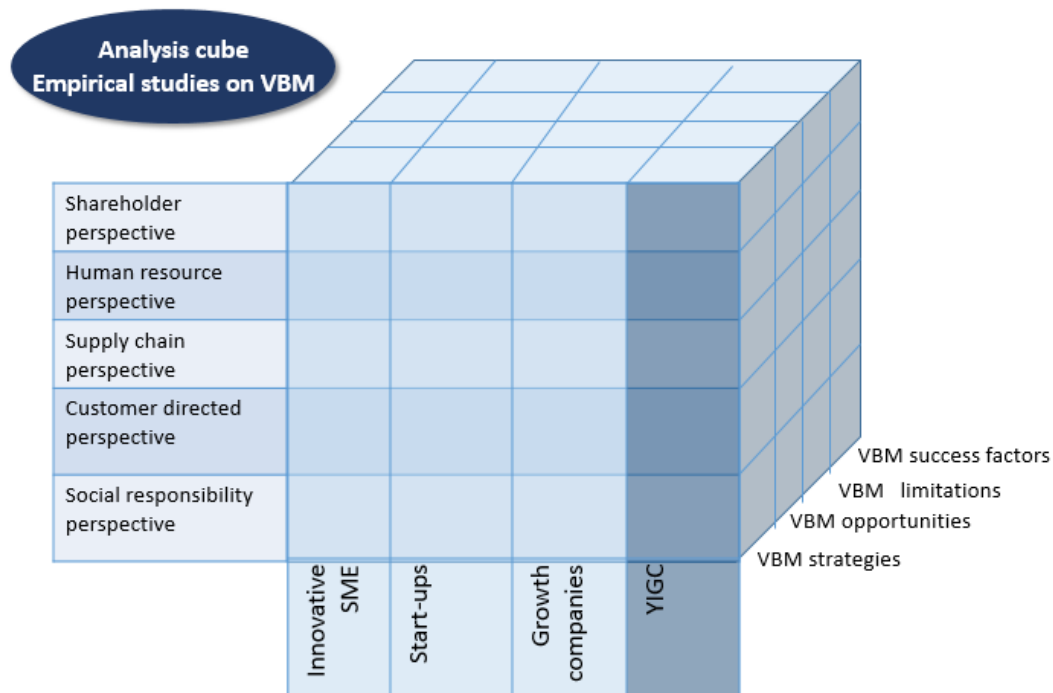


Figure 21: Cubic model of empirical VBM studies (own draft)

4.1.2.3 Process of study selection

The following steps are taken to retrieve fitting empirical studies from academic databases:

- To ensure the representativeness of results and reduce publication and selection bias four scientific databases are searched to identify relevant contributions: Scholar Google, Ebscohost (Econlit), Emerald Insight (ManagementX150) as well as scirus.com. Only Journal publications (dominant in Emerald and Ebscohost) as well as university papers (dominant in Scholar Google and Scirus) find access to the evaluation.
- The research is limited to the period of 2000 to 2017 to ensure the topicality of results.
- The selection process considers contributions in German and English.

- Only studies that are available in full text are selected, to realize a differentiated analysis of the texts.

The following key word combinations and operators –are applied to identify relevant studies by research question:

VBM	AND Perspective	AND Company type	AND Empirical focus
“Value-based management”	“Shareholder value”	SME AND Innovation	empirical
“Value-based”	“Human resource management”	“Start-up” “New venture”	
VBM	“Supply chain”	“Growth company”	
“Value orientation”	“Customer relationship”		
“value-oriented”	“Social responsibility” OR sustainability	“Young innovative growth company”	

Table 5: Key word combinations for the selection of academic studies from data bases (own illustration)

The key words are combined by AND combinations column-wise and by OR combinations line-wise. Applying this strategy, relevant results are retrieved from all fields of the above research cube.

The retrieved studies are saved as files on the local computer and then re-selected manually:

- Studies without a clear focus on value-based management are discarded.
- Studies doing no own empirical research are discarded.
- Only studies referring to industrialized nations are selected, to make sure that the results are comparable concerning the environmental framework.

4.1.2.4 Coding of the studies

Altogether 110 studies are retained for further detailed evaluation. These

are now entered into a table, which summarizes their relevance to the research questions and major points by research question. The following points are summarized per study:

- author, year of publication,
- Company type (1 = innovative SME, 2 start-up, 3= growth company, 4 = YIGC, or other).
- study design coded by 1 = empirical quantitative study, 2 = qualitative empirical research
- coding of focal value based perspectives (i.e. shareholder =1, human resource =2, supply chain = 3, customer =4, social responsibility=5)
- addressed opportunities of VBM
- addressed limitations of VBM
- addressed success factors of VBM

More than one code is possible by study. Studies that do not or only marginally address these issues or do at second sight not correspond to the above selection criteria are discarded. 110 studies remain after this final selection process. The table on the following page provides an overview on the results. The textual discussion of the results is done in section 4.2 to 4.6 and in correspondence with the comprehensive VBM model underlying this study.

4.1.3 Overview on identified studies

Focus on shareholder value perspective						
Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Abdeen & Haight, 2005	1, 2	1	3	Higher equity and returns	Difficult implementation with GAAP standard Earnings per share lower EVA no reliable signal to stockholders	
Abdel-Kader, 2003	1	1	3	Management of high uncertainty and sophistication when customers are powerful	Limited aptitude for small low-tech companies in certain environments	Contingency theory: company size, decentralized structure, powerful customers, environment uncertainty, sophistication increase VBM adoption
Abdesamed et al., 2014	1	1	2	Equity and documentation enhance loan availability		
Ameels et al., 2003	1	2	Consultant practices	Comprehensive performance measure to manage all cash flows	Different status and applications Problem in EVA for compensation systems	Consider impact on collaboration
Beck & Britzelmeier, 2011	1	1	3	Organizational value maximization Profitability enhancement		Reflection of mission and goals in VBM

Beneda, 2003	1	2	4	Comparable results Periodized measure	For Growth companies measures have to be adopted since initially negative cash flows but high investments	Include investment and potential into shareholder value analysis Avoid linear growth prognosis
Bughin & Copeland 1997	1	1	3	Productivity, efficiency shareholder value employment growth liberates resources		
Cadez, 2008	1	1	3	performance		Contingency theory: Company size and deliberate strategy, market orientation, participation are pre-conditional to SMA success
Davila & Foster, 2004	1	1	2	Budget stabilization Growth Venture capital acquisition	affordability	Contingency theory: large VC-backed companies implement VBM faster
Frid et al., 2009	1	1	2	Equity and loan availability increases with growth orientation	High growth orientation increases risk of equity and loan loss	

Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Günther & Gonschorek, 2008	1, 2, 4	1	1	Functional controlling Performance oriented payment Capital market orientation		
Henschel, 2010	1	2	1	Risk management: identification, analysis control		
Hvide & Mjos, 2007	1	1	2	Equity increases loan availability	High external capital diminishes return on equity	
Kim 2004	1	1	1	Shareholder value contributes to higher market value		
Krol, 2007	1	1	1	Improved rating (Basel III) Improved cash flow	Costly to implement Mental barriers	Adaptation of VB methods to individual SME needs Resource orientation
Krol, 2009	1	1	1	Improved controlling and financing (bank relationship) Risk orientation Enhanced business value and performance	IT costs and effort Staff and knowledge barriers Inadequacy of measurement instruments	

Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Lovata & Costigan, 2002	1	1	3	Avoidance of agency conflicts Implementation of prospector (vs defender strategy)	Limited adequacy for F&E intensive prospectors	Contingency theory: institutional ownership, defenders utilize EVA more than prospectors
Moro & Fink, 2013	1	2	1		Conflict between equity and loan providers due to different risk assessment	Trust relationship results in increased debt levels
Rapp et al., 2010	1	1	3	Abnormal stock market return Credible signal to shareholders	Initially poor post-adoption returns	
Ryan & Trahan, 2007	1, 2	1	3	Improved residual income after VBM adoption More efficient use of capital	VBM based compensation scheme hamper performance Reduction of capital expenditures	
Vos et al., 2007	1	1	1			Informal relationships between shareholders and creditors enhance trust

Table 6: Overview on empirical studies in VBM with a focus on shareholder value orientation

Empirical studies with a focus on human resource perspective						
Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Bresnahan et al.,	2	1	4	Innovation and workplace organization correlate with the demand for skilled labor		
Chen et al., 2005	2	2	3	Intellectual capital determines corporate performance		External and organizational material resources determine HR efficiency
Dirmhirn, 2014, 38f	2	1	3	outperformance	Short term compensation schemes are ineffective	Long term compensation schemes Avoid investment averse compensation
Dirmhirn, 2014, 85ff	2	1	3	Underperformance, out-performance	Short term, comprehensive compensation schemes are ineffective	Consistent implementation of VB compensation schemes, long-term compensation
Ernstberger et al., 2010	2, 1	1	3		German DAX companies' performance does not depend on managerial compensation	Contingency: firm size and age contribute to value-based compensation

Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Habbershon & Williams, 2009	2	2	1	Higher commitment of organizational members, improved human resource development, knowledge and experience advantage due to loyalty	Competition with larger companies concerning financial advantage	
Hamilton et al., 2002	2	1	1	Team building enhances productivity and commitment		
Hassab-Elnaby & Wier, 2003	1, 2, 4	1	3	High customer and employee related performance increases financial performance		Combine financial and stakeholder oriented performance metrics
Holcomb et al., 2009	2	2	1	Managerial capability strengthens competitiveness	Managerial capability is only effective in combination with knowledge and material resources	Effective combination of all corporate resources
Kato, 2010	2	1	3	Application and productivity benefits of employee financial participation schemes particularly profit and team incentive schemes	No effect of stock or option ownership programs	

Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Kleiman, 1999	2, 1	1	3	EVA application increases corporate performance value based incentives reduce managerial agency costs		
Lueg, 2010	2, 1	1	3	Widespread adoption of shareholder value based performance measures and incentives among German Dax companies		
Madinitos & Chatzoudes, 2011	2	1	3	Intellectual capital efficiency enhances market value and financial performance	Economic parameters alone do not enhance corporate value	
Malmi & Ikkäheimo, 2003	1, 2	2	3	EVA based Performance measurement and Management control	EVA based bonuses are short sighted	Serious support of decision and control systems Comprehensive across all hierarchy levels
Said et al., 2003	1,2	1	3	Advantages of nonfinancial performance metrics: more sustainable incentive, qualitative, profound insight	Pure financial metrics are short-term and place wrong incentives	Combination of non-financial performance metrics

Tseng, 2005	1, 2	1	3	Intellectual capital increases value-added and market to book value		Intellectual capital enhances innovation, organization and relationship capital these impair corporate market value
Wallace, 1997	2	1	3	Switch from earnings to EVA based managerial incentives increases shareholder value		

Table 7: Overview on empirical studies in VBM with a focus on human resource orientation

Empirical studies with a focus on supply chain perspective						
Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Aron et al., 2011	3	1	4	Knowledge outsourcing safe efforts Higher innovation		
Cerrato & Piva, 2010	3	1	1	International SCM partnerships	Lack of strategic planning, lacking intercultural adaptation of VB mechanisms	
Chen et al., 2004	3	1	3	Strategic value based supply SCM strengthens communication and partnering which enhances customer orientation and corporate performance		Limited number of SC partnerships with close trustful interaction
Christopher & Holweg, 2011	3	2	3	Enhanced cost efficiency and at the same time quality, reliability and transparency focus		Increasing product and network complexity Strong focus on cost orientation Changing short-term relationships
Christopher & Gattorna 2005	3	1	3	Value based pricing Customer-oriented integrative culture		Joint leadership Long-term trust-orientation

Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Davenport, 2005	3	1	1	VBM in SC partnerships encourages rapid knowledge gains in innovative technologies	Quantitative short term financial VB ratios are not adequate for long-term international R&D SCM	VBM strategies have to recognize diversity and depart from pure financial measures
Eminefendic & Gevorgyan, 2013	3	2	1		Lacking dynamic capabilities International VBM expertise	
Fink & Kraus, 2003	3	1	1	Value based SCM establishes trust and mutual profit	Hierarchical cooperation does not harmonize with VBM principles	Long-term shareholder value increase presupposes trustful R&D processes
Frohlich & Westbrook, 2001	3	1	3	Customer supplier integration across the value-added chain enhances shareholder value		
Gassmann & Keup, 2007	3	1	1		Lacking SC competence and structures	Born global business strategy, cultural openness
Goxe, 2010	3	1	1	VBM strategies integrate social and human resource aspects in a comprehensive valuation scheme		

Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Hendricks & Singhal, 2005	3	1	3	SC risks cause negative stock price effects of up to 40 % VB risk management strategies reduce these risks		
Kontinen & Ojala, 2012	3	1	1		reluctant implementation, lacking intercultural competence	
Li et al., 2006	3	1	3	VB SCM (information alignment and Supplier customer contact) enhance shareholder value and competitiveness		
Li et al., 2015	3	1	3	Joint risk management reduces shareholder value risk exposure		
Ojala & Tyrväinen, 2008	3	1	1		Problem of cultural distance, assessment of country risk	
Pangakar, 2008	3	1	1		Pure financial SCM evaluation is not sustainable	VB performance measurement in SCM should be based on perceptual multi-item assessment scale

Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Roh et al., 2014	3	1	3	Information sharing, sustainable partnering enhance market responsiveness and shareholder value		
Spekman et al., 1998	3	1	3	Value based SCM reduces costs and enhances shareholder value		
Tong, 2008	3	1	4	High number of international joint ventures increase real option value		Joint ventures mainly in developed economies Diversified and minority joint ventures are particular value drivers
Wolff & Pett, 2006	3	1	1	Product and process improvement by trusting SC partnerships		

Table 8: Overview on empirical studies in VBM with a focus on supply chain orientation

Focus on customer perspective						
Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Anderson & Sullivan, 1993	4	1	3	Satisfaction and product quality enhances purchase intentions	Limited influence of satisfaction on shareholder value when low industry concentration	
Anderson et al., 2004	4	1	3	Customer satisfaction enhances shareholder value (market value, price/book value)		
Banker et al., 2000	4	1	1	For hotels satisfaction is an even better performance indicator than quantitative measures		
BCG, 2012	4	1	4	Brand advocacy preconditional to growth		
Berger et al., 2006	4	2	3		Non-quantitative measures for customer value, biased shareholder value effect	
Campbell, 2003	4	2	3		High costs of CRM question shareholder value benefit	

Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Cronin et al.	4	1	1, 3	Quality determines satisfaction and value perception and buying or recommendation intentions		
Demirbag et al., 2006	4	1	1	TQM enhances nonfinancial performance and shareholder value		
Fornell et al.	4	1	1	Customer satisfaction is positively correlated to stock prices	No short-term reactions of stock prices to satisfaction	
Gruca & Rego, 2005	4	1	3	Customer satisfaction contributes to market share, brand value, demand stability, demand growth and shareholder value	Effect size differs by industry, high brand importance increases relevance of satisfaction	
Keiningham et al., 1994	4	1	3	Stable customer base stabilizes future turnovers and creates new demand by recommendation		

Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Kim, 1997	4	2	4	Apply value drivers combine cost and customer oriented performance orientation		Integration of customer and business perspective Market and customer potential orientation Capability and resource assessment
Kim & Ko, 2012	4	1	3	Luxury brand's value and brand equity enhance purchase intention and customer equity		
Küster & Thomsen, 2012	4	1	1, 3	Recommendation marketing increases positive word of mouth and return on investment		
Li & Wu, 2012	4	2	4	Customer recommendation increases sales and turnovers		
Marsden et al., 2005	4	1	3	Word of mouth increases turnovers and fosters growth		

Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Meyer & Schwager, 2007	4	2	1	Customer experience enhances brand image		Select customers and customer address with regard to value based principles i.e. present and potential future turnovers
Mithas et al., 2005	4	1	3	CRM enhance customer satisfaction		Customer knowledge enhances by value based supply chain integration
Puccinelli et al., 2009	4	2	1	Customer experience relevant to brand image and turnover		Systematic and comprehensive address of customer perception and reflection channels
Ray et al., 2004	4	1	3			Service climate, managerial involvement technological support and investment contribute to customer service performance
Verhoef et al., 2009	4	2	1, 3	Customer experience influences purchase and recommendation decision		Positive brand impression at every contact point

Table 9: Overview on empirical studies in VBM with a focus on customer relationship orientation

Empirical VBM studies with a focus on social responsibility perspective						
Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Barnea & Rubin, 2010	5	1	3	Benefit from the perspective of external stakeholders	Interest conflicts with shareholders no short-term benefit	Weight financial advantage
Barnett	5	1	3	Image and recognition	Costs of activity impair shareholder value	Close relationship with end consumers and broad public enhances CSR efficiency
Barone et al., 2000	5	2	1,3	Consumer motivation		Effective consumer-directed communication Corresponding product quality
Bechetti et al., 2007	5	1	3	CSR engagement pushes market value		
Birth et al., 2007	5	1	3	Competitive advantage Cost reduction		Cultural context fit of CSR communication
Boutain-Dufresne & Savaria, 2004	5	1	3	Reduction of business risk Safe-guard against negative campaigns Standing with authorities		

Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Chattananon & Lawley, 2007	5	1	3	Positive impact on corporate image		Effect depends on age, income, status of consumers
Cornwell et al., 2005	5	1	NGO	Consumer interest in CSR, consumer identification with sponsored NGO		
Cui et al., 2003	5	1	3	Reduction of business risk, mitigate effects of disasters		Effect size dependent on consumer type
DEGI, 2008	5	1	Funds	Sustainability enhances investor engagement and pushes market equity		
Ebert & Schwager, 2006	5	1	3	Sponsoring enhances image and customer loyalty of energy providers		
Ellen et al., 2006	5	1	3	Positive consumer reaction to CSR	Opportunistic managerial motives Shareholder conflict	Serious commitment, honesty
Fombrun et al., 2000	5	1	3	Corporate citizenship, risk reduction, reputation enhancement		

Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Hammerschmidt & Dyllick, 2001	5	1	1	Cost reductions, increased efficiency by ecological orientation Efficient resource usage	Investment cost	
Hardtke & Prehn, 2001	5	1	1,3	CSR enhances innovativeness, competitive advantage, employee commitment		
Luo & Bhattacharya, 2006	5	1	3	CSR enhances customer satisfaction Satisfaction increases stock return		Further factors relevant to satisfaction e.g. quality, innovativeness
Maignan & Ferrell, 1999	5	2	4	Increased customer loyalty, brand image, price and turnover gains	Managerial effort to implement CSR	
Margolis & Walsh, 2001	5	2	1, 3	Better prices, higher turnovers, competitive advantage, cost advantages by sustainable production		
Mendibil et al., 2007	5	2	1	Higher innovation rate, employee commitment increased		

Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Michael & Mullen, 2001	5	1	1,3	Higher consumer engagement, loyalty	Perception of CSR dishonest	Close relationship to charity project
Mohr et al., 2001	5	2	consumers	Positive image effects Market success	Not all consumers respond to CSR	Convincing commitment
Parguel et al., 2009	5	1	3	Enhance corporate image	No superficial green washing	Seriousness relevant
Riess et al., 2008	5	1	3	Social measures enhance employee loyalty, drive innovation		Long-term engagement necessary
Roy & Graeff, 2003	5	1	consumers	CRM strengthens brand image enhance sales figures		Fit between organization and campaign
Schommer et al. 2007	5	1	3		No purchase guarantee	Relevance of combination with further aspects (quality and price)
Schrader et al., 2005	5	2	1, 3	Economic and pre-economic success Image gains with customers		Relevance of effective CSR communication

Author, year	VBM Persp.	Study type	Company type	opportunities	limitations	Success preconditions
Sen et al., 2008	5	2	1,3		Effect depends on consumer attitudes, no success guarantee	Fit of company and CSR activity Target group specific activity
Simmons & Becker-Olsen, 2006	5	1	3	Enhance brand positioning	Risk of blur positioning	Fit of company and CSR activity Target group specific activity
Varadarajan & Menon, 1988	5	2	NGO	Mutual benefit of NGO and commercials Public relations effect Cause related Marketing instrument		
Webb & Mohr, 1998	5	1	3		Costs of CSR cause competitive disadvantage	Tailor CSR to target customer groups Serious commitment

Table 10: Overview on empirical studies in VBM with a focus on corporate social responsibility orientation

4.1.4 Quantitative overview on review results

A quantitative analysis of the studies concerning their VBM orientation, applied methods and assessed company types is of interest to obtain an overview on the body of so far empirical VBM research:

The orientation of the identified studies evenly comprises the major research fields – shareholder orientation, human resource orientation, supply chain orientation, customer orientation, CSR orientation – which have been identified in chapter 3 (compare research model in section 3.4.2):

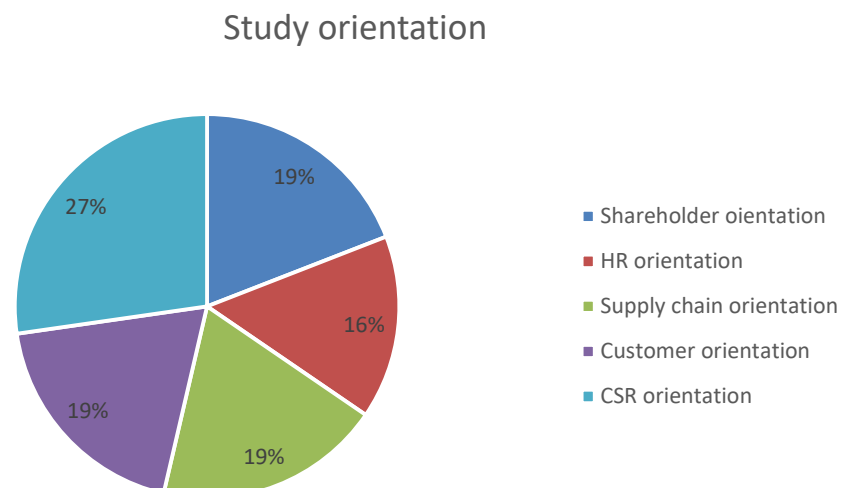


Figure 22: Orientation of the studies (own illustration)

The most frequently discussed perspective is corporate social responsibility however. 30 empirical studies have been identified in this field.

The broad majority of the retrieved studies (77% or 85 studies) is quantitative, i.e. assesses a larger sample of businesses applying statistical methods. Only 23 % apply qualitative methods.

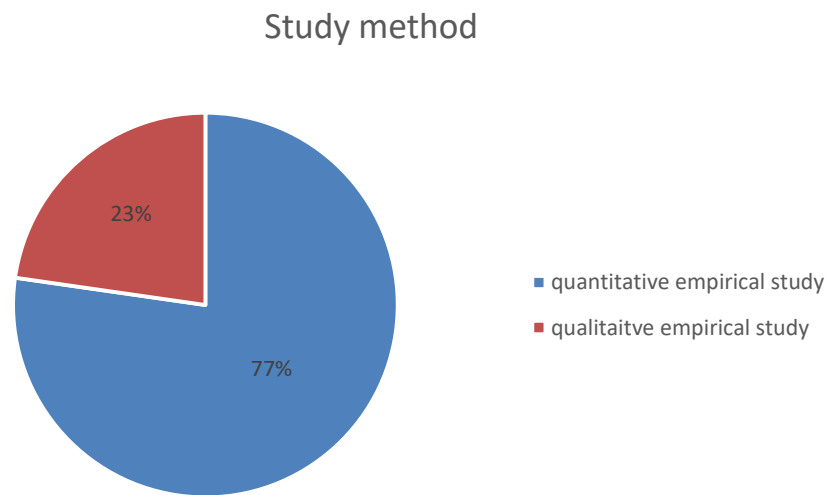


Figure 23: Orientation of the studies (own illustration)

The following company types are in the focus of the empirical evaluations:

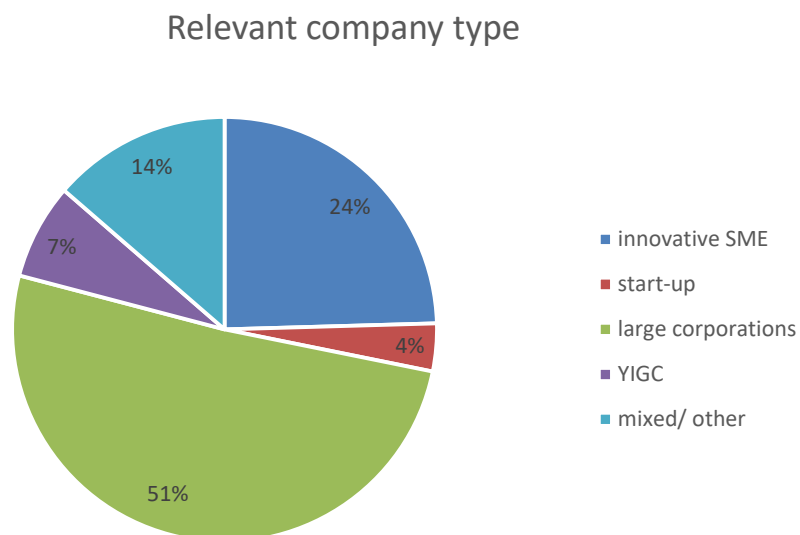


Figure 24: Relevant company types of the empirical studies (own illustration)

More than half of the identified studies (56) clearly focus on large corporations, 25% (28) are concerned with innovative SME mainly. Start-ups are the ma-

major object of only 4% (4) analyses and – although YIGC were the focus of data base research – only 7 studies or 6% refer to young innovative growth companies explicitly.

Already this quantitative result shows that YIGC are a blind spot in value-based management research so far. Most empirical evaluations are quantitative studies in large exchange traded corporations. The content wise evaluation of the retrieved body of research provides more in-depth insights.

4.2 SHAREHOLDER ORIENTATION

Section 4.2 summarizes so far empirical results on the extent of shareholder value orientation and performance measurement, perceived opportunities, limitations and preconditions to success of such measures in the above business groups, i.e. YIGC and comparable businesses:

4.2.1 Implementations of shareholder orientation

Empirical shareholder value implementation differs depending on the company type. While large companies apply shareholder value measures and principles to a large extent, smaller businesses and start-ups partly are more reluctant:

By 2008, sample of 1,083 exchange-listed German companies have partly (42%) implemented a value based management system (Rapp et al., 2010: 1).

The number of adopters increases continuously (Rapp et al., 2010: 12): In 2011, Beck and Britzelmaier assess a sample of German automotive OEMs. These firms widely have adopted shareholder value assessment standards. More than 90 % utilize VBM metrics for the controlling of organizational processes, for planning and budgeting, risk management, value driver management, profitability assessment and investment appraisal (Beck & Britzelmeier, 2011, : 211).

Shareholder orientation is less established among SME however: A sample of 2.000 German medium sized companies from diverse business branches had partly implemented shareholder value oriented measures by 2006. Almost 49% of the exchange traded companies in the sample have fully applied value oriented

management according to their personal understanding (Guenther & Gonschorek, 2008: 19).

Although more than 70 % of the participants dispose of a centralized controlling department (Guenther & Gonschorek, 2008: 10), only about a third of the companies operated on profound shareholder value oriented key figures like DCF or EVA (Guenther & Gonschorek, 2008: 13). Only about 40% of German SME leaders feel themselves sufficiently informed on ton the fundamentals and opportunities of value-based management (Guenther & Gonschorek, 2008: 19).

The share of companies applying the shareholder value concept as described in section 3.2 is significantly higher among larger medium sized companies than among very small and owner -guided enterprises. More than 95% of those businesses that realize turnovers above 250 Mil. Euros dispose of a centralized controlling department (Guenther & Gonschorek, 2008: 12). Equally in Germany, the implementation level of VBM systems among public limited companies is highest among DAX companies (7%) and lowest for the smaller Tec DAX firms (17%) (Rapp et al., 2010: 14). The propensity of German DAX companies to apply EVA based performance measures increases with age and size (Ernstberger et al., 2010: 226).

Krol's study among German SMEs comes to similar results. The majority of his sample does not rely on value-based measures to assess the achievement or corporate objectives, but judges corporate success directly on the basis of their balance shet, i.e. relies on cash flow, annual surplus and market share. EVA and discounted cash flow are applied by less than 10% of the independent German SME. Although the SME in Krol's sample find external transparency important, the majority do not dispose of a definite strategy paper and do not communicate their financial strategy proactively internally or externally (Krol, 2009: 9). In accordance with Guenther and Gonschorek (2008: 12)) equally Krol (2009: 11) finds that most small German companies up to 100 employees do not dispose of a distinct controlling department (about 68%). Entrepreneurial decisions are mainly taken on the basis of experience (81%), while only 61% of German SMEs explicitly assess the expected profitability beforehand (Krol, 2009: 12).

Accordingly, it is not surprising, that risk management is a blind spot for many German SME: Henschel (2010: 2067) assesses the level of risk management

system application in German SME up to 250 employees. A holistic risk management concept supports shareholder oriented performance measurement since shareholder equity is the major risk bearing capital source (Henschel, 2010: 268). Henschel (2010: 281) classifies companies into reactors, defenders/ prospectors or analysers and finds that about 46% of German SMEs belong to the reactor type i.e. do not systematically analyse risk or develop risk management strategies beforehand, but only react to exiting risk factors (Henschel, 2010: 285). Although about 40% are more forward looking and belong to the defender and prospector type, many SMEs lack a distinct risk management policy and could improve their shareholder value orientation in this respect (Henschel, 2010: 292)

4.2.2 Opportunities of shareholder orientation

Although shareholder value orientation is only partly implemented among the above smaller companies, there opportunities of shareholder value orientation are clearly perceived:

More than 60% of a sample of German SMEs agree, that shareholder value generation implies advantages for all shareholder groups (Guenther & Gonscorek, 2008: 19). Shareholder value orientation contributes to market value: In a neuronal network model Kim (2004: 3) proves that the consistent performance assessment and improvement on the basis of the EVA model and other shareholder value measures increases market value-added. Shareholders will in the long run prefer companies that operate on value-based systems that systematically orient all business management tasks towards an increase of shareholder value.

Risk shifting theory provides further argumentation for shareholder value orientation from a risk management perspective: It assumes that the availability of equity increases the availability of loans. A broad equity base accordingly is a positive signal for creditors that owners invest their own capital and accordingly limit investment risks to protect their equity. Loan givers' readiness to invest accordingly increases with available equity resources (Ravid & Spiegel, 1997: 269).

For 4.271 Norwegian start-ups in the period from 1994 to 2002, Hvide concluded that the availability of equity also increases the availability of borrowed

capital. If founders have sufficient equity or external capital, the level of borrowed capital also increases (Hvide & Mios, 2007: 23-27).

According to Krol (2007: 5) shareholder value orientation thus is a major success factor for SMEs in the capital market. SME compete for equity and loan capital with other small and large companies. Borrowers and investors' readiness to provide capital depends on the expected shareholder value creation of the business. Equity providers benefit from shareholder value creation directly by enhancing their dividend payments. Creditors decrease the risk of their investment when companies ensure sustainable profitability of equity and accordingly the survival of the business.

Similar results are found for start-ups. For a sample of 78 US start-ups: Davila and Foster (2004: 27-29) conclude that the adoption of management accounting system is an essential success factor for young growth companies. Proactive companies emphasizing shareholder orientation enjoy lower agency costs, benefit from venture capital to a larger extent and grow more strongly, than less accounting-oriented competitors. High adoption speed of shareholder oriented accounting strategies spurs growth and corporate performance as compared to competitors which are slower in adoption.

Certainly, larger growth companies benefit from shareholder value orientation: According to McKinsey the extent to which companies of a country create employment and real growth effects, depends on their shareholder value orientation. The study argues that Anglo-Saxon and South Eastern countries are far more progressed than European countries and above all Germany, where shareholder value orientation is less established. All stakeholders accordingly benefit from shareholder value orientation (Bughin & Copeland, 1997: 161-162).

Equally Rapp et al. (2008: 1) find that the EVA adopters in their sample earn substantially higher abnormal stock market returns within a two-year adoption phase, than their less shareholder- oriented competitors. Explicit shareholder orientation apparently is perceived as a positive signal by participants in the public equity market.

Beneda (2003: 254) exemplifies the utility of an EVA based appraisal concept for growth companies and suggests that investors base their investment decision on the calculation of shareholder value key ratios. According to Ameels and Scheipers (2003: 3) the leading global rating agencies base their analytical assessment of stock listed companies on established shareholder value measures. Although the valuation methods differ in detail, they conclude that shareholder value orientation is a reliable guideline to enhance corporate ratings and accordingly equity and loan acquisition in international financial markets.

In a survey among 2.000 companies part of which adopted economic value-added principles in order to control their management in a better way, Lovata and Costigan (2002: 215), find a significant correlation between sales increases and EVA adoption. Incentive systems contribute to managerial motivation.

Fortune 500 companies that have adopted EVA as a shareholder value measure perform significantly better than non-users, concerning, revenues, profits and profit development according to Abdeen and Haight (2005: 33). EVA users enjoy stronger corporate growth, are among the companies with the highest market value and the majority of the largest employers utilize EVA (Abdeen & Haight, 2005: 34).

A sample of 84 exchange listed companies improve their performance significantly after adopting VBM principles in the sense of shareholder orientation. Ryan and Trahan (2007: 111) find that smaller firms benefit even more than larger companies. Although all companies reduce capital expenditures after adoption growth opportunities are not impaired. Shareholder value orientation usually enhances corporate performance.

Recently, Beck & Britzelmeier (2011: 201) confirm for larger German OEM that shareholder value concepts are clearly connected to corporate performance and success. The value-added concept accordingly is increasingly established and accepted in large growth companies and supports capital acquisition and performance orientation.

4.2.3 Limitations of shareholder value orientation

On the other hand, a series of studies provide support for the thesis that

pure shareholder value orientation is only partly linked to sustainable corporate growth, It is argued that shareholder value maximization partly ignores the interests of other stakeholder groups, and accordingly cannot be the only development target:

The implementation of shareholder value principles particularly for SME is costly: About 35% of German SMEs argue that the full implementation of shareholder value principles in their enterprise requires a reinforcement of their controlling department. About 40% feel that additional It applications would be necessary and higher administration costs would be unavoidable. This is why more German SMEs do not plan to enhance their shareholder value orientation in the near future (57%) (Guenther & Gonschorek, 2008: 19).

For large companies however, EVA adoption is an equal challenge. In a survey among 500 Fortune 500 companies for the years 1997 to 1998 Abeen and Haight (2005: 32) find, that many adjustments are necessary to calculate EVA on the basis of US-GAAP data. Only 47 companies explicitly use EVA for performance assessment. Non- EVA users find the effort for the adaptation of this shareholder oriented system costly and technically difficult. EVA user companies do not benefit in every respect: While turnovers and growths benefit from the application of the measure, EVA users' earnings per share are lower than non-EVA users' in the period 1988 to 1998. EVA utilization accordingly does not directly contribute to shareholder benefit.

Equally in Lovata's and Cosigan's study market to book values do not benefit from the EVA approach (Lovata & Costigan, 2002: 224). Efforts to reduce agency costs by shareholder value maximization do not in every respect improve the financial value of businesses however contribute to further qualitative value aspects.

Excess shareholder value maximization sometimes takes place at the cost of sustainability and security of equity: Representatives of New Institutional Economics (Myers & Majluf, 1984: 187) assume that there is a link between the risk exposure of a company, (which is initially only fully known to the founder as an insider), and the choice of the financing strategy: While entrepreneurs with low risk exposure and good development opportunities rely on loans, companies with high risk exposure rely on outside equity mainly. Founders who are confident of

their success, want to take advantage of the excess return on risk capital investments themselves, and choose low-interest debt financing, while entrepreneurs in risky businesses will move their entrepreneurial risk onto the shoulders of several equity providers. Several proofs for this thesis, which has been known as pecking order theory, are documented in previous empirical research on Start-ups and SME:

An analysis of credit agreements from Malaysian founders illustrates that the availability of other collaterals is significantly negatively correlated with loan borrowing (Abdesamed, 2014: 723). The level of interest costs increases with credit volume. Companies disposing of low capital resources often use other sources of funding. However, the growth prospects of companies are a significant co-determinants of financing demand. Strongly growing companies usually cannot do without bank loans. They equally dispose of higher risk exposure (Frid et al., 2009: 14)

The inverse relationship between available equity and risk is confirmed by a US study conducted at 830 U.S. founders who were interviewed between 1999 and 2003 in a panel analysis. The likelihood of financing through loans increases with growth prospects and growth needs. The legal form of the company determines growth prospects (Frid et al., 2009: 15-16).

The profitability of start-ups has a negative impact on the equity ratio and is positively correlated with the availability of funds as a whole and the wealth of the founder. This observation again supports the pecking order thesis (Hvide & Mjos, 2007: 27).

4.2.4 Preconditions to shareholder value orientation success

What can be done to mediate in the conflict between shareholders' growth interests and other stakeholders, e.g. creditors, interest in investment safety?

While from the perspective of the new institutional economics the willingness to provide capital to founders depends mainly on whether control over the use of funds can be effectively exercised and information asymmetry can be reduced, various results suggest that personal relationships and trust may be further factors contributing to a successful partnership between creditors and found-

ers (Myers & Majluf, 1984: 574). Trust can reduce the transaction costs of the partnership. Berger and Udell (2006: 2947) argue that informal aspects and personal relationships between contract parties are often more important for the granting of bank loans than formal aspects, such as the measurable risk exposure of a new company.

This point of view is substantiated by incentive contribution theory, a human-relations approach of organizational theory: Incentive contribution theory assumes that organizations are justified since they offer services and stakeholders accordingly are ready to contribute to their existence. With regard to the loan relationship, the contribution is the repeated and reliable provision of capital, and the entrepreneur's incentive is his loan obligation and his commitment to corporate success (Martin & Petty, 2001: 285-287). In a fair business relationship, each partner is aware of this tension and takes part in this implicit trust agreement. The selection of trustworthy partners, known to the lender for their reliability, ensures that the contractual relationship is fulfilled by both parties (Barnard, 1970: 927).

In empirical literature on loan and investment business with start-ups there is evidence for this hypothesis:

Moro's and Fink's (2013: 927) study of credit agreements between small and medium-sized enterprises and six German banks shows that a relationship of trust between the contract partners increases the debt level.

The trust relationship in the investment business is particularly strong among "informal investors" e.g. friends and also business angels, who feel connected to the business and are willing to provide capital even without formal collaterals (Vos et al., 2007: 2648).

German SME agree that shareholder value orientation implies the long-term rather than the short-term maximization of the return on equity. Investments should be sustainable and based on the trust between of capital providers (Guenther & Gonschorek, 2008: 19).

Contingency theory claims that the implementation of corporate strategies depends on environmental factors e.g. technological development and competitive circumstances which shape the functioning of organizations. Accordingly

there is no unique structure that fits for all companies at all circumstance but different strategies and entrepreneurial concepts can be adequate for different companies depending on the circumstances under which they operate (Covaleski et al., 1996: 1-2; Beach & Mitchel, 2002: 439).

Equally management accounting system application according to Abdel-Kader and Luther (2003: 3) is subject to environmental circumstances. The study finds that shareholder value assessment is practiced to a larger extent under high environment uncertainty, for pronounced and hierarchical organizational structures and in larger companies and particularly when customers dispose of comparatively high power. Shareholder value orientation accordingly could be less helpful for small enterprises operating in a stable and little structured environment (Abdel-Kader & Luther., 2003: 30-34). Environmental conditions determine the level and efficiency of accounting shareholder-value orientation.

A study among 193 large Slovenian companies provides further support for the relevance of contingency theory for strategic management accounting: the application of strategic accounting systems accordingly increase with company size, market orientation, deliberacy of strategy formulation and accountants' participation in strategic decision making. Accounting participation again is strong for companies pursuing a deliberate, prospector or defender strategy (Cadez & Guilding, 2008: 842). External and corporate environment accordingly determines to what extent shareholder value oriented accounting systems are applied and appear useful.

4.2.5 Conclusions on opportunities, risks and success factors of shareholder value orientation

Shareholder value orientation differs depending on the company type. While most large companies have implemented shareholder value key figures for performance assessment (Beck & Britzelmeier, 2011: 211, Guenther & Gonschorek, 2008: 10), SME lack behind in this regard and only partly apply shareholder value concepts for performance and risk assessment (Krol, 2009: 12; Henschel, 2010: 285).

The advantages of shareholder value models however are at hand for all

company types:

- O1: Shareholder value orientation enhances the transparency for shareholders and all other stakeholders of the firm (Krol (2007: 5; Davila and Foster, 2004: 27-29).
- O2: SV orientation eases the acquisition of loans and external equity capital and increase the value of equity (Ravid & Spiegel, 1997: 269; Hvide & Mjos, 2007: 23-27).
- O3: SV principles reduce the agency conflict between external shareholders and management (Beneda, 2003: 254; Ameels and Scheipers, 2003: 3).
- O4: SV application increases turnovers (Lovata and Costigan, 2002: 215), reduces expenditure, encourages growth and enhances stock market performance (Abdeen & Haight, 2005: 34; Beck & Britzelmeier;2011: 201).

Some limitations of shareholder value orientation are observed

- L1: Shareholder value concept implementation is costly and does not afford for smaller companies (Guenther & Gonschorek, 2008: 19).
- L2: Shareholder value assessment causes additional efforts and requires competency (Abeen and Haight, 2005: 32).
- L3: Shareholder value principles are short-term oriented (one period basis) and do not resolve the conflict between managers and shareholders, who expect sustainable investment (Lovata & Costigan, 2002: 224;).
- L4: Higher capital availability implies risk increases (Abdesamed, 2014: 7; Frid et al., 2009: 14; Hvide & Mjos, 2007: 27).

The following chart summarizes the opportunities and limitations of the application of the shareholder value principle in a cycle model. The light blue areas symbolize the advantages and the resulting value-increasing loop. The escapes (middle blue) illustrate the limitations of a pure shareholder value orientation on the basis of the classical key figures.

These limitations can partly be mastered when some success factors of shareholder value application are observed:

- P1: Establish trust in the partnership with capital providers to reduce doc-

umentation efforts and align management and shareholder interests (Udell, 2006: 2947; Martin, 2001: 285-287; Barnard, 1970: 927; Vos et al., 2007: 2648).

- P2: Adapt shareholder value concepts to organizational conditions and environment, to save efforts and costs (Abdel-Kader & Luther., 2003: 30-34).
- P3: Shareholder value orientation is most effective when applied across all corporate levels to limit risk exposure (Cadez & Guilding, 2008: 842).

Proposition 3 is differentiated in the following paragraphs:

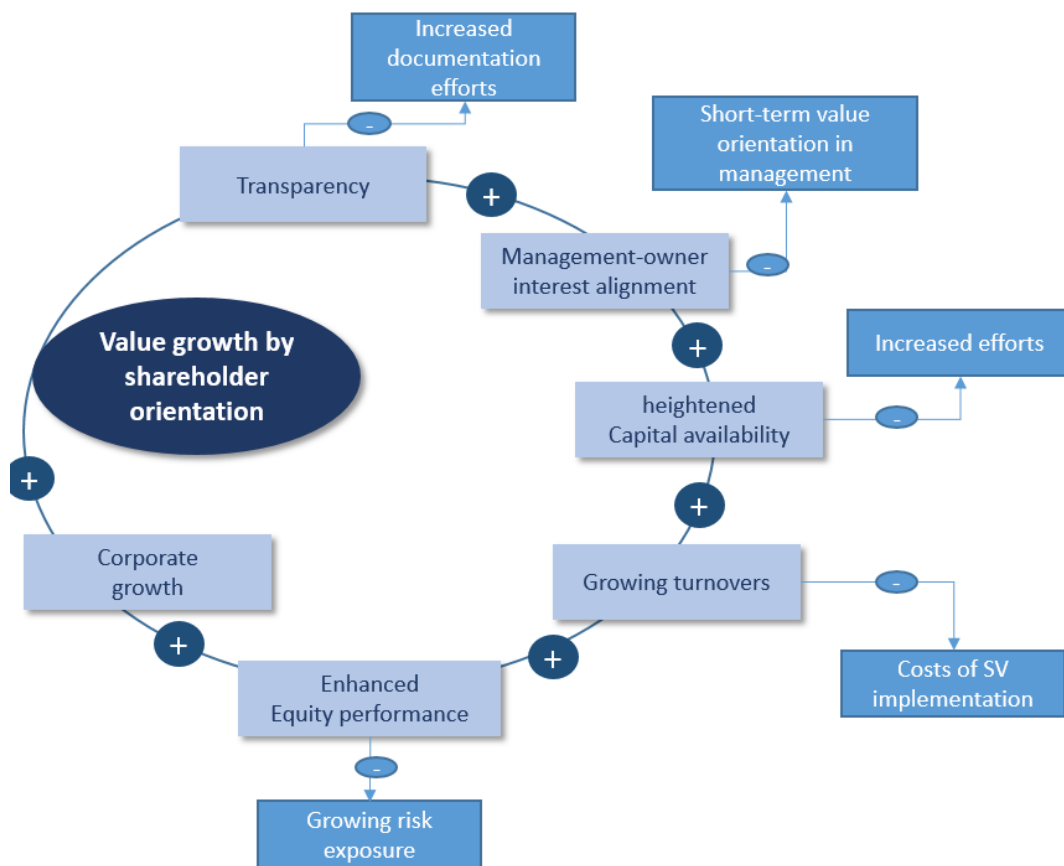


Figure 25: Summative cycle model of financial shareholder value orientation (own illustration)

4.3 VALUE-BASED HUMAN RESOURCE MANAGEMENT

Section 3.3.2 has shown that value based management contributes to diminish agency conflicts in organizations and enhances motivation and commitment of management and staff. Ideally all members of the organization contribute to the shareholder value idea jointly and to mutual benefit. The following sections summarize previous empirical insights on the implementations, opportunities, limitations and success preconditions of value based human resource management in YIGC and comparable businesses.

4.3.1 Implementations of value-orientation in HR Management

To what extent is the conception of value based human resource management so far established in YIGC and the above specified comparable company types (innovative SME, start-ups, established growth companies)?

While in the 1980ies shareholder value based performance metrics were considered revolutionary, by the 1990ies most larger German companies had adopted such performance measures and incentive systems for their managers. Lueg et al. (2011: 337) explain however that the range and type of measures applied by HDAX companies varies greatly

To some extent equally innovative German SME have implemented value based management methods at the human resource level. Guenther and Gonschorek (2008: 14) assess to what extent these companies apply performance oriented payment at diverse company levels. About 70% of the participants pay the top management about 23% to 40 % of their revenues on a performance basis. Larger companies apply performance oriented payment systems to a larger extent than very small companies (Guenther & Gonschorek, 2008: 14). Mostly (more than 80 % of the companies) performance objectives are agreed on a one year basis and usually comprise bonus payments (95%) (Guenther & Gonschorek, 2008: 15).

4.3.2 Opportunities of value-orientation in HR Management

Value-added principles in human resource management enhance corporate competitiveness and accordingly are an essential corporate key competence. (Dyer, 1992: 2). Diverse empirical studies have discussed the advantages of value

based human resource management, from the perspectives of the resource based view and agency theory.

The resource and knowledge based view hold that corporate competitiveness and shareholder value creation depend on the effective utilization and combination of corporate resources e.g. staff competencies and knowledge advantage (Barney, 1991:99-120pp, Drucker, 1954; Boxall, 1996: 59; Hannon and Atherton, 1998: 19; Dyer, 1993: 3-5). This effect has proven valid in diverse empirical studies:

Madinitos et al. (2011: 132) point out that intellectual capital is the major asset of 96 large Geek exchange listed companies. Human capital efficiency boosts financial performance and is a significant competitive advantage. Although human capital regularly escapes financial accounting and remains an immaterial and frequently clandestine value corporate value creation and market value significantly depend on human intellectual resources.

Similar results emerge from a survey based analysis of human capital base and performance of Taiwanese manufacturers. Human capital concretized by intellectual, relationship, innovation and organizational capital increases Tobin's Q and market to book value. Investors accordingly esteem human capital resources (Tseng & Goo, 2005: 187).

Equally innovative SME and particularly family firms gain significant competitive advantage from their peculiar way of managing human resource related issues in a personal, committed and sustainable way. Family companies dispose of a unique working environment, encouraging employee collaboration and loyalty. Their commitment to employees even in times of crisis and high bond with the staff as an "extended family", enables family companies to compete with large businesses, which frequently can offer at first sight more attractive financial and social conditions (Habbershon & Williams, 2009: 10).

Hamilton et al. (2002: 1) find for instance that team building and work sharing contribute to enhanced motivation and an increased work output. Employees and particularly qualified and performing staff prefer team structures to single work even if this means a loss of personal financial benefit for them. Team heterogeneity further strengthens work output (Hamilton et al., 2002: 23-27).

Bresnahan et al. (2002: 32) suggests that value based human resource management offers particular opportunities for YIGC: In a regression model based on US Compustat data the study finds that the demand of skilled labour increases with IT technology and growing work organization. YIGC are characterized by high IT relevance to value-added processes and high levels of work sharing and innovative human resource practices (Weichsler, 2009: 12). To utilize the potential of qualified staff cooperative and knowledge resource oriented human resource strategies are essential.

Tong et al. (2008: 1014) find that for YIGC a high number of international joint ventures increases real option value. Joint ventures enable YIGC to quickly acquire knowledge and develop networks. Trustful supply chain management accordingly is of particular relevance to YIGC.

Agency theory assumes that conflicts of interest between employees and managers can be mediated by control and incentive schemes, which then contribute to enhanced productivity and shareholder value. This thesis is mainly supported in empirical studies:

The application of performance oriented payment systems enhances the interest alignment between shareholders and managers according to about 65% of German SMEs (Guenther & Gonschorek, 2008: 19).

For 36 U.S. exchange traded companies, Wallace (1997: 285) finds initial support for the assumption that a switch from conventional earnings based management incentives to shareholder value based incentives results in an increase of corporate shareholder value, residual income, asset turnover share repurchases, dividend pay-outs and asset dispositions. In brief shareholder-value based incentives motivate managers to operate in the interest of shareholders since they effectuate an alignment of interests and decrease of agency costs.

According to Kleiman (1999: 80) in fact managerial behaviour is positively influenced by EVA and EVA -like shareholder value oriented performance incentive systems. Companies applying these concepts reduce their capital expenditure and increase share repurchases and residual income. US. Business adopting EVA performed by 28.8% better than non-adopters in the period 1987-1996.

Panel data of Korean exchange listed companies support this assumption. Kato et al (2010: 29) find that profit sharing and team incentive plans contribute to enhance employee commitment which results direct positive effects on production effectiveness (increase about 10 %) and enhanced market value.

4.3.3 Limitations of value-orientation in HR Management

In accordance with contingency theory human resource strategies are inseparably linked to external business environment and organizational environment an (Dyer, 1992: 33). These factors equally limit the application and effectiveness of value-oriented human resource practices:

An analysis of professional football team performance supports the assumption that human resource management at the human resource level is not a unique remedy to enhance productivity and competitiveness. Team performance above all depends on available resources and managerial commitment is effective only to the extent that physical and knowledge resources are available (Holcomb et al., 2009: 472-473).

Contrary to the assumptions of agency theory performance based compensation systems are not always effective.

Ryan and Trahan (2007: 121-125) argue that although VBM adoption increases corporate profitability, tying management compensation to value-based measures does not enhance post-adoption performance. Companies whose managers receive incentives for shareholder value increases invest significantly less and do not sufficiently utilize corporate growth opportunities. To ensure their short-term success premiums, managers shun sustainable future-oriented investments.

Similarly, Kato's et al.'s sample of Korean exchange listed businesses, stock an option programs for employees do not result in a positive performance effect (Kato et al., 2010: 30).

Malmi and Ikäheimo (2003: 244) come to similar results in an indepth interview-based analysis of six Finnish companies: Value-based incentives do not always deliver the intended results of sustainable shareholder value augmentation but motivate managers to maximize periodical key ratios with the sole intention

of maximizing their annual gratifications.

Ernstberger et al. do not find support for their assumption that value based compensation scheme increase the performance of German DAX companies in the year 2006 (Ernstberger et al., 2010: 226).

Dirmhirn & Obermaier (2012: 47-56) equally find short term management incentives (i.e. return on investment based measures) and pure control do not reliably enhance corporate performance, while long-term incentives are effective for the motivation of managers of German DAX companies in the period 2004 to 2011.

According to Balachandran (2006: 383) the net effect of value-based compensation schemes on corporate performance is hard to assess since studies define different measures as value based or nonvalue based.

Value based human resource management drawing on EVA and EVA-like performance figures in sum risks a divergence of managerial and shareholders' time horizons for shareholder value maximization: While managers' planning horizon is determined by premium and compensation periods, shareholders seek a more sustainable long-term and investment oriented planning.

Several studies discuss, what can be done to harmonize these objectives.

4.3.4 Preconditions to success value-orientation in HR Management

The contribution of value oriented human resource management to shareholder value depends on the joint effectiveness of resource application. It is essential to connect managerial capabilities and commitment to knowledge resources and physical assets to maximize productivity and competitiveness (Holcomb et al., 2009: 473).

Current and future financial performance of Taiwanese exchange listed companies significantly depends on the level of intellectual capital but equally on its employment in the organizational context. Material organizational resources and organizational structures accordingly codetermine the efficiency of the human capital base (Chen et al., 2005: 159).

Caldwell et al. (2010: 171) suggest an ethical stewardship approach to make the best of human resource management in the sense of maximizing shareholder

value sustainably. Empathic and transformative leadership accordingly is the most effective strategy to minimize agency conflicts and develop human resources and knowledge in organizations to the mutual benefit of all stakeholders.

The selection of incentives in accordance with the preferences of staff and environmental conditions is essential to ensure their effectiveness. In the case of Korean exchange listed companies, for instance team incentives and profit participation proved more successful than compensation by speculative securities, because the performance of the latter is not directly linked to productivity output but subject to speculation and capital market development (Kato et al., 2010: 16-17).

According to Balachandran (2006: 383) the general argument that shareholder-value oriented performance metrics improve incentives does not hold. The effect on management performance rather depends on the previous incentive scheme. The study finds ROI based measures equally or even more effective while residual income based incentive scheme can be improved by the shareholder value concept. Investment-oriented measures are more sustainably oriented than the EVA concept while the residual income approach does not consider benefits to shareholders.

Dirmhirn (2014: 38) compare the efficiency of diverse value based performance metrics for management compensation. The study assesses the efficiency of control mechanisms without, with short-term and with long-term incentives concerning their effect on organizational performance and finds that mainly long-term performance metrics effectuate outperformance.

Dirmhirn (2014: 75-85) suggests that companies switch from a short-term oriented to a long-term oriented shareholder value based incentive scheme to improve their shareholder value results and observe that underperforming companies at the Frankfurt stock exchange which have implemented this strategy turn out overperformers in the years (2002 to 2012) after the switch.

Said et al. (2003: 193) compare companies that apply financial performance measures only to companies which refer to non-financial qualitative performance measures and find that the latter group is more successful concerning market val-

ue. Accounting value effects are not significant. They suggest that performance metrics and reward systems are more effective when they combine diverse success metrics. Non-financial measures cover a broader spectrum of achievements and are more sustainable than short-term periodical financial objectives. Non-financial measures accordingly are indispensable for management valuation and compensation schemes and diminish agency costs of cooperation. Non-financial measures provide managers better feedback on their performance than pure financial assessment, since financial success equally depends on factors that are not in the sphere of management influence (Said et al., 2003: 195).

All three studies (Said, 2003; Dirmhirn, 2010 and Balachanran, 2006) support the assumption that long-term and investment-oriented performance metrics are more efficient than short term balance-sheet oriented metrics with regard to the resolution of the agency conflict between managers and shareholders.

4.3.5 Conclusions on opportunities, risks and success factors of value based human resource management

Value based human resource management principles have been adopted by the broad majority of large corporations (Lueg et al., 2011: 337) and equally SME increasingly use incentive systems to align the interest of employees and shareholders (Guenther & Gonschorek, 2008: 15).

According to previous empirical studies, value orientation in human resource management offers companies various advantages.

- O1: Human knowledge resources are shareholder value drivers when encouraged and employed interactively (Madininos et al.;2011: 132; Chen et al., 2005: 159).
- O2: Encouraging collaboration, team building and innovative technology usage enhance motivation and knowledge interchange (Habbershon & Williams, 2009: 10; Weichsler, 2009: 12).
- O3: Performance oriented payment systems based on the shareholder value measure reduce conflicts between shareholders and employees, increases share value, dividend pay-out and asset disposition, in brief shareholder value (Wallace, 1997: 285; Kleiman, 1999: 80; Kato et al. 2010:

29).

However, value-based human resource management cannot overcome all agency conflicts between shareholders and employees:

- L1: The external business environment codetermines in how far human resource measures can be effective (Holcomb et al., 2009: 472-473).
- L2: Shareholder value based incentives limit managerial investment propensity (Ryan and Trahan, 2007: 121-125).
- L3: Managerial risk aversion to protect success premiums crowds out positive performance effects (Kato et al., 2010: 30; Ernstberger et al., 2010: 226).
- L4: Short-term periodical incentives cause a divergence of performance planning time frames between managers and owners (Dirmhirn & Obermaier, 2012: 47-56).

The following cycle diagram illustrates the value gains resulting from a value based human resource orientation and outflows due to limitations of the concept:

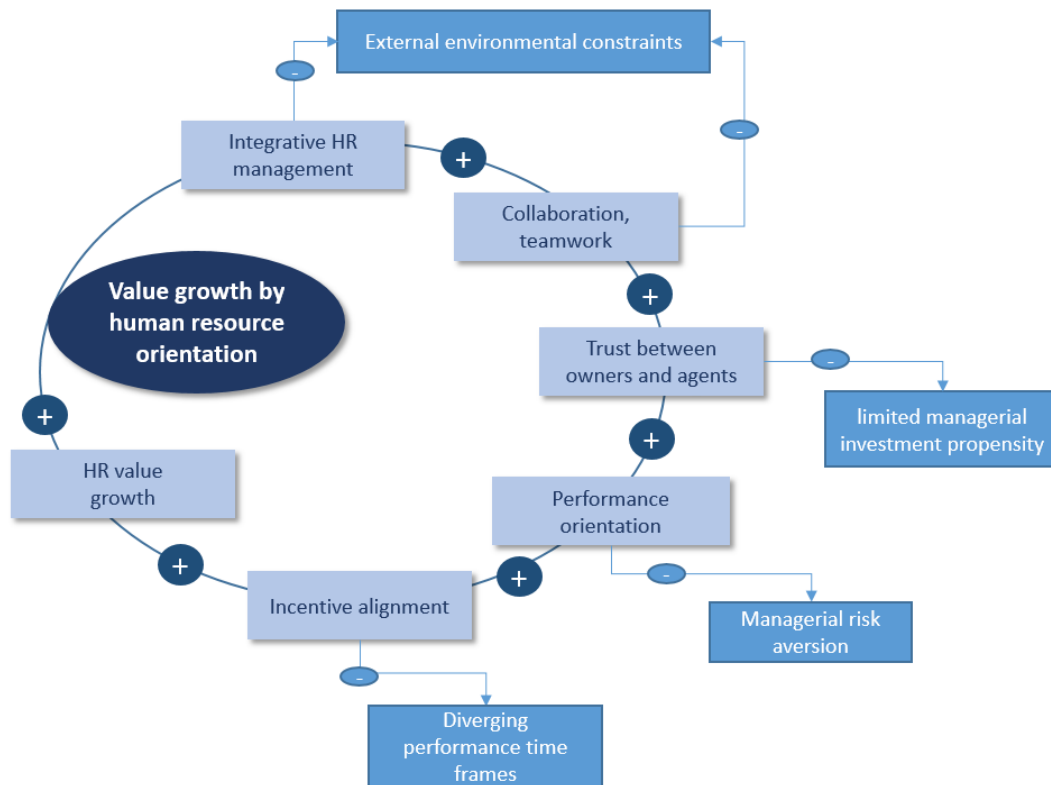


Figure 26: Summative cycle model of value based human resource management (own illustration)

Some success factors are suggested to improve the efficiency of value-based human resource measures:

- P1: combine intellectual, innovation and relationship capital combined increase market value (Holcomb et al., 2009: 473; Chen et al., 2005: 159; Caldwell et al. (2010: 171).
- P2: Select incentives in accordance with staff shareholder directed performance not with market valuation (Kato et al., 2010: 16-17; to Balachandran (2006: 383).
- P3: Long-term shareholder value -based incentive systems reach an interest alignment of managers and shareholders in a better way than short-term incentives (Dirmhirn & Obermaier (2014: 38; Dirmhirn (2012: 75-85).

- P4: Base human resource performance compensation on both financial and non-financial metrics (Said et al., 2003: 195).

4.4 VALUE BASED SUPPLY CHAIN MANAGEMENT

4.4.1 Implementations of VBM

As detailed in section 3.3.3.2, value based supply chain management implies first of all the reduction of agency cost in the supply chain by establishing effective mechanisms of monitoring, self-selection and control and by creating adequate incentives. Beyond the insights of agency theory however value-based supply chain partnership are based on mutual trust and an intense cooperation. Supply chain value assessment is not limited to financial objectives but comprises quality, transparency and communication targets, which ensure a long-term cooperation to mutual advantage (Hildebrandt and Koppelman 2000: 123; Hieber, 2002: 107).

How is value based management empirically implemented in international supply chains in YIGC and the above determined comparable company types?

Multinational corporations have discovered that outsourcing of knowledge management tasks to partners in emerging countries is fruitful and creates new impetus and market opportunities. The successful management of knowledge is crucial to economic success. The change from a primarily industrial to a knowledge-based society has increased the relevance of knowledge management to international competitiveness. Going international has become a key factor to global competitiveness in R&D as well as in manufacturing. Particularly an expansion to India and China appears promising since both countries are rich in low wage work force and harbor high creative potentials (Brandes et al.: 2007: 2-5). According to Siemens' 3rd quarter earnings report the augmentation and intensification of international partnerships as a core thrust for future growth. Cooperation with partners in emerging countries promises direct and indirect cost savings and revenue growth (Siemens: 2012: online).

The outsourcing of knowledge intensive activities saves efforts at the headquarters (Fransson et al: 2011: 427). In the pharmaceutical industry for instance

the outsourcing of knowledge intensive activities spurs innovation by reducing innovation impediments. CEOs believe that intercultural blending and creative interchange of self-reliant partners open up new development opportunities (Aron et al., 2007: 1-3).

Equally, most innovative German SMEs dispose of international import relationships in the supply chain (67,1%) and more than 25% have got an export share of more than 10 % of their turnovers. International trade relationships usually are based on Joint Ventures (40,2%) or foreign daughter companies (56,6%) (Guenther & Gonschorek, 2008: 16).

4.4.2 Opportunities of VBM

Purchasing products and pre-products in the supply-chain can be a significant business advantage. Supply chain partnerships are valuable external resources in the understanding of the resource based view (Barney, 2012: 3). Section 3.3.3.2 has shown that integrative supply chain management promises product and transaction cost savings due to synergy effects with experienced international partners. Value based management is an essential instrument in that process (Kuhn and Hellingrath, 2002:10; Janker, 2008: 13).

Value based supply chain management combines the objectives of utilizing cost and value advantages, and in this way, creates superior customer value and makes the product competitive. In contrast to classical purely cost-oriented supply chain strategies value based supply chain management focusses on both aspects: capacity utilization, asset return and cost savings on the one hand, but equally on service quality, reliability and responsiveness. Value based supply chain management accordingly reduces the agency problem of supply chain partnerships by developing a mutual value based culture (Christopher, 2011: 5).

Chen et al. (2004: 5069) point out that value-oriented management of supply chains comprises above all the development of dynamic relational capital and capabilities. Dynamic capabilities according to Teece et al. (1997: 516) refer to the “ability to integrate, build and reconfigure internal and external competences to address rapidly changing environments.” The capabilities are invisible and knowledge-resource-based and influence the whole corporate value-added chain.

i.e. resources in the conception of the knowledge based view (Conner and Prahalad (1996: 477; Hamel and Prahalad, 1989:69).

Strategic purchasing according to Dyer & Nobeoka (2000: 345) and Kale et al., (2000: 217) refers to the development of dynamically adapting relational capital in the supply chain, which enables companies to mutually utilize relational resources and capabilities to create competitive advantage (Das & Teng, 2000: 31).

The opportunities of the application of value-based principles in the supply chains of large corporations have been explored in previous empirical studies:

According to Chen et. al. (2004: 505) strategic purchasing in supply chains entails significant competitive advantages and enhances corporate performance. The application of value based principles encourages a close work relationship with suppliers which are closely linked to the company. Communication with supply chain partners increase in openness and a long term strategic relationship promising mutual advantages results. According to a survey among US manufacturers from diverse business branches strategic value based purchasing enhances supply chain communication and long-term orientation, which again strengthens customer responsiveness and financial performance (Chen et al., 2004: 515).

An evaluation of supply chain partnerships of 196 international organizations, examines a broad spectrum of value based strategies - information sharing, quality of information sharing and customer supply-chain partner relationships. It finds that value enhancing supply chain strategies contribute to competitive advantage and increase shareholder value (Li et al., 2006: 107).

Roh et al. (2014: 206) come to similar results for a sample of 751 international manufacturing companies a responsive value based supply chain strategy is characterized by information sharing and intense collaboration and contributes to high market responsiveness which again contributes to the sustainable development of shareholder value. Supply chain integration based on value oriented principles - e.g. intense information flows, quality control, customer-supplier interaction - realize cost reductions and shareholder value gains at Ford USA and its suppliers (Spekman et al., 1998: 647-648).

Supply chain partnerships face the challenge of a deflationary cost devel-

opment of many pre-products and a continuous technological development, which has to adopt to customer demands and increasingly competitive and transparent international markets. According to Christopher and Gattorna (2005: 116-117) this challenge can only be mastered when supply chain partners move closer together and develop a joint value based strategy. A common leadership style and culture is the prerequisite to reduce the gap between supply chain value creation and market demands. Value based supply chain principles enable supply chain partners to approximate the customer and market in development and production (Christopher & Gattorna, 2004: 32).

It has been shown that glitches in supply chain relationships decrease shareholder value by almost 11 % and cause a 40% stock price decline after a major disruption (Hendricks & Singhal, 2003: 501). Due to strong international affiliations and the increasing importance of outsourcing, supply chain risks are increasing continuously in the recent decade (Saenz & Revilla, 2014: 22). Li et al. (2015: 88) test a model that links value based supply chain risk control and risk sharing to financial performance. The model shows that relationship length, trust and mutual understanding of the supply chain relationship mitigate shareholder risk significantly. Joint risk management strategies, e.g. the sharing of risk-related information and the contractual agreement to share risks evenly, are fundamental to value based supply chain management.

In resource-intensive businesses, such as biotechnology, continuous value based growth is often seen as the only opportunity for innovative SME to survive in the long term in a constantly growing market. Value based SCM promises economies of scale and scope. SMEs in particular are forced to apply value based principles in order to keep pace with larger market participants and do not want to lose the target market (Forsman et al., 2002: 2). New market conditions in Germany also force companies to orient themselves towards international suppliers in order to remain independent. This applies to the biotech sector in particular, where approvals for new products are easier to obtain in the supply chain (DeMaeseneire & Claeys, 2007: 2). International value based development partnerships promise rapid knowledge gains and development in highly dynamic technological fields (Davenport, 2005: 685-686).

Biotech SMEs depend on close cooperation with suppliers and receive necessary substances, partly only through international networks and a global supply chain (Moen et al., 2004: 1237). At the same time, international cooperation is simplified and motivated by electronic networking and a globalization of the business culture, barriers to the international transfer of goods and sales have diminished (Ruzzier et al., 2006: 477).

In strategic product development, value based cooperation can provide SME with market advantages (Knight, 2000: 18). This allows new products to be tested and introduced in niche markets abroad (Wolff & Pett, 2006: 268). The company in the target country may gain a 1st Mover advantage and thus the chance to gain market leadership. Collaboration with sales partners in the target country can make it easier to place the new product on the market (Fink, 2007: 676).

Frohlich & Westbrook (2001: 185) empirically assess the value of supplier-customer integration in an integrative value management model and find that a possibly wide arc of integration in both directions is most effective to maximize shareholder value. This strategy optimizes information flows between consumers and manufacturing, enhances customer satisfaction and reduces product or service failure (Frohlich & Westbrook, 2001: 186-187)

Value based supply chain management saves costs. For SMEs from Singapore, value based supply chain management enhances corporate success can reduce procurement and labor costs in low-wage countries (Pangakar, 2005: 7). Value based international network activity between suppliers and end producers reduces material costs and increases the flexibility of the supplier chain (DeMeaseneiere & Claeys, 2007: 9). Due to value-based SCM, workplace resources and expertise can be used more flexibly. Bottlenecks are avoided. The transaction costs of international cooperation have decreased as a result of improved electronic interaction and communication facilities and have thus further increased the potential of supply chains (Davenport, 2005: 683).

International networks contribute to the enrichment of corporate culture and make the company more flexible to adapt to new market conditions. International partners and employees provide an enrichment for corporate culture and

foster innovation and flexibility of the organization (Cruz-Carreón, 2007: 47). New product ideas and research assignments are developing from business relations with foreign suppliers and customers. Value based principles allow the integration of human and social capital effects in an integrative assessment strategy (Goxe, 2010: 75). This is particularly important for SMEs, which often carry out specific developments on customer order (Kuivalainen et al., 2012: 453).

Opportunities of value based strategy in international partnerships in brief lie in the integrative optimization of cost structures and qualitative aspects of co-operation. Co-operation oriented supply chain management is long-term oriented and focusses on customer needs. All these factors contribute to ensure and develop shareholder value sustainably.

4.4.3 Limitations of VBM

However, value based principles partly cannot be applied effectively, since supply chain relationships lack the preconditions to application or companies do not dispose of the necessary experience and organizational culture.

Value based principles frequently fail due to a too strong focus on the financial aspects of the concept, while soft value factors are ignored.

Large corporations' VBM concepts frequently fail due to excessive supply chain complexity and lacking intercultural tolerance and expertise:

The complexity of supply chain partnerships limits the applicability of value based principles. Interlinks between supply chain partners are increasing. Products gain in complexity and lead-times diminish. Bureaucratic routines and a strong focus on costing are indispensable to manage international supply chain networks successfully. In this dynamic environment transaction complexity increases and leaves only limited space for trust building and reliable long-term partnering (Christopher, 2005: 161-167).

Supply chain partnerships in international R&D frequently lack intercultural tolerance and a mainly focused on Western patterns of thinking which limits their effectiveness. Particularly quantitative value based concepts like the EVA performance measurement are inadequate to consider knowledge advantages that develop slowly and are not measured in profitability figures at short term (Dav-

enport, 2005: 690-692).

Another reason for the failure of VBM strategy is lacking managerial expertise in value based management implementation, which is dominant among innovative SME:

Internationalization supply-chain projects of biotech SMEs often fail due to the lack of management decision-making skills, resulting in a lack of strategic planning (Cerrato & Piva, 2007: 12-13). SMEs often lack specific expertise and intercultural competence to deal with these problems within the framework of their value-based management strategy (Ojala & Tyrväinen, 2008: 190). They are often managed by local owners who deal with expansion for the first time (DeMaesneire & Claeys, 2007: 19). The lack of entrepreneurial management and marketing competence is a major barrier to successful value-based supply chain management of innovative SMEs (Acs et al., 2004: 10; Manolova & Manvev, 2004, 44).

International supply chain projects of family SME - here the entry to the French supply market - often fail due to strategic and organizational mistakes, e.g. too conservative decision-making structures, focusing much on established key ratios, and lacking risk tolerance (Kontinen & Ojala, 2012, 510-512).

SMEs often find it difficult to build value-based structures that are adapted to foreign cultures and lack acquisition expertise in the target country. If biotech SMEs are highly dependent on the home market, this often prevents internationalization success (Gassmann & Keup, 2007, 360).

Swedish SME partly lack internal resources to successfully manage an internationalization process. As an empirical interview based study shows, the competence of the employees and the expertise in the company are often not sufficient (Eminefendic & Gevorgyan, 2013: 15). Value-based international supply-chain orientation implies the willingness of all parties to enter into the new culture and to adapt to the requirements in the target country (Paunovic & Prebeza, 2010: 63-64).

The major reasons for the value of value based supply chain management are

- A too strong focus on short-term cost aspects

- Failure of strategic organization and planning in the international supply chain
- Lacking openness to organizational and cultural difference which results in a lack of mutual trust and understanding.

4.4.4 Preconditions to VBM success

Chen et al. (2004: 518) finds that focusing supply chain partnerships on a limited range of trustful suppliers is essential to implement value based strategies. Value based management implies that close communication relationships are maintained and developed in a dynamically changing environment (Teece et al., 1997: 516). Strong mutual effort and impetus has to be entertained to realize this form of cooperation, which is only possible with a limited number of partners in the long-run.

Hierarchical co-operations with international suppliers are not viable in R&D oriented supply chain relationships. The establishment of a basis of trust and long-term cooperation is essential to ensure corporate shareholder value gains (Fin & Kraus, 2007: 674).

Measures assessing the shareholder value effect of international supply chain cooperation according to Pangarkar (2007: 475) should not be based on financial key figures (e.g. sales and revenues) only but apply a multi-item scale of performance. SME in Singapore have experienced positive performance effects of multi-item performance assessment schemes. Particularly international and cross-cultural R&D processes cannot be assessed concerning their financial efficiency by financial key ratios in the short term but should apply qualitative and long-term performance standards (Davenport, 2005: 694)

An investigation among German small and medium-sized enterprises shows that the experience of the management determines the way international SCM is approached and what is expected (Olenik & Swoboda, 2012: 480-482). The entrepreneurial leader should be pro-active in its internationalization and be open to innovation. Communication skills are also crucial to establish new network contacts and manage these in a value-oriented way (Bördin & Längner, 2012, 31-33). Management in accordance with the stewardship principle unfolds a positive

effect (Kontinen & Ojala, 2012: 511). Eminefendic & Gevorgyan (2013: 51-52) summarize these characteristics, which are beneficial to value oriented international supply chain management as a "Global Mindset" of the management team.

The management style, which is maintained in the internationalization process, has a significant impact on the ability of the company to manage human resources and networks successfully (Goxe, 2010: 79-80). As a study of New Zealand high-tech SMEs shows, the success of value-based supply chain management co-depends on the company's technical competitiveness, HR and knowledge management practices (Sedoglavich, 2012: 453-454). This confirms an international SME survey: technology leadership through knowledge management, high product quality and an efficient supplier chain are decisive for value-based management success in the supply chain (Schmidt, 1996: 33).

In sum, the empirical studies illustrate that quantitative shareholder value principles are insufficient for a sustainable value-based management of international supply chains. Organizations have to develop the readiness for supply chain cooperation and adequate standards to orient the supplier network towards shareholder value creation. Beyond mechanical control and contract standards, companies have to develop a culture of cooperation to motivate suppliers to apply value-based principles.

4.4.5 Conclusions on opportunities, risks and success factors of value based supply chain management

Value based supply chain management is an established concept among innovative SME and the key to competitiveness of large international corporations (Guenther & Gonschorek, 2008: 16). Outsourcing and development partnerships are of particular relevance in knowledge intensive industries (Aron et al., 2007: 1-3).

- O1: Value based supply chain management supports resource and knowledge acquisition since it builds up intense knowledge-cooperation with international partners (Kuhn and Hellingrath, 2002:10; Janker, 2008: 13; Christoper, 2011: 5; Forsmann et al., 2002: 2).
- O2: Value based SCM develops dynamic relational capital enhancing mar-

ket responsiveness in a rapidly changing environment and ensures access to novel products and technologies (Conner and Prahalad (1996: 477; Hamel and Prahalad, 1989:69, Spekman et al., 1998: 647-648; DeMaeseneire & Claeys, 2007: 2).

- O3: Value based supply chain strategies stabilize supply chain relationships and establish trust with external partners (Chen et al., 2004: 515).
- O4: Value based cooperation with supply chain partners brings cost advantages due to synergy effect and suppliers' dependence (Hendricks & Singhal, 2003: 501; Saenz & Revilla, 2014: 22).
- O5: Value based supply chain partnerships diminish acquisition risk due to trustful relationships (Saenz & Revilla, 2014: 22; Li et al., 2015: 88).

External factors and inherent difficulties limit the efficiency of value based supply chain management to some extent:

- L1: Trustful supply chain partnerships are impaired by pure acquisition orientation and bureaucracy (Christopher, 2005: 161-167).
- L2: In an international context, intercultural understanding partly is low, impeded by formalism and bureaucracy and the development of long-lasting trustful cooperations fails (Davenport, 2005: 690-692).
- L3: A lack of strategic planning and management of external supply chain relationships impairs cost advantages and results in mutual interdependency instead (Acs et al., 2004: 10; Manolova & Manvev, 2004, 44; Kontinen & Ojala, 2012, 510-512)

The following cycle chart illustrates how opportunities and limitations of value based supply chain management interact.

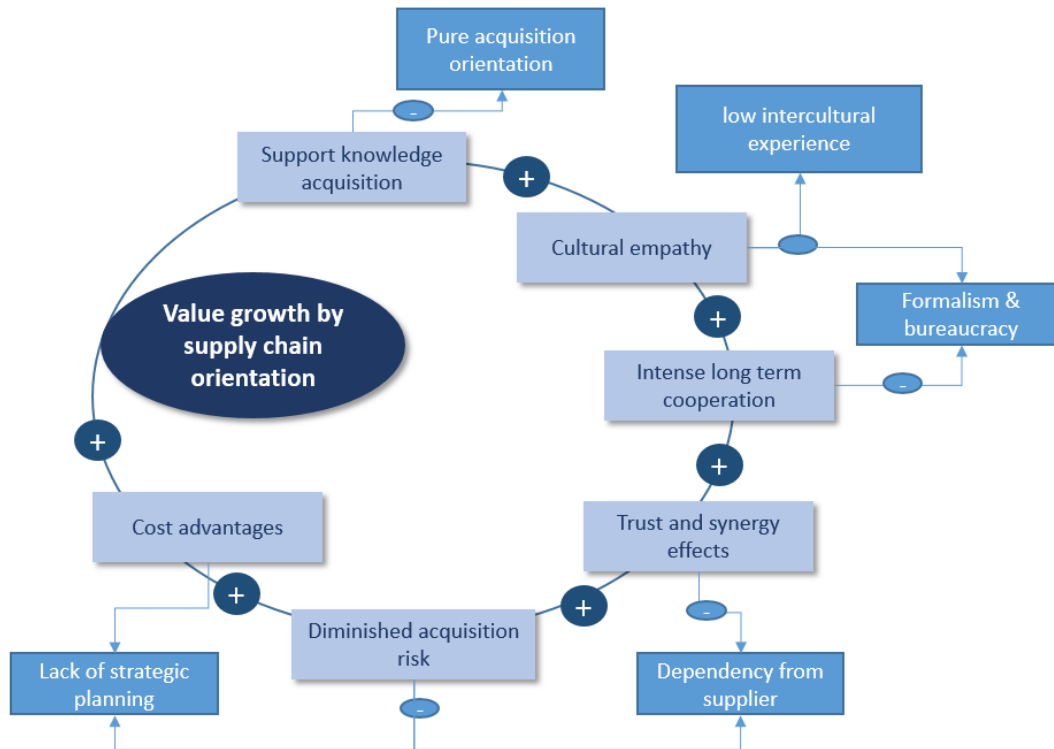


Figure 27: Summative cycle model of value based supply chain management (own illustration)

Some empirical studies show up success factors to possibly avoid these intricacies:

- P1: To establish long-lasting and successful supply chain relationships limit the number of external partners (Christopher, 2011: 5; Forsmann et al., 2002: 2).
- P2: Build on a trustful rather than hierarchical and bureaucratic cooperation based on inter cultural empathy (Fin & Kraus, 2007: 674; Goxe, 2010: 79-80).
- P3: Do not utilize periodic financial key figures alone for success evaluation (Pangarkar (2007: 475; Bördin & Längner, 2012, 31-33).
- P4: Emphasize knowledge interchange and mutual learning rather than a pure acquisition orientation to establish long lasting relationships of trust (Sedoglavich, 2012: 453-454)

4.5 VALUE BASED CUSTOMER RELATIONSHIP MANAGEMENT

Section 3.3.4 has shown that the corporate value-added chain extends to the customer as the recipient of corporate products and services. Customer satisfaction and loyalty are crucial to maintain competitiveness and develop growth sustainably. The customer accordingly is an integral part of the corporate value based network and value based principles have to be applied to customer relationship management primarily (Tsai et al., 2012: 1415; Eckhardt & Schane, 2003: 333; Kuratko et al., 2001: 60).

Empirical studies confirm this insight and explore implementation and opportunities of value based customer management. Insights on limitations on the value based orientation in customer relationships, show up the success preconditions of the approach:

4.5.1 Implementations of VBM

Large corporations have recognized the relevance of value based customer relationship management early: Thamizhel & Ramachandran (2001: 4) see customers as “the lifeblood of any organization be it a global corporation with thousands of employees and a multi-billion turnovers, or a sole trader with a handful of regular customers.” Payne and Frow (2005: 171) explain that customer relationship management is an essential element of corporate strategy and should harmonize with all other corporate functions. CRM is a sustainable value creation process: Successful CRM depends on the dense interaction of all service- and customer-related departments (Blacharski, 2007: 125).

Value creation in multinational corporations takes place in an inner- and extra-organizational framework and includes the customer as a crucial element (Fischer-Winkelmann, 1983, 1212-1213). CRM is a functional and cross-departmental, customer-oriented process, which is supported by both organizational and technological components and includes analysis, planning, implementation and control of customer relationships (Homburg & Sieben: 2005: 25). CRM accordingly takes place at every stage of Porter’s value-added chain (Porter, 1985:

61).

Although shareholder value increase is the major financial objective of the majority of German SME, customer satisfaction and business continuity according to Krol (2009: 5), are significantly more important objectives. Particularly independent SME (as compared to daughters of large corporations) find these qualitative goals relevant. Customers are the most important external stakeholder groups of German SME (Krol, 2009: 7).

4.5.2 Opportunities of VBM

A large body of empirical research supports the assumption that value based customer management is an essential driver of shareholder value. The following studies coherently come to the conclusion that value based customer management contributes to customer satisfaction, loyalty, recommendation and repeat purchase which strengthens turnovers and margins – the key determinants of shareholder value:

Anderson's & Sullivan's (1993: 125) survey among 22.300 Swedish consumers is among the first studies to prove that satisfaction and quality corresponding to expectancy enhances repurchase intentions. Customer satisfaction improves the probability of repurchase and in result secures future turnovers and profits (Keiningham et al., 1994: 7). A stable customer base ensures future returns and contributes to recommendations and the further expansion of the clientele (Narayandas, 1998: 108). In the consumer services segment, customers' behavioural intentions, e.g. buying and recommendation significantly depend on perceived service value and satisfaction and these latter factors are determined by service delivery quality (Cronin, 2000: 207).

Demirbag et al. (2006: 840-841) confirm the relevance of quality on financial performance for Turkish SME in the textile business. The application of TQM principles further is significantly correlated to non-financial and indirectly to financial performance parameters. Kim's (1997: 2-4) case study explains these results: Drawing on the example of adventure cinemas the study finds that corporate and customer perspective are inseparably linked: Customers cherish innova-

tive products and service offers and are ready to pay higher price.

The internet has multiplied the effect of customer perception on shareholder value and growth perspectives: Customer recommendation influences shareholder value directly through turnovers: Li and Wu investigate the effect of Facebook and Twitter Likes on the sales figures in the immediate environment of the Likes for a specific company (Groupon.com). Each like results the company about 4.5 additional coupon sales. In addition, an increase in sales in the recent hour will lead to a further increase of around 1.4 units in the following hour. There is thus a self-reinforcing effect of word-of mouth recommendation (Li & Wu, 2012: 21-22).

In a company survey, Küster and Thomsen (2012: 9) find that the intensity of recommendation marketing, contributes to the success of product launches on three levels. Initially, positive word of mouth causes customer satisfaction and increases loyalty and buying intention. This has a positive effect on the return on investment and shortens the amortization time of the marketing investment.

Marsden et al. (2005: 4) evaluate the impact of electronic word of mouth on company growth, especially in large companies. The results show a great influence of mouth propaganda on corporate success figures: Companies disposing of higher rates of recommendation grow significantly faster than the sector average. On the other hand, the development of companies with low rates of recommendation and a tendency towards a poor word of mouth was below average in the period under review. In concrete terms, 7% more positive recommendations result in an increase in growth of approx. 1%. A 2% decline of the ratings leads to a growth slump of approx. 1%. Companies with above-average positive recommendations grow four times as fast as companies of the same industry with above-average bad recommendation values (Marsden et al., 2005: 4-5).

The Boston Consulting Group, which examines the influence of the Brand Advocacy Index on the development of large companies and their dependence on oral propaganda, concludes that the most frequently and the least frequently recommended businesses, differ in growth by up to 27% (BCG, 2012: 3-4).

Van Enckefort and Ansari-Dunkes show on the basis of a consumer survey that users' perception results in a changed attitude towards the affected company and a possibly reduces perceived product value (van Enckevort & Ansari -

Dunkes, 2013: 54). Consumers also use their attitude in brand-related activities, such as the purchase decision and the recommendation rate, which again unfolds a direct impact on brand value (van Enckevort & Ansari-Dunkes, 2013: 81).

For luxury brands, value equity and brand equity contribute to strengthen customers' purchase intention and increase customer equity, i.e. the long-term value contribution of customers to shareholder equity in the form of future purchase, recommendation and loyalty potentials (Kim & Ko, 2012: 1485).

According to Luo et al. (2013: 156-157) the valuation in social media has a significant impact on the equity value of companies, both return and risk. Positive blog communication increases return and reduces risk, and vice versa. Compared to conventional online assessments, the impact of social media is more pronounced and observable at short notice. The study uses a regression model based on the capital market equilibrium and considers companies in the computer sector.

Customer satisfaction directly contributes to shareholder value as measured by equity prices and price to book ratios. According to a cross-industry study among 200 U.S. companies from seven sectors, businesses disposing of high satisfaction levels are significantly higher valued in capital markets than their competitors with inferior satisfaction ranks (Anderson, 2004: 176-180). Equally Fornell et al. (2006: 3) find that high customer satisfaction levels (according to the American Customer Satisfaction Index) are significantly related to the market value of equity in the long run.

According to Banker (2000; 65) survey among 88 hotels customer satisfaction indices e.g. return rate, complaints can even be a better indicator of future financial performance than quantitative indicators: Satisfaction is future oriented and predicts the likelihood of guests' return (Banker, 2000: 73). Gruca and Rego (2005: 115) extend this result to a multi-industry US sample. Customer satisfaction accordingly contributes to brand value, growing market shares and to long term growth and corporate stability and unfolds a sustainably positive impact on shareholder value.

4.5.3 Limitations of VBM

External factors limit the relevance of customer-directed value based measures on shareholder value however. According to Anderson (2004: 178) the degree to which satisfaction increases shareholder value diminishes with declining levels of concentration in the industry. When rivalry among competitors increases, the relevance of dissatisfied customers on shareholder value decreases, since these then just emigrate to competitors and are less active in their mouth propaganda (Anderson (2004: 182).

Equally Gruca and Rego (2005: 126) find that the average effect of customer satisfaction on cash flow growth varies by industries. Even industries in similar segments differ to a large extent. Cruca and Rego assume that customer satisfaction is of higher importance in industries disposing of high brand value, which corresponds to Anderson's earlier results on the relevance of market concentration in principle.

Berger et al. (2006: 164-165) assert that the unbiased measurement of customer value orientation e.g. in the form of customer life time value is difficult and accordingly the assessment of the effect of customer related measures is biased.

According to Campbell, value based customer relationship management costs companies billions of dollars per year and frequently it is hard to assess to what extent this effort is recompensed i.e. to what extent customer-relationship management in fact increases or impairs shareholder value in the short and in the long run (Campbell, 2003: 382).

Although the long-term effect of customer satisfaction on shareholder value is broadly accepted, topical news on customer satisfaction do not move stock prices. Customer satisfaction accordingly is a long-term rather than a short-term predictor of performance (Fornell et al., 2006: 7).

4.5.4 Preconditions to VBM success

In spite of these reserves numerous empirical studies have proven that customer value estimates, recommendation and repurchase behavior have got a direct effect on turnovers, growth and shareholder value. Which value based measures should companies seize however to increase recommendation, satisfac-

tion, loyalty and repurchase? The preconditions to successful value based management have extensively been discussed:

Customer experience emerges in an interaction process between customers and suppliers, and is important in the entire process of the customer relationship. Customer experience of the quality and performance of a product is crucial for the development of customer loyalty. It is not so much about the actual characteristics and advantages of a product (e. g. price), but on the extent to which the customer can thus satisfy his or her personal needs (Berry et al., 2002: 85). A study among 350 large US companies finds that service climate in the customer service unit, managerial information on service processes, technological service support and total investment in customer service business are positively related to the performance of customer oriented processes. Customer-orientation needs specific investments and engagement, but contributes to shareholder value (Ray et al., 2004: 34-36).

Customer experience is relevant at many points of contact and the interaction of these experiences results in the image that the customer develops from company and product. Customer experience is determined by the purchasing environment, provider's service offer, product selection and price (Verhoef et al., 2009: 32). Companies should therefore strive to make a positive impression on their customers at every point of contact, and builds up an emotional relationship between the customer and the product (Thompson & Kolsky, 2004: 1). In customer experience, cognitive and affective parameters interact to create a relationship between the customer and the brand, which ultimately effectuated purchase and re-purchase. Effective value based customer oriented management accordingly is comprehensive and addresses these channels systematically in an integrative manner (Puccinelli et al., 2009: 17).

Customer Experience is particularly important in markets where it is hardly possible to distinguish between objective features such as price or measurable quality characteristics. In this context, companies primarily rely on intangible aspects such as branding and branding experience to inspire customers, to win the purchase, and finally to maintain loyalty (Meyer & Schwager, 2007: 3). Effective value based management ranks customers concerning their growth potential and present revenues and tailors value based strategies to high-potential custom-

ers (Meyer & Schwager, 2007: 9).

Campbell evaluates how effective customer relationship programs should be designed drawing on the experience of 6 Canadian Financial Services companies which have launched such programs. CRM accordingly ideally is a joint project of customer information, marketing, senior management and should include employee incentive and evaluation systems. Ideally customer-related and employee-related value-based management accordingly are densely interconnected (Campbell et al., 2005: 380).

To improve customer satisfaction and accordingly customer equity by value based customer-directed measures Mithas et al. (2005: 3-6) suggest to improve customer knowledge and interaction with supply chain partners. Customer value management is more effective when combined with value-oriented supply-chain management. In accordance with contingency theory company size, supply chain integration and investment are moderating factors in this relationship.

4.5.5 Conclusions on opportunities, risks and success factors of value based customer relationship management

The importance of value-based customer relationship management has been recognized by large multi-national corporations (Payne and Frow, 2005: 171) and equally among the majority of SME (Krol, 2009: 5).

Value based CRM offers diverse opportunities:

- O1: Value based CRM increases product and service quality which enhances customer satisfaction and allows sales price increases (Anderson & Sullivan, 1993: 125; Demirbag et al., 2006: 840-841; Fornell et al., 2006: 3).
- O2: Customer satisfaction establishes long-lasting customer relationships and ensures future turnover potential (Keiningham et al., 1994: 7).
- O3: Trusting and satisfied customers produce positive recommendations and word of mouth and contribute to turnover growth and image (Küster and Thomsen, 2012: 9; Marsden et al., 2005: 4; BCG, 2012: 3-4).
- O4: Brand value and business image benefit from satisfied customers trusting in product quality (van Enckevort & Ansari-Dunkes, 2013: 81).

- O5: A good business image, recommendation and satisfaction enhance market value and ratings and increase the corporate capital base (Kim & Ko, 2012: 1485; Gruca and Rego, 2005: 115).

Some studies find limitations to value based customer relationship management however:

- L1: Macroeconomic factors and competition can force companies to compromise on quality (Anderson (2004: 182).
- L2: Customer satisfaction is no reliable measure of the shareholder value effects of CRM (Berger et al., 2006: 164-165).
- L3: Customer relationship management is costly and not necessarily efficient concerning periodical key figures (Campbell, 2003: 382).
- L4: A market value effect of CRM is not always observed at short notice (Fornell, 2006: 7).

The following chart illustrates advantages of value based orientation in customer management and the discussed limitations:

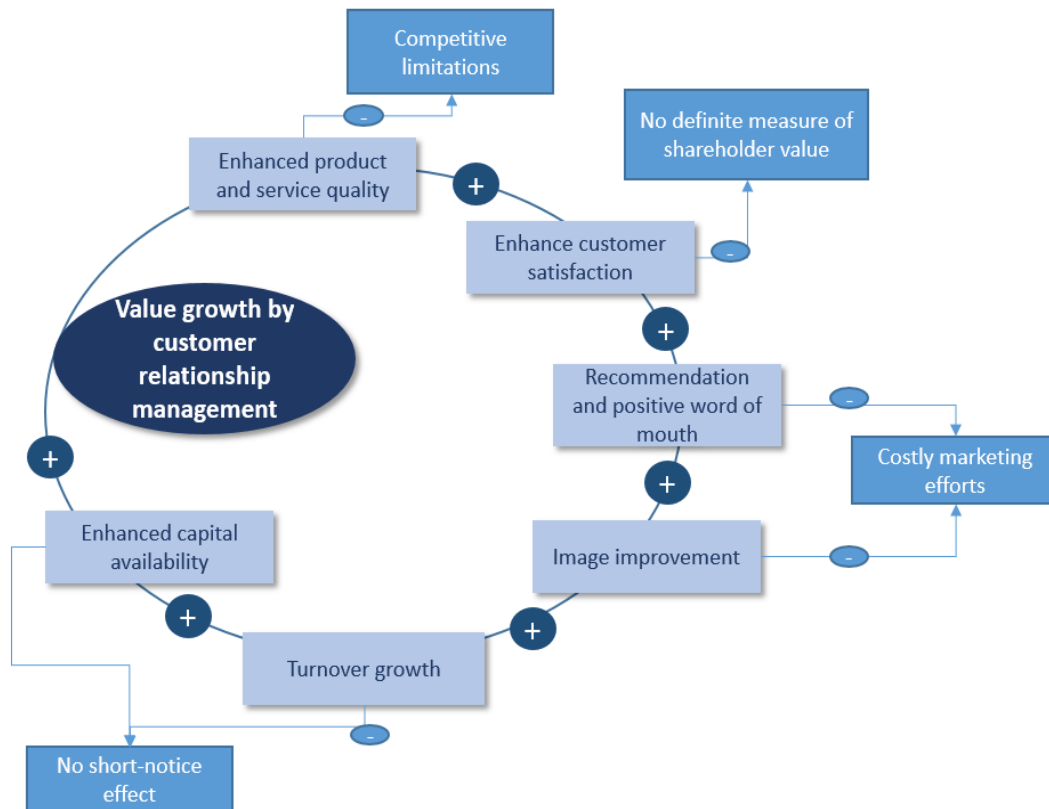


Figure 28: Summative cycle model of value based customer relationship management (own illustration)

Several preconditions to links CRM to shareholder value development more effectively have been suggested:

- P1: All CRM measures should be tailored to customer experience and focus on major target groups (Berry et al., 2002: 85; Ray et al., 2004: 34-36; Verhoef et al., 2009: 32).
- P2: Value based CRM should integrate all value-added stages including the whole supply chain and employees (Meyer & Schwager, 2007: 3; Campbell et al., 2005: 380).
- P3: Customer equity value should be calculated carefully at every stage of CRM (Mithas et al (2005: 3-6)

4.6 VALUE BASED CSR ENGAGEMENT

4.6.1 Implementations of VBM

Globally companies have understood, that customers and the broad public expect that large companies take over responsibility for social and environmental issues: They begin to understand that social and environmental responsibility are closely inseparably from success of their commercial business activity. CSR projects are utilized to generate direct or indirect economic advantages for the firm (Adkins, 1999: 10). The amount of means devoted to CSR engagements is on the increase (Barnea & Rubin, 2005: 1)

Empirical studies prove that CSR is increasingly an established practice among large companies: A 2009 analysis conducted by DEGI (2008: online) proves that 80 % of investment companies keep announcing their openness towards sustainable investments but only about 30 % of the firms really manage or develop sustainable products.

In a survey on the relevance of sustainability business management, more than 80 % of the participants find sustainable development an important or very important topic. The economic dimension of sustainability however is considered much more relevant than the social and ecological impact (Rottke & Reichhardt, 2010: 33).

Sustainability is considered important by more than 80 % of participants of Jones Lang LaSalle and CoreNet Global survey. Sustainable development though is supposed to be rather a long-term goal. The state is regarded as predominant driver of ecological investments (80% of answers). Investment in sustainable development is supposed to amortize within no less than 5 to 10 years. Shorter investment periods are considered little realistic (Jones, Lang, LaSalle, 2009: online; Varadarajan & Menon, 1988: 60).

Which opportunities do CSR strategies entail for corporate value orientation?

4.6.2 Opportunities of VBM

In previous studies, various objectives of value based public relations activi-

ties and desired success effects from a corporate perspective are mentioned: Hansen and Schrader (2005: 383) find economic and "pre-economic" success effects of value based CSR activities. This formulation implies that a financial impact or a competitive advantage can arise at a later date from effects which cannot be directly assessed in the form of economic figures, such as, for example, the gain in reputation (Ebert & Schwager, 2006: 433-434). Social or ecological commitment, when communicated to the public, will generally increase the image of the company internally and externally (Mohr et al., 2001: 51).

The most important target group for CSR measures are customers (Schrader et al., 2005: 383). CSR can increase their interest in purchasing and enhance their bond to company and product (Ebert & Schwaiger, 2006: 434-435). CSR initiatives can sometimes open up new customer groups. New product ideas emerge from the engagement, which allow for a differentiation from competitors.

Various empirical studies show that honest CSR projects can significantly increase the confidence of customers in a company or product (Simmons et al., 2006: 164-165). Provided adequate CSR communication, the company's social image is enhanced by positive media coverage.

CSR projects of YIGC can positively influence the purchasing behavior of customers in various ways. Maignan, Ferrell, and Hult (1999: 5) show that they can increase customer loyalty, the conviction of a product, a re-purchase decision and brand loyalty. The communication of CSR projects within the framework of Cause Related Marketing can realize price increases.

Customers are attracted by positive image (Sen et al., 2008: 37-42). Social and ecological engagement gives customers the feeling of having a serious business partner (Sen & Bhattacharya, 2001: 164). Information on CSR projects have a positive impact on the customer's opinion of the company (Sen et al., 2006: 164).

At the same time, customers' conscience is reassured by compensatory social commitment. The investment of luxury car companies in the use of regenerative energies, for example, increases their recognition with customers (Sen et al., 2006: 164). Buyers tend to identify with companies that invest in CSR projects to a higher degree than with neutral companies. Luo and Bhattacharya show that customer satisfaction with previously purchased products and services also increases

as a result of CSR engagement (Luo & Bahattacharya, 2006: 10).

Nilsson and Rahmani (2007: 40) find in a company survey, that the improvement of corporate image is a key driving force for the implementation of CSR projects. Cause Related Marketing establishes a positive public attitude towards the company, which in the medium term improves market chances.

Beyond the profit of an advantageous image charitable companies enjoy internal development opportunities. Mendibil et al. (2007: 6) prove that CSR commitment increases the rate of innovation in enterprises, since employees develop higher openness for new projects. For example, research in the field of ecology can contribute to the development of new product ideas, which means a competitive advantage to businesses relying on established technologies (Hardtke & Prehn, 2001: 139-140).

CSR projects strengthen employees' conviction that a commitment to the company is socially worthwhile. The cohesion the business team is enhanced by CSR projects. A study conducted in the US in 2006 shows that 79% of young employees prefer to be employed in a company that shows high social commitment. 64% are proud of their company's commitment to CSR (Polonsky & Wood, 2009: 8).

Intensive employee involvement in CSR projects increases corporate social reputation and attractiveness for qualified employees (Riordan et al., 1997: 409-412). This facilitates the acquisition of employees internationally and, increases employees' loyalty to the company and reduces operative risks (Luo & Bhattacharya, 2006: 3). CSR reduces costs of employee management, as a good corporate image increases employee retention and reduces the fluctuation rate (Nilsson and Rahmani 2007: 40). CSR commitment in the social field often enhances in the identification of employees with the company, which can contribute to lower absenteeism and higher motivation to work (Riordan & Gatewood, 1997: 409-412).

Increased employee identification with social issues enhances intellectual and emotional engagement, reduces downtime and provides a good working environment (Turban & Greening, 1996: 666-668). The collective commitment to

social issues improves working climate and the motivation to actively cooperate on business projects (Sen et al., 2006: 164). The result are competitive advantages and cost reductions in production and development (Maignan & Ferrell 1999: 464; Birtch et al., 2008: 190).

A contribution to the protection of human rights, training on the job and work protection increases attractiveness for qualified and motivated employees, who in turn drive innovation (Riess et al., 2008: 28-29). Employees who enjoy high occupational safety and have attractive training opportunities are motivated, which lowers operating costs. Efficient use of resources in the course of an initiative for ecological awareness helps to avoid resource waste in the production process (Hammerschmidt & Dyllick, 2001: 49-51).

Investors are a third key target group of CSR projects. If a financial project creates social or environmental benefit, investment decisions are considered more attractive. This implies financing advantages over competitors and reduces dependency on banks and other lenders (Ebert & Schwaiger, 2006: 435). According to Becchetti et al. (2007: 1) companies' entry to the Domini 400 Social Index - a recognized CSR benchmark - causes significant abnormal stock returns. Exist announcements result negative abnormal returns even after controlling for external extraordinary influences.

Equity prices can also be positively influenced by a favorable media echo. As a result of corporate social commitment market value and Tobin's Q increase. Investors' readiness to acquire corporate shares can be increased by social and ecological projects Turban & Greening, 1996: _). When there is a substantive link between the offered goods and the welfare project, investors assume that CSR activities will also result in a profitable track record. A favorable attitude of the shareholders and investors can additionally have positive impacts on public opinion and provide the company with governmental and NGO support, which can mean a decisive competitive advantage in economic downturns (Luo & Bahattacharya, 2006: 3).

CSR commitment can, according to a survey among Canadian stock-exchange listed companies thus stabilize corporate image sustainably against

negative campaigns and accordingly reduce business risk (Boutain-Dufresne & Savaria, 2004: 64). Indirectly, CSR activities can influence rating agencies' valuation, which can have a stabilizing effect on stock prices and improve refinancing conditions (Schaltegger & Hasenmüller, 2005: 10). For Swiss companies, an increasing interest of shareholders in the communication of CSR projects is measured. Social responsibility has become a decisive decision-factor for long-term investors (Fombrun et al., 2000: 98-99).

The promotion of environmental protection measures can also contribute to more efficient resource use in the company and the creation of innovative sustainable products, which in turn offer better market opportunities (Porter & van der Linde, 1995: 101). These indirect success effects, which can result from CRM projects, can in the medium term induce financial advantages. Innovative, sustainably produced realize better prices and higher turnovers (Margolis & Walsh, 2001: 18). This means a competitive advantage.

Sustainable production implies cost advantages. Hammerschmidt and Dyllick (2001: 49-51) explain that initial investments in ecological projects pay off in the medium term by saving production costs in the company itself, since resources are used more efficiently and manufacturing uses modern facilities. Awareness of environmental concerns increases work safety.

Nilsson and Rahmani (2007: 40) show that cost reduction is one of the core objectives for CSR engagements. Improving the brand image reduces acquisition costs for new customers and helps maintain existing customers, which in turn saves marketing costs.

CSR projects accordingly unfold positive effects on shareholder value through their perception by various corporate stakeholder groups - investors, employees, the broad public and customers.

4.6.3 Limitations of VBM

However, these chances of a commitment to beneficial objectives, coincide with fears that still deter many companies from an engagement in CSR projects.

The assumption that social commitment could create more harm than good for the investing company is driven above all by a short-term, financial perspective (Riess & Peters, 2005: 15).

Each CSR project initially causes expenses. In the beginning, it is uncertain whether the investment will finally create shareholder value. Direct measurable financial advantage, e.g. increased sales, often is delayed, especially in the case of long-term-oriented campaigns that build on an image improvement (Schrader et al., 2005, 37). Barnea and Rubin (2005: 3) argue that in fact CSR activity causes a conflict between the different stakeholder groups of an organization. From a shareholder perspective, investments frequently are too costly, at least in the short run. While society and employees find significantly higher investments beneficial. The extent to which charity investment will afford in the long run cannot be determined in the moment of investment. Which leaves shareholders with high uncertainty.

Schommer et al. note that although CSR activity increases customers' buying intentions, it does not always ensure that customers will actually purchase the product for social or environmental reasons. The purchase decision is also influenced by further aspects, such as habit and market price (Schommer et al., 2007: 6). Companies engaged in the field of charity can thus be disadvantaged against competition in the lower market segment, which operates a little sustainable company policy (Webb & Mohr, 1998: 239). CSR projects are more effective in the luxury segment than in the low-cost segment. Chattananon and Lawley (2007: 237) show by means of a structural equation model that the response and the intensity of the response to CSR are dependent on age, level of education, income level and gender of the customer. Younger, female, educated consumers of higher income levels are more receptive to CSR-based image campaigns. Several customer segments accordingly are hardly reached.

Investments in ecological sustainability, raises customer and public expectations concerning corporate products. A convincing CSR activity requires investment and a sustainable change in corporate strategy which again is costly. Sometimes it is difficult to release employees from operative tasks, to implement CSR objectives, as personnel resources are scarce (Schaltegger & Hasenmüller, 2005: 9).

Internal resistance to charity projects sometimes prevents long-term com-

mitment. The long-term positive customer market impact of CSR projects is sometimes ignored in the context of cumbersome hierarchical decision-making processes (Schaltegger & Hasenmüller, 2005: 13-15).

By analyzing the factors that determine the purchasing decision in different consumer groups Mohr, Webb, and Harris (2001: 67-68) show that not all consumers respond towards CSR measures equally. Although most consumers have got a positive attitude to CSR engagement, they do not consider this in their purchasing decision. Only a small group of critical consumers makes the production process dependent on whether a company invests in public welfare. However, this small critical consumer group has an impact on society in society and therefore has a decisive influence on the image of the company. Short-term sales growth due to CSR projects is therefore cannot be expected, but in the long term, CSR projects are responsible for the company's market success (Mohr et al., 2001: 65-66).

4.6.4 Preconditions to VBM success

Diverse studies explain what can be done to overcome the above discussed difficulties of a value based socially responsible orientation.

Positive image effects and buying impulses of CSR only result if customers assume that the company is seriously and committed to the CSR project (Webb & Mohr, 1998: 236; Ellen et al., 2006: 154).

Parguel, Moreau and Larceneux (2009: 4-5) explain that the effect of CSR campaigns is low when they are considered dishonest. Then they rather deter consumers or generate a negative public image. The authors show, however, that the credibility of cause-related marketing can be increased by CSR ratings and a positive relationship between CSR engagements and the purchasing decision of consumers is achieved (Parguel et al., 2001: 65-66). The efficiency of CSR activity depends on the business branch and increases when companies are closely connected to end consumers and society – stakeholders disposing of a high interest in corporate responsibility (Barnett, 2007: 807).

Yoon et al. (2006: 388) show that a little sincere company policy can produce customer rejection. In order to encourage the customer's product decision through

CSR projects, a close fit between the issue of the welfare project and the marketable product is required (Simmons & Becker-Olsen, 2006: 164-165). Essential for the success of a CRM measure is a communication of the charity project adapted to company strategy and product (Barone et al. 2000: 252-253).

Michael et al. (2011: 119-121) confirm the impact of CSR projects on consumers increases when there is a close relationship between the charity objective and the economic product exists and when a long-term alliance between a charity organization and the enterprise is concluded. Both factors enhance the mental connection between both concerns and the intensity of positive word of mouth.

Barone et al. (2000: 251) investigate the conditions under which CSR efforts actually increase sales. They show that CSR investment is not promising without corresponding product quality. Above all the fit between branded product and CSR measure is decisive for a sales increase. Roy and Graeff (2003: 163) prove this on the basis of a study in the sports sector.

To implement value-orientation in CSR activities in sum, honesty, long-term orientation, a high fit with the corporate product strategy and adequate communication of the engagement is indispensable.

4.6.5 Conclusions on opportunities, risks and success factors of value based social commitment

Diverse empirical proves of the positive value effect of CSR have been identified in previous empirical studies. Globally companies from diverse business branches have recognized the ethical relevance of social and environmental engagement (Adkins, 1999: 10; Barnea & Rubin, 2005: 1):

- O1: Sustainable and responsible products and processes effectuate an image enhancement among all stakeholder groups (Ebert & Schwager, 2006: 433-434; Mohr et al., 2001: 51; Sen & Bhattacharya, 2001: 164).
- O2: Customers' buying intention and recommendation behavior benefits from CSR activities which augments turnovers and possible sales prices (Schrader et al., 2005: 383; Ebert & Schwaiger, 2006: 434-435; Luo & Bhattacharya, 2006: 10).
- O3: Employee commitment and loyalty benefit from social and ecological

responsiveness (Polonsky & Wood, 2009: 8; Luo & Bhattacharya, 2006: 3; Nilsson and Rahmani, 2007: 40; (Maignan & Ferrell 1999: 464; Birtch et al., 2008: 190).

- O4: CSR encourages innovative projects, which finally generates economic benefit and shareholder value (Riess et al., 2008: 28-29; Hammerschmidt & Dyllick, 2001: 49-51).
- O5: Investors and loan givers prefer companies with a social and sustainable orientation (Ebert & Schwaiger, 2006: 435; Becchetti et al., 2007: 1).
- O6: Economic resources in the company are released due to cost savings and competitive advantages contribute to sales increases (Hammerschmidt and Dyllick 2001: 49-51; Nilsson and Rahmani, 2007: 40).

Some limitations to value based social and environmental activities are quoted however:

- L1: Initial investment costs, the costs associated with a CSR project, and scarce employee resources impair the efficiency of CSR engagement (Riess & Peters, 2005: 15).
- L2: CSR projects and conflict with shareholder objectives when short-term cost targets are not met and revenue gains are not directly realized (Barnea and Rubin, 2005: 3; Chattananon and Lawley, 2007: 237).
- L3: CSR activities do not apply to all customer groups and can cause shareholder value losses in pricing-oriented market segments (Schommer et al., 2007: 6; Webb & Mohr, 1998: 239).
- L4: Public expectations in CSR are not always met and engagements can appear dishonest and even cause image damage (Mohr et al., 2001: 65-66).

Some preconditions to ensure that CSR orientation in fact contributes to shareholder value have been suggested:

- P1: CSR activity should be honest and sustainable (Webb & Mohr, 1998: 236; Ellen et al., 2006: 154).
- P2: CSR activities should fit with corporate strategy and reach the core customer groups (Simmons & Becker-Olsen, 2006: 164-165; Michael et al.

(2011: 119-121).

- P3: CSR is no stand along shareholder-value measure but has to be combined with shareholder, supply chain, customer and employee orientation to succeed (Barone et al. (2000: 251; Roy and Graeff (2003: 163).

The following overview illustrates how social and ecological responsibility contribute to customer satisfaction, employee and supply-chain motivation and finally shareholder value:

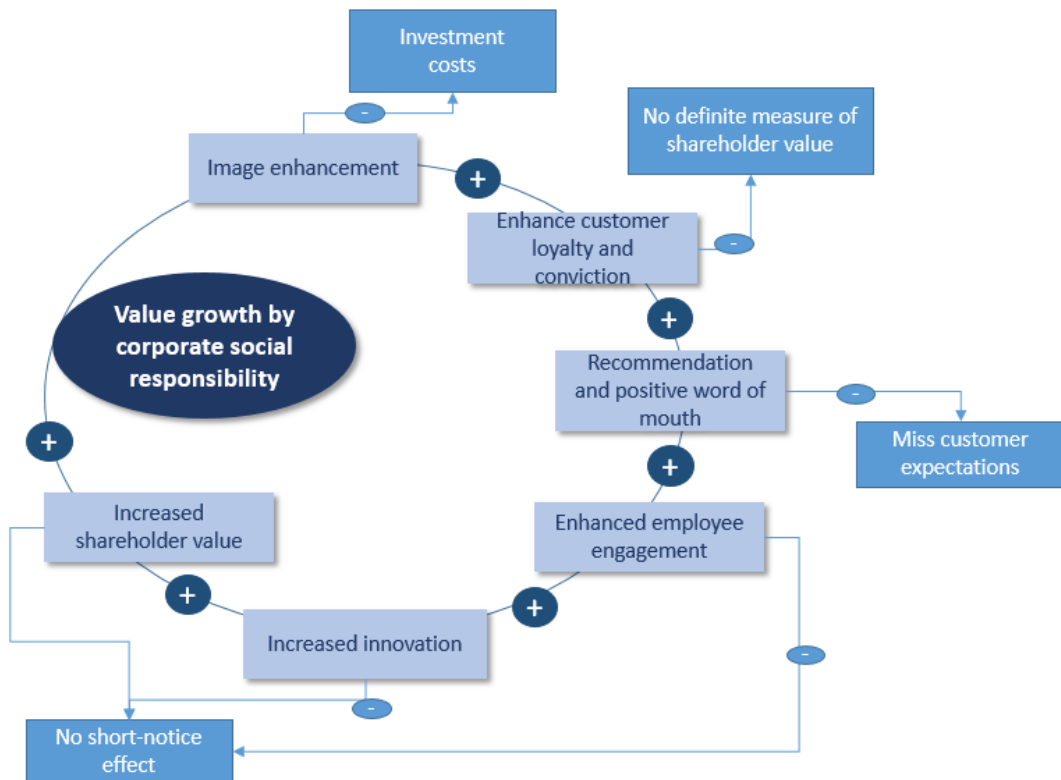


Figure 29: Summative cycle model of corporate social responsibility (own illustration)

4.7 CONCLUSIONS FROM THE REVIEW

4.7.1 Summary of Review Results concerning VBM opportunities, limitations and success factors

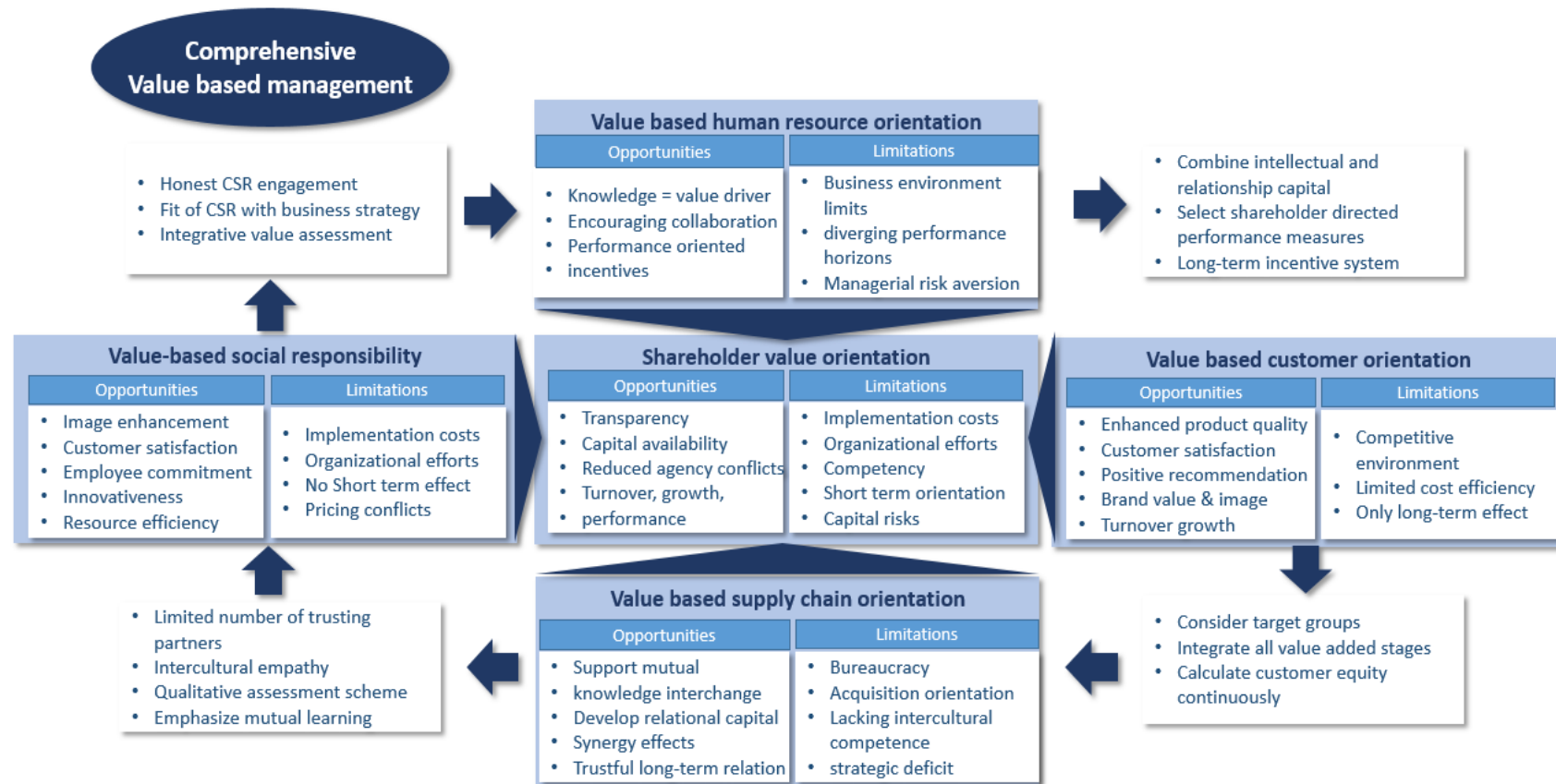


Figure 30: Extended Model of comprehensive corporate value orientation including empirical review results (own draft)

The results of the review of empirical studies in value based management research now can be summarized by integrating them in the theoretical research model derived in chapter 3 (compare Figure 19).

The review essentially refers to the categories developed in chapter 3 concerning value-based management orientations. About an even number of studies has been retrieved that are concerned with

- Shareholder value accounting
- Value based human resource management
- Value based supply chain management
- Value based customer relationship management and
- Value-based corporate sustainability orientation

The major opportunities and limitations of these value based concepts have been summarized in the form of theses at the end of each major section of chapter 4 and are graphically illustrated in the above figure.

The evaluation of empirical studies however has shown up further interlinks between the major research strands of value based management. Precisely, all five value based orientations are interdependent.

Already chapter 3 has shown that human resource orientation, supply chain orientation, customer relationship orientation and corporate responsibility orientation all contribute to the sustainable development of shareholder value. The empirical analyses have confirmed this assumption:

Value based human resource management enhances human knowledge employment and communication, corporate innovativeness, new product developments and accordingly shareholder value growth (Meditinos et al.;2011: 132; Chen et al., 2005: 159; Habbershon & Williams, 2009: 10; Weichsler, 2009: 12). Performance oriented human resource management mediates conflicts between shareholders and employees or managers and contributes to shareholder value (Wallace (1997: 285; Kleiman, 1999: 80; Kato et al. 2010: 29).

Value based supply chain management encourages knowledge acquisition and interchange and frees synergy effects between supply chain partners (Kuhn and Hellingrath, 2002:10; Janker, 2008: 13; Christopher, 2011: 5; Forsman et al., 2002: 2). Dynamic relational capital eases the adaptation to novel and continuously

changing environment technologies (Conner and Prahalad 1996: 477; Hamel and Prahalad, 1989:69, Spekman et al., 1998: 647-648; DeMaeseneire & Claeys, 2007: 2). A value based orientation stabilizes supply chain management and reduces shareholder value risks (Hendricks & Singhal, 2003: 501; Saenz & Revilla, 2014: 22; Saenz & Revilla, 2014: 22; Li et al., 2015: 88)

Value based customer relationship management encourages the improvement of product and service quality, which enhances customers' satisfaction, recommendation behaviour and loyalty (Anderson & Sullivan, 1993: 125; Demirbag et al., 2006: 840-841; Fornell et al., 2006: 3). Long term customer relationships stabilize turnovers and prices and contribute to a continuous growth of the customer base (Keiningham et al., 1994: 7; Enkevort & Ansari-Dunkes, 2013: 81). All these factors enhance shareholder value.

Corporate responsibility contributes to shareholder value since: sustainable produces enhance corporate public image (Ebert & Schwager, 2006: 433-434; Mohr et al., 2001: 51; Sen & Bhattacharya, 2001: 164), enhance innovativeness (Riess et al., 2008: 28-29; Hammerschmidt & Dyllick, 2001: 49-51), sustainably ensure customer loyalty and turnovers (Polonsky & Wood, 2009: 8; Luo & Bhattacharya, 2006: 3; Nilsson and Rahmani, 2007: 40; Maignan & Ferrell 1999: 464; Birth et al., 2008: 190), improve employee loyalty (Ebert & Schwaiger, 2006: 435; Becchetti et al., 2007: 1) and commitment and encourage investors trust and engagement Hammerschmidt and Dyllick 2001: 49-51; Nilsson and Rahmani, 2007: 40).

In the course of the review of empirical studies however further reconnections between the above value based orientations have been found:

Value based human resource management, enhances supply chain cooperation, since fringe benefits between employees and supply chain partners are reduced and a trustful compliant entrepreneurial culture is developed (Kuhn and Hellingrath, 2002:10; Janker, 2008: 13). Value based human resource management contributes to customer orientation, since committed employees are forthcoming towards clients and consumers and transform consumers' needs into product concepts and services (Keiningham et al., 1994: 7). This attitude again enhances customer satisfaction and loyalty and creates shareholder value at the customer

level (Kim & Ko, 2012: 1485; Gruca and Rego, 2005: 115).

Value based supply chain management enhances customer orientation. It has been shown that the direct interlink between supply chain partners and consumers encourages the rapid and effective implementation of customer needs and enhances customer satisfaction. The coherence of internal and external human resource management increases corporate efficiency and contributes to innovation (Goxe, 2010: 79-80). Target conflicts between owners and internal and external agents are reduced (Sedoglavich, 2012: 453-454). Value based supply chain management contributes to CSR since corporate values are continued in supply chain processes. Suppliers are motivated by sustainability engagement and strengthen their commitment to participate in a good cause.

In the same way CSR enhances customer relationships, customers feel loyalty for companies pursuing idealistic goals and in their buying decision support this idealistic conviction. Customers recommendation behavior contributes to a favorable public image, which reduces corporate risks and contributes shareholder value growth (Ebert & Schwager, 2006: 433-434; Mohr et al., 2001: 51; Sen & Bhattacharya, 2001: 164). Employee conviction again benefits form corporate social responsibility Polonsky & Wood, 2009: 8; Luo & Bhattacharya, 2006: 3; Nilsson and Rahmani, 2007: 40; Maignan & Ferrell 1999: 464; Birth et al., 2008: 190. Employees are committed to sustainable companies and show increased motivation to contribute knowledge resources when a good cause is pursued beyond the commercial business objective (Riess et al., 2008: 28-29; Hammerschmidt & Dyllick, 2001: 49-51).

In this way, the five elements of value-orientation reinforce each other and contribute to sustainable and long-term shareholder value development. The circular arrows in the comprehensive value-based model in Figure 30 illustrate that a self-enforcing value-added cycle develops when the five principles of value based management are pursued comprehensively.

The difficulties emerging from the sole implementation of one of the principles (compare paragraphs on VBM limitations) can be compensated by a holistic view.

A pure orientation towards the account based shareholder value perspective implies the risk of short-term profit maximization and the disentanglement of

shareholder and creditor interest due to risk increases (Lovata & Costigan, 2002: 224; Abdesamed, 2014: 7; Frid et al., 2009: 14; Hvide & Mjos, 2007: 27). This challenge can be met by a trusting partnership with capital providers (Udell, 2006: 2947; Martin, 2001: 285-287; Barnard, 1970: 927; Vos et al., 2007: 2648)) and long-term orientation. Value based supply chain management and human resource management principles encourage investors' trust in the business since agency cost between corporate insiders and outsiders are diminished and sustainable knowledge resources are built up (Kuhn and Hellingrath, 2002:10; Janker, 2008: 13; Christopher, 2011: 5; Forsmann et al., 2002: 2; Maditinos et al., 2011: 132; Chen et al., 2005: 159). Corporate social responsibility manifests that the company pursues social and idealistic goals beyond profit maximization which again reassures external investors of the long-term orientation of the business and a positive signaling effect unfolds (Ebert & Schwaiger, 2006: 435; Becchetti et al., 2007: 1).

In spite of the application of value based human resource management principles, interest alignment between shareholders and employees or managers as agents is not always complete, since time horizons of compensation and risk preferences diverge (Ryan and Trahan, 2007: 121-125; Kato et al., 2010: 30; Ernstberger et al., 2010: 229). Comprehensive corporate value orientation can compensate this deficiency: The governance principle of shareholder value orientation represents a clear ideal all agents are motivated to follow firm (Krol 2007: 5; Davila and Foster, 2004: 27-29). Customer relationship orientation and social responsibility provide additional intrinsic motivations for agents to support the corporate business strategy (Küster and Thomsen, 2012: 9; Marsden et al., 2005: 4; BCG, 2012: 3-4; Polonsky & Wood, 2009: 8; Luo & Bhattacharya, 2006: 3; Nilsson and Rahmani, 2007: 40; Maignan & Ferrell 1999: 464; Birth et al., 2008: 190).

The efficiency of value-based supply chain management can be impaired by bureaucracy, lacking trust and intercultural understanding (Christopher, 2005: 161-167; Davenport, 2005: 690-692; Acs et al., 2004: 10; Manolova & Manvev, 2004, 44; Kontinen & Ojala, 2012, 510-512). Shareholder value oriented accounting principles provide a clear guideline for supplier evaluation and simplify supply chain related decision processes which enhances business transparency (Krol (2007: 5; Davila and Foster, 2004: 27-29; Beneda, 2003: 254; Ameels and Scheipers, 2003: 3).

A trustful interaction between shareholders, managers and employees according to the principles of value-based human resource management ensures that supply chain issues are handled according to compliance standards (Habbershon & Williams, 2009: 10; Weichsler, 2009: 12).

In spite of the application of value-based principles, customer relationship management faces the difficulty of cost-intensity and the influence of external macroeconomic factors and competition on the opportunities of customer orientation (Anderson, 2004: 182; Berger et al., 2006: 164-165). Shareholder value based accounting contributes to assess the efficiency of customer-directed efforts in unequivocal key figures (Abdeen & Haight, 2005: 34; Beck & Britzelmeier, 2011: 201). Value based human resource management strengthens employee commitment which can compensate for higher prices or quality problems and maintain customer loyalty in times of crisis (Wallace, 1997: 285; Kleiman, 1999: 80; Kato et al. 2010: 29). Corporate responsibility concerning environment and social issues further strengthens corporate image with customers even in economic depressions (Schrader et al., 2005: 383; Ebert & Schwaiger, 2006: 434-435; Luo & Bahattacharya, 2006: 10).

Value-based corporate social responsibility orientation is not always cost efficient and effective, when the other value based principles are neglected (Riess & Peters, 2005: 15; Barnea and Rubin, 2005: 3; Chattananon and Lawley, 2007: 237). The consistent analysis of customer needs and profiles can contribute to enhance the credibility and target group orientation of CSR projects (Simmons & Becker-Olsen, 2006: 164-165; Michael et al. (2011: 119-121). Shareholder value based accounting helps to assess the efficiency of CSR principles from planning to implementation (Barone et al., 2000: 251; Roy and Graeff, 2003: 163).

The difficulties of value based orientation with regard to the individual playing fields of value based management can be compensated when an integrative view is taken, that combines the opportunities of each perspective to compensate for the limitations of the other. All five-value based orientations assessed in the review accordingly are complementary and contribute to shareholder value maximization when combined effectively.

4.7.2 Synthesis of insights for YIGC in comparison to other company types

Already the quantitative analysis of the results of data base research of empirical studies in VBM has shown, that hardly any contribution is available that focusses on young innovative growth companies in fact. Only seven from 110 empirical studies explicitly concentrate on this company type. The insights on YIGC- value-orientation available from previous empirical research are limited. The only YIGC related insights are the following:

Beneda (2003: 254) finds the EVA model applicable to growth companies and suggests that prospective external investors base their decisions on shareholder value key ratios since for YIGC market values frequently are biased or unavailable.

Bresnahan et al. (2002:32) explains that value-based human resource management offers particular opportunities for YIGC since these depend on skilled labour and a broad and dynamic knowledge base which unfolds its creative potential based when value based principles (open communication, flat hierarchies, individual responsibility, team working, strong goal orientation) are applied.

According to Aron et al. (2011) value based supply chain management in YIGC opens up the potentials of external partners and ensures a trustful long-term cooperation in rapidly evolving and uncertain markets (Aron et al., 2007: 1-3). YIGC according to Tong et al. (2008: 1014) depend on intense joint venture relationships with external partners to develop their knowledge base rapidly and compete in emerging sales markets.

According to Kim's (1997: 1–4) exemplary case study and Li & Wu (2012: 21-22) businesses show dynamic growth when they cherish customer orientation and offer novel solutions to existing demand or even develop new demands by new product and service offers. Value based customer orientation is a key success factor for YIGC. Usually YIGC rely on new technologies to optimize customer orientation.

According to Maignan et al. (2004: 5) YIGC perform on CSR issues and in this way gain customers in novel markets. Knowledge resources are acquired from motivated staff that is attracted by the combination of idealistic and revolutionary commercial ideas.

Although these results on YIGC are sparse, they suggest that a comprehensive value based orientation is a particular virtue of YIGC.

Section 2.1 has shown that YIGC are characterized by three unconventional and intertwined characteristics:

- their extraordinary growth of up to 20 % annually (Hambrick and Crozier, 1985: 31-32; Barringer, et al., 2005: 664; Kotter and Sathe, 1978: 29).
- High levels of innovation particularly in novel and dynamically evolving markets (Langenberg, 2008:18; Szyperski and Nathusius, 1977:28)
- Youngness, i.e. a comparatively short business history of less than 25 years (Acs, et al., 2008: 22; Anyadike-Danes et al., 2009: 5; Dautzenberg, et al., 2012: 19). Growth and innovativeness are encouraged by YIGC novel positioning in a dynamic market (Coad and Rao, 2008: 633-648pp; Hölzl, 2009: 59-75pp; Dautzenberg, et al., 2012: 24; Henrekson and Johansson, 2009: 11-19; Bos and Stam, 2011: 2-3).

Section 2.3 has shown that YIGC dispose of internal characteristics and structures that are essential for extraordinary growth and innovation and help them to rise in novel and dynamically developing markets. These are:

- An extraordinary level of entrepreneurial orientation ((Deeds et al., 1999: 221; Chakrabarti, 1990: 48; Schoonhoven et al., 1990: 177), i.e. a combination of proactivity, creativity and risk tolerance (Hmieleski and Baron, 2009: 473; . Ciavarella's et al., 2004: 465)
- The close cooperation with a competent advisory team which supports the top management on all strategic and technological issues (Hennerkes & Kirchdörfer, 1998:4-6pp; Ruter, 2009:209; Henseler, 2006:1).
- A knowledge-oriented pattern of human resource management and entrepreneurial communication: Knowledge is the essential resource of YIGC and human resource policies developing this core competency are the crucial success factor in a young and innovative business environment (Takeushi, 1998:21-29pp; Kotter and Sathe, 1978: 29; Koeller et al., 2006:

- Dynamic governance structures evolving from behavioral shareholder orientation towards increasing stakeholder orientation with YIGC growth (Yukl and Lepsinger, 2004:14pp; Hauschildt et al., 1983: 242-244pp; Krol 2009:40).
- Alternative financing strategies which allow exorbitant growth based on few material securities under the uncertain environmental conditions of rampant technological evolution and a novel emerging sales market (Bellitz, et al., 2012: 31; Katsolaucos, 1984: 83; Hamermesh, 1993: 61-62; Garcia, et al., 2002: 2. YIGC financing frequently includes private equity and venture capital (Krol, 2009: 51-52pp; Khadjavi, 2005: 63-66pp).

4.7.3 Further empirical research needs

Comparing these characteristics of YIGC and the comprehensive value-based management model developed in chapter 4 (compare figure 29), several similarities are obvious:

- Shareholder value orientation should be a dominant characteristic of YIGC, which usually are backed by a strong innovative, proactive and risk-taking entrepreneur (Cooper, 1994: 371; Gimeno, 1997: 750; Jo, 1996: 161).
- YIGC success should cherish a value-based human resource orientation, which encourages the entrepreneurial team to cooperate in innovative projects and develop YIGCs' most important resource – knowledge – together (Takeushi, 1998:21-29pp; Kotter and Sathe, 1978: 29; Arthur, 1995: 29-33).
- YIGC should practice value based supply chain management, which enables them to grow rapidly, utilize external knowledge and relationship capital and cooperate trustfully with external partners (Calantone, et al., 2002: 515; Wiklund and Shepherd, 2003:1313; Adler and Chen, 2011: 63).
- YIGC should base their business concept on customer orientation to discover market development and customer desires early and implement these in innovative product solutions, which promise strong growth (Hauschildt & Solomo 2001: 6; Deeds et al., 1999: 221; Chakrabarti, 1990: 48; Schoonhoven et al.,

1990: 177).

- YIGC should practice corporate social responsibility, to strengthen their innovativeness, limit business risks and build up employee and supply chain commitment (Ebert & Schwager, 2006: 433-434; Schrader et al., 2005: 383; Sen et al., 2008: 37-42).

On the other hand, it could be argued that value based principles are of limited relevance to young innovative growth companies only:

- Most shareholder value measures are based on periodical success figures e.g. profits (Bühner, 1996: 337; Günther, 1997: 234). YIGC however frequently do not realize accounting profits initially, but base their business concept on future growth expectations (Dautzenberg et al., 2012:8).
- Most YIGC operate on a small entrepreneurial team sharing the ideal of innovation and growth (Ruter, 2009:209; Henseler, 2006:1). Value-based human resource orientation accordingly could be superfluous, since incentive conflicts in the team are of little relevance (Blunck, 1993:55).
- Most YIGC initially build on their own knowledge resources (Langenberg, 2008:18; Szyperski and Nathusius, 1977:28) and accordingly - different to established manufacturers - are not dependent on an extensive supply chain (Kim & Mauborgne, 1997: 2, 2005:1).
- Most YIGC first of all implement their own innovative ideas (Körner et al., 2008: 35), which are marketed only later on. Customer orientation accordingly should not be their dominant focus.
- Corporate social responsibility is mainly practiced by large companies intending to strengthen their brand image (Ebert & Schwager, 2006: 433-434; Mohr et al., 2001: 51; Sen & Bhattacharya, 2001: 164) which is not an initial thrust of YIGC.

Contrasting these hypotheses on the relevance of value based management in YIGC, a high level of uncertainty remains. Previous empirical research has not systematically assessed YIGC business concepts and has not verified to what extent value-based principles of management are relevant to YIGC or could be help-

ful to promote the businesses.

So far theoretical and empirical research accordingly leaves two essential knowledge gaps:

- The factual business practice of YIGC concerning their value-based orientation has not been analyzed systematically.
- The question to what extent YIGC benefit or could benefit from value-based management has not been answered.

Beyond these content limitations, there are limitations in the range of previous studies. The five retrieved empirical studies focusing on YIGC which have been retrieved in the review process of previous empirical publications in YIGC (compare section 4.7.2) mainly focus on Anglo-Saxon nations and hardly consider individual countries in particular.

Beneda (2003: 247) presents a financial value assessment case study on a US YIGC in the health sector. Breshnahan (2003: 2) investigates YIGC human resource and work environment practices in the U.S. IT sector. Aron et al. present a multinational YIGC oriented study in the telecommunications sector. Ki et al.'s single-case study refers to a high growth US company in the leisure industry. Li & Wu (2012) refer to YIG-communication agencies in the US market mainly.

There is no study involved with the European YIGC or YIGC from a particular European country so far, although previous research has shown that business environment, particularly national culture and economic climate are important co-determinants of YIGC growth competitiveness and development opportunities (van Stel et al., 2005:311-321; Carree and Thurik, 2010:557-594; Seifert, 1997:21-27pp; Zarnitzki and Delanote, 2012: 3). The consideration of YIGC in a particular economic context could accordingly provide a deeper understanding on the correlation of macroenvironment and YIGC characteristics.

The following empirical analysis works on these limitations of previous empirical studies in VBM and YIGC.

5 EMPIRICAL RESEARCH METHODOLOGY: INDEPTH CASE STUDY ON VBM APPLICATION IN YIGCS

5.1 EMPIRICAL RESEARCH RATIONALE AND OBJECTIVE

5.1.1 Central questions

The empirical part of this study works on the above two central content-related research gaps and asks the following key questions:

- a) To what extent do YIGC apply value based approaches in their business practice and what are the specifics of VBM in YIGC?**

The factual value-orientation as practised by YIGC is meant to be explored systematically drawing on the categories developed in the course of the literature review i.e. value orientation at the shareholder level, at the human-resource level, at the customer level, at the supply chain level and at the social level.

- b) To what extent do YIGC experience advantages or limitations of value-based management and which preconditions to the successful implementation of value-based principles are perceived?**

To answer this question the theses derived in the course of the systematic review and summarized in the concluding sections the 4. 2.5, 4.3.5, 4.4.5, 4.5.5 and 4.6.5 are helpful guidelines. The idea is to explore to what extent YIGC experience or have experienced the identified opportunities, limitations and success factors. Possibly, further aspects are of relevance which would mean that the theory-based research model detailed in Figure 30 would have to be accomplished or modified.

The result of the empirical evaluation and the analysis of research question a and b is a comprehensive and empirically founded systematics of value based management in YIGC which provides and overview on opportunities, limitations and success factors of the application of a conclusive value based management strategy in YIGC.

5.1.2 Study localization: Europe, Germany

An assessment of YIGC located all around the globe would not be useful considering that a case study approach is chosen, which can select only few companies. Since entrepreneurial conditions differ strongly in between the countries, focussing on a single nation is recommendable to reduce the range of possible sample characteristics and enhance the representativeness of results.

So far hardly any YIGC related research has been done in Europe and particularly in Germany so far (compare section 4.7.1). Since the author originates in Germany and intends to utilize the study for further YIGC research in Germany, Germany offers itself.

Germany is an important European economy and its development of high relevance to Europe's and international economy as a whole:

Measured by its population Germany (82.2 million inhabitants) is the largest European country. Equally Germany's gross domestic product (3.134 billion Euros exceeds the other economies (Statistisches Bundesamt, 2017: online).

Germany's economic performance is of high importance to Europe's economy as a whole More than 8 % of the economic demand in smaller neighbouring countries is created by German consumers and industries (vbw, 2016: 1). Germany's economy is export oriented: In 2016 Germany exported goods worth 1.2 billion Euros to other countries and imported goods worth 954 billion Euros. Germany's international trade activities have been increasing by about 5 % annually since the 1980ies. Globally only China and the USA outperform Germany's export volume (bpb, 2017, online). Germany's economy takes significant influence on Europa and international economy as a whole and entrepreneurial activity is of interest to the assessment of global economic development.

Entrepreneurial and foundational activities in Germany are highly innovative and of global importance: According to a survey of entrepreneurial opportunities among business founders, Germany is one of the leading countries (GEM, 2015: 5). Concerning the commercial and legal infrastructure and governmental encouragement programs for entrepreneurs, Germany is among the top ten of 62 international economies surveyed by global entrepreneurship monitor (GEM,

2015: 73).

Although regarding the rate of people who start new businesses (5.3%) Germany lags behind other innovation-driven countries (Sternberg et al., 2015: 3 and 9), the majority of Germany's business foundations is technology and service oriented: 79 % of Germany's founders are active in the internet business. Concerning the share of foundations in the high-tech and internet sector Germany (76%) is outperformed by Finland (78%) only (Sternberg, 2015: 18). The number of opportunity oriented foundations (49% in 2015) and highly innovative foundations (12 % in 2015) in Germany has been continuously increasing in recent years (KfW, 2016: 6). The educational level of Germany's founders and entrepreneurs is growing (Sternberg et al., 2015: 3 and 12).

Germany, in result, is a global harbour for YIGC. YIGC activity in Germany is of high international interest. For this reason, the empirical part of this study focusses on German YIGC.

5.1.3 Study contribution

The empirical study of German YIGC contributes to academic research in Germany's highly innovative entrepreneurial business segments, an issue that has so far widely been neglected in literature.

The empirical model of value based management practices, opportunities, limitations and success-preconditions in German YIGC, which the empirical part of this study aims at, is of high interest to academic analysis. The review has shown that value based management concepts have to extent been discussed for diverse company types, e.g. start-ups, large stock companies, SME etc. Well-founded insights on VBM in YIGC however are missing. The empirical study intends to organize novel insights on YIGC based on existing categories and accordingly allows a differentiate and academically valid comparison of value based management practice in YIGC to value based management in other conventional businesses. The particularities of YIGC concerning value based management accordingly are worked out on the basis of the empirical analysis.

Equally, the empirical results are of practical value to German YIGC considering to include or strengthen a value based orientation in their business practice. It provides a balanced and comprehensive overview on previous experiences with value based practices in YIGC management and enables YIGC to consider the following issues:

- Which value based practices are already established in their business culture and which could be developed further?
- Which opportunities and risks does value-orientation entail?
- Which success factors are essential to implement value based management successfully?

The above insights support German YIGC to strengthen their international market positioning and develop their value based core competencies.

The results of the empirical part in brief are of equal relevance to management practice and academic research and contribute to reconcile theory based analysis and entrepreneurial experience.

5.2 CHOICE OF RESEARCH APPROACH

To attain this vast objective an adequate research methodology is essential

5.2.1 Quantitative or qualitative research design

Basically, empirical research can be qualitative or quantitative. Qualitative research tests an empirical hypothesis derived from previous theoretical or empirical academic insights and based on figures or statistical data. Qualitative research on the other hand explores less structured contexts and discovers potential novel causal relationships by evaluating coherent information and contents in a qualitative way (Yin, 1994:2; Kleiber and Velten, 1994:187). While quantitative analyses depend on a coherent set of quantitative information which is conclusively defined before the process of data gathering and analysis, qualitative research is more open: Here relevant information categories are developed and retrieved in the process of analysis only. Qualitative studies accordingly are better apt to discover novel causal relationships, while quantitative studies explore well-known

causal relationships in more detail for a representative sample (Kepper, 2000: 161-162). When little is known on the essence on the categories of an issue, a qualitative study offers itself to initiate and find first support for novel categories can concepts (Lamnek 1993:244; Spöhring, 1989:98). When little previous research is available on an object a qualitative approach is optimal (Creswell, 2003:18).

The essential differences between quantitative and qualitative research are summarized in the following overview:

Quantitative Research	Qualitative Research
Theory testing research rationale	Theory conform research rationale
Examination and operationalization of theoretical hypotheses	Development of new hypotheses
Aggregates, reference to variables	Case study approach
population characteristics known	Unknown population characteristics
Variable analysis probability assessment with reference to the population	Interpretation, new approaches
Detailed survey and evaluation design	Openness towards novel insights and emerging hypotheses
Variables as though objects	Patterns of interpretation and action as though objects
Statistical Sample	Theoretic Sampling
Deductive conclusion	Deduction, Induction, qualitative Induction
Correct operationalization	Adequacy to research object

Table 11: Quantitative as compared to qualitative research designs (own draft drawing on Brüsemeister, 2008: 48)

This overview reveals that for the planned empirical study on VBM in YIGC a qualitative research design is preferable to quantitative analysis:

Quantitative research presupposes that a clear previously explored theory

that can be tested quantitatively is available. The research model suggested in Figure 30 however has mainly been derived from previous research in companies that do not correspond to YIGC in every respect, i.e. from the analysis of large corporations, innovative SME and start-ups (compare section 4.1.2.2). Insights on value-based approaches in YIGC so far are long and far between (compare summary in section 4.7). There is no coherent understanding accordingly to what extent VBM is at all practised in YIGC, to what extent a VBM based approach offers YIGC development opportunities and which success preconditions for VBM in YIGC should be observed. In brief, no definite set of categories proven for YIGC is available. The development of such YIGC-specific categories is the major objective of the empirical part.

A qualitative approach accordingly is adequate: Qualitative research can experiment on assumed categories and modify them in the course of the analysis. It develops new concepts based on previous insight which however can deviate from established patterns. This openness makes qualitative research apt for the in-depth analysis of YIGC.

There is another practical reason for the choice of a qualitative strategy, however: A statistically representative sample of YIGC, which would be preconditional for the validity of any quantitative design (Backhaus et al., 2015: 12-14), is hard to identify:

Section 2.1 has shown that YIGC are simultaneously characterized by youth, strong growth and high innovativeness. Unfortunately, none of these characteristics is clearly visible from official data bases: While SME are clearly defined by their size, measured by the number of employees and height of turnovers (EU, 2003, online; Mugler, 2005: 31-32) and very large corporation are usually exchange listed, YIGC do not meet definite requirements. Since the legal form of YIGC is not predefined, they cannot be retrieved from a definite index or company listing. The key proprieties of YIGC are not finally specified.

As detailed in section 2.1, growth rates of YIGC typically are between 20% and 80 % (of turnovers) per year (Atkinson & Court, 1998: 13; Birch and Medoff, 1994: 159; Sigel et al., 1993: 172). There is no definitely required ratio however.

Several further figures i.e. commitment to growth or high level of entrepreneurialism can be indicators of expected growth (Fisher, et al., 1997: 13; Kim and Mauborgne, 1997: 11).

Innovativeness usually is not defined quantitatively, but depends on the novelty and market success of corporate products (Hauschildt & Solomo 2001: 6; Körner et al., 2008: 35). and corporate R& D orientation (Deeds et al., 1999: 221; Chakrabarti, 1990: 48; Schoonhoven et al., 1990: 177). Neither category is available from public business statements.

Youngness is another vague characteristic, previous studies disagree on the minimum or maximum age of YIGC, which can be between 0 and 25 years (Fallgatter (2004: 29) and Langenberg (2008: 21; Acs, et al., 2008: 22; Anyadike-Danes et al., 2009: 5; Dautzenberg, et al., 2012: 19). A definite selection of YIGC according to their age so is impossible.

How can YIGC be identified at all? In the context of this paper the coherence of all three characteristics - innovativeness, youth and strong growth - is the only reliable indicator for the classification YIGC (Coad and Rao, 2008: 633-648pp; Hölzl, 2009: 59-75pp; Dautzenberg, et al., 2012: 24; Henrekson and Johansson, 2009: 11-19; Bos and Stam, 2011: 2-3). YIGC accordingly are only identified by closer and profound analysis of business culture, fundamental development lines and corporate strategies, which requires profound qualitative analysis. Qualitative research is the only viable strategy to sufficiently characterize and evaluate value-orientation in YIGC.

5.2.2 Choice of qualitative research design

There is a broad range of qualitative research designs, i.e. plans or concepts of doing qualitative research. The research design defines the framework and steps of analysis and accordingly delimits potential insights (Haußer, 1982: 62; Mayring, 2016: 40). Methods of data collection, data analysis and data evaluation depend on the research design and are specified in section 5.2.3 after an adequate design has been selected.

Mayring (2016: 41-64) differentiates several designs of qualitative research. Essence opportunities and limitations of the most established methods within the

context of this study are summarized in the following chart.

Study type	characteristics	Opportunities (here)	Limitations (here)
Single case	In-depth analysis of a single research object from diverse perspectives	Profound, multi-faceted insight	Unable to depict large variety of YIGC types and strategies
Document analysis	Evaluation of previously published documents of the research object	Systematization of previous empirical case-related insights Groundwork for further empirical research	No own or new empirical insights
Action re-research	Researcher' participation in target organization	Direct implementation of academic insights into practice	Not applicable for organizational reasons and within time frame of this study
Field research	Observation of an object within its natural context e.g. by interviews	Distanced, outside neutral researcher, objective comparison of several study objects	Not all information is disclosed, no insider-understanding

Table 12: Overview on qualitative empirical research designs (own draft)

Single case analysis intends to understand a single person or object within its historical and environmental context (Lamnek, 2010: 204). Single case studies come to an in-depth understanding of the research object and can integrate several academic disciplines. However, there is the risk of subjective evaluation since there is no possibility to compare the results to other cases. Single case analysis is an important sociological design but inadequate here: Due to the high level of idiosyncrasy of YIGC management, the analysis of only a single YIGC would probably not be representative for other companies (Merriam, 1998, 58-60).

Document analysis evaluates previously published material on a single case or several cases. Document analysis is the possibly best-known method of case study analysis and shows high proximity to a literature review since no complete-

ly novel data are retrieved (Mayring, 2016: 47). Document analysis brings data together systematically and interprets them within the context of the research issue (Atteslander, 1971: 67). Document analysis certainly is fundamental to any further empirical research, but not an empirical method by itself. In the context of this empirical analysis of VBM in YIGC document analysis is an important first step to come to a closer understanding of the relevant corporation and interpret own empirical insights in this context. Document analysis is indispensable to accomplish interviews or action research since not all relevant information becomes apparent within the limited framework of these genuine empirical research designs. Document analysis paves the way for further empirical research and necessarily has to be part of the empirical evaluation of VBM in YIGC (Merten, 2013: 48).

Action research was first applied by sociologist Kurt Lewin in 1944 who defined this design “a comparative research on the conditions and effects of various forms of social action and research leading to social action”. It uses “a spiral of steps, each of which is composed of a circle of planning, action, and fact-finding about the result of the action” (Lewin, 1946, 24-35).

I.e. action research implies the researcher’s participation in a progressive organizational or social development. Problem solving at a scientific level is directly linked to the organizational or social development process. Action research usually integrates methods of data evaluation with researcher’s participative problem solving (Reason, 2002: 169). While conventional social science suggests an outside researcher position, action research argues that the evolutionary power of research unfolds within the research context. As such the researcher necessarily participates in the process of knowledge development – from inside the social entity. An active inside participation allows the immediate transferal of academic ideas to a practical level and inversely avoids the dissolution of the academic perspective from practical problem solving (Torbert & Taylor, 2008: 239).

Although the approach is of high practical relevance, it is not applicable here since the author’s participation in the management of one or several YIGC is not possible for organizational reasons and would exceed the time frame of this study.

While for action research the researcher intervenes with the study object, for field research the researcher remains an outside observer who intends to provide a possibly unbiased picture of several comparable study objects by for instance, observing business processes or interviewing members of the organization on their strategies, habits and culture (Mayring, 2016: 54-57). Field research is “an intense analysis of an individual element of study stressing developmental factors in relation to context” (Flyvbjerg, 2011: 301). Yin defines the field research as “an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used” (Yin, 1984: 23).

Although the field researcher is free concerning the perspective of evaluation, according to Lamnek (2005: 23), he or she should provide a holistic picture of an issue, organization, person, event or project i.e. follow a clear academic approach or plan devised in before data gathering. Here, the methodology of case study differentiates from action research, where the concept of studying develops and adjusts in the process of evaluation.

The accessibility of the field is a limiting factor to this study method. An outside observer will only retrieve information which disclosed by the insiders. On the other hand, an outside researcher remains a distanced observer who is able to compare diverse cases neutrally and less biased than an action researcher (Mayring, 2016: 57-58).

Within the framework of this study intervening research is not possible anyway and accordingly field research based on interviews is the predominant empirical method. Field research allows to evaluate several YIGC by comparison and accordingly obtain a comprehensive picture of VBM application in this company type. To compensate for the mentioned limitations of insight into the business, field research is accomplished by profound document research for each company.

5.2.3 Methods of qualitative research

As detailed in section 5.2.2 a combination of document analysis and field research is applied to assess applications, opportunities, limitations and success

factors of value based management in YIGC empirically. Now both methods have to be developed in detail:

5.2.3.1 *Document analysis*

There is large a range of publicly available documents concerning individual young innovative growth companies. The challenge is to identify all potentially relevant documents and select relevant information.

Within the framework of this study, publicly available documents can be applied to

- a) Identify and retrieve YIGC according to the criteria defined in section 2.1 for further empirical analysis
- b) Prepare field research
- c) Accomplish the results of field research by complementary information.

Relevant documents accordingly are retrieved before the field research starts and are repeatedly consulted in the research process.

Basically, the following primary and secondary data sources and contents could be of interest:

Data sources	Relevant contents
Corporate Website	Business history business strategy value-based principles
Annual reports	Success figures, key ratios Development
Analysts rankings	Business development Market assessment Comparison to competitors
Business information portals	Business key data Market estimates Comparison to competitors
General information or news websites	public business information previous business development previous catch lines

Table 13: Relevant document types for document analysis

According to Mayring (2016: 48) the careful assessment and evaluation of the document is essential to avoid potential biases and discard irrelevant information. He recommends to catalogize relevant documents by type, status, intention, origin and contingency concerning the topic. All available documents are classified according to these criteria and are interpreted with regard to the research questions considering their validity and content reach.

5.2.3.2 *Field research*

To come to novel empirical insights document analysis is combined with field research. Mayring (2016:65) suggests three alternative survey procedures: interviews, group discussion or participative observation.

A participating and observing researcher takes part in the daily routine of the research object and retrieves data and reflective insights in that process. He or she attains a high level of proximity to the object of research and comes close to the perspective of an insider (Mayring, 2016: 80-82). On the other hand, the researcher risks getting involved too strongly with the object of research which can result in biases (Flick et al., 1991: 189-193). Participative research is time consum-

ing and difficult to implement for several target businesses.

Group discussions involve several context insiders and the researcher as moderator and documenter. They provide in-depth insights on organizational processes and sometimes internal or emotional issues emerge in the process of discussion (Mayring, 2016: 77). Social issues and collective attitudes frequently become apparent within a group framework only. Group discussions however are complex in design. The choice of participants determines the direction the discussion will take and its potential outcome. Group discussions usually are highly dynamic and open in their result. The definition of clear directions or definite research questions is difficult for this survey approach (Hirth & Ziegler, 2005: 16). Although group discussions could provide a broad range of insights on management processes in YIGC the strategy is discarded due to difficulties of timing, participant selection and uncertainty concerning its outcome.

Interviews are easier to appoint, structure and moderate, provided an adequate methodology is chosen. From the broad range of available interview concepts here in accordance with Mayring (2016: 67-76) and Flick (1991: 114) the forms narrative and problem-centered interview are selected and compared concerning their aptitude to the intended study.

In narrative interviews, the interviewee informs on a problem set on his own account. Guiding questions are possibly avoided to retrieve subjective interpretations and come to a comprehensive understanding of the problem set. Sometimes it is difficult to match the results with the intended research issue when the interviewee deviates from the topic in the course of the narration.

Since within the framework of this empirical study a previously developed research model (compare figure Figure 30) is meant to be assessed and clear categories (dimensions of VBM) are explored, the problem centered interview is better apt:

The term “problem centered interview” was coined by Witzel (1982) and summarized all structured and semi-structured interview types, which motivate the interviewee to answer freely to a predefined set of research questions concerning a particular problem set and a predefined research object which follow a concrete guideline (Witzel, 1985: 236; Mayring, 2016: 67). Although the interviewee

can detail their personal opinions and perspectives, the process of insight development is verifiable from the interview protocol and the research questions (Mayer, 2013: 37). The problem-centered interview accordingly is the ideal survey approach for the issue of value-based management in YIGC.

5.2.3.3 Summary of research methodology

The above paragraphs have developed the survey design based on document analysis and field research in the form of problem-centered guided interviews. Section 5.2.3.1 has explained that document analysis frames the interview results i.e. is applied to retrieved eligible YIGC, prepare the firm specific elements of the interviews and round off the results. The following survey design model illustrates this interaction between the two research concepts:

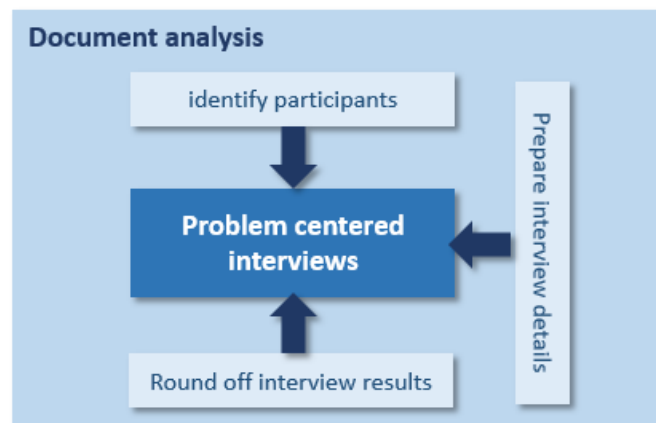


Figure 31: Combined survey design comprising document analysis and problem centered interviews (own illustration)

5.3 INTERVIEW GUIDELINES AND IMPLEMENTATION

Section 5.3 develops the interview guidelines, questions and implementation process.

5.3.1 Process of interview implementation

Interview techniques and processes have to extent been discussed in previous methodological contributions (e.g. Honer, 1994; Gubrium & Holstein, 2002; Maindok, 2003; Clifford et al., 2016 Mayring, 2016: 66-76). Here Mayring's (2016: 71) process model is referred to. It is accomplished by additional process steps according to other sources and the recommendations of further authors for each step.

According to Mayring (2016: 65-107) qualitative sociological research comprises the steps of surveying, data collection and preparation as well as data evaluation or presentation. Clifford et al. (2016: 148-149) add interview setting and participants as a further design element. Accordingly, a four stages interview process results as follows:



Figure 32: Interview process plan

For each step, further specifications have to be made:

5.3.2 Surveying guidelines

5.3.2.1 Level of structuring

Problem-centered interview can differ concerning the degree of structuring. While structured interviews “follow a predetermined and standardised list of questions”, which are” always asked in almost the same way and in the same

order" (Dunn, 2005: 80), semi structured interviews are more open: Here the course of the questions is rather determined by the interviewee and the interviewer provides some sort of orientation, to make the results for different interviews comparable (Longhurst, 2003: 145). According to Fylan (2005: 66) semi-structured interviews "are great to find out Why rather than How many or how much", i.e. they are ideal to explore causal relationships and the background to overt facts.

Here a semi-structured interview- method is chosen for several reasons: YIGC differ in their structure and management conception. A one-fits -all interview structure would prevent the consideration of idiosyncratic VBM strategies. VBM is a multifaceted concept, which is understood in various ways. While the classical shareholder value concept is mainly finance oriented more recent concepts include social responsibility, customer and supply chain orientation as well as human resource orientation (compare chapter 4 on VMB concepts and the summative model of VMB in Figure 30). Strongly structured interview questions which would direct the participants to one or the other issue, its opportunities and limitations in their company, would be inadequate since possibly not all VBM concepts are of (equal) importance for the companies. The dialogue accordingly could get stuck and essential further issues concerning the company's idiosyncratic understanding of VBM could be lost. The semi-structured approach provides sufficient space to address different facets of VBM depending on the intuition of the interviewee and at the same time delivers results that can be classified according to the model categories and possible further aspects at the evaluation stage.

5.3.2.2 *Interview structuring*

The surveying stage for problem-centred interviews according to Mayring (2016: 71) comprises three steps: problem analysis, guideline construction and testing, interview implementation and recording:

At the stage of problem-analysis, the key issues which are meant to be explored are structured. This process has mainly been accomplished in section 5.1. The interviews intend to explore

- a) To what extent the selected YIGC apply value based approaches in their

business practice,

and

- b) To what extent YIGC experience advantages or limitations of value-based management and which preconditions to the successful implementation of value-based principles are perceived.

Mayring points out that the clarification of the major target issues is the starting point of any interview session and informs the interviewee on the direction of the intended argumentation. It is particularly important for semi-structured interviews, where the participant can to some extent decide on the course of his/her argumentation (Mayring, 2016: 68-69). These fundamental issues are the starting point for developing more concrete survey dimensions and research questions (Mayring, 2015: 63).

The interview guidelines concretize the central ideas and are intended to direct the interview or unstuck the situation, when the interviewee gets lost in the argumentation or deviates from the intended path. Interview guidelines comprise (Mayring, 2016: 70) and comprise essentially three types of questions:

- a) Guiding questions are the major argumentative issues, the interviewee is supposed to finally answer.
- b) Exploratory questions open up a new topic and invite the interviewee to enter on a new point or omit it. Fylan (2005: 68) calls these exploratory points prompts and tags them to the guiding questions.
- c) Further the interview will possibly touch novel points that are not contained in the guidelines but which are of particular interest to the evaluation and have to be considered additionally.

The interview schedule is derived from previous theoretical and review based research (Fylan, 2005: 68): The major interview guidelines and central prompts here accordingly emerge from the final work model and are summarized in the following. Further exploratory questions and novel points have been added individually by interview in the course of the meeting and are available from the transcriptions in the appendix.

According to Fylan (2005: 68) semi-structured interview guidelines should intentionally be kept rough i.e. contain no more than five or six questions and be dif-

ferentiate in the course of the interviewing process. A certain logic in the order of questions keeps the interviewee in line and simplifies the later evaluation of the results.

5.3.2.3 Preliminary survey guidelines and prompts

The major interview guidelines underlying this study are structured according to the central research model and are presented in the order of the problem analysis as follows, where the main guidelines are A and B, the guiding questions are numbered a... d and the prompts are numbered i... iv...:

A. Application of value based approaches in YIGC

- a. What do you personally understand by VBM?
- b. How and to what extent have you implemented VBM in your company?
- c. To what extent is VBM intuitive to YIGC?
- d. What is the role of the owner in YIGC VBM?

B. Potentials and success factors of value based approaches in YIGC

- a. Which opportunities of value based management do you experience?
 - i. Concerning shareholder value orientation
 - ii. Concerning human resource issues
 - iii. Concerning supply chain management
 - iv. Concerning customer orientation
 - v. Concerning corporate social responsibility
- b. Which limitations of value based management in YIGC have you experienced?
 - i. Concerning shareholder value orientation
 - ii. Concerning human resource issues

- iii. Concerning supply chain management
 - iv. Concerning customer orientation
 - v. Concerning corporate social responsibility
- c. How can VBM be adopted to the special needs of YIGC?
- i. Concerning shareholder value orientation
 - ii. Concerning human resource issues
 - iii. Concerning supply chain management
 - iv. Concerning customer orientation
 - v. Concerning corporate social responsibility

5.3.2.4 Survey verification in a pilot study

To test the practicability of the survey, a pilot study is undertaken in November 2014 in a company located near the author's residence which is committed to value based management.

Trivago GmbH is located in Düsseldorf, Germany. It is active in the hotel and travel industry. With its travel metasearch-engine it addresses hotels offering for online customers. The site compares over 730,000 hotels from more than 200 booking sites, such as Expedia.com, Booking.com, Hotels.com and many more. Today they count a traffic of 45 million users per month on over 47 international platforms (Expedia, 2017, online). Trivago was invented in 2004 and launched in 2005 by three founders in Düsseldorf. In 2006, they established their platform in the United Kingdom and until 2007 they started up in Spain and France. In 2008, the business domain was extended to the countries Poland and Sweden where at that time the company received \$1.14 million in Series B funding from the British company HOWZAT media (Crunchbase, 2017, online). In 2009, Trivago made it to the important markets U.S., China, Japan, Brazil and Mexico. On 21st of December 2012, Expedia bought 61.6% of Trivago in a combined cash and stock deal worth €477 million (Expedia, 2017, online). By November 2014, Trivago employed over 720 full-time equivalents from over 65 nationalities. Their plan is to hire more than 1.200 employees until 2018 in Düsseldorf alone to cope with the expected growth. Although sales revenues aren't publicly available, Trivago clearly

is a YIGC due to its strong employee growth and business domain expansion worldwide.

Today, Trivago lists 1.3 million hotels, browses more than 200 booking websites and 55 localized websites (Trivago, 2017: online). Trivago's product portfolio spans four major fields: The Trivago community invites consumers to search for international hotel offers in their favorite destinations.

- Trivago quality test asks users to rank the hotel and post comments and critique.
- The so-called room 5 informs on holiday destinations world-wide in the form of an online-magazine.
- The Trivago hotel manager offers hotels the opportunity to present themselves online and posts hotel insertions to an ample booking community. Hotels can list for payable top-ranking positions to reach users in a better way but equally user rankings contribute to their positioning (Trivago, 2016: online). Trivago offers hotels payable direct booking options and equally links hotels' entry back to the original websites. Hotels utilize the Trivago portal to optimize own pricing by competitive market research.

S. B., responsible for global corporate communications agreed to participate in reviewing and improving the survey guidelines and adapt them to interviewees natural flow of thoughts. S.B. is experienced in interview techniques since she frequently gives interviews for her company, which offers her services for interviews online (Trivago, 2017: online).

S.B. was ready to read through and optimize the interview questions in collaboration with the author. The discussion showed that the originally drafted survey guidelines have to be adapted in some respect, to better meet the objectives of the empirical study in growth companies. In brief, S.B. suggested to reduce the structuring of the questions some more to come to more specific and comprehensive results. The following points were made:

- Part A of the survey: In presenting the corporation the items pro-

ducts, customers and employees are hard to discuss separately, because the corporate profile combines product, employee and customer related strategies to a common whole. It is more adequate to summarize these points to a single question.

- Part B of the survey: Depending on the business profile of the target company, the issues uniqueness, mission and vision similarly are not always separable and interviewees should be free to summarize these questions or differentiate these points.
- Part B and C of the survey: S.B. found it difficult to differentiate characteristics and potentials of VBM in the five relevant disciplines (shareholder value, human resource, supply chain, customer and corporate social responsibility). She suggested to discuss the characteristics and potentials of VBM within one interview question for each topic, arguing that interviewees, who are convinced of VBM, will not be able to differentiate between the objective characteristics and perceived advantages of this strategy.
- Survey Part C.b: S.B. supposed that limitations of value based management would be much less important than perceived opportunities. Participants should not be urged to discuss limitations on each topic, but rather be asked on limitations of their value based strategy as a whole.
- Survey Part C.c: S.B. argued that the question “how can VBM be adopted to the special needs of YIGC” is too abstract. Interviewees might not understand the meaning of YIGC in the context of this paper and possibly not perceive themselves as YIGC at all. General application principles would be hard to imagine for entrepreneurs, who are deeply involved in the context of their own business. S.B. suggested that the questions should be concretized with regard to the surveyed company and should comprise preconditions to VBM effectiveness in the own business, further objectives and possibly suggestions concerning the implementations of VBM in other innovative corporations.

Due to their participation in the development of the survey questions, S.B.

and Trivago GmbH unfortunately would possibly be biased concerning the answers and are not eligible for the final interviews accordingly.

5.3.2.5 *Final survey questions*

Referring to the improvement suggestions of the experienced interview participant S.B., the interview guidelines were adapted and the following survey was developed:

“Dear...

I would like to ask you about your personal experience on value based management in your corporation:

A. General questions on your corporation

- a. Could you briefly present your company?
- b. What are your products who are your customers and how would you characterize your employees?
- c. Do or your corporation you have a particular vision or mission?
- d. What is particular about your company?

B. Value-based management

- a. What do you personally understand by VBM in general?
- b. What according to your experience are the particular strategies and potential of value orientation
 - i. ...concerning employees and human resource management in your company? Could you cite some examples?
 - ii. ...concerning supply chain management and suppliers in your company? Could you cite some examples?

- iii. ...concerning customers and customer orientation in your company? Could you cite some examples?
- iv. ... concerning society, social and ecological responsibility in your company? Could you cite some examples?
- v. Concerning shareholders and financial value generation?

c. Have you experienced limitations of a value oriented attitude in these fields or do you fear to meet the limits of value orientation in some field?

C. Success factors for the successful implementation of a value oriented management attitude

- a. Which conditions have you created in your corporation to implement value-oriented management successfully?
- b. Which further factors would you like to work on to become more value-oriented?
- c. Which strategies would you personally recommend young innovative companies to implement a value based attitude successfully? You are invited to quote some examples.

Thanks for this interview!

5.3.3 Participant and setting selection

Participant and setting selection comprises the definition of the number of participants, the identification of the population from which participants are selected, the method of selecting representative participants and the design of the interview setting (Mayring, 2016: 69-72).

5.3.3.1 *Question of validity and reliability*

How many participants should be selected to come to valid and reliable results?

Answering this question comprises a discussion of what validity and reliability mean.

The concepts of validity and reliability originate in quantitative analysis but have increasingly been applied to qualitative contents as well (Flick, 2014: 396). Reliability and validity prove the credibility of the research and make the results reproducible for studies to come (Patton, 2012: 1190). For any research – quantitative or qualitative – this requirement should be met, i.e. data should be stable and reliable across diverse measurements and should be trust-worthy i.e. apply to future comparable cases (Flick, 2010: 397-398; Patton, 2012: 1189).

Validity refers to the conceptual correctness of a measurement instrument i.e. to the extent to which a measurement instrument (here the interview) assesses what it should assess (Weiber & Mühlhaus, 2010: 127). Validity is not verifiable mathematically but judged according to several criteria (Hildebrandt & Temme, 2006: 618).

Content validity is given when the research questions as indicators represent the contents and semantics of the research issue. The survey should include a possibly wide range of issues which at the same time are founded in previous research (Shaw et al., 2002: 210). Content-validity is given for this study since the research questions have been derived from the research model directly. The research model (figure 29) is based on a profound literature review which comprises all major categories on VBM in YIGC and related businesses (compare chapter 4).

Criterion validity (Weiber & Mühlhaus, 2010: 129) is given when construct measurement and a valid outside criterion correspond directly or indirectly. In so far outside criteria are known from previous research on YIGC related companies, these are represented in the research questions (Hildebrandt, 1984: 42-43). Further criteria however may be discovered in the interview process which would mean that the model would have to be adapted ex post.

Construct validity (Peter, 1981: 135; Weiber & Mühlhaus, 2010: 131) is given, when the measurement of a construct e.g. (potentials of VBM at the shareholder level) is not influenced or falsified by other constructs. Documentations of the qualitative survey should be accurate and reproducible (Shaw et al., 2002: 210).

The design of the analysis in the form of a semi-structured survey ensures construct validity: The interview guideline classifies construct only roughly and leaves it to the interviewee to differentiate what is understood by VBM in the respective YIGC. Interviewees themselves accordingly define the final constructs and verify them from practical experience in their businesses.

The conception of the semi-structured interviews accordingly is valid due to its open design which at the same time reproduces the theoretically founded research framework.

Reliability is given, when accidental errors are avoided by model and interview process. In contrast to validity reliability can be tested empirically for quantitative samples based on the number of the sample and the part questions as compared to the population, which of course is impossible for qualitative studies since sample numbers usually are much lower (Weiber & Mühlhaus, 2010,: 103 and 127). Mathematically, reliability is given if repeated evaluations of the same issue with the same measurement instrument deliver the same results. A completely reliable evaluation is free from random errors (Backhaus et al., 2008: 23).

Critiques of the interview approach purport that a case study usually does not deliver reliable results, since as a rule it refers to only a single or few cases. Even hypothesis building on the basis of interviews might be misleading, if the chosen case is not representative for the total population (Morse et al., 2002: 13-15).

The following argumentation however supports the assumption that qualitative interview based research can be reliable: the comparatively open approach of case studies inspires new insights since case study research is not tied to established quantitative research patterns but allows the description of novel concepts departing from established categories (Bartunek, 1988: 137). Since interviews always refer to empirical cases they avoid the alienation of academic research from real world issues and methods (Eisenhardt, 1989:547). In this sense, qualitative interview based research is the only reliable approach: Interviews do the groundwork of revealing empirically relevant categories and conceptions at all. Quantitative research is founded only when it builds on categories identified in

profound qualitative studies.

The careful selection of cases and the acceptance of the tentativeness of the case study approach of course is essential to discover concepts that are valuable and reproducible in quantitative studies (Flyvbjerg, 2006, 221-222). Mayne & Pope (2002: 110-111) suggest that the selection of study participants should follow clear rules to entail qualitative interview-based research with “rigour” and accordingly reach reliability (Shaw et al., 2002: 210):

5.3.3.2 Process of sampling, sampling criterions

In the process of sampling, typical and diverse representatives of the target group should be chosen to make sure that possibly all dominant and mainly the dominant characteristics of a population are grasped. The sample can be chosen arbitrarily placing certain boundary conditions to ensure its representativeness or systematically by selecting specific persons who characterize the sample particularly well but differ in type or character (Shaw et al., 2002: 110). There is no definite statement on the sample size in this source, however.

Recommendations concerning the ideal number of participants differ in previous theoretical literature and comparable empirical studies. Baker et al. (2012: 33-66) interview 14 experts on this question and comes to diverse conclusions while some participants find a sample number of 12 to 60 adequate (Baker et al., 2012: 33), others argue that in-depth analysis of complex research issues are better implemented with a smaller number of participants ranging between 3 and 6 (Baker et al., 2012: 10). Eisenhardt (1989: 17) suggests to select 4 to 10 cases, Yin (1994: 36) and Stake (1994: 236) find a single case acceptable. Yin (2003: 126) however explains that several cases provide more in-depth and above all comparable insights on an issue Lincoln and Guba (1985: 28) detail that a sufficient number of cases are reached when further data provide no additional information on the essence of the topic.

The necessary number of interviews accordingly diminishes with information depth and width of each interview. A limited number of interviews increases the degree of details provided by interview and the extent of itemization of the comparison between the companies. This relationship is summarized in the following chart:

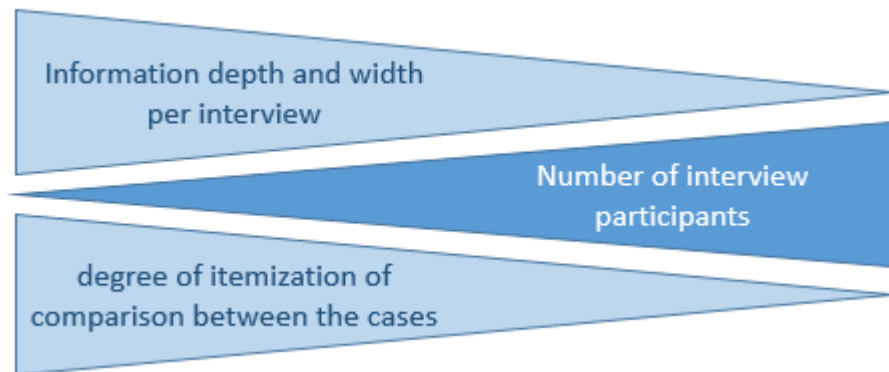


Figure 33: Relationship between number of cases and analytical depth per interview and as a whole (own illustration drawing the discussion in Yin, 1994: 36; Lincoln & Guba, 1985: 28 and Baker, 2012: 10-33)

With the number of relevant details per interview accordingly the number of relevant and possible interviews diminishes. As the review in Chapter 4 and the final work model of VBM in YIGC illustrate, here a broad number of categories and details are relevant. To consider all points made in previous research a high level of interview detailing is necessary. Accordingly, the number of necessary and useful interviews is comparatively low for this paper. A moderate number of interview participants ensures that comparisons between the businesses VBM orientation are detailed enough to work out the particularities of VBM in YIGC in contrast to other conventional companies.

Mayring (2016: 69) explains that a trusting relationship between the interviewer and the interviewee is preconditional to come to reliable and differentiate results. Superficial surveys with strangers would at best provide lip-service information on business details. Accordingly, only interview partners that are known to the author personally from other contexts are eligible for the interviews. Interview partners should take a responsible position in the relevant YIGC to be able to provide in-depth information and ideally make part of the top management team. Altogether 11 companies are identified that meet these requirements, i.e. dispose of a leading manager acquainted to the author.

Another limiting factor however is the availability of interview partners: To

come to differentiate results interviews have to be conducted personally and take several hours. YIGC managers however are busy and from 11 initially selected companies five leading managers of YIGC were ready to participate in such an extensive interview process within the time frame of this paper.

5.3.3.3 Interview settings and anonymization

Accordingly, five in-depth interviews with German YIGC owners, managers and leading employees are conducted. Potential participants are contacted by phone first. When the participants show interest, a meeting time is agreed and a personal interview request and schedule is handed over.

Then a personal call where the project is presented shortly is arranged. To ease the appointment for the interviewees the interviews take place at the site of the company or at the site of the author. A meeting-room provides a neutral and agreeable atmosphere. Only one participant (U.L.) is interviewed using the online communication tool Teamviewer. to make sure that the participants understand the same contents in their mother language, the survey questions are translated into German (compare appendix 1).

At the time of the interview all participants are informed on the usage of their statement for academic purposes only. All agree on publication of the interview within the framework of this thesis.

In accordance with the interviewees, the companies are not anonymized. Naming the company grants transparency concerning the sources of secondary data. Interview participants' names are anonymized using the initials of first and second name.

The interviews take about one hour and are typed down verbally during the interview. The German transcriptions are comprised in the appendix and are referred to in the evaluation in chapter 6. The interviewing period was March to July 2017. This homogenous time frame ensures the comparability of the results concerning the macroeconomic environment at the time of the interviews and contributes to the reliability of results.

5.3.4 Data collection and preparation

Data collection comprises document analysis and the interviews according to the concept drafted in section 5.2.3.3, Figure 31.

Additionally, some field notes are taken down (Yin, 2003: 126) and manually recorded observations are added immediately after the interview and are added to the interview text in cursive writing. All interviews are fully transcribed. To validate the accuracy of the transcription, the researcher revises them together with the participants to give them the opportunity to read the transcriptions and make any corrections if necessary or refresh their statements (triangulation) (Bortz and Doring, 2005:309pp; Sporer and Franzen, 1991: 407).

Data thus are double checked to avoid provisional interpretations of the author, ensure the empirical evidence of the results and reach empirical validity (compare section 5.3.3). There are no changes in the transcription.

To accomplish the interview results, further company and interview-partner related information are retrieved from public documents as detailed in section 5.2.3.1. Most relevant data are web-based. Web-data are collected in the form of a link list and additional documents available in pdf are loaded down from online-media. The links and sources are cited and are available from the references.

To evaluate and synthesize the broad range of available data systematically, potential biases have to be taken account of.

Human cognition is not based on immediate perception alone but on established previous knowledge, which is organized in a partly hierarchical and partly associative form in so called "cognitive maps" (Fiedler & Bless, 2002, 134-135). The registration of novel information in the human mind first is subject to the filter of perception. Sensory organs are limited in their capacity and additionally filter out potentially irrelevant information, to cope with their job. Information is judged as irrelevant when it does not conform to expectations or to the existing fragmentary previous perception of an object.

Brunswick's lens model illustrates how analytic biases develop:

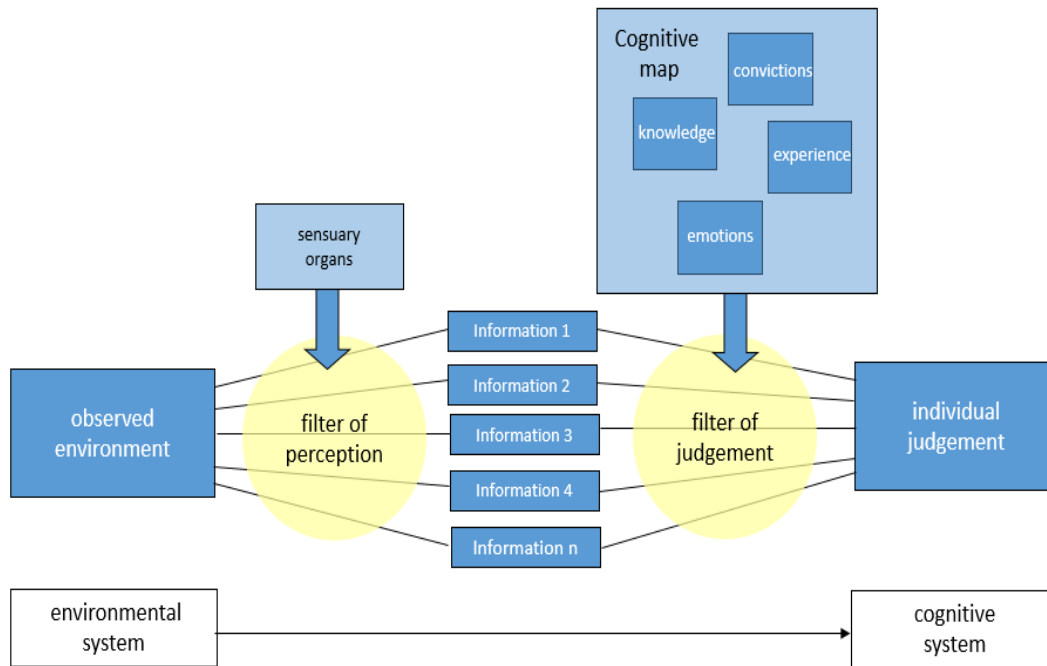


Figure 34: Brunswick's lens model (own illustration based on Connolly et al., 2007: 7).

Incoming information filtered in this way is additionally subject to the filter of judgement. According to Tversky and Kahneman (1972: 432-435) – pioneers of behavioural psychology – individuals decide on simple heuristics to come to quick, simple and pragmatic results. They tend to neglect a systematic analysis of a potential meaning however. Human beings tend to assess novel data in the face of previous knowledge, existing attributions, prejudice and temporary emotions. Interpretations are usually embedded in a broader context of feelings and perceptions (framing). Conclusions are drawn on the basis of previous experience (representativeness) (Tversky & Kahneman, 1985: 107).

Individual judgement of an information usually deviates from factual incoming information and relies on desires and intentions rather than on factual data (Kahneman & Tversky, 1979: 263-265). Any empirical research as a result necessarily is biased and subject to individual opinion making, although scientific standards are applied (Oxman, 1996, 460-469). Consciousness of this process is the

only way to handle this issue in qualitative empirical analysis.

5.3.5 Data analysis and presentation

5.3.5.1 Analysis scheme

According to Mayring (2015: 62) systematic data analysis comprises the following steps:

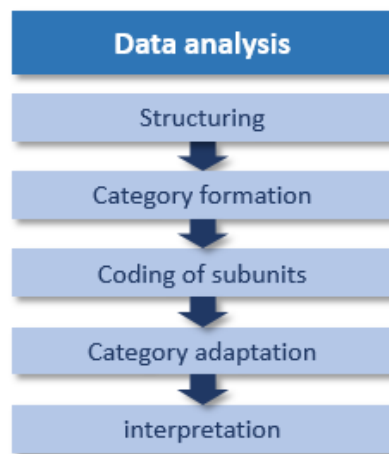


Figure 35: Steps of data analysis (own illustration drawing on Mayring: 2015, 62)

5.3.5.2 Analysis of balances

First public data sources are assessed. The analysis of the corporate balances which according to legal regulations in Germany are published on the Website Bundesanzeiger.de proves particularly helpful to compare the companies concerning their shareholder value.

The company data are evaluated on the basis of Rappaport's original shareholder free cash flow shareholder value formula. (compare section 3.2.2.1)

$$V_{EK} = \sum_{t=1}^T \frac{FCF_t}{(1+k)^t} + \frac{R_t}{(1+k)^T} + LQ - V_{FK}$$

(Kuhner & Maltry, 2006: 198; (Ballwieser, 1998: 80):

The Website Bundesanzeiger.de publishes an abbreviated balance which contains at least the balance sum split up into fixed and current assets on the asset side into equity, liabilities and accruals on the liabilities side. The passive side of the balance sheet obligatorily reveals the annual surplus. Returns on investment are not necessarily indicated in the balance publication. Further all publications on Bundesanzeiger.de are past data i.e. in contrast to Rappaport's original calculation scheme are not future oriented. Public balances do not disclose a liquidation value or residual value.

The Rappaport shareholder value concept thus has to be adopted for the evaluation of the available empirical data:

- To avoid the assessment of a calculative interest-rate, a periodical evaluation is done including the periods 2010 to 2015.
- The FCF key ratio is represented by the annual surplus.
- The value of debt is represented by the figure "total liabilities".
- To calculate the liquidation and residual value the balance sum is referred to. This approach inculcates that for growth companies the value is not limited to book value but additionally includes immaterial assets e.g. the brand value and investments (Hans Böckler Stiftung, 2011: 3).

The following modified and practice oriented shareholder value formula results for the comparative calculation of the periodical shareholder value of the sample of growth companies.

$$V_{EK,t} = FCF_t + (R_t + LQ_t) - V_{FK,t}$$

Referring this periodical shareholder model to the available balance data the following simplified approach results:

$$VEK_t = SP_t + BS_t - VFK_t$$

$$\text{Shareholder value}_t = \text{surplus}_t + \text{balance sum}_t - \text{liabilities}_t$$

This conception draws on the idea of the shareholder value network which considers all assets of the corporation as value drivers for present and potential future shareholder value development (Rappaport, 1995:79; Bea and Thissen, 1997: 787)

Departing from the available balance data (surplus, balance sum, liabilities, value of equity) diverse annualized growth figures can be calculated, which are:

$$\begin{aligned} \delta FCF &= \frac{(FCF_t - FCF_{t-1})}{FCF_{t-1}} = \text{surplus change (\%)} \\ \delta BS &= \frac{(BS_t - BS_{t-1})}{BS_{t-1}} = \text{balance sum change (\%)} \\ \delta VFK &= \frac{(VFK_t - VFK_{t-1})}{VFK_{t-1}} = \text{debt change (\%)} \\ \delta VEK &= \frac{(VEK_t - VEK_{t-1})}{VEK_{t-1}} = \text{Shareholder value change (\%)} \end{aligned}$$

When - to simplify the analysis for pure comparative reasons - inflation rates are neglected, these growth rates can equally be calculated for several periods and and summarize the development of the YIGC for the observation period 2010 to 2015.

Further the following key ratios are of interest for a financial comparison of the growth companies:

$$\frac{\text{Cash Flow}}{\text{Balance sum}} = \frac{FCF_t}{BS_t}$$

$$\frac{\text{Cash Flow}}{\text{Equity capital}} = \frac{FCF_t}{VEK_t}$$

$$\frac{\text{Debt capital}}{\text{Equity capital}} = \frac{VFK_t}{VEK_t}$$

This novel concept, which in the following is referred to as YIGC-SV - avoids several difficulties connected to the original shareholder value model.

The value calculation is based on periodical data and dispenses with assumptions on a fair or calculative market interest rate. The novel valuation approach accordingly is not dependent on the validity of the CAPM concept (Pitroski & Roulstone, 2004: 119; Rudolph, 2006: 67; Laux and Schabel, 2008: 258). Critique of the shareholder value assessment originating in a critique of the CAPM (compare 3.2.5) does not hold for the novel approach.

The YIGC-SV concept is not speculative in itself, a point of critique, which has been made for the classical EVA concept (Coenenberg et al., 2003: 50). The YIGC-SV is based on previous balance data only and assess the so far development of the business. Based on this development future assumptions can be argued and made transparent.

The YIGC-SV model is not based on the capital market, i.e. the beta-factor, as a reference scheme, and respects the extraordinary character and development potential of YIGC, which may cause a development deviation from “conventional” companies and markets.

The YIGC-SV model is not based on the book value of the company alone as a basis of reference. Instead essential key figures refer to the balance sum. This concept accounts for the fact that YIGC frequently do not dispose of an extensive material capital base, e.g. office buildings or machinery, in the beginning, but base their development potential on knowhow and market development opportunities which are not assessed by the liquidation or residual value. The balance sum however includes some of these assets. The brand value of a business or patent values for instance are included in the position of immaterial assets (Hans Böckler Stiftung, 2011: 3).

The novel YIGC-SV valuation approach accordingly avoids the difficulties of the classical shareholder value concept originating in its future-orientation, capital-market reference and strong material bias. YIGC-SV is applied to assess and compare the shareholder value orientation in the following chapter.

5.3.5.3 *Analysis of interview results*

Interview results are structured according to the principal categories of the evaluation. These are the main issues detailed in section 5.3.2.

In the course of data evaluation, it turns out that questions Ac and Ad on vision, mission and uniqueness of the corporations strongly correspond to and partly overlap with the interview partners understanding of value-based management. The structure of the evaluation accordingly is adapted and summarizes the results on part questions Ac and Ad as well as B1 under a separate issue "VBM understanding". The structure of analysis results as follows:

- a. General business information on the company
- b. VBM understanding
- c. VBM implementation and opportunities of VBM at the relevant YIGC
- d. Limitations of VBM
- e. Success factors for the implementation of VBM in YIGC

For each of these major issues sub-items result upon closer evaluation of the transcripts and business data (Mayring, 1991: 210). In the process of coding all bits of information are aligned with the categories of the research model (figure 29), e. g. shareholder value relevance of VBM, human value orientation, social responsibility, supply chain and customer orientation. The development of further major or minor categories by the interviewee is admitted.

The retrieved data are put together in a comprehensive textual evaluation which progresses according to main categories and subunits and compares the insights of the relevant sources on each issue (Mayring, 1991: 210). A comprehensive adapted research model is developed.

By summarizing the results across the cases, the study comes to a comprehensive assessment (Mayring, 1991: 211) of the level of implementation of VBM in German YIGC, relevant opportunities, limitations and success-factors. Accordingly, the results are compared to the categories retrieved from the review of previous insights on VBM in related businesses (chapter 4).

6 RESEARCH FINDINGS

Chapter 6 presents the research findings and follows the methodology developed in section 5.3.5.1.

6.1 PORTRAYS AND VERIFICATION OF THE PARTICIPATING YIGC

6.1.1 Participant overview and representativeness

The following companies and participants have been recruited for the interviews:

Company	Business	Position of Interviewee
Kirchner & Robrecht Management Consultants	Consultants in the editorial business	T.N., consultant partner
Ziener GmbH & Co. KG	Sports fashion company	F.K., designer
AllSafe GmbH & Co. KG	Producer of truck cargo securing systems	U.L. co-owner and sales responsible
Nagarro GmbH Germany	IT consultants and developers	B.K. product manager
blu Professionals GmbH, blu Gruppe AG	Employment agency, IT service provider business angel	S.Z. Co-owner, COO

Table 14: Interview participants and their companies

The bold printed names are referred to as anonymizing abbreviations of the interviewed companies in the following.

Table 14 shows that the company choice is representative concerning the business sectors. In accordance with Shaw et al. (2002: 110) the sample here is chosen systematically by selecting specific companies, which characterize the

population of German young innovative growth companies well but differ in type or character (Shaw et al., 2002: 110):

Three participants (Kirchner, Nagarro and blu) are in the service sector. Ziener and Allsafe are in production and trade of material goods. This distribution mirrors the share of Germany's economic sectors in the gross national product, which is 68,9% services, and 30.5% production (Statista, 2016: online). The sample thus is representative for Germany's economic structure a whole. The choice of three consultancy oriented companies in the services sector accounts to the fact, that the majority of YIGC in Germany (79%) are in IT and consultation (KfW, 2016: 6).

The following paragraphs portray the selected companies utilizing data available from public sources (compare section 5.2.3.1) and the results of interview section A on business characteristics, vision and uniqueness as well as products, customers, employees.

Referring back to the definition of YIGC in section 2.1, the analysis of the business profiles details to what extent the companies are

- young in character by portraying their history and development,
- innovative in orientation, by evaluating their vision, products/ services and human resource policy and
- show strong growth by evaluating their business growth.

In brief, the remaining sections of 6.1 assess to what extent the interview participants in fact are YIGC according to the definition of this study.

6.1.2 Kirchner and Robrecht GmbH Management consultants

T. N. senior consultant at Kirchner and Robrecht GmbH Management consultants Munich was ready to participate in the first interview. N.T. has got an apprenticeship in industrial management, has studied management and English and has acquired a master degree in marketing and communications. She has worked for an Internet Agency (argonautes), in online academic publications (Elsevier) and Health Sciences in London. She is with Kirchner and Robrecht since 2016 (T. N., interview). At Kirchner and Robrecht, she is responsible for strategic

development and business planning, go to market strategies, in the B2C and B2B segment, competitive analyses, e-learning, project management and change management (compare section 6.1.2.2).

6.1.2.1 *Youth and growth*

Kirchner and Robrecht GmbH Management Consultants is an agency established about 20 year ago by Peter Kirchner and Axel Robrecht, previously consultants at Roland Berger, as a two-man business. By 1997, two additional consultants were employed to strengthen the company's practical orientation and profile. The company is located in Berlin, and Munich and since 2013 in the Frankfurt area (Alzenau) (Kirchner & Robrecht, 2017, online). The company is young concerning its orientation and employee structure:

Kirchner & Robrecht is specialized in advising editorial companies in the print and digital segment above all, but equally other businesses. The majority of their customers are classical editors of school books, journals and newspapers. Most are medium sized businesses located in Germany (T.N. interview). According to T.N., the editorial business in other German speaking countries is less dynamic and less subject to change than Germany, and so the company has explicitly focussed on German clients (T.N. interview) to keep its business structure lean and youthful.

Kirchner and Robrecht offer more than general business consulting, but have recognized the trend to specialize and focus on customer groups with particular needs. Kirchner and Robrecht effectively combine conventional consulting services with IT and technology advice.

Today the company employs 16 staff members located at three hierarchical levels (T.N. interview): two executive managers, eight senior consultants, three junior consultants, one marketing and one accounting expert and one management assistant (Kirchner & Robrecht, 2017, online). The senior advisors manage the projects as responsible partners and the junior consultants support them and do market research (T.N. interview). The average age of the team is 35. i.e. comparatively young. The number of employees has been growing continuously for 7 years now (T.N. Interview).

The majority of Kirchner and Robrecht's staff dispose of special qualifications in the media and IT business, e.g. university degrees in media management, marketing, data management and academic research careers in these fields (Kirchner & Robrecht, 2017: online).

The Kirchner & Robrecht's human-resource structure finds expression in their innovative service offer:

6.1.2.2 *Innovation*

Kirchner and Robrecht are innovative concerning their product portfolio and offer their clients a broad service range which focusses on new media technologies and their application. Its mission is the enhancement of clients' publishing competence and communication, the management of cross-media publication and the optimization organizational design to meet these challenges (Krichner & Robrecht, 2016: 2).

The company supports project management, IT management, restructuring advice, digital business operation planning and the optimization of production (here and following Kirchner and Robrecht, 2017, online).

- In project management, Kirchner and Robrecht understand themselves as idea generators, project coaches and trainers. Corporate development objectives are elaborated in cooperation with the customer. Robrecht and Partner aim at improving project success quotas sustainably and adjusting workflows to project and customer needs.
- In IT management, Kirchner and Robrecht support the roll-out of new software solutions by coaching and training but equally motivate cultural change in the client organization which is necessary to operate on digital media successfully. IT implementation and project development frequently go hand in hand. Kirchner and Robrecht show up communicative development lines which are essential to put IT application into practice successfully and sustainably.
- In change management, Kirchner and Robrecht promise to develop historically grown structures to make businesses fit for the future. Frequently long-overcome and crusted organizational structures are re-

sponsible for lacking financial success and organizational change enhances customer orientation and competitiveness.

- The creation of digital business models is a major thrust and challenge most conventional editorial companies face today. The media business is exposed to the pressure of digital media. Web-based technologies have revolutionized publication and information reception and editorial companies are in demand to jump on these trends quickly. Kirchner and Robrecht support editorial businesses with their long experience in digital businesses and technologies, e.g. electronic publication, webdesign, digital customer data bases and online product catalogues (Kirchner and Robrecht, 2017, online).
- In the field of production optimization Kirchner and Robrecht support editorial companies from a technical perspective. They work on the optimization of business processes, develop strategies to enhance the efficiency of production and plan production related investments considering costs, quality and flexibility potentials but equally risk factors. They support the optimization of production quality and enhance the customer orientation of editorial products.

The innovativeness of Kirchner and Robrecht as compared to more traditional consulting agencies in sum is based on the focussing on editorial companies as a target group and an integrative consultation concept comprising IT and production related advice. According to T.N., implementation strength and accuracy is Kirchner & Robrecht's particular competitive edge. The corporation provides business concepts, but equally accompanies their implementation and the realization of projects from draft to accomplishment.

Innovative orientation, youthful profile and continuous growth characterize the company as a YIGC and justify its analysis within the framework of his study.

6.1.3 Ziener GmbH & Co. KG – sports fashion designer and producer

The second interview participant is F.K. a leading designer as Ziener GmbH & Co KG. She is responsible for the children collection and gloves design in general. She has studied design and marketing in Munich.

6.1.3.1 *Youth and innovation*

Ziener GmbH & Co. KG is a sports fashion producer located in Oberammergau. The company produces ski and sportswear and is one of Germany's largest producers of sports gloves today. Ziener is a family company and is run in the third generation since 1946 (F.K. Interview). Why and to what extent is Ziener a young company nonetheless?

In 1946, glove-maker Fran Ziener Senior founded the business as a single company with three employees. Ski gloves production started in 1952, motivated by a famous German Garmisch-based ski professional and since then Ziener produced ski gloves for the German national team. Ernst and Franz Ziener expanded the gloves-business in the 1970ies starting production in Hungary, Jugoslavia and Asia (Ziener 2017, online).

From 2012, the third Ziener generation reinvented the business however by expanding the Ziener brand to a broad range of further sports equipment, accessory and clothing. This was when Ziener's rapid raise to international recognition and growth started and Ziener turned out to be a YIGC due to a broad range of innovative product concepts (see following paragraphs).

The company was converted into a GmbH & Co. KG. The entry to novel product fields opened Ziener the door to European markets and further large customers e.g. the German association of ski trainers and the German ski association (Ziener 2017, online).

By 2012, Ziener entered the biking market successfully with its first bike design. By 2015, Ziener presented its first free rider design and implements the baggy Look and smoothen Style. By 2006/07 Ziener concludes cooperation agreements with the Bavarian and Austrian skiing alliance on delivery of racing gloves and clothing. Until 2010, co-operations with the German skiing alliance, the Norwegian ski pool and the handicapped sports alliance follow (Ziener 2017: online).

Today Ziener's product portfolio comprises skiing dresses, all kinds of sports gloves, accessories and team wear (Ziener, 2017: online).

With its new market launch in 2013 Ziener has rolled-out significant product innovations: heated ski gloves, thermos shield clothing and - new in 2017 - fabrics and coatings from recycled plastics (Ziener 2017: online).

Summing this success story up, Ziener has changed from a traditional family corporation in the gloves segment to a high-end and technology oriented sports design company in the recent five years. Ziener today can justly be called a young and innovative company.

6.1.3.2 Growth

While the traditional family company Ziener produced locally for their own shop today Ziener products are produced abroad mainly in Asian countries. Design marketing and sales are located in Germany. Products are sold in own partner stores, to wholesale and independent retailers (F.K., Interview). With the growth of the product portfolio equally Ziener's market reach and coverage have expanded. The company started to tailor products for the Bavarian market, but from 2012 onwards has quickly expanded to total Germany and further European countries (Italy, Norway, Switzerland, Poland, Netherlands) (Ziener, 2017, online).

To boost its financial growth Ziener has accepted a minority investor by 2012: the Ziener family has sold 34.5 % of their shares to Hannover Finanzgruppe a private equity company which is specialized in investments in medium sized industrial and production companies and encourages companies to keep operative management at the hands of the family but participates in strategic decision making (Hannover Finanzgruppe, 2016: online). The Hannover Finanzgruppe operates independently from banks and other financial institutions and is itself in the ownership of several large German insurers and trusts (Hannover Finanzgruppe, 2016: online). Hannover Finanzgruppe has ascertained to support further independent development and growth of the corporation.

Another share package was sold to the present head of sales and marketing. The reasons for the sale are a further sustainable expansion of the company relying on a broad equity base and the decision of some Ziener family members not to participate in the fashion business any more (Hannover Finanz GmbH, 2012, online).

6.1.4 Allsafe GmbH & Co. KG - truck cargo securing systems

U.L., co-owner and founder of Allsafe GmbH & Co.KG was ready to participate in the third interview. U.L. is a graduate biologist and today is responsible for corporate strategy, sales and marketing at Allsafe mainly (U.L. interview).

6.1.4.1 Youth and growth

Allsafe GmbH & Co. KG is a producer of truck cargo securing systems. The company produces blocking elements, textile products and fittings to fix cargo in trucks and other transportation machinery e.g. planes (U.L., interview). The corporation is located in Engen at a production site of 11,200 sqm.

The company was founded as Erik Jungfalk & Co GmbH in Heidelberg by the Dane Erik Jungfalk in 1964 and originally produced roll containers and equipment. By 1977, the company realized an annual turnover of 1.3 million Euros and relocated to Engen. Until 1994 the company (then: ANCRA Jungfalk GmbH had undergone several restructurings, accepted a new U.S. investor (which later sold its shares) and employed 50 people realizing 10 million Euros annual turnover (Allsafe, 2017, online).

The fundamental change towards growth and innovation started in 1999 when D.L. (brother of the interviewee) became managing partner. The interview partner and his brother bought the medium sized company in 2000 and since then have greatly expanded the business and today export their products to diverse countries.

Under their leadership the operating area was expanded. A joint-venture with Retém Industrial Ltda. Brasilia was implemented. The company was admitted as an official repair shop for plane by the German airline authority (Luftfahrtbundesamt). By 2005, the production area was augmented five-fold to 5.000 sqm and Allsafe's staff doubled to 100 employees. In the first decade of the 2000s Allsafe expanded to Turkey, Australia and started to export to China. Another expansion of the production site to 8.000 sqm followed in 2011 (Allsafe, 2017, online).

In 2016, the business realized a turnover of 57 million Euros, employed 180

people among them 38 engineers and technicians. 10% of the Allsafe employees are trainees on the job.

6.1.4.2 Innovation

Allsafe's product strategy is innovative with its concept of individual one-piece flow production on customer demand (Allsafe, company presentation, internal document, 2017). This is a particular challenge in a highly conservative market, where trucks and planes frequently aged up to 25 years have to be furnished. Truck cargo standards differ by country and customer. There is a broad range of cargo cultures, like everywhere in evolution, U.L. says. Adaptation to existing concepts is essential in this context (U.L., interview).

Allsafe creates customer-made solutions by combining a set of modular elements to form a comprehensive cargo safety system fit to individual trucks (Allsafe, 2017, online). All products are individualized and ready for delivery within 24 hours. Incremental product innovations are realized in close cooperation with individual customers (U.L., Interview). Products are individualized by customer and printed with the customer logo. On the basis of only 30 modular elements more than 10,000 variations can be produced.

Allsafe sets novel quality standards: All product elements are produced in Germany by Allsafe's own 25 factory workers and Germany based suppliers. The company produces on 8 CNC centres at a failure quota of 0 %. Product warranty is two years. Spare parts for each element are available from the producer.

Since the re-start of the cooperation in 2002 products have undergone significant innovations in design and function. By 2010, Allsafe innovated its blocking elements and introduced novel systems of cargo fixing. With its world-wide patented innovation TransSAFEgo, an automated cargo safety system, Allsafe gained the German innovation award in the category security and the DEKRA innovation price cargo security in 2013 (Allsafe, 2017: online).

Due to its enormous growth story, the fundamental corporate change undergone from the early 2000 onwards and its exceptional level of innovation Allsafe GmbH & Co. KG corresponds to the definition of YIGC in the context of this paper.

6.1.5 Nagarro GmbH Germany (Allgeier Group) - IT consultant and developer

The fourth interview was conducted with B.K. project manager at Nagarro Germany GmbH. B.K. has studied management and informatics and is responsible for Nagarro's SCOWI Project (compare section 6.1.5.2).

6.1.5.1 Youth and growth

Nagarro Germany GmbH is an IT company in software development located in Munich and has got subsidiaries in Leipzig and Timisuara (Romania). The company was founded as a medium sized family enterprise about 30 years ago but has undergone significant changes with its transition to the global Nagarro corporation and today experiences strong growth.

Nagarro today is an international provider of technology services and is specialized in the market segment of "change the business products". Nagarro offers consulting services and professional expertise for digital change and supports large companies as well as medium sized business globally (Allgeier, 2017, online). All around the globe Nagarro employs almost 4,000 experts and operates internationally with locations in thirteen countries. Major target continents are Northern America, Europe and partly Asia Pacifics (Allgeier, 2016: 13).

Since 2011, Nagarro belongs to the Allgeier group (division Nagarro) an international IT and services corporation, which offers its customers a "one-stop-shop" with its comprehensive portfolio of IT solutions and staff services (Nagarro, 2017, online). Allgeier is an exchange traded European Corporation (SE).

6.1.5.2 Innovation

Nagarro offers software and consulting solutions for its partners and is a leading developer in a broad range of innovative software developments, e.g. Deep Learning, Big Data, Internet of Things und Wearables. The IT related business fields of Nagarro GmbH are multiple (here and following, Nagarro, 2017: online) some important segments are quoted here:

- Application development is Nagarro's earliest service. Nagarro develops corporate applications for Java, Microsoft and Open Source platforms and all relevant mobile desktop and cloud environments. Nagarro

provides support and advice on these applications.

- Big Data and Analytics are a major innovation field at Nagarro. Experts advise customers on their analytical strategy, develop road maps for data evaluations. Advanced analytics and machine learning are developed.
- Cloud services and cloud adoption solutions are developed in corporation with customers e.g. Amazon.
- Share Point applications and data interchange technologies are developed for customer applications using the Microsoft framework.
- Nagarro develops digital marketing strategies including Websites, online shops and supports these technologies.
- Nagarro develops SAP applications and enterprise resource planning systems for the specific needs of their customers.
- Nagarro develops an own software solution (SCOWI) a billing program for the usage at German authorities, which supports charging processes in traffic truck toll system and parking tickets editing) (activity field of the interviewee) (B.K., interview).

All these Nagarro services and applications are highly innovative and subject to quick change.

In sum, Nagarro corresponds to the definitions of YIGC developed in this study due to its recent technological evolution, its strong group related and stand-alone growth and the broad range of innovative virtual technologies the company offers.

6.1.6 blu professionals GmbH, blu Gruppe AG - employment agency and business angel

S.Z., CEO of the blu professional GmbH and leading board member (COO) of blu Gruppe AG, was ready to participate in the 5th interview. S.Z. has graduated in management research and is co-founder of blu Gruppe AG and blu professionals GmbH. He started this engagement in Mai 2008. Before this entrepreneurial activity he was active in acquisitions and recruitment in Germany and other EU countries. He was managing director at Skytec AG and Sky Professionals

(Linkedin, 2017, online).

6.1.6.1 Youth and growth

The blu Gruppe is a business group in the human resource, consulting and IT business, which combines five other companies (blu ERP GmbH, blu Portals & Applications GmbH, blu Professionals GmbH, blu systems GmbH, wheel it AG) (BluGruppe AG, 2017, online). These businesses cooperate to obtain access to larger customers in their business field (S.Z., interview). The blu Gruppe offers integrative staff and IT solutions based on a joint cultural framework. blu Gruppe operates as business angel and develops and supports the associated GmbHs (S.Z. interview).

6.1.6.2 Innovation

blu customers are medium sized and large companies of different business sectors. blu cooperates with diverse external cooperation partners.

The blu Gruppe has diversified its business activities by splitting up its offer over 5 independent companies which cover different but complimentary business fields:

- blu ERP GmbH optimizes and automates modern business processes in the field of ERP (enterprise resource planning) systems and relies on the technologies and business applications of the providers SAP, Microsoft, Oracle and SAS, which it integrates to create individualized business applications and environments.
- blu Portals and applications GmbH offers roll-out and portal solutions and social media applications for corporations. It provides security solutions and server technologies for its customers relying amongst other on Google, IBM and Microsoft applications.
- blu Systems GmbH is specialized in IT Service and Project management and develops intelligent IT infrastructures.
- Wheel-it AG supports electronic order processes by data communication solutions.

- blu professionals GmbH is a recruiting and employment agency which recruits and employs staff. At present the company employs about 120 people, 75% women from 23 different nations. It is located in Munich and Berlin. The employees do not work on own projects but are left to blu partners and larger external corporations.

blu Gruppe and its partnering companies innovate in their product concepts which are continuously renewed and developed in cooperation with blu clients.

A major innovation of blu is its business concept which unites several independent companies under a common cultural framework. The companies offer employees a harbour beyond temporary projects and a common value culture (blu Gruppe, 2017, online).

Due to its young, dynamic and entrepreneurial culture, its young age (9 years) and its innovative business portfolios the blu Gruppe and its GmbHs meet the requirements this study makes for YIGC.

6.1.7 Comparative overview on the YIGC profiles

The following overview summarizes the business profiles of the five interviewed German YIGC and characterizes them as youthful, innovative and growth oriented.

	YOUTH	INNOVATION			GROWTH
	Age, history	Business	Products/ Services	Employees	Business development
Kirchner & Robrecht GmbH Management Consultants	20 years Continuous employee growth	Integrative editorial consulting including IT and media production technologies	<ul style="list-style-type: none"> • Project management • IT management • Change management • Digital business models • Production optimization 	Average below 35 years Media and IT related training	<ul style="list-style-type: none"> • Strong business expansion
Ziener GmbH & Co. KG	Origins as a small family company 18 years (since 1999) in its present form	Sports Fashion designer and producers	<ul style="list-style-type: none"> • Ski and snowboard collection • Bike collection • Novel technologies 	130 employees	<ul style="list-style-type: none"> • 2012: private equity based growth • Additional shareholders
Allsafe GmbH & Co. KG	Origins as a medium sized industrial producer 17 years (since 2000) in its present development	Producer of truck and airline cargo securing systems	<ul style="list-style-type: none"> • Modular product concept • adaptation to customer demand on time • innovation awards for automated cargo safety systems 	150 employees, 15 trainees, 38 engineers	<ul style="list-style-type: none"> • fivefold expansion of production surface and turnovers over 17 years
Nagarro Germany GmbH	Founded as family business but transition to high international growth within Nagarro and Allgeier Group since 2005	IT solution and service provider	<ul style="list-style-type: none"> • application development • big data and analytics software • cloud services and operation • sharepoint applications for data interchange • digital marketing strategies • SAP applications • Own software solutions 	4,000 employees in 13 countries	<ul style="list-style-type: none"> • 13 to 17 % annual turnover and profit growth within the Allgeier Framework • Value gain of 7.9% in 2016
blu professionals blu Gruppe	Founded in 2008, company network of blu Ag and 5 partnering companies	Consulting, recruitment and IT agency	<ul style="list-style-type: none"> • ERP design • Internet and communication platforms; Portal solutions • Staff recruiting and employment 	<500 employees in blu Gruppe, 120 employees at blu professionals	<ul style="list-style-type: none"> • Strong balance sheet growth

Table 15: Overview on the participating businesses (own draft)

Drawing on the structure developed in section 5.3.5.1, Sections 6.2 explores

- what the participating corporations understand by VBM,
- how they implement VBM at different levels in their organizations,
- which limitations of a value oriented attitude they experience and
- which success factors of value-based orientation in YIGC they recognize

Based on the results the following chapter 7 develops a general model for VMB implementation and assessment in YIGC.

6.2 UNDERSTANDINGS OF VBM

6.2.1 VBM understanding of Kirchner and Robrecht Management Consultants

At Kirchner and Robrecht, VBM is understood as a comprehensive and dynamic process, which integrates all levels of the corporation. VBM according to T.N. reaches beyond shareholder value, but means sustainable development at all levels of the corporation. (T.N., interview). This concerns customers in particular.

The VBM vision of Richter and Robrecht cherishes integrative customer orientation as a major value. Consultation is a partnering activity at an eye level with the clients (Kirchner & Robrecht, 2017, online):

According to T.N., the vision of Kirchner and Robrecht is exceptional consulting and customer orientation following a comprehensive and integrative concept. The company wants to combine subject specific expertise in the editorial business, an inner understanding for organizations and a humane and humorous approach of consulting. The corporation fills a void in the consulting business which T.N. presently sees divided between systemic organizational development approaches and subject specific consultation. Kirchner and Robrecht combine both approaches and find and realize individualized development solutions in cooperation with their customers. From the beginning, customers are fully integrated into the development process and members of the client organizations take responsibility in the change process. The resulting solutions are endemic and organically embedded in the target organizations and dispose of much higher and more sustainable reach than concepts imposed from outside consultants (T.N.,

interview).

6.2.2 VBM understanding of Ziener

Equally Ziener's Vision is customer oriented: Performance technology, passion and fairness are the core values lived at the Ziener corporation. Ziener orients all its development and branding activities towards the customer in order to meet market demands by high quality, innovative developments and progressive design at a fair price. Ziener's edge in an international market results from innovation and market leadership in design (Ziener, 2017, online).

Ziener intends to create a link between producer and consumers (i.e. buyers of sports equipment) by brand ambassadors, e.g. sports stars like Felix Neureuter or formerly Maria Riesch. The slogan "made by pros" points out that sports professionals have contributed to create the brand, design and functional features of Ziener products. At the same time, these professionals represent the customer and correspond to conventional users of Ziener sportswear in their needs and demands. The customer is invited to identify with professional brand ambassadors and get the feeling of professionalism when buying and wearing Ziener brand products. The cooperation between design and sports professionals is a unique corporate characteristic which differentiates Ziener from competitors in the business and make the company an eligible partner for international and national sports federations. These networks again contribute to Ziener's reputation as a sport equipment producer and strengthen the company's international growth (F.K., interview).

Thus, value based management at Ziener is a strategy linking the brand to customers but according to F.K. this attitude is equally lived inside the company among employees within and across departments, and of course within and in relation to the management team. This inner value oriented attitude starts with a personal greeting in the morning and extends to strategic planning activities which integrate all organizational stakeholders (F.K. interview).

6.2.3 VBM understanding of Allsafe

U.L. understands value based management organically and interprets the term on the basis of his background as a biologist. In U.L.'s understanding, an organization is an organic integral system, which is self-developing and above all has to be customer-oriented. In so far, he explains, the culture of Allsafe is unique and makes out the particularity and competitive edge of the business.

Allsafe's value understanding starts from the inner values of the members of the organization. This key conception is established in the first sentence of the corporate preamble, which says: "Man is free and responsible." Allsafe implements this core conviction in four essential values: self-responsibility, innovation, fairness and customer orientation.



Figure 36: Value orientation at Allsafe GmbH & co. KG (source: Allsafe, corporate presentation, 2017, internal document)

This philosophy draws on Pfläging (2010: 9-12) who assumes that power exertion and hierarchical structures produce bureaucracy and impair employee motivation, while self-responsibility of all members of the organization produces flexibility and customer orientation.

U.L. sees self-responsibility and customer orientation as crucial attitudes which bring forth innovation and fairness. Customer orientation - the core objective and justification of any business - results from the other values and takes its origin in self-responsibility. Fairness creates a bridge between a) the corporation and its customers and b) between the employees (within the corporation). Fairness is the moral core of Allsafe's value set and as such "almost more important" than self-responsibility (U.L., interview). Fairness takes effect on the internal and

external relationships of the company. All members of Allsafe talk about the above value set and live it internally and externally. Allsafe employees see a deeper sense in their action, and this attitude substitutes dependence.

6.2.4 VBM understanding of Nagarro GmbH (member of Allgeier SE)

Nagarro follows similar guidelines: according to B.K. value-based management means that all members of a corporation, above all the management, dispose of and live inner values which go beyond pure financial orientation. At Nagarro these core values are customer and employee orientation. Of course, financial objectives have to be followed, however customers and employees are essential partner to meet these material goals. The result of this attitude are satisfied employees and customers which cooperate on a common cause.

The mission statement of Nagarro corresponds to this holistic understanding is says “be agile”. The term agile has its origins in software development and refers to high and continuous flexibility of programming, which becomes possible due to the intense collaboration between the development team and all external stakeholders in the development process. Development teams work more efficiently when they are self-organized and determine the process of value creation themselves. Communication among all team participants as well as between the team and all outside stakeholders is indispensable in that process (Fogelström et al., 2009: 53).

The Agile manifesto contains four essential values, which are (Measey, 2013: 5):

1. We value individuals and interactions over process and tools.
2. We value working product over comprehensive documentation.
3. We value customer collaboration over contract negotiation.
4. We value responding to change over following a plan.

The agile value attitude in sum sees all stakeholders in a development process as even partners and understands that project success originates in the frictionless and continuous cooperation of all people involved. In an “enterprise agile” IT vendor and customer are partners which cooperate in a complex and mul-

tidisciplinary process based on a common framework of norms and values which all units and members of the Nagarro organization follow (Nagarro, 2017/II: online).

6.2.5 VBM understanding of blu professionals GmbH (member of blu Gruppe)

According to S.Z. value oriented management is the sustainable and authentic relationship between the corporation and its employees. Employees are the highest good of blu professionals GmbH, because these are their only asset. Employee commitment is crucial to customer acquisition and development. The relationship between blu and its employees is the central pillar of blu.

Equally the vision of blu Gruppe sees all members of the organization as a self-responsible and mutually responsible team. The blu mission statement says "humane action and success are compatible". This means that benefit and economic success is not achieved at the cost of humane behavior but exactly needs humane thinking and acting. Corporate financial performance and sustainable development. are inseparable, according to S.Z.

S.Z. argues that employee satisfaction is a core objective of his corporation and customers hiring blu staff benefit from this attitude: the more satisfied a blu employee is on his job the more engagement he will show for the customer cause. Employees who feel at home at the blu Gruppe and know that their work place is safe beyond the project, they are active in, dispense with existential fears and cooperate more self-reliantly. blu Gruppe has developed this employee and customer oriented mission in culture workshops and thus this vision is lived by all employees of the corporation (S.Z., interview). Every blu manager is measured according to the same moral values which he/she lives towards employees, customers and suppliers.

6.2.6 Comparative Summary of VBM understandings

The following overview summarizes the key points made by the interviewees on the value orientation of their corporations and contrasts vision and unique features of the YIGC.

There is a striking correspondence between the vision and mission statements of the five participants and their businesses:

Company	VBM philosophy	Vision, uniqueness
Kirchner & Robrecht GmbH Management Consultants	<ul style="list-style-type: none"> • Consider all stakeholders at an eye level • Establish a comprehensive development process that includes the own organization and customers 	<ul style="list-style-type: none"> • Customer integration, systemic and subject specific consulting • Establishment of a development process inside the client organization
Ziener GmbH & Co. KG	<ul style="list-style-type: none"> • Performance, technology, passion & fairness • Joint vision spanning employees, departments and managerial planning 	<ul style="list-style-type: none"> • Technological and design leadership • Interlinking customer need and professional design by brand ambassadors
Allsafe GmbH & Co. KG	<ul style="list-style-type: none"> • Self-responsibility • Customer-orientation • Innovation • fairness 	<ul style="list-style-type: none"> • Corporate culture of self-responsibility instead of hierarchy
Nagarro Germany GmbH	<ul style="list-style-type: none"> • Be agile • Customer and employee orientation 	<ul style="list-style-type: none"> • Frictionless cooperation between customers and employees
blu professionals blu Gruppe	<ul style="list-style-type: none"> • Humane action and success are compatible • Combine performance and sustainability 	<ul style="list-style-type: none"> • Employees are crucial resource • Organization as self-responsible team • Corresponding moral standards for all members

Figure 37: VBM philosophy, vision and mission in the participating YIGC (own draft)

- All interviewees assert that financial performance is the result of a much more profound value orientation, which considers all stakeholders of the corporation.
- The interviewees agree that the customer is at the center of any corporate effort. Sustainable competitiveness is based on customer servicing

and satisfaction.

- The equal consideration of all stakeholders of the organization is rooted in the value system of all participants.

The implementation of this holistic and integral business vision and philosophy differs depending on the cause and product or service offer of the businesses:

- Ziener and allsafe, which offer material products define their performance through product innovation and reach this by orienting their development and employee engagement towards customer needs.
- Nagarro, blu and Kirchner & Robrecht see employees – their own and essential resource for service provision – in the center of their philosophy. Customer orientation is based on employee motivation and engagement alone.

Although the focus of value orientation differs depending on the stakeholder network the companies are active in, there is a profound agreement on the necessity of a comprehensive underlying value set which is lived by all internal stakeholder of the corporation towards external partners.

Survey question B.2 to B.4 invite the participants to detail their value based strategy concerning individual stakeholders and concrete implementations and to work out the opportunities, limitations and preconditions they perceive in this conception. Depending on the orientation of the businesses the stakeholder groups mentioned in the work model (shareholder, customers, employees, suppliers and social / ecological environment) differ in importance and the degree of details, the interviewees give.

The following sections cite the interviews with the corporation mentioned in the sub-header mainly and evaluate the corporate balances according to the YIGC-SV model developed in section 5.3.5.2, drawing on the data balanced at Bundesanzeiger.de (2017). Further sources are explicitly indicated.

6.3 VBM IMPLEMENTATION AND POTENTIALS OF KIRCHNER AND ROBRECHT MANAGEMENT CONSULTANTS

T.N. representative of Kirchner and Robrecht explains that corporate value

orientation towards all five suggested stakeholder groups (Shareholder, Employees, customers, suppliers and society) is essential and all issues are closely inter-linked:

6.3.1 Value based human resource management

T.N. explains that employees are Kirchner & Robrecht's key asset, which is why she mentions this issue first. Any value orientation at Kirchner & Robrecht sets off from the employees. Success in the consulting business is based on employee engagement and competence mainly.

Most employees have been with Kirchner & Robrecht for a comparatively long time, which is unusual in the conventional consulting business. The consulting team is stable and highly motivated since all employees feel the esteem of their corporation.

Human resource policy implements this attitude: Kirchner and Robrecht do not look for standard employees disposing of a usual or indefinite profile but engage people with extraordinary competencies and personal charisma (T.N., interview). The qualifications of Kirchner & Robrecht employees are multiple: There are consultants who have worked in the printing business for a long time and others who have followed great academic carriers before they joined the company. The age and gender structure of the consulting staff is balanced. Kirchner and Robrecht see this employee portfolio as a core competence and employ staff in accordance with their qualifications and interests. Team work benefits from high profile diversity.

The Kirchner and Robrecht management attempts to encourage the strengths of each employee and esteems idiosyncratic interests and qualification. The hierarchical structure of the company is flat and all employees communicate at an eye level (in Germany by "Du" not "Sie" i.e. in the second person singular not in the third person plural, which is a symbol of personal proximity; *author's explanation*). There are flexible work time models. Work spaces are designed open, flexible and modular, which encourages communication. Due to the availability of diverse online-techniques employees can work and communicate from home, when family requires their presence. Although employees sometimes work hard

on stressful projects, there are equally periods of relaxation. The well-being of the staff is a core corporate interest.

Employees are offered many development opportunities, e.g. trainings on the job, flexible work time and salary models, which allow them to realize personal objectives in life beyond the job.

6.3.2 Value-based customer management

The above discussion illustrates that the fit between consulting activity and customer demands is crucial to Kirchner & Robrecht's business policy. Sustainability of customer management is Kirchner & Robrecht's source of success. T.N. explains that acquiring new customers is much more costly and time-consuming than gaining new consulting assignments from established clients, who return to the company due to previous successful cooperation.

T.N.'s strategy is to acquire novel mandates during the previous project already. Regular clients are Kirchner & Robrecht's major pillar of success. T. N. feels obliged to the agency's customers for the trust they put in their service and rewards this by high engagement: Consulting at Kirchner & Robrecht means taking the customer serious from the beginning. The customer is integrated into the project from the kick-off meeting onwards and makes active contributions to the projects. In fact, customers take the key position in any project development.

Kirchner & Robrecht's intention is "to teach customers fishing, not to serve the fish roasted" T.N. says. In this way, Kirchner & Robrecht develop customers' self-reliance and independence instead of imposing their ideas from outside. T.N. explains that her agency has done a good job, when the company becomes redundant in the project process. Customers feel this attitude which makes them return with new projects. In fact, Robrecht & Kirchner's list of repeat clients is really long.

6.3.3 Value-based supply chain management

Supply chain management is not a key issue at Kirchner & Robrecht, since the main resources are in-house. Of course, the company cooperates with some external freelancers. When the company lacks expertise on particular questions, freelancers are consulted and integrated in the project. Sometimes the integration of external knowhow enhances project quality and customer satisfaction.

Supply chain partners operate on their own account and are awarded fixed daily compensation. Fairness in this supply-chain relationship strengthens Kirchner & Robrecht's corporate image and reassures the customer. Although the cooperation with external partners usually is not highly profitable itself, a win-win situation results, since Kirchner & Robrecht benefit from the experts' subject knowledge. Supply chain partners trust in Kirchner & Robrecht and voluntarily repeat the cooperation since established relationships save new acquisition efforts.

6.3.4 Social and ecological value orientation

Kirchner & Robrecht's consulting approach is sustainable in itself. The consulting philosophy integrates a subject-specific and a systemic approach, which makes out the success of the business and its partners (men and women alike).

The consultants consider the corporation as a whole and aim at its sustainable development. T.N. explains "When you just touch or manipulate one wheel, everything else simply adjusts to this small change." Fundamental changes will happen only when you tackle the whole thing, i.e. the organizational structures and processes, the people involved and their relationships. These three factors have to be considered simultaneously to succeed sustainably.

By supporting the business sustainably and by implementing processes of development and change Kirchner & Robrecht equally promote social change and growth. Other than pure financial advisors the agency aims at maintaining jobs and developing employees' competences to meet new requirements.

At the same time, the consultants cherish and support social value orienta-

tion. T.N. exemplifies this attitude referring to the change of the editorial business in the recent decade (Baetz, 2014: online): Many editorial companies have faced declining turnovers and revenues due to the break down to the print business in the wake of the internet era. Kirchner & Robrecht's expertise has supported many editorial companies and the management of this change. Consultation has given the businesses a new direction. New products e.g. online publications have been devised and new jobs and qualification portfolios have been created - for the good of the businesses and society as a whole. Relying on Kirchner & Robrecht's advice, clients in the editorial businesses have become fit for future development.

6.3.5 Shareholder value orientation

Kirchner & Robrecht (TSD €)		2015	2014	2013	2012	2011	2010
Balance Data							
FCF	Cashflow	350	230	180	138	135	120
BS	Balance sum	1.183	1.152	1.100	1.001	1.385	1.095
VFK	Value of Debt	61	145	122	140	105	123
VEK	Value of Equity: FCF+BS-VFK	1.472	1.237	1.158	999	1.415	1.092
Growth Data							
(FCF2-FCF1) /FCF1	FCF Growth	52,2%	27,8%	30,4%	2,2%	12,5%	
(BS2-BS1) /BS1	BS growth	2,7%	4,7%	9,9%	-27,7%	26,5%	
(VFK2-VKF1) /VKF1	VFK growth	-57,9%	18,9%	-12,9%	33,3%	-14,6%	
(VEK2-VEK1) /VEK1	VEK growth	19,0%	6,8%	15,9%	-29,4%	29,6%	
Key Ratios							
FCF/BS	Cashflow/ Balance sum	30%	20%	16%	14%	10%	11%
FCF/VEK	Cashflow/ Equity	24%	19%	16%	14%	10%	11%
VFK/VEK	Debt/Equity Ratio	4%	12%	11%	14%	7%	11%

Table 16: Shareholder value development of Kirchner & Robrecht (source: Bundesanzeiger.de, 2017, own illustration)

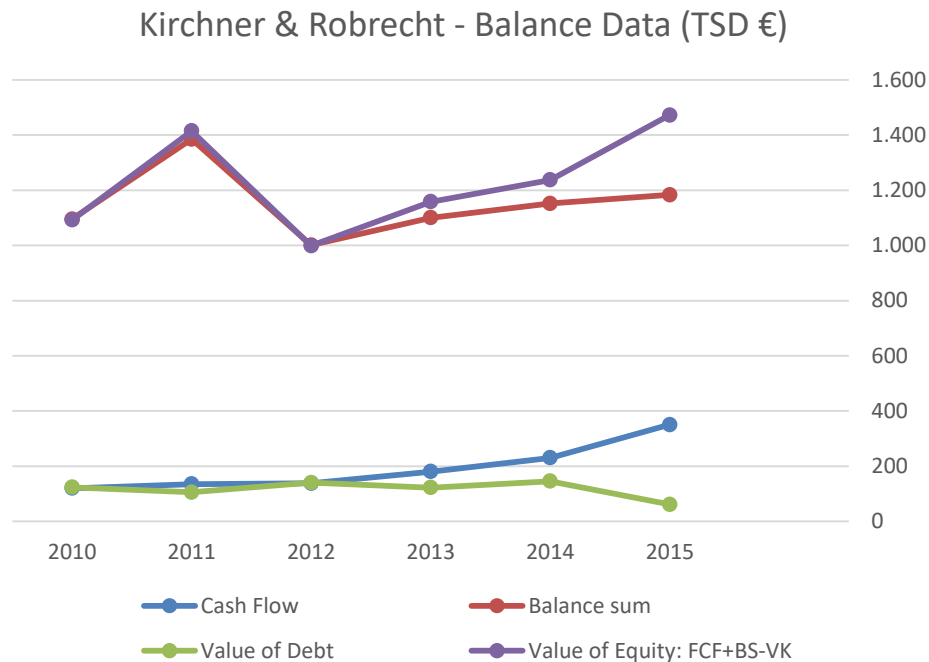


Figure 38: Kirchner & Robrecht - Balance data development 2010 to 2015 (own analysis based on the data published in bundesanzeiger.de, 2017)

This strategy pays out financially. T.N. (interview) jokes that the shareholder directed strategies are not as professional as the above-mentioned stakeholder directed efforts. Kirchner & Robrecht, according to T.N., attempt to develop their turnovers sustainably above all, assuming that revenues will develop equally well in result. Project and customer success are preconditional to financial performance. All human resource and customer directed activities at Kirchner & Robrecht equally support shareholder orientation.

The balance development reveals that this strategy is effective. Since 2012, the company's balance sum and cash flows have been increasing and debts have been paid back. The value of equity benefits from this development and has increasing significantly from 999,000 to 1.5 million Euros over the recent three years.

To motivate employees and implement the idea of co-ownership, all employees are granted an annual success compensation when annual targets are met. The gratifications which correspond to the regular salary scheme and are paid out in the form of a 13th monthly salary. Additionally, project and acquisition premia are

paid to motivate responsible employees. All internal stakeholder groups accordingly participate in the company's rise, which increases loyalty and commitment, to further joint successes.

6.3.6 Limitations and success factors of VBM according to Kirchner and Robrecht Management Consultants

Kirchner & Robrecht equally see some limitations of their value based business policy:

T.N. explains that the life cycle of their business limits growth to some extent. With growing business size, growing hierarchies are unavoidable. Growth changes corporate culture. Innovativeness and youth do not go together with eternal growth.

T.N. accordingly does not envision infinite growth but rather the incremental development of the company in small steps. This strategy enables Kirchner & Partner to remain true to their ideal of customer orientation and to keep the competitive edge of offering individualized solutions to a limited clientele (editorial companies). Kirchner & Robrecht see growth as strategic development towards quality rather than as pure financial expansion.

Kirchner & Robrecht recognize that they strongly depend on macroeconomic influences concerning their business development. When economy is booming, editorial companies prosper because they realize growing advertising revenues. In this situation, they are ready to invest in organizational development. In economic depressions however, consultants are hard to finance.

If Kirchner & Robrecht would grow too strongly on a leverage basis, they would risk bankruptcy in recessions. According to T.N., moderate growth is a more sustainable strategy and allows the company to remain true to its ideals.

Kirchner and Robrecht's balance data mirror this sustainable attitude.

With the increase of cash Flow/ balance sum and cash flow/ equity ratio the debt to equity ratio have diminished over the recent three years. Instead of growing exponentially on a leveraged basis, Kirchner and Robrecht have preferred to reduce debt levels and sustainably increase the value of shareholder equity:

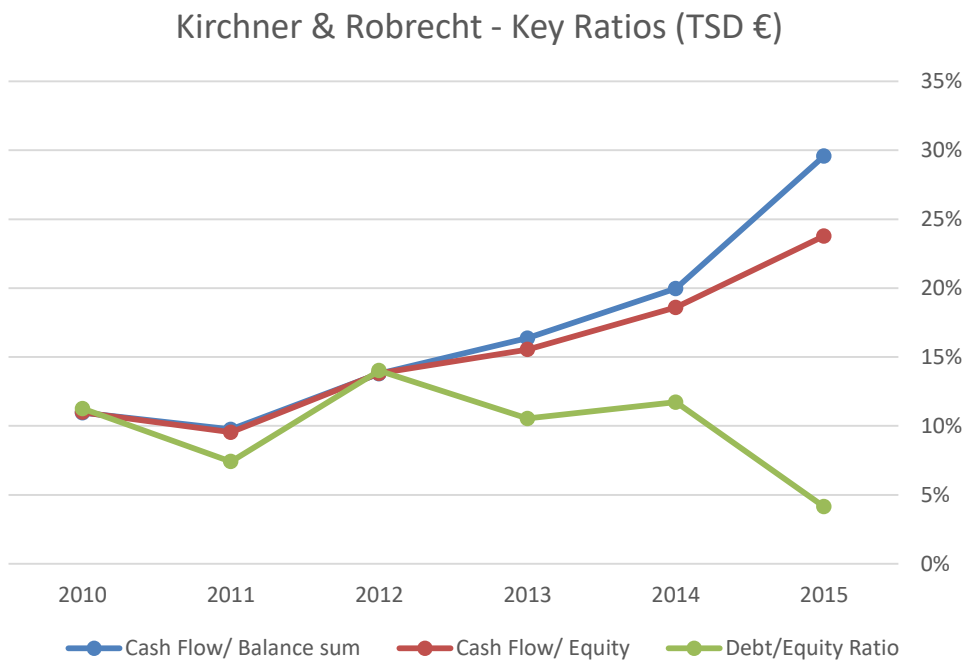


Figure 39: Kirchner & Robrecht - Key ratio development 2010 to 2015 (own draft based data published on Bundesanzeiger.de: 2017, online)

6.4 VBM IMPLEMENTATION AND OPPORTUNITIES OF ZIENER

6.4.1 Value based human resource management

At the Ziener fashion corporation human resource orientation is an important corporate development objective. Ziener practices a human resource culture which is lived top down but equally bottom up. This means, management respects employees of all levels. All employees benefit from flexible work hours. Work intensity is balanced. There are long hours but equally leisure periods and social events are respected.

Ziener employees are encouraged to participate in sports, which correspond to the Ziener collection. Employees for instance are free to leave the office for a quick biking or running spare time at lunch or come to the office by bike long ways. In this way, joint sports activities have become a common interest of the majority of Ziener's employees. A feeling of belonging and togetherness has de-

veloped.

Employees of the Ziener corporation meet each other with respect and understanding. Although there is a broad range of qualifications and educational levels, Ziener staff is conscious of the common cause and communicates openly. This concerns the conflict-ridden relationship between marketing and fashion design for instance. Discrepancies are addressed freely and differing arguments are discussed openly. This open culture of communication reduces prolonged or hidden conflicts between the departments.

6.4.2 Value-based customer management

Ziener's value based customer strategy depends on the diplomatic and development oriented cooperation with sports stores and sports professionals to a large extent.

The major customers of Ziener are large fashion chains. These dispose of significant market power since they choose from diverse brands. Competitive and pricing pressure in the sales market is handed down to Ziener as a producer. Ziener products are accepted on a commission basis and chains offer preferred brands explicitly for instance by running advertisement movies in the shops. Ziener's marketing success strongly depends on large chains' marketing efforts.

Sensitive strategies of customer management are a particular success factor for the Ziener corporation. Ziener relies on its strategy of cooperating with professionals in the marketing in this respect. Sports professionals who recommend Ziener products are accepted as authorities by the management of large chains and are important advertising vehicles. Moreover, sports professionals generate turnovers in team wear for ski and biking clubs and associations.

The cooperation with particular lead customers in the professional sports segment accordingly is a major success factor for Ziener. Sports professionals are involved from the development and design phase onwards to benefit from their experience in practical equipment usage and to later gain their acceptance and recommendation.

6.4.3 Value-based supply chain management

Ziener's product success depends on sustainable and consistent supply chain management to a large extent. Ziener is forced to produce its fashion products abroad in Asia and Eastern Europe mainly to realize competitive prices particularly for expensive functional materials applied in sports products. Tissues are mainly produced in these countries and their transportation to Germany would cause additional transaction costs.

Ziener accordingly depends on suppliers with a diverging cultural background. To reach a trustful cooperation at an eye level, Ziener ensures that work conditions at the supplier correspond to German standards in every respect. Suppliers are always seen as long-term partners, to reassure them that their investment in production facility and quality affords. If suppliers do not cooperate on quality and process requirements they are substituted in the long run.

A close cooperation between the supply chain partners and Ziener fashion design – which uniquely is based in Germany, is indispensable. To this end Ziener arranges personal meetings at fairs in Europe or Ziener representatives travel to the production sites and discuss design and production requirements on site. Misunderstandings and quality deviances are avoided by regular on-site controls by Ziener quality experts.

Continuous interchange, long-term relationships and clear quality standards and control keep Ziener's supply-chain partnerships sustainably successful.

6.4.4 Social and ecological responsibility

The Ziener corporation is devoted to ecological responsibility. Functional sportswear usually is little sustainable since it is made from plastics. Ziener however has realized a novel technology of creating new fabrics and materials from recycled polyamide, which is collected in the oceans globally or originates from used, recycled tissues like carpets and fishing nets. Thus, the pollution of sea water is reduced and new innovative materials, which correspond to classical polyamide fabric in every respect are applied (Ziener, 2017, online).

6.4.5 Shareholder value orientation

Human resource, customer and supply chain orientation contribute to the sustainable development of shareholder value. To diminish agency conflicts an outside managing director has acquired shares in the Ziener corporation in 2013.

Ziener GmbH & Co. KG (TSD €)		2016	2015	2014	2013	2012	2011	2010
Balance Data								
FCF	Cashflow	1.420	1.617	2.086	2.116	4.026	4.001	3.813
BS	Balance sum	11.080	10.006	9.763	8.393	10.842	11.930	10.682
VFK	Value of Debt	4.797	5.056	6.270	4.875	5.300	5.539	3.834
VEK	Value of Equity: FCF+BS-VFK	7.703	6.567	5.579	5.634	9.568	10.392	10.661
Growth Data								
(FCF2-FCF1) / FCF1	FCF Growth	-12,2%	-22,5%	-1,4%	-47,4%	0,6%	4,9%	
(BS2-BS1) / BS1	BS growth	10,7%	2,5%	16,3%	-22,6%	-9,1%	11,7%	
(VKF2-VKF1) /VKF1	VFK growth	-5,1%	-19,4%	28,6%	-8,0%	-4,3%	44,5%	
(VEK2-VEK1) /VEK1	VEK growth	17,3%	17,7%	-1,0%	-41,1%	-7,9%	-2,5%	
Key Ratios								
FCF/BS	Cashflow/ Balance sum	13%	16%	21%	25%	37%	34%	36%
FCF/VEK	Cashflow/ Equity	18%	25%	37%	38%	42%	39%	36%
VFK/VEK	Debt/Equity Ratio		77%	112%	87%	55%	53%	36%

Table 17: Shareholder value development of Ziener GmbH & Co. KG (source: Bundesanzeiger.de, 2017, own illustration)

The balance data mirror this shift: From 2013 onwards, Ziener has managed a turnaround and converted into a strongly growing business. Between 2010 and 2012 the balance sum and the value of equity had been decreasing at a stable equity and debt basis. In 2013, 2014 and 2015 the balance sum has increased annually from 8 to 11 million Euros and with it the value of equity, which has grown from 5.6 to 10.6 million Euros in this period. An annual increase of more than 17%. Ziener has managed the turnaround from a national gloves producer to an international sports YIGC.

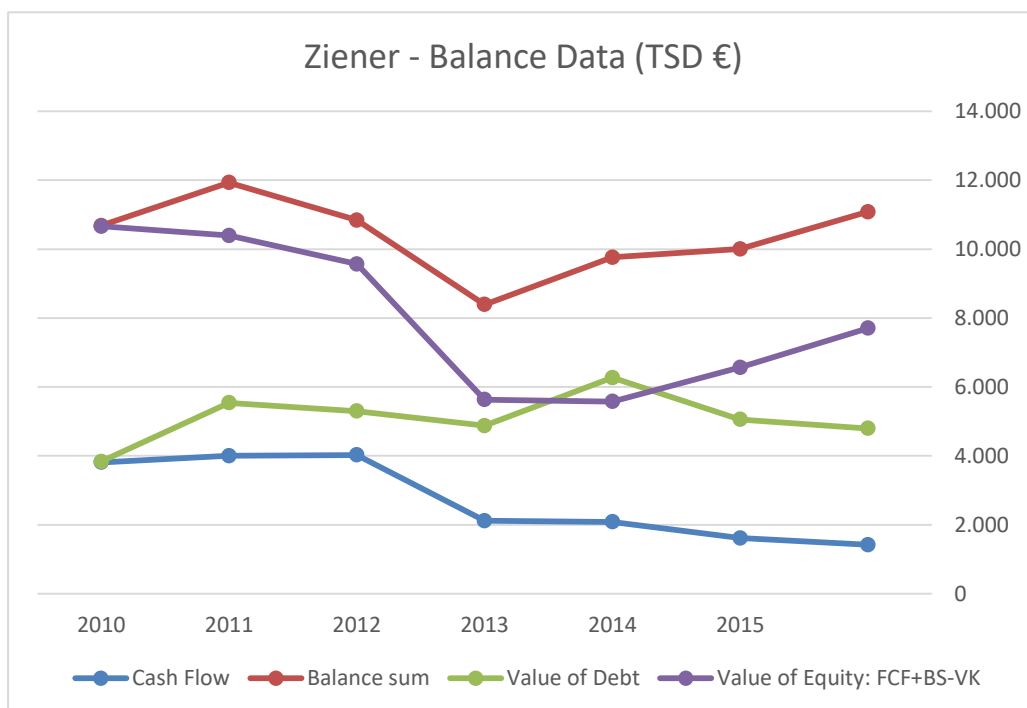


Figure 40: Ziener - Balance data development 2010 to 2016 (own draft based on data published on Bundesanzeiger.de: 2017, online)

Additional capital for corporate growth and development is contracted from Hannover Finanzgruppe. The participation of a private equity partner reduces the conflict between creditors and owners and enhances financing transparency. Additional growth opportunities are created and higher international competitiveness is achieved (F.K., interview).

Equally employees participate in corporate success in the form of premium

payments which correspond to salary payments in comparative height and are paid out annually, when the business succeeds extraordinarily well.

Shareholder value orientation at Ziener accordingly is inseparable from innovation, sustainability, human resource orientation, sustainable supply-chain partnering and customer- relationship management.

6.4.6 Limitations and success factors of VBM according to Ziener

Ziener however recognizes some difficulties in the transition from the former owner management to the novel Financing partner. Communication flows between outside and inside equity partners are not always swift. Owners tend to revoke decisions taken by outside shareholders, which brings difficulties concerning project implementation.

Ziener's key ratios in the YIGC-SV model mirror these problems:

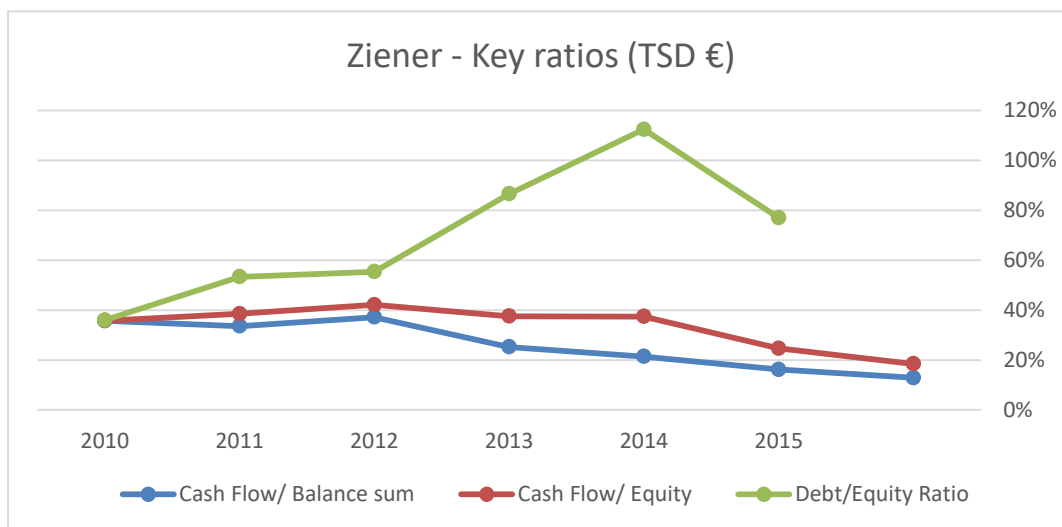


Figure 41: Ziener - Key ratio development 2010 to 2016 (own draft based on data published on Bundesanzeiger.de, 2017, online)

Although Ziener's balance sum and value of equity are on the increase since 2013 and although the debt to equity ratio has been diminished from 110% to less than 80 % since 2014, the key ratios cash flow/equity and cash flow/balance sum stagnate or even shrink. Cash flows do not mirror the financial change so far.

F.K. explains that the switch in design policy from the gloves segment to a

comprehensive sports segment has not yet been fully achieved and Ziener has to develop novel sports consumer market further, which will only succeed when design and marketing cooperate more closely. Ziener could – according to F.K. manage to establish in a higher price segment, which will generate additional cash flows, only when ecological sustainability is encouraged and integrated into the marketing concept.

Ziener accordingly has turned into a growth corporation from a financial perspective already by acquiring external equity, the internal change towards a harmonious business strategy and ecological responsibility however has not yet been fully accomplished- these difficulties so far impede cash flow growth.

To ensure future prosperity Ziener is in demand to develop a holistic value-based strategy based on a conclusive product design concept, strategic marketing and environmental responsibility.

6.5 VBM IMPLEMENTATION AND OPPORTUNITIES OF ALLSAFE

6.5.1 Value-based customer management

Customers are Allsafe's most important asset. U.L. explains that sustainable customer relationships are essential. Sustainability here implies mutual valuation and trust. For U.L. customers are external partners. The fulfilment of customer needs is the core objective of any innovation and production activity at Allsafe.

While classical corporations dispose of a hierarchical pyramid descending from the CEO to customers, U.L. has inverted this order: Allsafe sees customers on top, while the strategic planning of the top management team is on bottom i.e. the foundation of a customer-oriented organization. Customers are taken through the value-added cycle of the corporation and in the end, obtain the product they desire. All organizational units cooperate to reach this objective.

Customer orientation is Allsafe's core competence. Allsafe produces any solution the customer desires for his truck or plane within 24 hours from modular elements. Customers select what they desire on the screen and the order is placed electronically at the production site. Swift logistics supports the delivery process and within less than one day the customers' vehicle is equipped with the cargo

safety system.

These individualized solutions are distributed without any discount – a well-accepted strategy due to Allsafe’s stand-alone position. Allsafe’s revenues thus benefit immediately from this direct form of customer orientation. Allsafe avoids storage and scheduling costs by just-in-time production on customer demand. Transaction cost savings can be handed down to customers which makes the company financially competitive.

6.5.2 Value based human resource management

A unique form of human resource orientation is crucial to implement this form of direct customer policy. Employees at Allsafe operate in a self-organizing system which dispenses with hierarchical structures and line organization. Organizational structures are purely project oriented. Employees decide themselves which project teams they form and how they deliver their products according to customer needs.

Self-responsibility underlies this form of organization. Every employee decides for himself, where he is needed and how he can contribute to business success. Power structures beyond personal competences are avoided. Any information is easily accessible for everybody in the corporation and there is no direct or indirect form of control. Thus principal-agent conflicts are virtually non-existent.

Business successes are always collective although every individual contribution is cherished. Thus, everybody feels responsible and attempts to make his/her contribution.

To make this ideal self-organizing governance concept work out, some organizational arrangements have been made:

There are no fixed work places but every employee can decide freely where he spends his worktime. People thus are flexible enough to organize spontaneous meetings, contact customers or work individually in a retreat.

Employees generally work on strategic project teams and share their task with diverse colleagues of different qualifications who participate wherever their competence is needed. There are no general rules on task assignment but staff organize themselves.

Team sessions and staff meetings are instruments of informational interchange and mutual learning. Communication paths are never unilateral but bi- or multilateral. Organization is about motivating and engaging people of different backgrounds and educational levels, about sharing a joint motivation and about cooperation on a common goal. Corporate competitiveness is everybody's affair. This attitude strengthens self-responsibility and engagement beyond hierarchical levels and creates a big business family.

There is no individualized financial success premium e.g. for top sales managers. U.L. has abolished these concepts since he considers payments based on a particular positioning unfair. Success premiums now are paid to all members of the organization evenly and once a year. This strategy has strengthened employees' self-conception as members of a joint corporate team. Particularly sales agents cooperate much more closely since premia have been abolished. They devise strategies how they can share the markets and work on retail strategies together. Allsafe's sales team is closely networked all across Europe.

6.5.3 Value-based supply chain management

Allsafe cherishes value orientation in its supply chain. Modular elements used for the individualized construction of cargo safety systems are partly produced inhouse and partly bought from suppliers. These are located in Germany and Europe. Allsafe avoids buying in South-East Asia for quality and coordination reasons. U.L. is convinced that German suppliers deliver superior quality and knows that these partners are within reach in case of warranty claims.

The principle of 24 hours to delivery depends on local suppliers which are flexible enough to provide relevant parts at short notice. U.L. explains that ordering from South-East Asia affords only when large amounts are bought which then are stored at the factory until further utilization. This strategy however would require large storage capacities and the factual material consumption is hard to predict since customer orders arrive at short notice. By Just-in-time delivery Allsafe saves storage capacity and avoids ordering excessive amounts (Albers, 2012: online).

Allsafe's local supply chain benefits from transparent and direct infor-

mation flows. Allsafe employees who are on charge of a customer order, directly compose the relevant parts from the small storage and in case an element is missing are authorized to order this from the supplier. Allsafe has introduced a voluntary list, where commands can be entered and every employee disposes of an annual budget to order relevant parts. D.L. explains that the list has been well accepted and more than 90 % of all orders are entered into the schedule. This authentic order list facilitates planning in future periods.

Employees are instructed to coordinate their budget and plan in cooperation with colleagues what is needed and could be relevant in the near future. Allsafe has implemented its philosophy of self-organization in supply-chain management consistently. Suppliers benefit from this strategy by direct access to the responsible customers at Allsafe and Allsafe benefits from short order times, low bureaucratic efforts and direct and open supply chain relationships (Lohmann, 2012: 38-47).

6.5.4 Social and ecological value orientation

U.L. explains that usually companies connect social and ecological value orientation to particular limited projects. For Allsafe sustainability is a major corporate thrust and pervasive. Allsafe disposes of an intrinsic social and ecological conception. Allsafe's entrepreneurial success is in itself a social contribution. Allsafe provides good work conditions to its employees, grows steadily and builds up staff capacity, which means that Allsafe creates employment. Even in difficult entrepreneurial situations, as Allsafe experienced in 2009, L. avoided sacking employees and all members of the corporation agreed to dispense with part of their salary to reach this (Lohmann, 2012: 67-75). Allsafe pays taxes from its revenues and thus supports the social system.

Of course, U.L. explains, Allsafe is certified according to the major ecological standards. However, this is not the essence of a sustainable attitude. Sustainability has to be lived from inside to be effective. Allsafe's principle of self-responsibility achieves that employees in fact save resources in daily practice and manage raw products and processes efficiently. Sustainable strategies at the micro-level are highly effective to save efforts and costs.

Allsafe practices a 0 % failure policy which means every employee is in de-

mand to avoid waste production and thus the creation of waste and costs (Allsafe, 2017: online). To reduce production failures L. has created a waste corner which exhibits all parts that have been produced in vain or are defective until a fundamental solution to this problem has been found. This strategy has multiplied employee engagement for quality and failure avoidance (Lohmann, 2012: 117-133).

Allsafe values are revolutionary and take effect beyond the borders of the company. E.g. on customers and the supply chain. Lohmann has published a book (Lohmann, 2012) on Allsafe's entrepreneurial concept and thus shares his ideas with other businesses which gain competitiveness. L. wants to change entrepreneurial attitudes towards higher employee engagement and self-responsibility by publishing and communicating his ideals.

U.L. criticizes that conventional industrial production and growth has alienated from the fundamental principles of biology which are based on resource recycling and repair instead of resource consumption. Usual industrial production relies on 99% new materials which are consumed in the process of production and utilization.

Allsafe has worked on this problem and rejects a culture of consumption and waste production. U.L. offers his customers a repair service for used products to avoid waste. Although this strategy basically reduces turnovers, its long-run effect is positive: customers cherish the endurance and repair options of Allsafe gear and return with new orders.

Sustainability at Allsafe equally concerns data structures. Allsafe has developed a method to calculate the usage time of their products and can predict consumption. This supports calculation and repair processes.

6.5.5 Shareholder value orientation

U.L. sees shareholder performance inseparable from the success of the business for all its stakeholders, particularly employees. He explains that the core function of their business is to keep people employed and fed and give them some sense, security and joy in life. Like in biology the ideal is sustainable survival by enabling individuals to identify with an ideal which makes them personally successful. Cooperation with others is essential to live happily and responsibly in

this way.

Any shareholder directed activity has to see this major objective. Shareholder value creation is essential to reach this objective. The “homo oeconomicus””, however according to U.L., “is dead or has never existed and is an invention of Hobbes.”

Allsafe’s shareholder value orientation is a partnership and directed towards a sound mixture of heart and sense, of cooperation and competition. Equally here U.L. sees the correspondence between entrepreneurial activity and biological development. He explains that the tolerance window of survival is in between resilience and efficiency. Maximum sustainability in that sense does not correspond to profit maximization alone but accepts variety and networking, which in the long run will contribute to an optimal corporate development.

This balanced perspective shines through Allsafe’s balance sheet development:

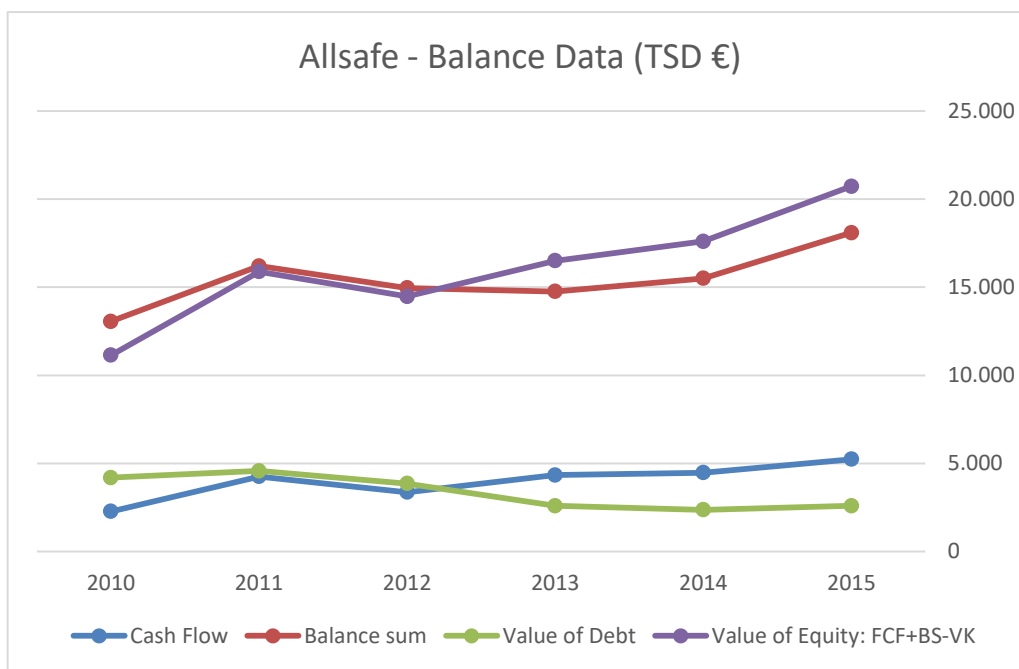


Figure 42: Allsafe GmbH & Co. KG - Balance data development 2010 to 2015 (own draft based on data published on Bundesanzeiger.de, 2017: online)

Cash flows to shareholders have been growing moderately over 5 years. However, balance sum and the value of equity according to the YIGC-SV model have been augmenting strongly, since the company has invested in sustainable growth. This growth is mainly equity based - the value of debt has reduced.

Allsafe (TSD €)		2015	2014	2013	2012	2011	2010
Balance Data							
FCF	Cashflow	5.232	4.469	4.339	3.366	4.254	2.270
BS	Balance sum	18.089	15.501	14.757	14.959	16.200	13.057
VFK	Value of Debt	2.594	2.365	2.595	3.852	4.574	4.190
VEK	Value of Equity: FCF+BS-VFK	20.727	17.605	16.501	14.473	15.880	11.137
Growth Data							
(FCF2-FCF1)/FCF1	FCF Growth	17,1%	3,0%	28,9%	-20,9%	87,4%	
(BS2-BS1)/BS1	BS growth	16,7%	5,0%	-1,4%	-7,7%	24,1%	
(VKF2-VKF1)/VKF1	VFK growth	9,7%	-8,9%	-32,6%	-15,8%	9,2%	
(VEK2-VEK1)/VEK1	VEK growth	17,7%	6,7%	14,0%	-8,9%	42,6%	
Key Ratios							
FCF/BS	Cashflow/ Balance sum	29%	29%	29%	23%	26%	17%
FCF/VEK	Cashflow/ Equity	25%	25%	26%	23%	27%	20%
VFK/VEK	Debt/Equity Ratio	13%	13%	16%	27%	29%	38%

Table 18: Shareholder value development of Allsafe GmbH & Co. KG (source: Bundesanzeiger.de, 2017, own illustration)

6.5.6 Limitations and success factors of VBM according to Allsafe

The key ratios visualize that CEO U.L. does not intend to maximize growth. Over the recent three years he has significantly reduced debt/equity quota from 38% to 13%. Cash flow / balance sum ratio has consolidated in result. Equally the cash flow to equity ratio has stabilized.

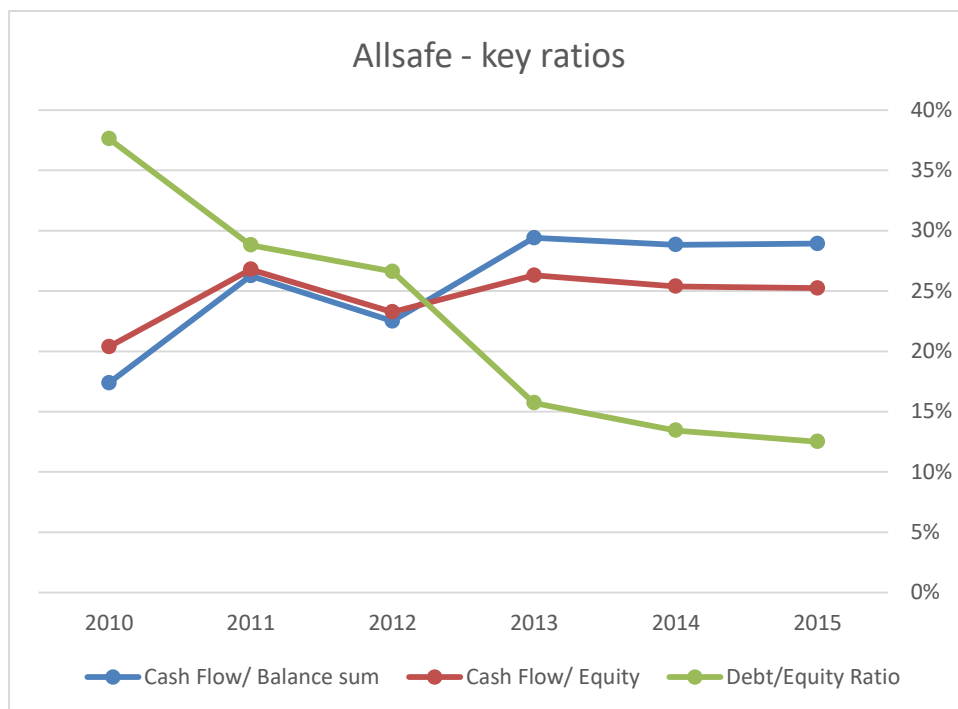


Figure 43: Allsafe – Key ratio development 2010 to 2015 (own draft based on data published on Bundesanzeiger.de, 2017, online)

This development agrees with U.L.'s attitude concerning sustainable growth and its limitations.

U.L. explains that strong growth usually entails the growth of power structures. The Allsafe philosophy rejects this development and Allsafe intends to stick to the self-organizing principle in order to remain transparent and stakeholder oriented.

Personal power structures entail principle-agent conflicts: Leaders tend to gather and conceal information to generate own benefits and create an own realm

within the enterprise. Such developments would impair transparent governance mechanisms, result in unfair reward systems and alienate the company from customer-orientation. Allsafe has voted for stability instead of further growth in recent years to avoid a dilution of the original growth concept.

6.6 VBM IMPLEMENTATION AND OPPORTUNITIES OF NAGARRO/ALLGEIER

6.6.1 Value based human resource management

The IT company Nagarro Germany GmbH and its holding Allgeier SE see employees as their major resource and thus dispose of a value oriented human resource culture.

B.K. explains that employees at Nagarro do not belong to a particular department for ever but can switch department on demand. Bureaucratic efforts to change jobs on requirement are low. The company benefits from high resource flexibility and employees enjoy a flexible work environment in a densely networked team.

Hierarchies at Nagarro are flat. Basically, there are three levels e.g. employees, the intermediate management and chief executives. This structure motivates employees to take own responsibility, decision paths are kept brief and transparent.

Nagarro offers its employees a broad range of online training and education options. At the Nagarro university employees can get informed on fundamentals and recent developments of software standards. Employees are free to utilize this tool during their work time.

Work time at Nagarro is highly flexible. Overtime work is recompensed in cash or leisure, according to employees' preferences and within the legal standards. Employees are encouraged to meet legal requirements concerning overtime work and thus avoid excessive stress and health risks. Employees who want to work more or less in general can up- or downgrade their work time with minimal administration efforts. Home office is generally possible for developer and project managers who do not necessarily have to work at the corporate office.

To enhance communication and private interchange among all participants

of Nagarro, there is a corporate online forum for private chat and interchange. Everybody reports on his/her private activities e.g. jogging, animal breeding or bowling there and employees are encouraged to plan joint activities. The idea is to get people interconnected in their spare time and thus enhance job-related communication processes.

Abroad employees enjoy additional corporate services, e.g. in India Nagarro members are usually collected by taxi from home, use relocation and housing. This strategy increases employee flexibility and readiness to support Nagarro's international ventures.

6.6.2 Value-based supply chain management

According to B.K., Nagarro does not dispose of a supply-chain in the verbal sense. Nagarro developers and architects of course operate on general software platforms e.g. SAP and Microsoft, which are provided by these corporations. There are hardly direct communication activities however.

Suppliers are seen as partners. E.g. there are partners for the simulation of software developments which adapt technical interfaces. Further there are project related co-operations with the Indian daughter company of Allgeier and with the Romanian subsidiary. These partners however are met at an eye-level within the framework of operative or strategic teams.

B.K. observes increasing task sharing between organizational members in these countries and German employees. This strategy saves costs, since development and programming hours are cheaper in Romania and even cheaper in India. Still German experts are essential to coordinate and plan the activities.

Restructuring and task outsourcing to abroad partners does not mean disadvantages for or the dismissal of German employees but Nagarro solves such conflicts by restructuring and reorganizing departments, switching project responsibilities and tasks.

This management strategy teaches employees tolerance towards external partners and encourages a project and fact oriented work climate. Employee and management tasks and competences are assigned according to their qualification and engagement rather than according to their status or heritage. This mediates a

feeling of fairness and increases the acceptance of strategic decisions among all participants of the organization.

6.6.3 Value-based customer management

The activities of all partners in the Nagarro value-added chain are directed towards the customer.

In daily practice, Nagarro cooperates closely with its customers in workshops where customer define and communicate their requirement and Nagarro proposes software solutions to implement these objectives. This direct way of communicating keeps transaction costs low and avoids misunderstandings in the development process.

Product test rounds include customers and Nagarro experts and help Nagarro to improve their products in customer usage. Customer satisfaction is enhanced when they can mediate their experiences and additional desires to the developer directly at such occasions. Customer work-shops and product tests implement the principle of agile development, which comprises a continuous process of interchange and incremental improvement.

Nagarro offers user coaching and trainings to develop user skills concerning the software solution, establish customer trust and satisfaction. Since Nagarro sells these courses and services to customers they are an additional revenue source.

Nagarro's active customer relationship management comprises "user days" for instance. Diverse topics are presented here in the form of a congress and the event closes with a joint celebration. Nagarro invites external speakers or simply own employees or customers themselves to present on relevant issues at these occasions, e.g. on novel legal regulations, novel development methods or novel software application fields. User days intend to be interdisciplinary meeting points and open communication platforms. They support order acquisition, informal meetings and trust building with customers.

The best proof for the sustainability of Nagarro's customer related strategy is that most customers stay loyal to the company for years, even decades.

6.6.4 Social and ecological value orientation

Nagarro implements corporate social responsibility by a strong engagement for its employees. Nagarro members enjoy high payment. There are high women quotas and uniting work and family is facilitated by part time work options. Nagarro is a training organization and offers internships for students. In this way, Nagarro acquires novel knowledge resources early and benefits from the contributions of workers of diverse backgrounds.

Nagarro is engaged in ecological projects e.g. in its target country India. It cooperates with an NGO on project initiative "I am Gurgaon" and plans to plant 100 trees for a "better, greener and healthier world". Nagarro employees are invited to make their contribution to this project (IIFL, 2017, online). In India, Nagarro additionally supports car-pooling, car-free-days and bicycle sharing programs for their employees (Times of India, 2016, online). Nagarro thus contributes to a sound ecological development in one of its major target countries and contributes to a growing consciousness of environmental responsibility in this emerging nation.

6.6.5 Shareholder value orientation

Customer orientation, human resource orientation, sustainability and external partnerships contribute to Nagarro's strong shareholder value development.

Nagarro interchanges with its major shareholder Allgeier regularly to align business strategies and assess profitability. Nagarro's corporate success is an important part of the Allgeier annual balance. Accordingly, there is a strong correspondence of interests concerning the development of shareholder value between mother and daughter company.

By 2013, the mother corporation Allgeier has realized turnovers amounting to 478 million Euros. Turnovers, EBITDA and annual surplus of the Allgeier group have been growing strongly over the recent 5 years. Turnovers have increased by 11.1 %, EBIT by 19.3 % and annual surplus by 17.6% on average per year in this period. Equally the number of employees rises by almost 15 % per year (Allgeier, 2016: 2). In 2015, operative growth of the Allgeier Group was 34 %,

which originates in technology and enterprise services (key competences of the Nagarro GmbH) mainly (Allgeier, 2017/II: 23). Allgeier, a typical international growth company, has made high investments in the Nagarro Division which benefits from and joins the mother in this development:

Nagarro GmbH (TSD €)		2015	2014	2013	2012	2011	2010
Balance Data							
FCF	Cashflow	1.485	1.216	744	340	250	0
BS	Balance sum	4.389	4.894	2.753	1.709	1.064	1.079
VFK	Value of Debt	2.743	3.245	1.776	1.286	759	809
VEK	Value of Equity: FCF+BS-VFK	3.131	2.865	1.721	763	555	270
Growth Data							
(FCF2-FCF1)/FCF1	FCF Growth	22,1%	63,4%	118,8%	36,0%		
(BS2-BS1)/BS1	BS growth	-10,3%	77,8%	61,1%	60,6%	-1,4%	
(VKF2-VKF1)/VKF1	VFK growth	-15,5%	82,7%	38,1%	69,4%	-6,2%	
(VEK2-VEK1)/VEK1	VEK growth	9,3%	66,5%	125,6%	37,5%	105,5%	
Key Ratios							
FCF/BS	Cashflow/ Balance sum	34%	25%	27%	20%	23%	0%
FCF/VEK	Cashflow/ Equity	47%	42%	43%	45%	45%	0%
VFK/VEK	Debt/Equity Ratio	88%	113%	103%	169%	137%	300%

Table 19: Shareholder value development of Nagarro Germany GmbH (source: Bundesanzeiger.de, 2017, own illustration)

The Nagarro corporation has augmented its value from 40.5 to 43.7 million Euros in 2016, a value growth of 7.9 % (Allgeier, 2016: 90).

Nagarro's cash flows have been soaring exponentially to 1,485 million Euros from 2010 when they were virtually 0. Equally Nagarro's balance sum has grown fourfold. At the same time Allgeier has increased debt capital from 809 TSD to 2.7 million Euros to encourage growth. From 2014 onwards debt values have slowly been consolidating:

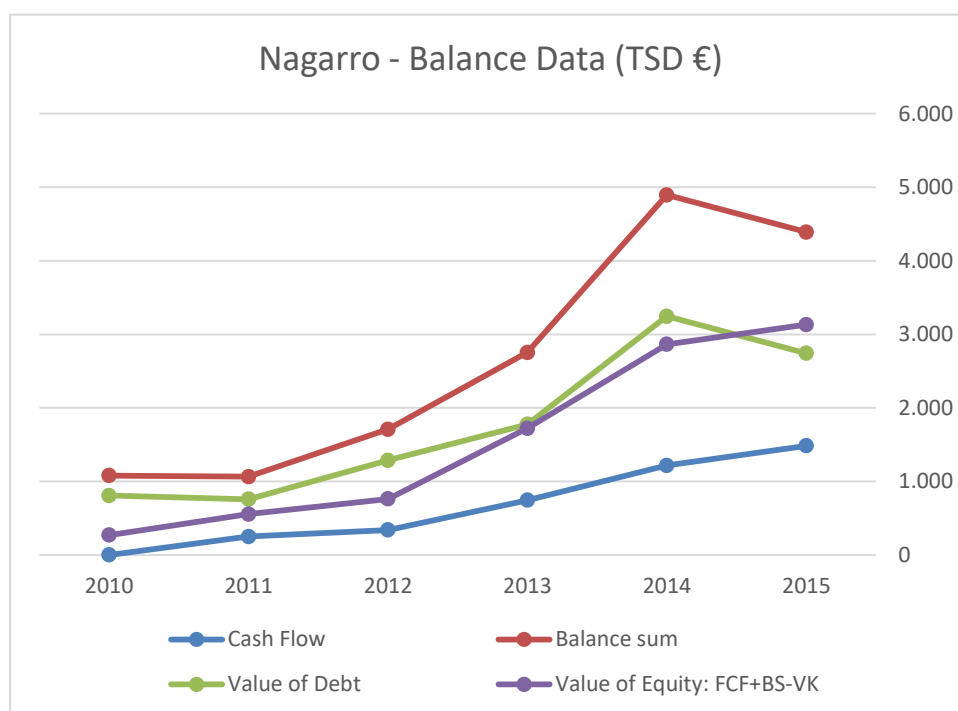


Figure 44: Nagarro Germany GmbH - Balance data development 2010 to 2015 (own draft based on data published on Bundesanzeiger.de: 2017, online)

Supported by Allgeier capital, Nagarro Conduct has financed further fundamental growth and acquired Mokriya, an international software developer and IT security expert (Mokriya) located in the Silicon Valley, which builds on an international network of IT experts. This acquisition allows Nagarro to deepen its expertise in innovative key technologies further (Allgeier, 2016: 5). The Allgeier-Nagarro partnership strengthens international competitiveness and development of both corporations by utilizing financial and subject-related synergy effects.

In spite of the growth of absolute debt values from 2010 to 2014 the quota “debt/equity” has been diminishing, since Allgeier has furnished its daughter with new growth capital. Cash flows from balance sum have increased from 0% to 34% and cash flows from equity have grown from 0% to 47%. Nagarro has realized an enormous productivity output at limited investments due to its knowledge base and employee engagement.

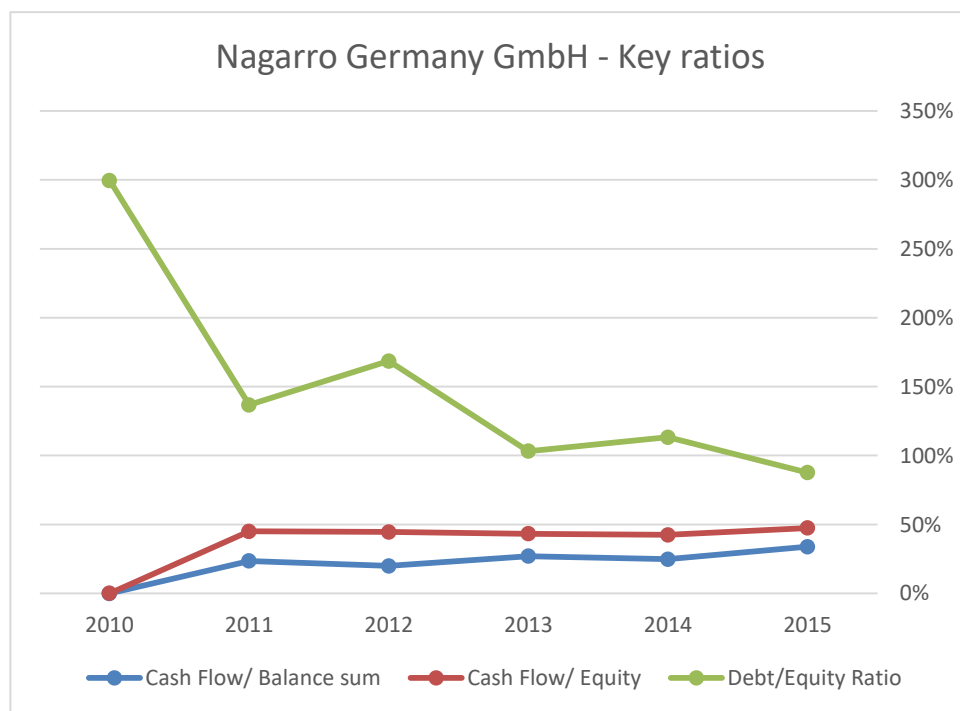


Figure 45: Nagarro Germany GmbH- Key ratio development 2010 to 2015 (own draft based data published on Bundesanzeiger.de, 2017, online)

6.6.6 Limitations and success factors of VBM according to Nagarro Germany GmbH

In this situation, further inner growth seems hardly possible. Justly B.K. explains “everything is alright with us”.

She finds that the Allgeier strategy has greatly improved the company, particularly concerning leadership. Allgeier ensures that managers are qualified and

do not reach the status for image or relationship reasons but for their superior aptitude. The number of managers is moderate (about five for 120 employees). Every manager takes care of "his/ her" employees. Although there are critics to the Allgeier policy, success justifies their strategies.

At the same time, individualism is accepted among employees. Everybody is integrated well and mutual respect is a lived across the departments.

B.K. is convinced that this mix - qualified employees and a capable management, combined with concrete product ideas which in fact are implemented, makes out YIGC success stories. Of course, she asserts, an equity investor is essential.

6.7 VBM IMPLEMENTATION AND OPPORTUNITIES OF BLU PROFESSIONALS GMBH/ BLU GRUPPE

6.7.1 Value based human resource management

Employees are the only resource of blu professionals and a key resource of blu Gruppe as a whole.

Employee recruiting is the key competence of blue. S.Z. recruits applicants only, who he himself finds likeable and who of course are experienced and qualified in their field of employment. The social and humanitarian fit between the employees and blu culture is essential.

An authentic blu culture which is lived by all employees saves S.Z. project acquisition efforts and a marketing and sales department. Employees who represent their company authentically, are committed and engaged on their job and are the best advertisement for future projects with the same customer.

Employees who are deeply rooted in blu culture become blu scouts and train novel employees on the job and concerning the joint value system. The positive radiance of blu scouts attracts novel blu members and customers.

To motivate their employees, blu adapts its work system to employees' needs. Mothers needing some more time until they return to the job after child birth for instance are kept engaged. blu members enjoy flexible work hours in so far as the job in the target company allows it.

6.7.2 Value-based customer management

Customers of blu professionals rapidly fall in love with the business, because blu organizes positive and balanced project partners. blu understands itself as a project partner not as a supplier and operates at an eye-level with the customer. blu employees are satisfied, secure concerning their job perspectives, identify with customers' ideals and projects and support customer projects as their own.

blu customers are assigned committed project partners and have got the opportunity to recruit them, if they prove on the project. The customer avoids the risk of recruiting employees before these have proven their qualifications and competences. From an employee perspective, an entry through blu diminishes the barrier to access large corporations. The perspective to enter the customer organization motivates employees to give their very best. Thus, a triple win-win-win situation results.

While other consulting agencies put their employees and customers under pressure concerning new projects, blu envisages the partner's project success, because blu is convinced that the customer will return when he trusts blu.

Customers are integrated into blu culture e.g. by a newsletter which regularly informs them on blu charity activities and blu competences.

6.7.3 Value-based supply chain management

The majority of so-called blu suppliers are freelancers. These are treated in the same way as own employees or apprentices. There is no difference in status between the blu members. All blu suppliers finally are cooperation partners which equally share the blu culture.

blu professionals intensely cooperates with the GmbHs of blu Gruppe which all share the same value system, which facilitates project cooperation, the exchange of employees or the participation in larger projects.

6.7.4 Social and ecological value orientation

The blu corporation is ecologically sustainable and certified according to DIN 140001ff. It is a listed bicycle friendly employer and joins the Bavarian family pact.

The blu Gruppe and blu Professionals are engaged in multiple charity projects e.g. Kindness for Kids e.V., Ghetto Kids e.V. and Münchner Tafel E.V. (blu Gruppe, 2017, online) blu disposes of an own internal charity program called blu compliments. Every employee can suggest social projects, blu Gruppe could participate in. Employees who spend work time on charity projects are awarded credit points which they can later change into some sort of material recognition e.g. a wellness-weekend or support for language travel. Every employee can use some work time to participate in charity projects. This summer blu employees spend a weekend at the Bavarian lakes and support families of children with rare diseases for a short holiday. Instead of spending money on Christmas presents for employees S.Z. has donated the equipment for a lounge room at a Munich refugee camp.

Every former blu member who starts a new job at another corporation takes a piece of blu culture with him/her and contributes to diffuse the blu value system to other businesses. This is the blu contribution to social business development outside the corporation.

6.7.5 Shareholder value orientation

blu Gruppe disposes of only three shareholders and S.Z. is the majority owner. All blu shareholders accordingly have worked on and continue to develop blu culture. They are active in operative business themselves and live "blu".

Of course, blu business is shareholder oriented but blu prioritizes its motto that humane action and success can be combined. The short-term generation of shareholder value is not blu's core objective. The corporation is rather prepared for the future by generating knowhow. blu wants to be a small oasis for its employees and not pursue fixed turnover targets.

The analysis of the balance sheet shows how blu lives this ideal. Cash flows grow moderately and are low considering the high balance sum and high value of

debt capital. This situation is partly explained since blu professionals GmbH mainly rents employees to other companies and finances this engagement on a loan basis. Cash flow results as the difference of customer wage income and wage expenses.

blu professionals GmbH (TSD €)		2015	2014	2013	2012	2011	2010
Balance Data							
FCF	Cashflow	82	30	75	161	26	14
BS	Balance sum	1.803	1.684	793	632	382	298
VFK	Value of Debt	1.190	1.280	372	367	268	203
VEK	Value of Equity: FCF+BS-VFK	695	434	496	426	140	109
Growth Data							
(FCF2-FCF1)/FCF1	FCF Growth	173,3%	-60,0%	-53,4%	519,2%	85,7%	
(BS2-BS1)/BS1	BS growth	7,1%	112,4%	25,5%	65,4%	28,2%	
(VFK2-VKF1)/VKF1	VFK growth	-7,0%	244,1%	1,4%	36,9%	32,0%	
(VEK2-VEK1)/VEK1	VEK growth	60,1%	-12,5%	16,4%	204,3%	28,4%	
Key Ratios							
FCF/BS	Cashflow/ Balance sum	5%	2%	9%	25%	7%	5%
FCF/VEK	Cashflow/ Equity	12%	7%	15%	38%	19%	13%
VFK/VEK	Debt/Equity Ratio	171%	295%	75%	86%	191%	186%

Table 20: Shareholder value development of blu professionals GmbH (source: Bundesanzeiger.de, 2017, own illustration)

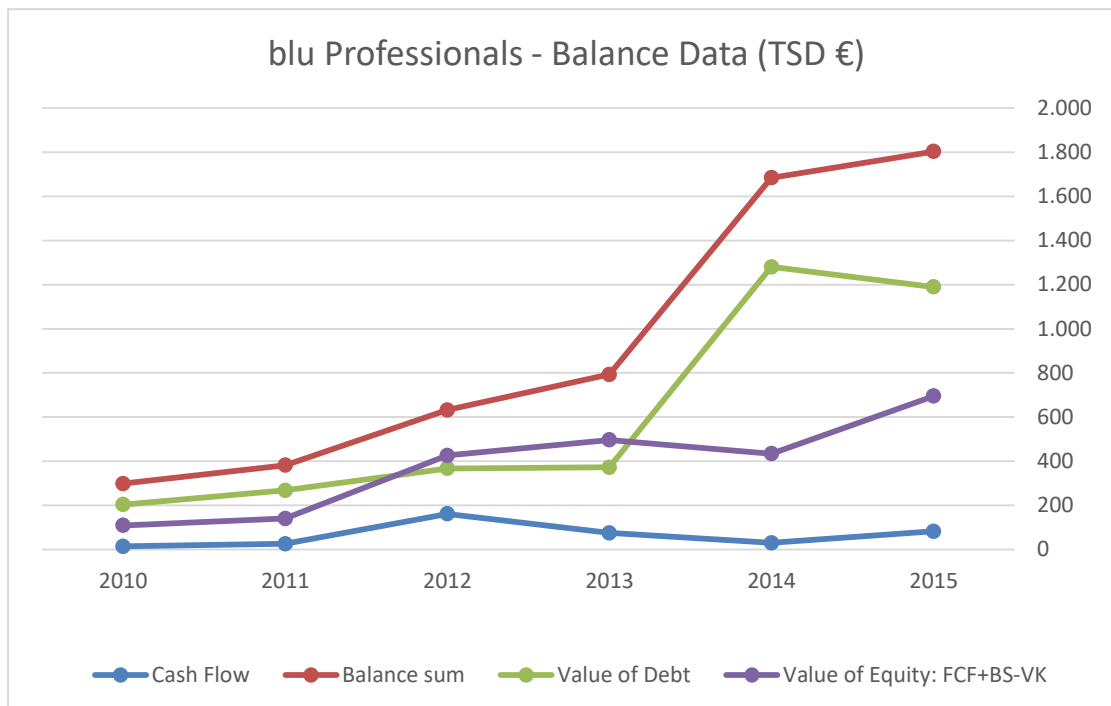


Figure 46: blu professionals GmbH - Balance data development 2010 to 2015 (own draft based on data published on Bundesanzeiger.de, 2017: online)

blu professionals GmbH shows the classical profile of a young innovative growth company in its early years: Huge amounts of debt and equity capital are employed to develop knowledge and resources which later will produce cash-flow.

6.7.6 Limitations and success factors of VBM according to blu professionals/blu Gruppe

S. Z. explains that blu professionals GmbH aims at further expansion by hiring employees abroad (Thailand) in the near future. He sees the challenge to transfer blu culture to East Asia, but trusts in the power of his sustainable philosophy, which he wants to develop further: blu professionals wants to get even more attractive for families and employees taking care of aged family members.

The mother corporation blu Gruppe is another future development opportunity:

The mother corporation blu Gruppe equally is engaged as a business angel

and supports founders who want to realize future oriented ideas but are not interested in doing the necessary bureaucracy. blu finances such founders and later participates in the benefits generated by the emerging businesses. To ensure that the founders live a sustainable culture blu stays the majority owner.

In the segment of big data for instance blu Gruppe has found a charismatic consultant, who was ready to share his knowledge but is not interested in founding an on private company. This founder is financed by blu, disposes of an own office and holds shares in his company. But he is not fully responsible for the operative business. The sustainable value of this business is not in its present shareholder value generation but rather in its future knowledge potential.

blu Gruppe generates shareholder value by the cooperation of diverse independent business units (GmbHs). While a single unit would not be able to acquire large contracts, the business compound manages to attract large customers like BMW. While projects are managed at the level of the smaller units, the customer negotiates a single contract only. Independent single companies would not be able to operate so flexibly.

If blu professionals GmbH manages to build subject knowledge and competence among its employees and will benefit from the blu AG investment in the near future cash flows could increase.

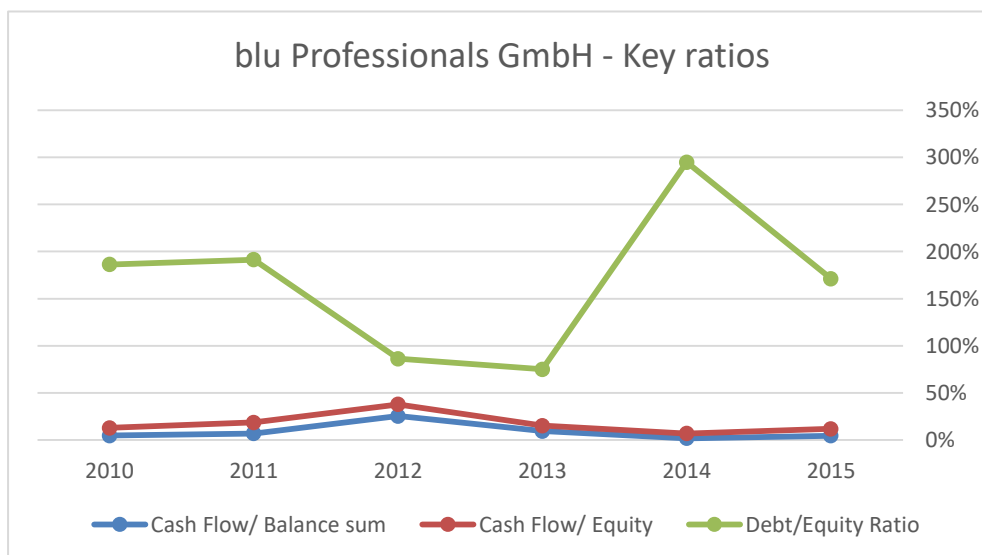


Figure 47: blu professionals GmbH- Key ratio development 2010 to 2015 (own draft based on data published on Bundesanzeiger.de, 2017, online)

7 A COMPREHENSIVE VALUE BASED MANGEMENT MODEL FOR YIGCS

7.1 OBJECTIVE AND RATIONALE

Chapter 7 brings the information gathered from the empirical exploration of five German YIGC together to develop a general model of value-based management for YIGC, which draws on the theoretical concepts of VBM developed in chapter 3. The model supports YIGC in the assessment, development and continuous improvement process of their value based orientation.

Building on previous empirical and theoretical literature on YIGC (in so far as available) and comparable companies (innovative SME, large growth corporations) chapter 3 has shown that value based management comprises more than shareholder value orientation. To prosper sustainably, businesses follow additional stakeholder-directed objectives, which in the end contribute to and are the essence of shareholder value growth. The categories value based human resource management, value-based supply chain management, value -based customer relationship management and value-based corporate sustainability orientation, have been identified from previous studies.

The analysis of the opportunities, limitations and success factors of a comprehensive value based attitude has resulted in a comprehensive model of VBM which in essence argues that the four factors value based human resource management, Value based supply chain management, value-based customer relationship management and value-based corporate sustainability orientation

- a) all contribute to shareholder value growth and
- b) are interlinked and inseparable from each other.

The cause and effect chains that drive and integrate the five value-based concepts have been shown up in detail in Figure 25 to Figure 29 and the insights have been stated in the form of theses on opportunities, limitations and success factors of value based management.

Since insights on VBM in YIGC are long and far between in previous research the general model of VBM resulting from the review is not specialized for YIGC. To close this research gap, the empirical part of the study has explored

value-based attitudes in YIGC drawing on the categories of the general model, to come to a more differentiated understanding on the implementations, opportunities, success factors and potential limitations of VBM in YIGC.

Chapter 7 integrates these results and accomplishes four tasks:

1. The empirical results are matched with the theoretical research insight to understand in what respects YIGC value based management concepts correspond or deviate from the conceptions identified in review chapter 4.
2. The empirical results on VBM in YIGC are integrated to come to a comprehensive understanding of YIGC growth patterns concerning shareholder value development.
3. The value based management patterns suggested on the review basis in Figure 19 are revised and adjusted to the empirical observations to come to a comprehensive YIGC VBM process model.
4. A value-based scorecard for YIGC is developed, which enables YIGC to assess, evaluate and continuously develop their value based orientation comprehensively.

7.2 VBM UNDERSTANDING OF YIGC

Figure 37 in section 6.2.6 has illustrated that all interviewed YIGC agree that shareholder performance is the result of a much more profound value orientation, which considers all stakeholders of the corporation.

All interviewees find customers at the center of any corporate effort. All entrepreneurial activities are directed towards the customers. Value-based human resource management, responsible supply-chain behavior and ecological and social responsibility which is lived by all stakeholders of the organizations contributes to this inner attitude of customer orientation, which makes a business fit for present and future growth.

Depending on the orientation of the companies there are some differences in the implementation of VBM by category. These issues shine through in the interviews and are summarized in comparative overviews in the following sections:

Value based human resource management in YIGC

COMPANIES	VALUE BASED HUMAN RESOURCE MANAGEMENT	
	Implementation	Success effects
Kirchner & Robrecht GmbH Management Consultants	<ul style="list-style-type: none"> • Employees = key asset • Flexible work time • Family orientation • Remote work • Mobile work • Balanced staff structure • Strengthening individualism • Equal respect • Employees as co-owners 	<ul style="list-style-type: none"> • Feeling of esteem • Employee loyalty • Long term employment relationships • Maximum employee commitment • High employee experience • Customer retention • Improved employee motivation
Ziener GmbH & Co. KG	<ul style="list-style-type: none"> • Flexible work hours • Equal respect between different cultures and qualifications • Sufficient spare time for joint sports activities 	<ul style="list-style-type: none"> • Feeling of belonging and togetherness • Strong brand conviction • Low stress level • Consciousness of common cause • High motivation
Allsafe GmbH & Co. KG	<ul style="list-style-type: none"> • Self-organizing project oriented system • Free informational interchange • Self-assignment and self-responsibility • Open and flexible work spaces • No position related success premia but general profit-sharing 	<ul style="list-style-type: none"> • Maximum motivation • Engagement across educational levels • Fairness • Transparency • High flexibility • Strong customer orientation of all staff members
Nagarro Germany GmbH	<ul style="list-style-type: none"> • Flexible project related structure • Low bureaucracy • Flexible work times and environments • Stress avoidance by legal work standards • Online forum for private employee interchange • Corporate services for abroad employees 	<ul style="list-style-type: none"> • Flexible reaction to business fluctuations • Motivated and relaxed employees • Highly communicative work climate • Close networking • Openness to abroad activity

blu professionals blu Gruppe	<ul style="list-style-type: none"> • Joint blu culture • Flexible engagement • Varying project • Security of a large corporation 	<ul style="list-style-type: none"> • Joint value system • Balanced and motivated employees • High customer orientation
---------------------------------	--	---

Table 21 summarizes implementations and success effects of value based human resource management in the interviewed YIGC:

COMPANIES	VALUE BASED HUMAN RESOURCE MANAGEMENT	
	Implementation	Success effects
Kirchner & Robrecht GmbH Management Consultants	<ul style="list-style-type: none"> • Employees = key asset • Flexible work time • Family orientation • Remote work • Mobile work • Balanced staff structure • Strengthening individualism • Equal respect • Employees as co-owners 	<ul style="list-style-type: none"> • Feeling of esteem • Employee loyalty • Long term employment relationships • Maximum employee commitment • High employee experience • Customer retention • Improved employee motivation
Ziener GmbH & Co. KG	<ul style="list-style-type: none"> • Flexible work hours • Equal respect between different cultures and qualifications • Sufficient spare time for joint sports activities 	<ul style="list-style-type: none"> • Feeling of belonging and togetherness • Strong brand conviction • Low stress level • Consciousness of common cause • High motivation
Allsafe GmbH & Co. KG	<ul style="list-style-type: none"> • Self-organizing project oriented system • Free informational interchange • Self-assignment and self-responsibility • Open and flexible work spaces • No position related success premia but general profit-sharing 	<ul style="list-style-type: none"> • Maximum motivation • Engagement across educational levels • Fairness • Transparency • High flexibility • Strong customer orientation of all staff members

<p>Nagarro Germany GmbH</p>	<ul style="list-style-type: none"> • Flexible project related structure • Low bureaucracy • Flexible work times and environments • Stress avoidance by legal work standards • Online forum for private employee interchange • Corporate services for abroad employees 	<ul style="list-style-type: none"> • Flexible reaction to business fluctuations • Motivated and relaxed employees • Highly communicative work climate • Close networking • Openness to abroad activity
<p>blu professionals blu Gruppe</p>	<ul style="list-style-type: none"> • Joint blu culture • Flexible engagement • Varying project • Security of a large corporation 	<ul style="list-style-type: none"> • Joint value system • Balanced and motivated employees • High customer orientation

Table 21: Implementations and success effects of value based human resource management in the interviewed YIGC

The overview illustrates that all interviewed YIGC base their human resource management policy on value based attitudes. Employees are seen as key assets which are all treated with equal respect. There is a strong individualistic culture which none the less is based on a distinct common value system, which is live at all levels of the corporation.

All employees no matter their hierarchical status, enjoy social amenities, e.g. flexible work hours, sufficient spare-time, mobile work devices and open work environments. There are social institutions which reconnect private and work life, e.g. joint sustainability projects (blu professionals), joint spare time activities and private interchange (Nagarro, Ziener). Incentives are group oriented and based on team rather than on individual performance (Allsafe). Employees are seen as co-entrepreneurs rather than as staff (Kirchner, Allsafe, Blu).

These human-resource management approaches cherished by all interview participants coincide with the success factors for value based human resource orientation which have been elaborated in section 4.3 based on previous studies in YIGC-related businesses. Accordingly,

- a value based human resource culture combine intellectual, innovation and relationship capital (Holcomb et al., 2009: 473; Chen et al.,

2005: 159; Caldwell et al., 2010: 171),

- places employee oriented incentives (Kato et al., 2010: 16-17; Balachandran, 2006: 383), and
- combines material and immaterial motivation strategies (Dirmhirn & Obermaier, 2014: 38; Dirmhirn, 2012: 75-85).

All interviewed YIGC accordingly cherish a strongly human resource value-oriented culture according to previous insights.

The success effects of this attitude are multiple and have been documented in previous related literature:

- Employees develop a mutual feeling of esteem and interdisciplinary an international work teams function well on this basis (Nagarro, blu, Ziener) (Habbershon & Williams, 2009: 10; Weichsler, 2009: 12).
- Conflicts between shareholders and employees or management are reduced by an open culture of communication, lived fairness and transparency (Allsafe, Ziener, Kirchner & Robrecht, blu) (Wallace, 1997: 285; Kleiman, 1999: 80; Kato et al. 2010: 29).
- Employees feel as co-owners and are motivated to contribute to entrepreneurial success in a joint team (all businesses) (Meditinos et al.;2011: 132; Chen et al., 2005: 159).

The value based human resource attitude of YIGC takes a positive effect on shareholder value growth, customer-orientation (all businesses) and supply chain orientation (particularly Allsafe, Nagarro) and corporate social responsibility (particularly blu).

The interviewed YIGC do not observe the limitations to this attitude, which are described in previous literature:

- The external environment of the YIGC encourages value-based orientation, since competitors in innovative growth segments operate on comparable standards ((Holcomb et al., 2009: 472-473).
- Shareholder value orientation among employees does not impair team cooperation, as assumed by Ryan and Trahan (2007: 121-125), Kato et al. (2010: 30) and Ernstberger et al. (2010: 226), since incentives are team oriented.

The positive cause and effect chain of value based human resource orientation described in previous literature (Figure 26) is confirmed by the case study results. Potential limitations of VBM are irrelevant for the interviewed YIGC, since incentives are team oriented and there is a joint culture of entrepreneurship.

7.2.1 Value based customer relationship management in YIGC

Value based human resource management contributes to customer orientation. In accordance with previous literature in CRM (Meyer & Schwager, 2007: 3; Campbell et al., 2005: 380), all interviewed businesses find customer orientation inseparable from effective human resource management, since employees are at the intersection of business and customer and implement a customer-oriented attitude into practice. Depending on the economic sector, customer orientation is implemented in different forms.

- The production companies Ziener and Allsafe develop products meeting customer demands. Ziener takes recourse to professional experts to reach this target. Allsafe develops individualized solutions on customer demand.
- The service companies Kirchner & Robrecht, Nagarro and blu implement customer orientation in all their processes. Experiencing customer satisfaction in service provision is one of their major objectives.

This attitude corresponds to the requirements to a value-based customer related attitude discussed in previous literature (Meyer & Schwager, 2007: 3; Campbell et al., 2005: 380, Mithas et al, 2005: 3-6).

COMPANIES	VALUE BASED CUSTOMER MANAGEMENT	
	Implementation	Success effects
Kirchner & Robrecht GmbH Management Consultants	<ul style="list-style-type: none"> • Cherish customer participation • Preserve customer independence • Show customer esteem 	<ul style="list-style-type: none"> • Fit of customer and consultation • Customer trust • Customer retention • Success of well-accepted solutions
Ziener GmbH & Co. KG	<ul style="list-style-type: none"> • Close cooperation with large chains in marketing • Integration of sports professionals 	<ul style="list-style-type: none"> • Preferred presentation • Enhancement of corporate image • Benefit from professional experience
Allsafe GmbH & Co. KG	<ul style="list-style-type: none"> • Customer is top resource • Mutual acceptance • 24 hours from planning to delivery • No price discounts 	<ul style="list-style-type: none"> • High customer reputation • Customer trust • Higher benefits • No storage, made on demand
Nagarro Germany GmbH	<ul style="list-style-type: none"> • Joint development in customer workshops, • customer tests • Customer trainings • Users' days: congress 	<ul style="list-style-type: none"> • Intense customer embedding in development and improvement process • Development of customer trust • Customer retention by joint activity • Long-term customer relationships
blu professionals blu Gruppe	<ul style="list-style-type: none"> • Strong project orientation • Identification with customers' targets 	<ul style="list-style-type: none"> • Customer trust • Customer retention • Win-win-win situation

Table 22: Implementations and success effects of value based customer management in the interviewed YIGC

The observed positive effects of value-oriented customer management, which the businesses observe, correspond to the potentials discussed in previous literature to a large extent: The design of product and services according to customer needs contributes to customer satisfaction. Customers gain trust in the business partner (Allsafe, Kirchner, Nagaro, blu) and are convinced of product performance (Ziener). Trusting and loyal customers recommend company and

product, which results in improved corporate image, turnover growth and finally a positive shareholder value development (Küster and Thomsen, 2012: 9; Marsden et al., 2005: 4; BCG, 2012: 3-4; van Enkevort & Ansari-Dunkes, 2013: 81).

While the participating German YIGC clearly support these advantages of customer value orientation, the potential difficulties of a value-based attitude towards customers are not confirmed: Other than Berger et al. (2006: 164-165) and Campbell (2003: 382) who explain that some companies dispose of no clear indicator that customer value orientation and value in fact increase shareholder value, the interviewees agree that customer value-based management is the key to business success. For the participating YIGC the value circle sketched in Figure 28 is closed and customer orientation pays out without negative side effects.

7.2.2 Value based supply chain management in YIGC

The interviewed YIGC equally practice customer orientation in the supply chain. All interviewees explain that suppliers are seen as partners. Allsafe for instance points out that employees and suppliers coordinate themselves directly without extensive bureaucratic routines. This philosophy enhances trust and speed in supply processes. Conflicts with supply chain partners are solved in a constructive way and there is mutual respect even across cultural boundaries (Nagarro, Ziener). Supply-chain partners operate at modern standards (Ziener) and under the same conditions (blu professionals) as in-house employees.

The preconditions to value-based supply chain management accordingly are fulfilled in the interviewed YIGC: A close partnership in the supply chain contributes to trustful long-lasting relationships (Fin & Kraus, 2007: 674; Goxe, 2010: 79-80).. The avoidance of hierarchies and bureaucracy as well as cultural empathy enhances trust and supports the realization of synergy effects (Pangarkar (2007: 475; Bördin & Längner, 2012, 31-33). Since a partnering development process is emphasized, mutual learning and development becomes possible (Sedoglavich, 2012: 453-454).

The following overview summarizes the implementations and potentials of supply chain value orientation in YIGC:

COMPANIES	VALUE BASED SUPPLY CHAIN MANAGEMENT	
	Implementation	Success effects
Kirchner & Robrecht GmbH Management Consultants	<ul style="list-style-type: none"> • Project-specific cooperation with freelancers on demand • Fair and effort-based compensation 	<ul style="list-style-type: none"> • Trust and repeated cooperation • Customer satisfaction • Corporate image and competence • Mutual knowledge gains
Ziener GmbH & Co. KG	<ul style="list-style-type: none"> • Close coordination • Personal relationships • Clear quality requirements • Regular controls 	<ul style="list-style-type: none"> • Bridge cultural conflicts • Realize long-term supply chain relations • Ensure Western quality standards
Allsafe GmbH & Co. KG	<ul style="list-style-type: none"> • Only local suppliers • Direct supply chain • On-time demand-related order process • management by responsible employee • Self-governance of supply chain relationships 	<ul style="list-style-type: none"> • Direct feedback on supplier quality • Transparent coordination and cooperation • Rapid order flows • High quality standards • Mutual personal trust and reliance
Nagarro Germany GmbH	<ul style="list-style-type: none"> • No supply chain but internal and external partners • Project related co-operations • International co-operations and continuous reorganization 	<ul style="list-style-type: none"> • Direct communication • Eye-level relationship • Intercultural acceptance and tolerance • Shared responsibilities to jointly maximize shareholder value
blu professionals blu Gruppe	<ul style="list-style-type: none"> • All project partners at an eye-level • Joint blu culture 	<ul style="list-style-type: none"> • Motivated supply-chain relationships

Table 23: Implementations and success effects of value based supply-chain management in the interviewed YIGC

7.2.3 Corporate social and ecological responsibility in YIGC

The shareholder value effect of corporate social responsibility is frequently doubted in previous studies. CSR projects are considered costly (Riess & Peters, 2005: 15), little effective in the short-run (Barnea and Rubin, 2005: 3; Chattananon

and Lawley, 2007: 237) and critics fear that they do not meet the expectations of all customer groups (Schommer et al., 2007: 6; Webb & Mohr, 1998: 239).

The interviewed YIGC however prove the contrary:

COMPANIES	CORPORATE SOCIAL AND ECOLOGICAL RESPONSIBILITY	
	Implementation	Success effects
Kirchner & Robrecht GmbH Management Consultants	<ul style="list-style-type: none"> • Systemic consulting approach • Looking beyond pure financial objectives • Creation and development of employment 	<ul style="list-style-type: none"> • Customer trust • Employment creation • Social benefit • Sustainable business development
Ziener GmbH & Co. KG	<ul style="list-style-type: none"> • Recycled plastics usage for new functional design 	<ul style="list-style-type: none"> • Avoid seawater pollution • Reuse old plastic fabrics • Avoid new resource consumption
Allsafe GmbH & Co. KG	<ul style="list-style-type: none"> • Eco-certification • Self-improving efficiency system • 0% failure culture: rubbish corner • Product repair service • Social responsibility towards employees • Outside communication of corporate ideals 	<ul style="list-style-type: none"> • Enhanced product quality • Enhanced customer trust • Customer retention • Employee self-responsibility • Employee engagement • Produce social change • Develop Germany's entrepreneurial culture • Employment growth and stability
Nagarro Germany GmbH	<ul style="list-style-type: none"> • Flexible work times • Family friendly enterprise • Gender equality • Ecological projects in India 	<ul style="list-style-type: none"> • Increased reputation • Increased employee motivation • Sustainable global development
blu professionals blu Gruppe	<ul style="list-style-type: none"> • Ecological certifications and partnerships • Charity projects of employees • Credit points for employee engagement • Cooperation and donation for charity organizations 	<ul style="list-style-type: none"> • Enhanced employee motivation • Social business orientation • Improved corporate image

Table 24: Implementations and success effects corporate social and ecological responsibility in the interviewed YIGC

Ecological sustainability is particularly effective in the production companies. Ziener intends to improve its brand image and market share by employing and marketing recycled materials for sports products. Allsafe convinces its customers by a product repair service which avoids premature waste. In accordance with previous observations these ecological projects have strengthened the innovative spirit of these companies (Riess et al., 2008: 28-29; Hammerschmidt & Dyllick, 2001: 49-51).

All participating businesses are socially responsible and experience the benefit of this strategy which are equally sketched in previous literature: blu and Nargarro have gained the esteem of their customers (Schrader et al., 2005: 383; Ebert & Schwaiger, 2006: 434-435; Luo & Bahattacharya, 2006: 10) by high social standards, family friendliness, gender equality and social engagement beyond corporate boundaries. Employees are motivated by corporate social engagement and feel a common cause for their engagement (Polonsky & Wood, 2009: 8; Luo & Bhattacharya, 2006: 3; Nilsson and Rahmani, 2007: 40; (Maignan & Ferrell 1999: 464; Birth et al., 2008: 190).

In brief, the interviewed YIGC have set off the positive spiral which was developed in Figure 30.

7.2.4 Shareholder value orientation in YIGC

The above discussion has shown that for the participating sample of YIGC all value based concepts – value based customer management, value based human resource management, value based supply chain management and corporate social responsibility – contribute to shareholder value growth. For the businesses, however, shareholder value growth is not the only and final objective of these value based approaches, but the integration of stakeholders in a joint growth and innovation process is the superior target. The following chart summarizes to what extent and by what measures the interviewed YIGC have implemented shareholder value orientation in their business culture:

COMPANIES	SHAREHOLDER VALUE ORIENTATION	
	Implementation	Success effects
Kirchner & Robrecht GmbH Management Consultants	<ul style="list-style-type: none"> • Employee success premia • Project and acquisition premia • Turnover rather than profit orientation 	<ul style="list-style-type: none"> • Cash flow stability • Preserve project and customer orientation • Equity value growth due to high target fit
Ziener GmbH & Co. KG	<ul style="list-style-type: none"> • Employee success participation • Entrepreneurial engagement of new executive management • Private equity partnership with 	<ul style="list-style-type: none"> • External equity growth but so far shrinking cash flows • Coordination difficulty between owner and external shareholders • Necessity of alignment between design concept, marketing, sustainability and capital growth
Allsafe GmbH & Co. KG	<ul style="list-style-type: none"> • Sustainable survival and growth • All stakeholders are shareholders • Mixture of cooperation and competition 	<ul style="list-style-type: none"> • Fitness for future development • Value generation for all members of organization • Consolidation of leverage ratio • Limitation of further SV growth to maintain ideals of fairness and transparency
Nagarro Germany GmbH	<ul style="list-style-type: none"> • Cooperation with large mother Allgeier SE • Strong turnover and EBIT growth in both corporations 	<ul style="list-style-type: none"> • Multiplied growth potential by equity investor Allgeier • Utilization of synergy effects • High leverage • Enormous cash flows and return on equity
blu professionals blu Gruppe	<ul style="list-style-type: none"> • Few shareholders • Business angel activity • blu Gruppe: diversification of GmbHs 	<ul style="list-style-type: none"> • Knowhow development instead of short term cashflow generation • High debt levels to boost growth • Sustainable growth for future generations • Synergy effect by cooperation in blu Gruppe

Table 25: Implementations and success effects of shareholder value orientation in the interviewed YIGC (own draft)

The extent to which the businesses have developed shareholder value in its original financial sense differ depending on the orientation and growth status of the company.

Comparing the total growth values in the period of 2010 to 2015 the following chart results:

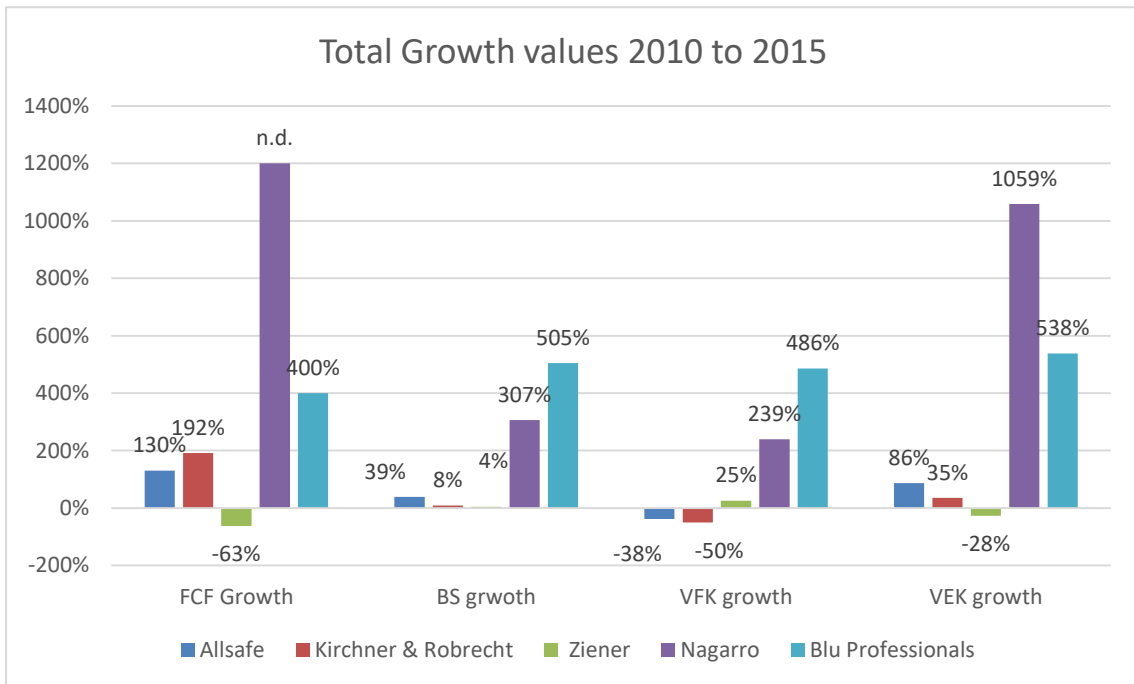


Figure 48: Growth rates of YIGC compared (own calculation drawing on the values in published on Bundesanzeiger.de, 2017: online)

Nagarro Germany GmbH and blu professionals indeed have been growing exponentially concerning cashflows and balance sum. At blu professionals, this growth is mainly loan based, while Nagarro relies on the equity of a large mother corporation and high intrinsic knowledge based growth. blu professionals is still about to develop these resources.

As compared to Nagarro’s outperforming development from virtually zero to an annual surplus of 1,485 million Euros in 2015, the other businesses appear mediocre at first sight, the chart however does not mediate to what extent growth is sustainable and intrinsic. The businesses are not directly comparable on a fi-

nancial basis only since their growth resources differ:

Kirchner and Robrecht shows a significant surplus growth of 192% in the observation period. Debt ratios have been reduced to increase equity quotas and accordingly the balance sum has remained almost stable. Allsafe undergoes a similar development. U.L. has realized a 130 % surplus growth in the recent five years period but has used the capital to consolidate debts and invest sustainably. Balance sum growth is moderate (39%), while debt capital has been diminished by 38%. Equally this consolidating growth strategy can be sustainable.

Finally, Ziener has not proved an actual growth company judging from the total period 2010 to 2016. Surpluses have diminished by 63% and equally the value of equity has consolidated while debt capital was raised. However, the business policy change has taken place only recently (in 2013) with the acquisition of novel equity form Hannover Finanzgruppe. Ziener accordingly is a growth company in its early beginnings after the business policy has been restarted few years ago.

The interviewed companies show different growth patterns and are in different growth phases accordingly. A comparison of their key ratios for 2016 illustrates this observation:

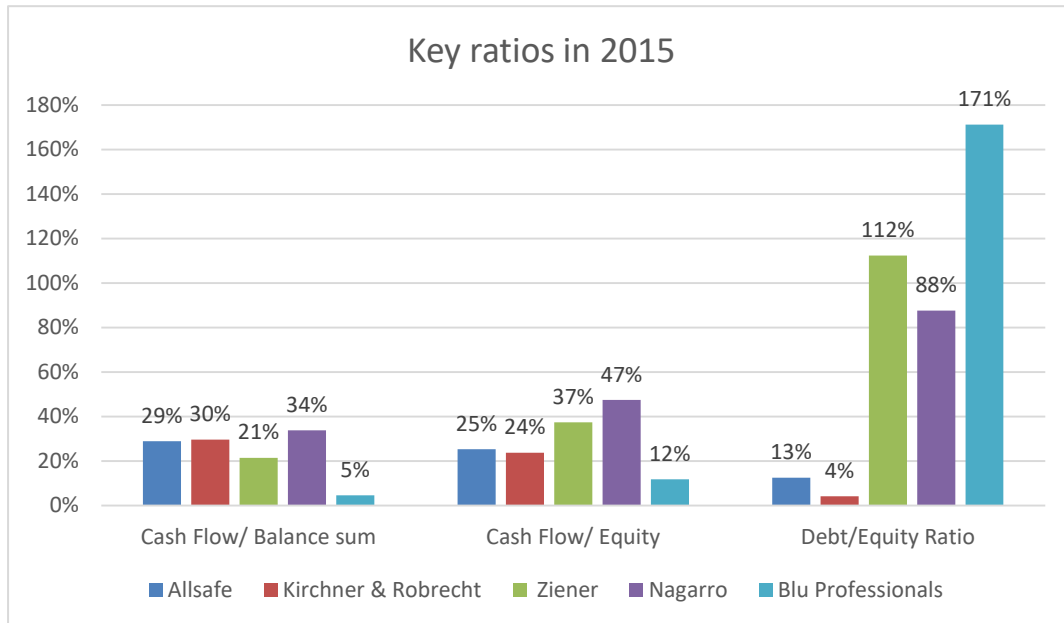


Figure 49: Overview on YIGC-SV key ratios by company in 2016 (own calculations based on data published on bundesanzeiger.de, 2017: online)

Cash flow/balance sum ratios are between 5% (blu) and 34% (Nagarro). Almost the same distribution of results is observed for cash flow/equity ratios (12 to 47%). Accordingly, Nagarro disposes of the highest profitability per total capital and per equity capital and is most progressed on its growth path. blu professionals on the other hand stand at the beginning and has financed emerging growth on a loan basis mainly. blu is in demand to develop fundamental resources e.g. knowledge or material assets that fill available capital resources with contents.

Ziener faces the same challenge. Although Ziener's debt/equity ratio is lower than Blu's and Nagarro's, its cash flows are comparatively low. Ziener has to develop its product design and marketing strategies to comply with the newly available capital.

Allsafe and Kirchner have arrived at a later stage of their growth cycle based on solid cash flows they have started to reduce debt exposure and accumulate equity now, which is utilized for further inner growth in the future and re-

wards shareholders for their engagement. Although the companies continue to grow moderately. They dispose of exceptional surpluses form equity and from balance sum as compared to conventional businesses. Their leaders have recognized the limitations of growth. These are reached when an innovative and young culture can no more be maintained if growth would continue.

7.3 A SHAREHOLDER VALUE GROWTH MODEL FOR YIGC

Based on the key ratios developed in section 5.3.5.2 (balance sheet analysis) and the empirical test of the key figures and growth lines a general growth model for (German) YIGC can be derived.

YIGC growth essentially comprises three phases.

- In the period of emerging growth equity capital is low. The company first acquires debt and to reach further growth in equity capital. The balance sum increases while cash flows are still low (or even negative).
- At the stage of accelerating growth, debt and equity based investment pays out and cash flows increase, which supports equity growth. Debt capital can now be paid back step by step.
- At the stage of consolidating growth, the company understands that further growth would betray its ideal of youth and innovation and reduces its expansion speed. Debt capital is paid back and further investments are made on an equity basis mainly. Cash flows consolidate or even stagnate, since leveraged investments are avoided.

The following prototypical timeline model illustrates the three observed growth stages of YIGC and located the 5 YIGC in the sample on the timeline:

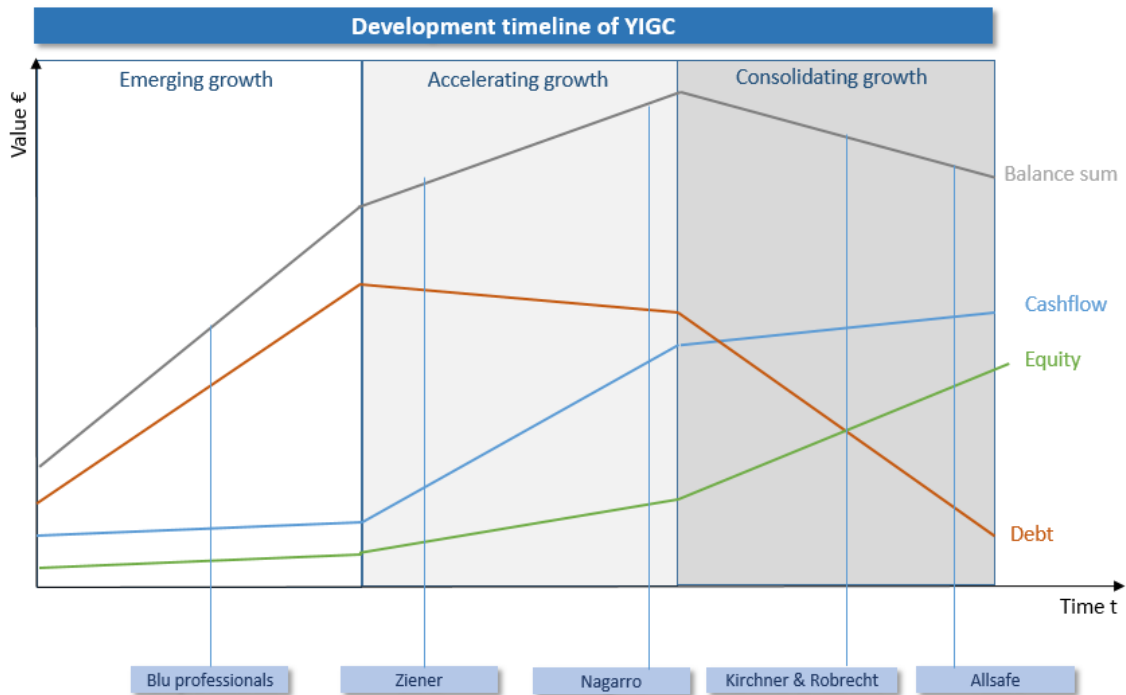


Figure 50: Prototypical development time line of YIGC (own draft)

Would leveraged investment be maintained the business would lose some of its youth and innovativeness, develop hierarchical structures and bureaucratic routines and turn into a classical large growth corporation. This insight brings the discussion back to Figure 7, which has shown that sustainable stakeholder orientation can only be maintained when a democratic communicative and R&D oriented culture is cherished. An owner centred autocratic culture which was equally sketched in this initial draft, has not been observed for this sample of German growth companies.

7.4 VALUE BASED PROCESS MODEL FOR YIGC

The timeline model of YIGC growth mirrors financial growth and development only, but does not consider the underlying factors which are responsible for the growth development in young innovative companies. To evaluate the interaction between the five dimensions of value based management, which have been

identified in the review, for the sample of German YIGC, again the comprehensive VBM model, developed in chapter 4 (Figure 19) is used. It is adjusted for the application in YIGC applying the insights gained from the interviews and the balance analysis.

The interviews reveal that each of the YIGC follows a different development path to develop shareholder value from a value based orientation. The companies stress different VBM fields in their development:

Kirchner and Robrecht see employees as their core resource. A value based human resource strategy is the starting-point of value creation at Kirchner & Robrecht. Each team player practices a high level of customer orientation. This strategy retains customers, encourages them to return and recommend the business. Supply chain and social responsibility flank this core process which unrolls from employees through customers and unfolds in shareholder value (compare section 6.3).

Ziener's value based strategy departs from the product as a starting point. The customer orientation of products has made Ziener successful as a gloves manufacturer and Ziener continues this ideal by close cooperation with sport experts - the key customers - over the whole value creation cycle. Value based supply chain and employee management are the conclusive implementations of this strategy. All value creation partners - inhouse employees or external businesses contribute to the convincing implementation of customer needs and desires in the product. Social and ecological responsibility have been added as targets recently to boost product value as perceived by the customer (compare section 6.4).

Equally the Allsafe philosophy starts from the customer. The customer takes to top positioning in the Allsafe corporate philosophy, while owner-orientation stands at the bottom of the value creation pyramid. The key driver of value creation at Allsafe is employee engagement and self-responsibility for the customer.

Supply chain fairness is a by-product of customer value orientation. And corporate social responsibility is seen as the essence of the shareholder value creation: Allsafe wants to be an integral part of a comprehensive organic system in the

tension field between self-organization and competitiveness (compare section 6.5).

For the Nagarro GmbH the bond between business and employees is the foundation of value creation. Employee engagement and motivation are the origin of every customer orientation. Employees design the product according to customer demand. Supply chain issues and corporate social responsibility are side stages in the value based management process which at its bottom aims at shareholder value creation for Nagarro and its mother corporation Allgeier.

Equally the blu Gruppe is essentially employee oriented, since employee knowledge resources are their main asset. Customer orientation is reached when employees are motivated and operate self-reliantly on customer projects. To enhance employee motivation and convince customers of blu quality, corporate social responsibility is blu's showpiece. Instead of shareholder value orientation blu emphasizes its social orientation and function in society.

Bringing these development lines together several similarities occur: All companies invert the classical value creation pyramid, where shareholder value is on top or in the centre and first pursue the stakeholder directed objectives – customer, employee, supply chain and social responsibility orientation. Shareholder value creation is an organic outflow and the final output from the interaction of these value based processes.

The value based processes leading to shareholder value creation however differ in orientation and focus. Essentially two major types emerge.

Service oriented businesses (Kirchner & Robrecht, Allsafe and Nagarro) set off from employees as their major resource. Employees first have to be aligned to self-responsibility and commitment to reach customer orientation. Supply-chains are of lower importance since service products are mainly created in house. Corporate responsibility focusses on social rather than on ecological issues and accompanies the interplay between employees and customer to convince and motivate both parties.

Production oriented companies (Allsafe and Ziener) focus on the customer-relationship first and develop their products to meet customer demands. Employ-

ees and the supply chain interact self-responsibly to maximize customer utility and satisfaction. This process creates shareholder value as an output. Corporate social responsibility is an integral part of the value creation process and supports employee and supply chain partnerships as an underlying philosophy, which equally convinces customers.

Drawing on these insights, the originally suggested model of value based management (Figure 19) is modified in its structure putting customers and employees on top where supply-chain orientation and corporate social responsibility are flanking elements and the final output of the value based process is shareholder value on bottom. The following figure illustrates this concept and animates the major value based development lines by company type:

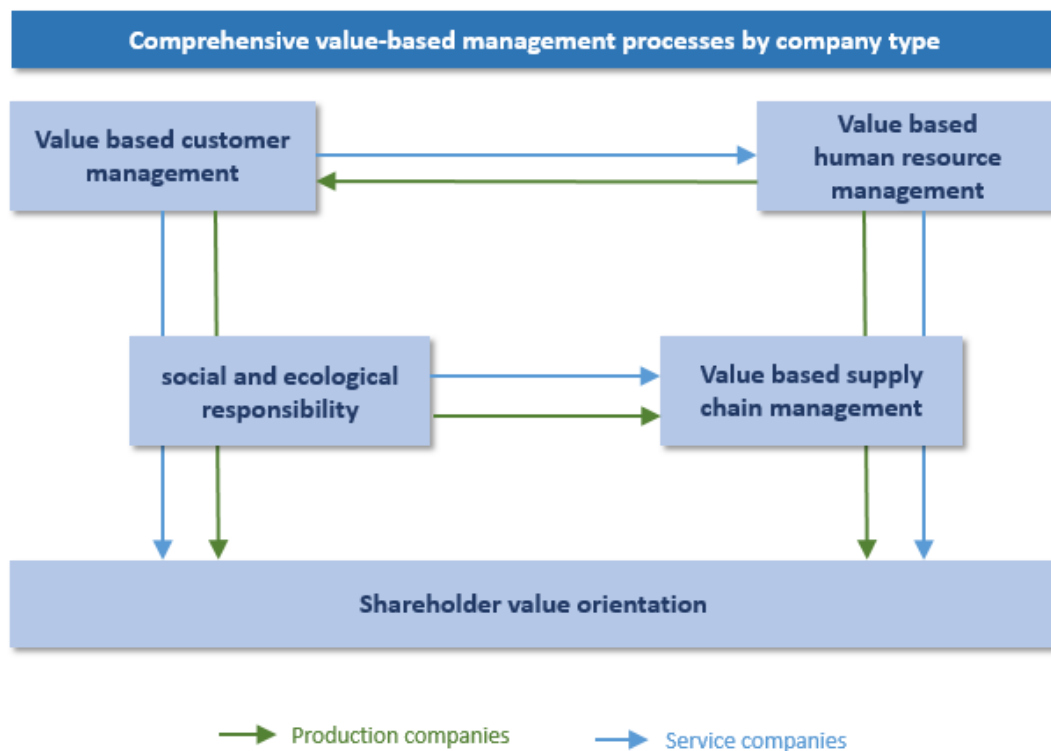


Figure 51: Comprehensive value-based management process model (own draft)

7.5 VALUE BASED MANAGEMENT SCORECARD FOR YIGC

How can YIGC make use of this concept? In the review implementations for each element of the above developed comprehensive value-based strategy in YIGC have been identified. These implementations determine to what extent YIGC in fact follow a value based orientation.

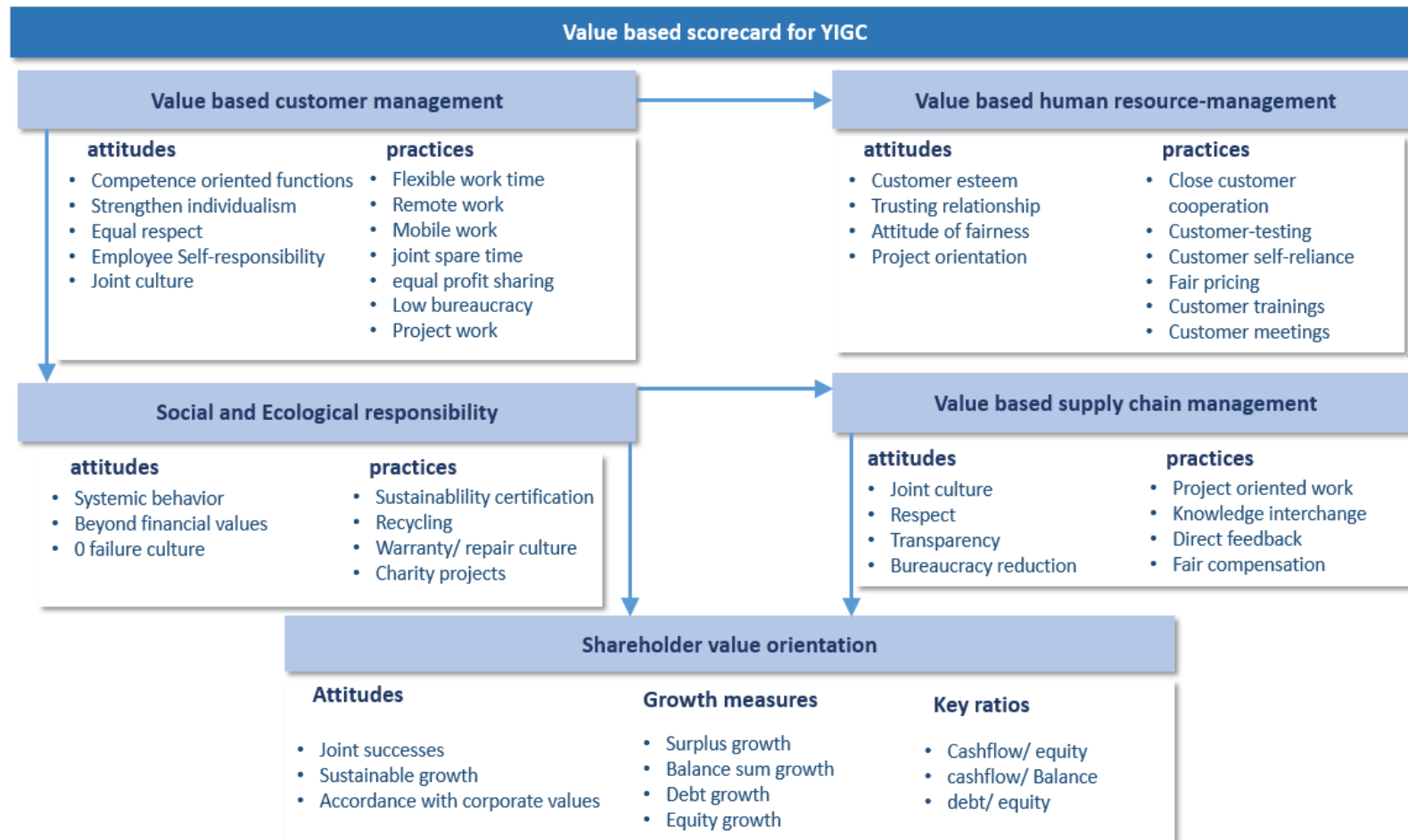
The model brings together the categories which have been summarized and discussed in section 7.2. It differentiates attitudes, which are inner patterns of thinking and behaving and practices, which are practical operative applications as an outflow of these attitudes. At the shareholder level attitudes are measurable financially in the form of (time-related) growth measures and key ratios as exemplified for the case study companies.

This value-based scorecard is of practical value to YIGC, which want to develop and review their value based orientation can refer to this structure asking the following questions:

1. To what extent have we implemented the mentioned indicators of value based management in our corporation?
2. Which further value oriented concepts should be adopted to enhance our value based orientation?

The value based management scorecard for YIGC can thus serve as a development system, comparable to the balanced score card concept (Kaplan & Norton, 1992: 71-72). It shows up development lines for YIGC and illustrates which value effects can result when concrete value-oriented measures are implemented.

Figure 52: Value based scorecard model for YIGC (own draft)



8 CONCLUSIONS AND OUTLOOK

8.1 SUMMARY OF RESULTS AND ACADEMIC CONTRIBUTIONS

The above model summarizes the key developments of this study:

The essential characteristics of young innovative growth companies have been detailed in a systematic literature review. It has shown that a value based orientation is essential for YIGC survival in growing, highly dynamic and globally competitive markets. YIGC develop in the tension field of customers and markets, the competitive environment, the founders' ideas and governance conceptions and available financial, material and immaterial resources and base their success on a dynamic governance culture, effective knowledge management and knowledge growth (compare Figure 9).

The study has done an extensive review of so far understandings of value-based management (chapter 3) and has found that beyond the financial shareholder oriented perspective value based management comprises all stakeholders of the organizations, particularly employees, customers, suppliers and the broad public. All these stakeholder groups are concerned by and involved in the corporate value creation process. A comprehensive value-based model which integrates all these causes is suggested to come to a comprehensive conception of value-based management for YIGC.

Existing literature on the practical implementations of value-based management principles in corporations refers to all these facets of value based management but hardly any previous empirical insights are available for YIGC. Based on the review the study has come to a comprehensive concept of implementations opportunities and potential limitations of value based management in the five above fields. The concept is not YIGC specific however.

Own qualitative empirical research in five exemplary German YIGC has been conducted to validate the review-based categories for YIGC and develop further empirical insights on value based management practices in these exceptional organizations.

The research in sum has made some essential new points:

- **YIGC correspond in value orientation**, essentially all participating companies refer to the categories developed in the course of the review: value based human resource orientation, customer orientation, social responsibility orientation, supply-chain orientation and shareholder value orientation.
- While conventional growth is measured quantitatively, **YIGC base their growth on a range of qualitative factors, which are born by all stakeholder groups**. Depending on the business types customers (manufacturing companies) or employees (servicing companies) are on top of the value pyramid. Social responsibility and supply chain value orientation support the value based process. The final objective which underlies any entrepreneurial activity is shareholder value creation. The participating YIGC however consider all stakeholders as shareholders. Their growth and profitability impact is shared with all above interest groups. Classical shareholder orientation accordingly is not the only focus of YIGC.
- **The conventional shareholder value model has to be modified to assess and compare YIGC growth**. Section 5.3.5.2 has developed a preliminary and simple model to assess YIGC growth and development based on the analysis of condensed annual balance publications. The concept uses a periodical growth analysis and dispenses with discount rates to avoid the difficulties of any CAPM based analysis. It refers to the key figures debt growth, balance sum growth and surplus growth and calculates the annual value of equity and essential key ratios, to compare the growth patterns and development stages of YIGC.
- **YIGC pass a typical growth and development cycle**, which here has been subdivided into three stages. At the emerging growth stage YIGC rise debt and external equity capital to finance an initial business idea which in the beginning does not yet create substantial benefit. At the accelerating growth stage, the business concept is profitable, cash flows grow strongly and the equity base increases. Debts can slowly be reduced. At the consolidating growth stage, cashflows consolidate and a young and innovative business concept allows no further exponential growth. Cashflows and the equity base now grow

more slowly, unless the company decides to change its business structure and culture to become a large conventional growth organization.

These four core insights are novel and do not have any parallel in previous literature. So far contributions on YIGC have either been theoretical and lack empirical support (Dautzenberg, et al., 2012: 8, Veugelers, 2009: 3; Kuivalainen et al., 2012: 452; Meyer & Skak, 2002: 179-180) or are not YIGC specific but consider conventional business types (SME, large corporations) which due to their frequency are easier to assess (increases (Lovata & Costigan, 2002: 224; Abdesamed, 2014: 7; Frid et al., 2009: 14; Hvide & Mjos, 2007: 27).

This study has done qualitative empirical ground work on German YIGC value based orientation and shareholder value development patterns.

8.2 MANAGEMENT IMPLICATIONS

The results of the study are of high practical value to investors and managers or owners of YIGC:

Outside investors in search of exceptional financing opportunities in emerging markets and business segments can utilize the suggested instrument of YIGC shareholder value assessment for a first preliminary and comparative analysis of businesses which seem eligible for investment.

The concept of evaluating YIGC development using three key data (per publication period) – i.e. balance sum, debt sum, cashflow – only and calculate the periodical value of equity and its development in time on their basis is simple, but permits a first assessment of the growth stage, the level of shareholder orientation and the business concept. The exemplary application of the model to five YIGC has shown that depending on the orientation and status of the company the key figures differ largely. There is a strong correspondence of results between the companies' factual status according to the interviews and these key figures.

Based on the key ratios outside investors can decide which business strategy fits their risk requirements (level of debt) and which investment and growth stage the company is in, before they embark on a closer analysis.

The interviews with the growth companies have further shown that qualitative value-based management aspects are essential to reach sustainable intrinsic

and abnormal growth. The evaluated companies correspond in the comprehensiveness of their value strategy and stakeholder orientation. The study has provided outside investors who consider YIGC – investment with a scorecard for the assessment of the fundamental corporate values of the business. Items on the value based scorecard should be checked before investing in strongly growing companies, to make sure that the business concept is really sustainable and transparent in its stakeholder orientation.

The value based scorecard approach can accordingly reduce investment uncertainty and diminish agency conflicts between outside equity or debt providers and YIGC leaders.

Equally YIGC owners and managers benefit from the value based scorecard model. They can apply the model to assess the status of their company concerning its value based orientation. The empirical study has shown that all companies assessed here benefit from the advantages of a value based orientation concerning human resource management, customer policy, supply chain management and social responsibility and promote shareholder value growth on the basis of this business philosophy and its practical implementation. YIGC owners and entrepreneurs who attempt to realize exponential growth could adopt this value based culture to multiply their growth opportunities and at the same time cooperate with all stakeholders in this growth process harmoniously.

The check list suggested by the value based scorecard could be concretized into practical development objectives for a particular organization. These objectives could be assessed regularly concerning their implementation and growth efficacy using the scorecard approach. The value based scorecard model could accordingly contribute to realize sustainable growth for young and innovative companies.

8.3 LIMITATIONS AND FURTHER RESEARCH NEEDS

The study thus has developed a comprehensive quantitative and qualitative assessment model concerning value-based growth in young innovative businesses, which is of high practical and academic value.

However, the study has got several limitations: The literature review and

the research model developed from the insights are comprehensive due to the large body of studies. The empirical study however is limited in reach since an in-depth case study approach was selected and only five companies could be assessed. Although the review- concepts have widely been confirmed by the empirical interviews, this result is not representative, since other companies could differ in value orientation pattern and development.

Further empirical research would be necessary to confirm the developed concepts empirically. A quantitative survey among a much larger sample of YIGC could utilize the theoretically founded categories for instance to verify the validity and reliability of the insights.

Although the insights gained from the evaluation of interviews and balances are conclusive, the developed conclusions and models are only partly reliable: Open guided interviews only provide insights on points which the interviewee really wants to disclose. Critical issues, conflicts and difficulties need not be addressed. It occurs that all interviews reveal positive results on value based management and growth mainly, while the interviewees tended to omit critical questions (on potential problems of VBM). There is a possible positive bias in their answers. This difficulty could partly be avoided by a quantitative study with obligatory responses in a multiple-choice survey, but will never fully disappear for research methods, where the researcher remains an outsider.

The quantitative analysis is limited to public balance data and only refers to four essential key data. Biases concerning these data are possible and no further information was provided by the interview partners and for reasons of discretion was not demanded directly. The problem of data depth and accuracy is usual for non-exchange rated businesses and could be avoided by the selection of exchange listed businesses or a more precise surveying method.

Finally, the empirical study is limited in reach due to its focus on Germany. YIGC in other countries could show different characteristics. A comparative analysis could be of interest to evaluate this issue in detail. To explore value oriented business culture and development in YIGC in more detail further empirical research and the close cooperation between academics and entrepreneurial practice is essential.

9 REFERENCES

- Abdel-Kader, M., & Luther, R. (2008): The impact of firm characteristics on Abdeen, A. M., & Haight, G. T. (2011): A fresh look at economic value-added: Empirical study of the fortune five-hundred companies. *Journal of Applied Business Research (JABR)*, 18(2).
- Abdel-Kader, M., & Luther, R. (2008): The impact of firm characteristics on management accounting practices: A UK-based empirical analysis. *The British Accounting Review*, 40(1), 2-27.
- Abdesamed, K. H., & Wahab, K. A. (2014): Financing of small and medium enterprises (SMEs): Determinants of bank loan application. *African Journal of Business Management*, 8(17), 1.
- Achenbach, C. (2010): *Der Beirat für Familienunternehmen: Sparringspartner, Rat- und Ideengeber für Gesellschafter und Geschäftsführung, ein Leitfaden für die Einrichtung, Besetzung und Kontrolle des Beirats*, Akademie für Familienunternehmen, Bonn-Bad Godesberg, 2010.
- Achleitner, A. K., & Bassen, A. (2000): Shareholder Value in klein-und mittelständischen Unternehmen (KMU): *Jahrbuch zum Finanz-und Rechnungswesen*, Zürich, 145-173.
- Achleitner, A.K. & Gilbert, D.U. (2009): *Allgemeine Betriebswirtschaftslehre. Umfassende Einführung aus managementorientierter Sicht*. 6. Aufl. Teil 1: Unternehmen und Umwelt Foliensatz 2, Gabler Verlag, Wiesbaden
- Acs, Z. , Morck, R., Shaver, J. M.& Yeung, B. (1997): The internationalization of small and medium-sized enterprises: A policy perspective. *Small Business Economics*, 9(1), 7-20.
- Acs, Z., Audretsch, D. B.: (2003): Innovation and Technological Change, in: Acs, Z., Audretsch, D.B., eds, *Handbook of Entrepreneurship Research: An Interdisciplinary Survey and Introduction*, Boston, Kluwer Academic Publishers, pp. 55-79, 2003.
- Acs, Z., P. Mueller (2008): *Employment Effects of Business Dynamics: Mice, Ga-*

- zelles and Elephants. MPI Papers on Entrepreneurship, Growth and Public Policy 23/2008, available online at: <https://link.springer.com/article/10.1007/s11187-007-9052-3>, access on April 7, 2016
- Acs, Z., Parsons, W., Tracy, S. (2008): High-Impact Firms: Gazelles Revisited, Corporate Research Board, Small Business Research Summary, no. 328, LLC, Washington, 2008.
- Adkins, R. (1999): Cause-Related Marketing, London: Butterworth Heinemann.
- Adler, J. & Chen, X.C. (2011): Combining Creativity and Control: Understanding Individual Motivation in Large-Scale Collaborative Creativity, *Accounting, Organization and Society*, vol. 36(2), pp. 63-85, 2011.
- Aguirregabiria, V. Alonso-Borrego, C. (2001): Occupational structure, technological innovation and reorganization of production. *Labour Economics*, (8), pp. 43-73, 2001.
- Ahmad, N., & Seymour, R. (2008): Defining Entrepreneurial Activity: Definitions Supporting Frameworks for Data Collection. OECD Working Paper 2008(01), Paris: Organization for Economic Co-operation and Development, 2008.
- Ahrens, T. (1999): High Growth Companies: Driving the Tiger. Hampshire, UK Business Books Limited, 1999.
- Ajitabh, A., & Momaya, K. S. (2003): Competitiveness of firms: review of theory, frameworks and models, *Singapore Management Review*, Volume 26 No 1, S. 45-61
- Alavi, M., & Leidner, D. E. (2001): Review: Knowledge management and knowledge management systems: Conceptual foundations and research issues. *MIS quarterly*, 107-136.
- Albers, M. (2012): Der Beta-Chef, Ausgabe 12/2012, Schwerpunkt das gute Leben, retrieved from: <https://www.brandeins.de/archiv/2012/das-gute-leben/der-beta-chef/>, access on July, 10, 2017
- Ali, A., Krapfel, J.R., La Bahn, D. (1995): Product Innovativeness and Entry Strategy: Impact on Cycle Time and Break-even Time, *Journal of product innova-*

- tion management, (12), pp. 54-69, 1995.
- Allgeier Gruppe (2016): Allgeier SE Geschäftsbericht 2016, retrieved from: https://www.allgeier.com/de/wp-content/uploads/sites/3/2017/04/Allgeier-SE_Gesch%C3%A4ftsbericht-2016_DE_LOW_DS.pdf, access on July, 8, 2017
- Allgeier Gruppe (2017), Nagarro, retrieved from: <https://www.allgeier.com/de/who-we-are/divisions/nagarro/>, access on July, 8, 2017
- Allgeier Gruppe (2017/II): Allgeier SE Compyn Presentation, July 2017, retrieved from: https://www.allgeier.com/en/wp-content/uploads/sites/2/2017/07/Allgeier-SE_Company-Presentation_July-2017_EN.pdf, access on July, 8, 2017
- Allsafe GmbH & Co. KG (2017): Website, retrieved from: <https://www.allsafe-group.com/ladungssicherung/>, access on July, 8, 2017
- Allsafe Group (2017): Productconfigurator, retrieved from: https://www.allsafe-group.com/fileadmin/user_upload/pdf/Produktkonfi_Katalog/DE/ProduktKonfigurator_DE2.5.17_.pdf, access on July, 8, 2017
- Allen, F., Carletti, E., & Marquez, R. (2009): Stakeholder capitalism, corporate governance and firm value.
- Amason, A. C., Shrader, R. C., & Tompson, G. H. (2006): Newness and novelty: Relating top management team composition to new venture performance. *Journal of Business Venturing*, 21(1), 125-148.
- Amazon, A., Sapienza, H. (1997): The Effects of Top Management Team Size and Interaction Norms on Cognitive and Affective Conflict, *Journal of Management*, 23(4), pp. 495-516, 1997.
- Ameels, A., Bruggeman, W., & Scheipers, G. (2002): Value-based management control processes to create value through integration: a literature review. Vlerick School voor Management.
- Anderson, J. C. & Frankle A. W. (1980): Voluntary social reporting: An iso-beta portfolio analysis. *Accounting Review* 55: 467-479

- Anderson, E. W., & Sullivan, M. W. (1993): The antecedents and consequences of customer satisfaction for firms. *Marketing science*, 12(2), 125-143.
- Anderson, E. W., Fornell, C., & Mazvancheryl, S. K. (2004): Customer satisfaction and shareholder value. *Journal of marketing*, 68(4), 172-185.
- Andreasen, A. R., Drumwright, M. (2001): Alliances and Ethics in Social Marketing, In: Andreasen, A. R. (Hrsg.): *Ethics in Social Marketing*, S. 95-124.
- Andres, C. (2008): Large shareholders and firm performance – An empirical examination of founding-family ownership, *Journal of Corporate Finance* Volume 14, Issue 4, September 2008, Pages 431-445
- Ang, L., & Buttle, F. (2006): CRM software applications and business performance. *Journal of Database Marketing & Customer Strategy Management*, 14(1), 4-16.
- Ansoff, I. & Sullivan, P.A. (1993): Optimizing profitability in turbulent environments, A formula for strategic success, *Long Range Planning*, Vol. 26, Iss. 5, Oct. 1993, pp. 11-23
- Anthony, R. N., & Mass.): Graduate School of Business Administration Harvard University (Cambridge. (1965): *Planning and control systems: a framework for analysis*.
- Anyadike-Danes, M., Hart, K., Bonner, K., Mason, C. (2009): *Measuring Business Growth, High-Growth Firms and their Contribution to Employment in the UK*, ERINI Books and Monographs (44), National Endowment for Science, Technology and the Art, 2009.
- Ardishvili, A., Cardozo, R., Harmon, R., Vadakath, S. (1998): *Towards a Theory of New Venture Growth*, Babson Entrepreneurship Research Conference, Ghent, Belgium, 1998.
- Armitage H.M. and Fog V. (1996), *Economic value creation: What every management accountant should know*, CMA Magazine, October, pp. 21-24.
- Arnold G. (1998), *Corporate Financial Management*, Pitman Publishing, London, pp. 1050.
- Arnolds, H., Heege, F. & Tussing, W. (2001): *Materialwirtschaft und Einkauf*. 10th

ed. Gabler, Wiesbaden.

- Aron, R. et al. (2007): Monitoring process quality in off-shore outsourcing: A model and findings from multi-country survey, *Journal of Operations Management*, 2007, 17-18.
- Arrow, Kenneth. (1999): "Fonvard," in *Firms, Markets and Hierarchies: The Transaction Cost Economics Perspective*. G. Carroll and D. Teece, eds. New York: New York University Press, pp.vii-viii.
- Arthur, D. (1995): *Managing Human Resources in Small and Mid-Sized Companies*, American Association of Management, New York, 1995.
- Arvai, J.L., Gregorty, R., McDaniels, T.L. (2001): Testing a Structured Decision Approach: Value-Focused Thinking for Deliberative Risk Communication, *Risk Analysis*, Vol. 21, No. 6, 2001
- Ashton, R.H. (2007): Value-Creation Models for Value-Based Management: Review Analysis and Research Directions, *Advances in Management Accounting*, vol. 16, 1-62, 2007.
- Asselbergh, G. (2002): Financing firms with restricted access to financial markets: the use of trade credit and factoring in Belgium, *The European Journal of Finance* Volume 8, Issue 1, 2002
- Atkinson, Robrecht D. and Court, Randolph H. *The New Economy Index* (1998): Understanding America's Economic Transformation. Progressive Policy Institute, November, 1998: in *National Commission on Entrepreneurship, Embracing Innovation: Entrepreneurship and American Economic Growth*, White Paper, 2001.
- Atteslander, P. (1971): *Methoden der empirischen Sozialforschung*, Berlin: de Gruyter.
- Backhaus, K., Erichson, B., Plinke, W., & Weiber, R. (2015): *Multivariate Analysemethoden: eine anwendungsorientierte Einführung*. Springer-Verlag.
- Backhaus, & Maul, H. (2004): Corporate Citizenship in den USA - Innovative Ideen für die deutsche Engagement Politik: in *Aktive Bürgerschaft* (Hrsg.) Aktuelle Beiträge zu Corporate Citizenship, Diskussionspapiere zum Non-profit-Sektor, Nr. 26/2004. Berlin.

- Baetge, J., Kümmel, J. & Schulz, R. (2002): Darstellung der Discounted Cashflow-Verfahren (DCF-Verfahren) mit Beispielen.
- Baetge, J., Niemeyer, K., Kümmel, J. (2002): Darstellung der Discounted-Cashflow-Verfahren mit Beispiel. S. 264 - 360 in: Peemöller (Hrsg.) (2002): Praxishandbuch der Unternehmensbewertung, 2. Auflage. Verlag Neue Wirtschafts-Briefe. Herne. Berlin.
- Baetz, B. (2014): Wege aus der Zeitungskrise, Contribution in Deutschlandfunk vom October, 26, 2014, available at: http://www.deutschlandfunk.de/digitalisierung-wege-aus-der-zeitungskrise.724.de.html?dram:article_id=301418, access on July, 9, 2017
- Baetzner, B. & Timmreck, Ch. (2004): Die DCF-Methode im Überblick. S. 3-20 in Richter, F., Timmreck, Ch. (Hrsg.): Unternehmensbewertung. Moderne Instrumente und Lösungsansätze. Stuttgart: Schäffer-Poeschel.
- Bahri, M., St-Pierre, J., & Sakka, O. (2011): Economic value-added: a useful tool for SME performance management. *International Journal of Productivity and Performance Management*, 60(6), 603-621.
- Baker, G. (1986): Compensation and hierarchies. Harvard Business School.
- Baker, M. (2004): Corporate social responsibility -What does it mean?, retrieved from: <http://www.mallenbaker.net/csr/definition.php>, access on April, 30, 2017
- Baker, M., & Wurgler, J. (2006): Investor Sentiment in the Stock Market, Preliminary Draft, December 19, 2006, Prepared for the *Journal of Economic Perspectives*.
- Baker, S. E., Edwards, R., & Doidge, M. (2012): How many qualitative interviews is enough?: Expert voices and early career reflections on sampling and cases in qualitative research.
- Balachandran, S. V. (2006): How does residual income affect investment? The role of prior performance measures. *Management Science*, 52(3), 383-394.
- Balanced Scorecard Institute (2017): What is the Balanced Scorecard? Available at: <http://www.balancedscorecard.org/BSCResources/AbouttheBalancedScorecard/tabid/55/Default.aspx>, access on May 2, 2017

- Ballwieser, W. (1994): Adolf Moxter und der Shareholder Value-Ansatz. Bilanzrecht und Kapitalmarkt, Festschrift zum, 65, 1377-1405.
- Ballwieser, W. (1998): Unternehmensbewertung mit dem Discounted Cashflow Verfahren, WPg 1998, S. 81-92.
- Ballwieser, W. (2002): Der Kalkulationszinsfuß in der Unternehmensbewertung: Komponenten und Ermittlungsprobleme. Die Wirtschaftsprüfung, 55(14), 736-743.
- Ballwieser, W. (2009): Shareholder value als element von corporate governance. Schmalenbachs Zeitschrift für betriebswirtschaftliche Forschung, 61(1), 93-101.
- Bamberg, G., Dorfleitner, G., Krapp, M. (2004): Zur Bewertung risikobehafteter Zahlungsströme mit intertemporaler Abhängigkeitsstruktur. In BFuP, 56.Jg., S. 101-118.
- Banker, R. D., Potter, G., & Srinivasan, D. (2000): An empirical investigation of an incentive plan that includes nonfinancial performance measures. The accounting review, 75(1), 65-92.
- Bannister, R. J., & Jesuthasan, R. (1997): Theory in Action: Is Your Company Ready for Value-Based Management?. Journal of Business Strategy, 18(2), 12-15.
- Bantel, K.A. (1998): Technology-Based, Adolescent Firm Configurations: Strategy Identification, Context, and Performance, Journal of Business Venturing, 13(3), pp. 205-230, 1998.
- Barnard, C. (1970): Die Führung großer Organisationen. Nachdruck aus 1970, Essen.
- Barnea, A., & Rubin, A. (2010): Corporate social responsibility as a conflict between shareholders. Journal of business ethics, 97(1), 71-86.
- Barnett, M. L. (2007): Stakeholder influence capacity and the variability of financial returns to corporate social responsibility. Academy of management review, 32(3), 794-816.
- Barney, J. B. (1986): Strategic Factor Markets: Expectations, Luck and Business

- Strategy, *Management Science*, 32 (10), pp. 1231-1241, 1986.
- Barney, J. (1991): Firm Resources and Sustained Competitive Advantage, *Journal of Management*, vol. 17 (1), pp. 99-120, 1991.
- Barney, J. B. (2012): Purchasing, supply chain management and sustained competitive advantage: The relevance of resource-based theory. *Journal of supply chain management*, 48(2), 3-6.
- Barney, J., Wright, M. and Ketchen, D. (2001): The resource-based view of the firm: ten years after 1991, *Journal of Management* (27), pp. 625-641, 2001.
- Baron, R. A., & Tang, J. (2009): Entrepreneurs' social skills and new venture performance: Mediating mechanisms and cultural generality. *Journal of Management*, 35(2), 282-306.
- Barone, M., Miyazaki, A., Taylor, K.A. (2000): The Influence of Cause-Related Marketing on Consumer Choice: Does One Good Turn Deserve another? *Journal of the Academy of Marketing Science*, Vol. 28, No. 2, pp. 248- 262
- Barringer, B.R., Jones, F.F, Lewis, P.S. (1998): A Qualitative Study of the Management Practices of Rapid-Growth Firms and how Rapid Growth Firms Mitigate the Managerial Capacity Problem. *J. Dev. Entrep.* 3(2), p. 97-122, 1998.
- Barringer, B.R., Jones, F.F, Neubaum, D.O. (2005): A Quantitative Content Analysis of the Characteristics of Rapid-Growth Firms and their Founders, *Journal of Business Venturing*, vol. 20(5), pp. 663-687, Orlando, USA, 2005.
- Bartel, A. P. (2004): Human resource management and performance outcomes: Evidence from retail banking. *Indust.Labor Rel. Rev.* 57 181-203.
- Bartunek, J. (1988): The dynamics of personal and organizational reframing. In R. Quinn & K. Cameron (Eds.), *Paradox and transformation: Towards a theory of change in organization and management* (PP. 137-162): Cambridge, MA: Ballinger.
- Basak, S., & Shapiro, A. (2001): Value-at-risk-based risk management: optimal policies and asset prices. *Review of Financial studies*, 14(2), 371-405.
- Bassen, A. (2002): Institutionelle Investoren und Corporate Governance - Analyse der Einflussnahme unter besonderer Berücksichtigung börsennotierter

Wachstumsunternehmen, Deutscher Universitäts-Verlag, Wiesbaden

- Baumann, R. (2012): Leveraged Buyouts. Eine empirische Untersuchung der finanziellen Charakteristika, Vermögenseffekte und brancheninternen Effekte. Gabler. Wiesbaden.
- Baumgartner, R.J. & Biedermann, H. (2009): Öko-Effizienz als Beitrag zur Nachhaltigkeit. S. 9-26 in Baumgartner, R.J, Biedermann, H., Zwainz, M. (Hg.): Öko-Effizienz. Konzepte, Anwendungen und Best Practices. Sustainability Management for Industries 3. Rainer Hampp Verlag. München. Mering.
- BCG (2012) Fueling Growth through Word of Mouth. Introducing the Brand Advocacy Index, The Boston Consulting Group
- Bea, F. X., Thissen, S. (1997): Institutionalisierung des Shareholder-Value-Konzepts bei der GmbH. Der Betrieb, 16, pp. 787 - 792, 1997
- Beach, L. R., & Mitchell, T. R. (1978): A contingency model for the selection of decision strategies. Academy of management review, 3(3), 439-449.
- Beamon, B.M. (1999): Measuring supply chain performance, International Journal of Operations & Production Management, Vo. 19, No. 3 p. 275-292.
- Becchetti, L., Ciciretti, R., & Hasan, I. (2007): Corporate social responsibility and shareholder's value: an event study analysis (No. 2007-6): Working Paper, Federal Reserve Bank of Atlanta.
- Beck, V., & Britzelmaier, B. (2011): A critical review on surveys of value-based management. International Journal of Management Cases, 13(3), 270-286.
- Beck, V., & Britzelmaier, B. (2011, October): A Value-Based Management Perspective For The German Automotive Industry. In 4th Annual EuroMed Conference of the EuroMed Academy of Business.
- Becker, B. & B. Gerhart (1996): The impact of human resource management on organizational performance: Progress and prospects. Academic Management J. 39(4) 779-801.
- Becker, W., Krämer, J., Staffel, M., Ulrich, P. (2010): Beiräte und Aufsichtsräte in mittelständischen Unternehmen, Bamberger Betriebswirtschaftliche Beiträge 171, Bamberg, 2010.

- Beckman, C. M., Burton, M. D., & O'Reilly, C. (2007): Early teams: The impact of team demography on VC financing and going public. *Journal of Business Venturing*, 22(2), 147-173.
- Behringer, S. (2009): Unternehmensbewertung der Mittel- und Kleinbetriebe – Betriebswirtschaftliche Verfahrensweisen, 4. Aufl., Berlin 2009.
- Belitz, H., Eickelpasch, A., Lejpras, A. (2012): Volkswirtschaftliche Bedeutung der Technologie- und Innovationsförderung im Mittelstand, Projekt-Nr.: 49/10 , Deutsches Institut für Wirtschaftsforschung, Berlin, 2012.
- Beneda, N. L. (2003): Estimating free cash flows and valuing a growth company. *Journal of Asset Management*, 4(4), 247-257.
- Benedzen, M., Wolfenzon, D. (1999): The Balance of Power in Closely held Corporations, *Journal of Financial Economics* 58, pp. 113–139, 1999.
- Berger, P. D., Eechambadi, N., George, M., Lehmann, D. R., Rizley, R., & Venkatesan, R. (2006): From customer lifetime value to shareholder value theory, empirical evidence, and issues for future research. *Journal of Service Research*, 9(2), 156-167.
- Berger, A. N., & Udell, G. F. (2006): A more complete conceptual framework for SME finance. *Journal of Banking & Finance*, 30(11), 2945-2966.
- Berry, L. L., Carbone, L. P., & Haeckel, S. H. (2002): Managing the total customer experience. *MIT Sloan Management Review*, 43(3), 85.
- Bette, K. (1999): Konkurrenz oder Kooperation zwischen Bank und Factor, in: Finanzierung Leasing Factoring, 1998, S. 45 – 50 Bette, K.: Das Factoring Geschäft in Deutschland, Stuttgart.
- Bhandari, L. C. (1988): Debt/equity ratio and expected common stock returns: Empirical evidence. *The journal of finance*, 43(2), 507-528.
- Bhattacharya, A. (2011): Preeminent Analysis of Customer Relationship Management (CRM): *International Journal of Research in Management & Technology*, 1(1), 45-51.
- Birth, G., Illia, L., Lurati, F., & Zamparini, A. (2008): Communicating CSR: practices among Switzerland's top 300 companies. *Corporate Communications: An*

- International Journal, 13(2), 182-196.
- Birch, D.L. and Medoff, J. (1994): Gazelles. in: Solmon, L.C., Levenson, A.R., Labor Markets, Employment Policy and Job Creation. Boulder, CO: Westview and Birch, pp. 159-167, 1994.
- Blacharski, D. W. (2007): EBay's Secrets Revealed: The Insider's Guide to Advertising, Marketing, and Promoting Your eBay Store, with Little Or No Money. Atlantic Publishing Company.
- Black, A., Wright, P., & Bachman, J. E. (1998): In Search of Shareholder Value-managing the drivers of performance. CORPORATE GOVERNANCE- OXFORD-, 6, 298-298.
- Blechinger, D., Kleinknecht, A., Licht, G., Pfeiffer, F. (1998): The impact of innovation on employment in Europe, an analysis using CIS data, ZEW documentation 98-02, ZEW, 1998.
- blu Gruppe AG (2017): Website: retrieved from: <http://www.blugruppe.com/deutsch/die-unternehmen-der-blu-gruppe>, Access on July, 8, 2017
- Blum, U. (2005): Angewandte Institutionenökonomik: Theorien - Modelle - Evidenz. Gabler. Wiesbaden.
- Blunck, T. (1993): Funktionen und Gestaltungen institutionalisierter interner Beratungsleistungen, Europäische Hochschulschriften, Reihe 5, Volks- und Betriebswirtschaft, Bd. 1409, Bern u. a., 1993.
- BMBF (2007): Bericht zur technologischen Leistungsfähigkeit Deutschlands 2007, retrieved from: http://duepublico.uni-duisburg-essen.de/servlets/DerivateServlet/Derivate-23295/Broschueren-Literatur/Lit_15b_BMBF_Bericht_zur_technologischen_Leistungsf%C3%A4higkeit.pdf, access on April 7, 2017
- Bördin, V. & Längner, M. (2012): Internationalization - A study on actual internal changes due to major external internationalization in SMEs, Göteborg University, June, 4, 2012
- Börstler, B. (1982): Zur Personalsituation in mittelständischen Betrieben des Pro-

- duzierenden Gewerbers: Ergebnisse einer empirischen Untersuchung, Göttingen, 1982.
- Bonnemeier, S. (2013): Praxisratgeber Existenzgründung: erfolgreich starten und auf Kurs bleiben (Vol. 50939): CH Beck.
- Bos, J., Stam, E. (2011): Gazelles, Industry Growth and Structural Change, Tjalling C. Koopmans Research Institut, Discussion Paper Series 11(02), Utrecht, 2011.
- Bortz, J. & Doring, N. (2005): Forschungsmethoden und Evaluation für Human- und Sozialwissenschaftler, ed. 4, Springer, 2005.
- Bose, R. (2002): Customer relationship management: key components for IT success. *industrial management & data systems*, 102(2), 89-97.
- Boutain-Dufresne, F., Savaria, P. (2004): Corporate Social Responsibility and financial Risk, *Journal of Investing*, 13, 1, S. 57-66.
- Box, T. M., Watts, L. R., & Hisrich, R. D. (1994): Manufacturing entrepreneurs: An empirical study of the correlates of employment growth in the Tulsa MSA and Rural East Texas. *Journal of Business Venturing*, 9(3), 261-270.
- Boxall, P. (1996): The Strategic HRM Debate and the Resource-Based View of the Firm, *Human Resource Management Journal*, vol. 6(3), pp. 59-75, 1996.
- BPB (Bundeszentrale für politische Bildung) (2017): Entwicklung des deutschen Außenhandels, retrieved from: <http://www.bpb.de/nachschlagen/zahlen-und-fakten/globalisierung/52842/aussenhandel>, access on July, 7, 2017
- Brandes, F., Lejour, A., Verweij, G. and von der Zee, F., The Future of Manufacturing in Europe, carried out within the Framework Service Contract B2/ENTR/05/091-FC, 26th June 2007, final report.
- Brandl, S. (2007): Arbeit und Soziales: Unternehmerische Handlungsfelder einer Corporate Social Responsibility, S. 85- 105 in: Braun, S. (Hrsg.) *Gesellschaftliches Engagement von Unternehmen, Der deutsche weg im internationalen Kontext*, VS Verlag: Wiesbaden.
- Brealy, R., Myers, S. & Allen, F. (2005): *Corporate Finance*, 8th ed., McGraw-Hill, New York, 2005.

- Bresnahan, T. F., Brynjolfsson, E., & Hitt, L. M. (2002): Information technology, workplace organization, and the demand for skilled labor: Firm-level evidence. *The Quarterly Journal of Economics*, 117(1), 339-376.
- Brettel, M., Jaugey, C. & Rost, C. (2000): *Business Angels: Der informelle Beteiligungskapitalmarkt in Deutschland*, Wiesbaden, 2000
- Brüderl, J., & Preisendörfer, P. (1998): Network support and the success of newly founded business. *Small business economics*, 10(3), 213-225.
- Brüsemeister, T. (2008): *Qualitative Forschung: Ein Überblick*. Springer-Verlag.
- Brundtland Report (1987): United Nations, 4.8.1987, available at: http://www.andreaslehnert.com/files/brundtland_bericht.pdf access on April, 29, 2017
- Budäus, D. (2007): Vom New Public Management zur Governance. In: *Governance-Theorien oder Governance als Theorie* (Hrsg.): Wagner, D.; Lattemann, C.; Kupke, S.; Legel, A. Wissenschaftlicher Verlag Berlin, Berlin 2007, S. 15-28.
- Bühner, R. (1996): Kapitalmarktorientierte Unternehmenssteuerung - Aktionärsorientierte Unternehmensführung. In: *Wirtschaftswissenschaftliches Studium*, 25 (1996), Nr. 7, S. 334-338.
- Büschgen, H. E. (1998): *New Bankbetriebslehre: Bankgeschäfte und Bankmanagement*, 5. Auflage, Wiesbaden.
- Bughin, J., & Copeland, T. E. (1997): The virtuous cycle of shareholder value creation. *McKinsey Quarterly*, 156-167.
- BUND/MISEREOR (1996) (Hrsg.): *Zukunftsfähiges Deutschland*, Studie des Wuppertal Instituts, Basel, Boston, Berlin. 1996.
- Bundesanzeiger (2017): Annual corporate disclosures, retrieved from: bundesanzeiger.de, last access on July, 15, 2017
- Bundesregierung (2008): *Fortschrittsbericht zur nationalen Nachhaltigkeit. Für ein nachhaltiges Deutschland*.
- Burger, D. (1999): *Von forstlicher Nachhaltigkeit zu Waldwirtschaft für nachhaltige Entwicklung. Rahmenbedingungen von Waldschutz und Waldbewirt-*

schaftung in den Tropen: Einflüsse und Rückkopplungen anderer Politikfelder. Fachgespräch am Institut für internationale Forst- und Holzwirtschaft Tharandt/ TU Dresden 06.11.97 - 08.11.97. Eschborn. Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) (Hrsg.): 21 - 29.

- Busenitz, L. W., Fiet, J. O., & Moesel, D. D. (2004): Reconsidering the venture capitalists' "value-added" proposition: An interorganizational learning perspective. *Journal of Business Venturing*, 19(6), 787-807.
- Busse, F.J. (2003): Grundlagen der betrieblichen Finanzwirtschaft, Oldenbourg Verlag, München.
- Byrd, J., Parrino, R., & Pritsch, G. (1998): Stockholder-manager conflicts and firm value. *Financial Analysts Journal*, 14-30.
- Cachon, G. P., & Fisher, M. (2000): Supply chain inventory management and the value of shared information. *Management science*, 46(8), 1032-1048.
- Cadez, S., & Guilding, C. (2008): An exploratory investigation of an integrated contingency model of strategic management accounting. *Accounting, organizations and society*, 33(7), 836-863.
- Calantone, R., Cavusgil, S. and Zhao, Y. (2002): Learning Orientation, Firm Innovation, Capability and Firm Performance, *Industrial Marketing Management*, vol. 31(6), pp. 515-524, 2002.
- Caldwell, C., Truong, D. X., Linh, P. T., & Tuan, A. (2011): Strategic human resource management as ethical stewardship. *Journal of business ethics*, 98(1), 171-182.
- Callsen-Bracker, H-M. (2015): Das CAPM, available at: http://www.hansmarkus.de/finance/109/hauptstudium_eins/capm/, access on April, 28, 2017
- Campbell, A. J. (2003): Creating customer knowledge competence: managing customer relationship management programs strategically. *Industrial marketing management*, 32(5), 375-383.
- Canals, J. (2000): *Managing Corporate Growth*, Oxford University Press, 2000.
- Carney, M. (2005): *Corporate Governance and Competitive Advantage in Family-*

- Controlled Firms, *Entrepreneurship Theory & Practice* 29(3), pp. 249–265, 2005.
- Carree, M. A., Thurik, A. R. (2003): The Impact of Entrepreneurship on Economic Growth. In Acs, Z.J., Audretsch D. B. (eds.) *Handbook of Entrepreneurship Research: An Interdisciplinary Survey and Introduction*. Kluwer Academic Publishers, Boston, pp. 437-471, 2003.
- Carree, M. A. and Thurik, A. R. (2010): The Impact of Entrepreneurship on Economic Growth, in: Acs, Z. J. and Audretsch, D. B., eds., *Handbook of Entrepreneurship Research, Vol. 5 of International Handbook Series on Entrepreneurship*, Springer New York, pp. 557-594, 2010.
- Carroll, A.B. (1979): A Three Dimensional Model of Corporate Performance, *Academy of Management Review*, 4/4.
- Carroll A.B. (1991): Pyramid of CSR' - *Business Horizons* Jul-Aug issues 42, 1991
- Cassar, G. (2004): The financing of business start-ups. *Journal of business venturing*, 19(2), 261-283.
- Carroll, A.B. (2000): A Commentary and an Overview of Key Questions on Corporate Social Performance Measurement, *Business & Society*, Vol. 39 No. 4, S. 466-478
- Cerrato, D. & Piva, M. (2012): The internationalization of small and medium-sized enterprises: the effect of family management, human capital and foreign ownership. *Journal of Management & Governance*, 16(4), 617-644.
- Chakrabarti, A.K., (1990): Scientific output of small and medium size firms in high-tech industries. *IEEE Trans. Eng. Manage.* 37 (1), pp. 48–52, 1990.
- Chandler, G. N., Honig, B., & Wiklund, J. (2005): Antecedents, moderators, and performance consequences of membership change in new venture teams. *Journal of Business Venturing*, 20(5), 705-725.
- Chase, R. B. (2010): Revisiting “Where Does the Customer Fit in a Service Operation?” In *Handbook of Service Science* (pp. 11-17), Springer US
- Chattananon, A., Lawley, M. et al. (2007): Building corporate image through societal marketing programs, *Society and Business Review*, Vol. 2, No. 3, 2007, S. 230-253.

- Chen, M.C., Cheng, S.J. and Hwang, Y. (2005): An empirical investigation of the relationship between intellectual capital and firms' market value and financial performance, *Journal of Intellectual Capital*, Vol. 6 No. 2, pp. 159-76.
- Chen, I. J., Paulraj, A., & Lado, A. A. (2004): Strategic purchasing, supply management, and firm performance. *Journal of operations management*, 22(5), 505-523.
- Chen, I. J., & Popovich, K. (2003): Understanding customer relationship management (CRM): People, process and technology. *Business process management journal*, 9(5), 672-688.
- Cheng, Y. Y., & Lyu, J. (2003): Risk Analysis of the E-Business Projects: A Financial Perspective.
- Chrisman, J.J., Bauerschmidt, A., Hofer, C.W. (1998): The Determinants of New Venture Performance: An Extended Model, *Entrepreneurship Theory & Practise*, 23(1), pp. 5-26, 1999.
- Christopher, M., & Gattorna, J. (2005): Supply chain cost management and value-based pricing. *Industrial marketing management*, 34(2), 115-121.
- Christopher, M., & Holweg, M. (2011): "Supply Chain 2.0": managing supply chains in the era of turbulence. *International Journal of Physical Distribution & Logistics Management*, 41(1), 63-82.
- Christopher, M., & Ryals, L. (1999): Supply chain strategy: Its impact on shareholder value. *The International Journal of Logistics Management*, 10(1), 1-10.
- Christopher, M., Payne, A., Ballantyne, D., & Cranfield School of Management (United Kingdom): (1991): Relationship marketing Bringing quality customer service and marketing together.
- Ciavarella, M. A., Buchholtz, A. K., Riordan, C. M., Gatewood, R. D., & Stokes, G. S. (2004): The Big Five and venture survival: Is there a linkage?. *Journal of Business Venturing*, 19(4), 465-483.
- Clark, A.J. (2005): IT Governance: Establishing Who decides, Syracuse University, Presentation

- Clifford, N., Cope, M., Gillespie, T., & French, S. (Eds.): (2016): Key methods in geography. Sage.
- CNBC (2016) Tencent overtakes Alibaba as china's most valuable tech company, available at: <http://www.cnbc.com/2016/08/17/tencent-overtakes-alibaba-as-chinas-most-valuable-tech-company-as-wechat-owner-posts-strong-results.html>, access on April, 5, 2017
- Coad, A., Rao, R. (2008): Innovation and Firm Growth in High-Tech Sectors, A Quantile Regression Approach, *Research Policy* 37(4), pp. 633-648, 2008.
- Coenenberg, A. G., Salfeld, R., & Schultze, W. (2003): Wertorientierte Unternehmensführung: Vom Strategieentwurf zur Implementierung. Stuttgart: Schäffer-Poeschel.
- Cokins, G. (2004): Performance Management: Finding the Missing Pieces to Close ThePerformance Gap. 2nd ed. New York: John Wiley & Sons Inc, 2004.
- Colbe, W. & Busse von (1997): Was ist und was bedeutet Shareholder-Value aus betriebswirtschaftlicher Sicht, in: *Zeitschrift für Unternehmens- und Gesellschaftsrecht*, S. 271-290.
- Condon, J., & Golstein, J. (1998): Value based management-the only way to manage for value. *Accountancy Ireland*, 30, 10-12.
- Conner, K.R. and Prahalad, C.K. (1996): A Resource-Based Theory of the Firm: Knowledge versus Opportunism. *Organization Science*; 7, (5), pp. 477-501, 1996.
- Connolly, T., Arkes, H. R., & Hammond, K.R. (2000): Judgment and Decision Making. An interdisciplinary reader: Cambridge Series on Judgment and Decision Making. 2. Auflage. Cambridge u. a.
- Cooper, A. C., Gimeno-Gascon, F. J., & Woo, C. Y. (1994): Initial human and financial capital as predictors of new venture performance. *Journal of business venturing*, 9(5), 371-395.
- Cooper, H., Hedges, L. V., & Valentine, J. C. (Eds.): (2009): The handbook of research synthesis and meta-analysis. Russell Sage Foundation.
- Cooper, R. & Kaplan, R., (1991): The Design of Cost Management Systems. Prenti-

ce Hall, Englewood Cliffs, Nj.

- Copeland, T., Koller, T., Murrin, J. (1993): *Unternehmenswert Methoden und Strategien für eine wertorientierte Unternehmensführung*, Frankfurt/New York, 1993.
- Copeland, T., Koller, T., Murrin, J. (1994): *Valuation: Managing and Measuring the Value of Companies*, 2nd ed., New York, USA, 1994.
- Copeland T.E., Koller T.M. & Murrin J. (2000), *Valuation, Measuring and managing the value of companies*, Third Edition, New York, John Wiley & Sons, pp. 550.
- Crowdfunding.de (2016): *Crowd investing Deutschland Jan.-Okt. 2016: 44,8 Mio. Euro, verfügbar unter: <http://www.crowdfunding.de/marktdaten/>*, Abruf am 10.04.2017
- Copeland, T. E., Weston, J. F. & Shastri, K. (2008): *Finanzierungstheorie und Unternehmenspolitik: Konzepte der kapitalmarktorientierten Unternehmensfinanzierung*. 4. Aufl. München. u. a.
- Cornwell, T. B. & Coote, L. V. (2005): *Corporate Sponsorship of a Cause – The Role of Identification in Purchase Intent*, In: *Journal of Business Research*, Vol. 58, Issue 3, S. 268-276
- Covaleski, M. A., Dirsmith, M. W., & Samuel, S. (1996): *Managerial accounting research: the contributions of organizational and sociological theories*. *Journal of Management Accounting Research*, 8, 1.
- Creswell, J. W. (2003): *Research design: Qualitative, quantitative, and mixed methods design*. Sage, London.
- Cronin, J. J., Brady, M. K., & Hult, G. T. M. (2000): *Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments*. *Journal of retailing*, 76(2), 193-218.
- Crowther, D. (2003): *How Important is Customer Satisfaction for Long Term Shareholder Value? Accountancy Business and the Public Interest*, 2(1), pp. 40-51, 2003.
- Cruz-Carreon, G. (2007): *The internationalization process of entrepreneurial SMEs*

in high technology niche market segments.

- Cui, Y., Trent, E. S., Sullivan, P. M., Matiru, G. N. (2003): Cause-related marketing - How generation Y responds. In: *International Journal of Retail & Distribution Management*, Vol. 31, Issue 6, S. 310-320.
- Currie, M. & Messori, M. (1992): New institutional and new keansesian economics, S. 171-204. in: Arena, R. Longhi, C.: *Markets and Organisations*, Berlin.
- Czarnitzki, D., & Delanote, J. (2012): Young Innovative Companies: the new high-growth firms?. *Industrial and Corporate Change*, dts039.
- Dalkir, K. (2013): *Knowledge management in theory and practice*, Routledge
- Damaschke, D. & Züchner, P. (2005): *Private Equity Secondary Market Grundlagen und Praxis für Investoren*, Saarbrücken
- D'Amboise, G. & Muldowney, M.: (1988) *Management Theory for Small Business: Attempts and Requirements*, *Academy of Management Review*, Vol. 13(2), pp. 226-240, 1988.
- Das, T. K., & Teng, B. S. (2000): A resource-based theory of strategic alliances. *Journal of management*, 26(1), 31-61.
- Dautzenberg, K., Ehrlinspiel, M., Gude, H., Käser-Erdtracht, J., Schultz, P.T., Tenorth, J., Tscherntke, M., Wallau, F. (2012): *Studie über schnell wachsende Jungunternehmen (Gazellen) Endbericht*, Im Auftrag des Bundesministeriums für Wirtschaft und Technologie, 2012.
- Davenport, S. (2005): Exploring the role of proximity in SME knowledge-acquisition. *Research policy*, 34(5), 683-701.
- Davies, M.N. (1994): Bank-office process management in the Financial Services. A Simulation Approach Using a Model Generator, in: *The Journal of the Operational Research Society*, 45. Jg., Nr. 12, S. 1363-1373
- Davila, A., & Foster, G. (2005): Management accounting systems adoption decisions: evidence and performance implications from early-stage/startup companies. *The Accounting Review*, 80(4), 1039-1068.
- Davis, K. (1973): The case for and against business assumptions of social responsibilities, *Academy of Management Journal* 16: 312-317

- Davis, G.F., Useem, M. (2002): Top Management, Company Directors and Corporate Control, in: Pettigrew, A., Thomas, H., Whittington, R., ed. Handbook of Strategy and Management, pp. 232-258, Sage Publications, London, 2002.
- Deeds, D.L., DeCarolis, D., Coombs, J. (1999): Dynamic capabilities and new product development in high technology ventures: an empirical analysis of new biotechnology firms. *J. Bus. Venturing* 15 (3), pp.211-229, 1999.
- DEGI (2009): Online Befragung unter Fondsmanagern: Die Bedeutung von Nachhaltigkeit bei Immobilienfonds. Aberdeen Property Investors Unternehmensgruppe.
- Dehmel, I., & Hommel, M. (2008): Unternehmensbewertung case by case, 3. Aufl., Frankfurt 2008.
- De Jong, A., Song, M., & Song, L. Z. (2013): How Lead Founder Personality Affects New Venture Performance The Mediating Role of Team Conflict. *Journal of Management*, 39(7), 1825-1854.
- Delmar, F., Davidsson, P., (1998): A Taxonomy of High-Growth Firms: In Reynolds P.B., Bygrave, W.B., Carter, N.M., Manigart, S., Mason, C.M., Meyer, G.D., Shaver, K.G. (Eds.), *Frontiers of Entrepreneurship Research*, Welleley, Wellesley/MA/Babson College, pp. 399-413, 1998.
- De Maeseneire, W. & Claeys, T. (2007): SMEs, FDI and financial constraints. Vlerick Leuven Gent Management School Working Paper Series, 25.
- Demarest, M. (1997): Understanding knowledge management, *Long range planning*, 30(3), 374-384.
- Demirbag, M., Tatoglu, E., Tekinkus, M., & Zaim, S. (2006): An analysis of the relationship between TQM implementation and organizational performance: evidence from Turkish SMEs. *Journal of manufacturing technology management*, 17(6), 829-847.
- DeSarbo, W.S., di Benedetto, C.A., Song, M. (2007): A heterogeneous resource based view for exploring relationships between firm performance and capabilities. *Journal of Modelling in Management*, Vol. 2, No. 2, 2007, pp 103-130.
- Deutsche Bundesbank (2012): Solvabilität, Verfügbar unter:

- http://www.bundesbank.de/bankenaufsicht/bankenaufsicht_eigen_adressrisikopositionen.php, Abruf am 10.04.2017
- Dietz, J. W. (2013): Gründung innovativer Unternehmen (Vol. 56): Springer-Verlag.
- DiGiulio, A. (2003): Die Idee der Nachhaltigkeit im Verständnis der Vereinten Nationen. Anspruch, Bedeutung und Schwierigkeiten. LIT Verlag. Münster.
- Dillerup, R. (2006): Wertorientierte Unternehmensführung, Praxis der Unternehmensbewertung und Akquisitionsfinanzierung, Landsberg/Lech, 2006.
- Dimson, E., Marsh, P., & Staunton, M. (2002): Long-Run Global Capital Market Returns and Risk Premia. London Business School Accounting Subject Area, (035):
- Dirmhirn, D. K. M. (2014): Value-based Management in Practice: Effects of Implementation Forms, Compensation Schemes and Investor Relations on Financial Performance.
- Disch, W. K. Von Schumpeter lernen: Innovationen als „neue Kombinationen“ zur Verfügung stehender Ressourcen. Zur Vorbereitung des Vortrages beim 20. G·E·M Markendialog in Berlin am 25. Februar 2016: »Innovation neu denken – Energie für die Marke« im Block II: »Innovationen als „neue Kombinationen“ zur Verfügung stehender Ressourcen. Arbeitspapier der Gesellschaft zur Erforschung des Markenwesens e.V.
- Donaldson, T., & Preston, L. E. (1995): The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of management Review*, 20(1), 65-91.
- Dowling, M., & Drumm, H.J. (2005): Gründung. Vom erfolgreichen Unternehmensstart zu dauerhaftem Wachstum. 2. Aufl.
- Doyle, P. (2009): Value-based marketing: marketing strategies for corporate growth and shareholder value. John Wiley & Sons.
- Drinkmann, A. (1990): Methodenkritische Untersuchungen zur Metaanalyse. Dt. Studien-Verlag.
- Drobetz, W. & Zimmermann, H. (2006): Corporate Governance und Unterneh-

mensbewertung in der Schweiz, Bessler, W. (Ed.), Börsen, Banken und Kapitalmärkte, Duncker & Humblot, Berlin, pp 493-526

- Drukarczyk, J. (1993): Theorie und Politik der Finanzierung, 2., völlig neugestaltete Auflage.
- Drukarczyk, J. (2006): Finanzierung, in: Bea, F. X.; Friedl, B.; Schweitzer, M.; Dichtl, E. (Hrsg.): Allgemeine Betriebswirtschaftslehre: Bd. 3: Leistungsprozess, 9. Auflage, Stuttgart.
- Düsterlho, J. E. V. (2003): Das Shareholder-Value-Konzept. Auflage. Wiesbaden: Deutscher Universitäts-Verlag.
- Duncan, W. J. (2001): Stock ownership and work motivation. *Organizational Dynamics*, 30(1), 1-11.
- Dunn, B. 1996. Family enterprises in the UK: a special sector. *Family Business Review*. 1996, Vol. 9 Iss. 2, S. 139-155.
- Dyer, L. (1993): Human Resource as a Source of Competitive Advantage, CAHRS Working Paper, 93 (18), Cornell University, School of Industrial and Labor Relations, Ithaca/New York, 1993.
- Dyer, J. H., & Nobeoka, K. (2000): Creating and managing a high-performance knowledge-sharing network: the Toyota case. *Strategic Management Journal*, 345-367.
- Ebert, T., & Schwaiger, M. (2006): Sponsoring als zukunftssträchtige Kommunikationsform für Energieversorgungsunternehmen. *ET. Energiewirtschaftliche Tagesfragen*, 56(4), 50-53.
- Eckhardt, J. T., & Shane, S. A. (2003): Opportunities and entrepreneurship. *Journal of Management*, 29(3), 333-349.
- Eglau, H.O., Kluge, J., Stein, L. (2000): Durchstarten zur Spitze, McKinseys Strategien für mehr Innovation, Frankfurt, Campus, 2000.
- Eisend, M. (2004): Metaanalyse – Einführung und kritische Diskussion, Diskussionsbeiträge des Fachbereichs Wirtschaftswissenschaft der Freien Universität Berlin, Nr. 2004/8 Betriebswirtschaftliche Reihe,
- Eisenhardt, E. M. (1989): Building theories from case study research. *Academy of*

- Management, Review, 14(4), 532-550.
- Eisenhardt, K.M., Schoonhoven, C. B. (1990): Organizational Growth: Linking Founding Team, Strategy, Environment and Growth among U.S. Semiconductor Ventures 1978-1988, *Administrative Science Quarterly*, 35, pp. 504-529, 1990.
- Ellen, P.S., Webb, D.J., Mohr, L.A. (2006): Building Corporate Associations: Consumer Attributions for Corporate Socially Responsible Programs, *Journal of the Academy of Marketing Science*, Spring 2006 vol. 34 No. 2 147-157
- Emerson, R.M. (1962): Power-Dependence Relations, *American Sociological Review*, Vol. 27, No. 1, pp. 31-41, 1962.
- Eminefendic, T. & Gevorgyan, V. (2013): Internal Change in Internationalizing SMEs The Challenges of Going Local to Global: A Human Resource Perspective, Master Degree, University of Gothenburg.
- Ensley, M. D., & Pearce, C. L. (2001): Shared cognition in top management teams: Implications for new venture performance. *Journal of Organizational Behavior*, 22(2), 145-160.
- Ensley, M. D., Pearson, A. W., & Amason, A. C. (2002): Understanding the dynamics of new venture top management teams: cohesion, conflict, and new venture performance. *Journal of Business Venturing*, 17(4), 365-386.
- Ernstberger, J., Egger, F., & Giebelstein, M. (2010): Determinants and consequences of applying value-based performance measures: the German evidence. *International Journal of Accounting, Auditing and Performance Evaluation*, 6(2-3), 224-248.
- EU (2003): *Amtsblatt der Europäischen Union* L 124 vom 20.05.2003, Brüssel 2003
- EU (2011): European Commission, 25.10.2011, A renewed EU Strategy 2011-14 for Corporate Social Responsibility.
- European Commission (2015); *Assessing the Potential for EU Investment in Venture Capital and Other Risk Capital Fund of Funds*, Working Paper, October, 2015
- Existenzgruender.de (2016/II): *Auf einen Blick: wichtige Förderprogramme*, ver-

fürbar unter. <http://www.existenzgruender.de/DE/Weg-in-die-Selbstaendigkeit/Finanzierung/Foerderung/Wichtige-Foerderprogramme/inhalt.html>, Abruf am 11.04.2017

Expedia.de (27): Website, accesson 13.07.2017

Fallgatter, M.J. (2004): Entrepreneurship: Konturen einer jungen Disziplin, in: Schmalenbachs Zeitschrift für betriebswirtschaftlich Forschung (ZfbF), 56. Jg. 2, pp. 23-44, 2004.

Fama, Eugene F., and Kenneth R. French (1992): The cross-section of expected stock returns. *The Journal of Finance* 47.2 (1992): 427-465.

Fama, E. F., & French, K. R. (1993): Common risk factors in the returns on stocks and bonds. *Journal of financial economics*, 33(1), 3-56.

Fama, E. F., & French, K. R. (1998): Value versus growth: The international evidence. *The journal of finance*, 53(6), 1975-1999.

Fama, E. F., & French, K. R. (2006): The value premium and the CAPM. *The Journal of Finance*, 61(5), 2163-2185.

Feeser, H. R., & Willard, G. E. (1990): Founding strategy and performance: A comparison of high and low growth high tech firms. *Strategic Management Journal*, 11(2), 87-98.

Fiedler, K. & Bless, H. (2002): Soziale Kognition. S. 125-163 in: Stroebe, W. Jonas, K., Hewstone, M. (Hrsg.) *Sozialpsychologie*. 4. Aufl. Springer. Berlin u. a.

Fink, M. & Kraus, S. (2007): Mutual trust as a key to internationalization of SMEs. *Management Research News*, 30(9), 674-688.

Finkelstein, S., & Hambrick, D. C. (1996): *Strategic Leadership: Top Executives And Their Effects On Organizations* (Hornbooks) Author: Sydney Finkelstein, Donald C.

Finma (2012): Eidgenössische Finanzmarktaufsicht FINMA, Capital Accord (Basel II) verfügbar unter: <http://www.finma.ch/d/finma/internationales/gremien/basel/Seiten/capital-accord.aspx>, Abruf am 12.04.2017

Fischer, M. (1992): Make- or buy Entscheidungen im Marketing: Neue Institutio-

nenökonomie und Distributionspolitik, Frankfurt.

- Fischer, T. M. (1999): Economic Value-added (EVA): Informationen aus der externen Rechnungslegung zur internen Unternehmenssteuerung? Handelshochschule Leipzig.
- Fischer-Winkelmann, W.F. (1983): Wertschöpfungsrechnung, in: Lück, W. (ed.) Lexikon der Betriebswirtschaft, Landsberg a. L.
- Fisher, E., Reuber, A., Hababou, M., Johnson, W., Lee, S. (1997): The Role of Socially Constructed Temporal Perspectives in the Emergence of Rapid-Growth Firms, *Entrepreneurship Theory & Practice*, 22 (2), pp. 13-31, 1997.
- Flacke, K., Krol, F. (2005): Die Bedeutung der veränderten Finanzierungsrahmenbedingungen für das Controlling mittelständischer Unternehmen – Theoretische Betrachtung und empirische Erkenntnisse über den Stand der Umsetzung“, in: Einsatz von Controlling Instrumenten im Mittelstand – Konferenz Mittelstandscontrolling 2005, editor: Lingnau, V., Band 3, pp. 145-167, 2005.
- Flamholtz, E. G. (1999): Human resource accounting: advances in concepts, methods and applications. Auflage, Boston.
- Flamholtz, E. G., Bullen, M. L., & Hua, W. (2002): Human resource accounting: a historical perspective and future implications. *Management Decision*, 40 (10), 947-954.
- Flick et al. (ed.) (1991): Handbuch qualitativer Sozialforschung, München: Psychologie Verlagsunion.
- Flick, U. (2010): Gütekriterien qualitativer Forschung. In Handbuch qualitative Forschung in der Psychologie (pp. 395-407): VS Verlag für Sozialwissenschaften.
- Flyvbjerg, B. (2011): Case Study in Norman K. Denzin and Yvonna S. Lincoln, eds., *The Sage Handbook of Qualitative Research*, 4th Edition (Thousand Oaks, CA: Sage), pp. 301-316
- Fogelström, D. N., Gorschek, T., Svahnberg, M., & Olsson, P. (2010): The impact of agile principles on market-driven software product development. *Journal of Software Maintenance and Evolution: Research and Practice*, 22(1), 53-80.

- Fombrun, C., Gardberg, N., Barnett, M. (2000): Opportunity Platforms and Safety Nets: Corporate Citizenship and Reputational Risk, *Business and Society Review*, 105, 1, S. 85-106
- Forbes, D. P., Milliken, F. J. (1999): Cognition and Corporate Governance: Understanding Boards of Directors as Strategic Decision-Making Groups, *Academy of Management Review*, 24 (3), pp. 489-505, 1999.
- Fornell, C., Mithas, S., Morgeson III, F. V., & Krishnan, M. S. (2006): Customer satisfaction and stock prices: High returns, low risk. *Journal of marketing*, 70(1), 3-14.
- Forsman, M., Hinttu, S. & Kock, S. (2002): Internationalization from a SME perspective. In *Proceedings of the 18th IMP Conference, Dijon, 9-11th September, France*. Oxford University Press.
- Franke, G. & Hax, H. (1994): *Finanzwirtschaft des Unternehmens und Kapitalmarkt*. 3. Aufl. Springer. Berlin u. a..
- Fransson, A., Hakanson, L., Liesch, P.W. (2011): The underdetermined knowledge-based theory of the MNC, *Journal of International Business Studies* (2011) 42, 427-435
- Frederick, W. C. (1960): The growing concern over business responsibility. *California Management Review* (pre-1986), 2(000004), 54.
- Frese, M., Gelderen, M. V., & Ombach, M. (2000): How to Plan as a Small Scale Business Owner: Psychological Process Characteristics of Action Strategies and Success [*]. *Journal of Small Business Management*, 38(2), 1.
- Frid, C. J. (2009): Acquiring financial resources to form new ventures: Pecking order theory and the emerging firm. *Frontiers of entrepreneurship research*, 29(1), 1.
- Frohlich, M. T., & Westbrook, R. (2001): Arcs of integration: an international study of supply chain strategies. *Journal of operations management*, 19(2), 185-200.
- Frommann, H., Dahmann, A. (2005): *Zur Rolle von Private Equity und Venture Capital in der Wirtschaft*. Bundesverband Deutscher Kapitalbeteiligungsgesellschaften – e.V. Berlin.

- Fruhan, W. E. (1979): *Financial strategy: Studies in the creation, transfer, and destruction of shareholder value*. Richard d Irwin.
- Fuchs, P. & Zachau, T. (2000): *Lieferantenmanagement als crossfunktionales Projekt*, in: *Beschaffung aktuell*, 02/2000, 52-54.
- Fuerst, F. & McAllister, F. (2009): *An investigation of the Effect of Eco-Labeling on Office Occupancy Rates, Real Estate & Planning Working Papers repw2009-08*, Henley Business School, Reading University
- Fylan, F. (2005): *Semi-structured interviewing*. In Miles, J. and Gilbert, P. (2005) *A handbook of research methods for clinical and health psychology*, 65-78.
- Gartner, W.B., Shane, S.A. (1995): *Measuring Entrepreneurship over Time*, *Journal of Business Venturing*, 10(4), pp. 283-301, 1995.
- Garcia, A., Jaumandreu, J., Rodriguez, C. (2002): *Innovation and jobs: Evidence from manufacturing firms*, UC3M, 2002.
- Gassmann, O., & Keupp, M. M. (2007): *The competitive advantage of early and rapidly internationalizing SMEs in the biotechnology industry: A knowledge-based view*. *Journal of World Business*, 42(3), 350-366.
- Gattorna, J. (2003): *Gower handbook of supply chain management*. Gower Publishing, Ltd..
- Geisel, B.R. (2004): *Eigenkapitalfinanzierung. Praxiserprobte Instrumente zur Steigerung der Liquidität*, Gabler, Wiesbaden.
- Gélinas, R., Bigras, Y. (2004): *The Characteristics and Features of SMEs: Favorable or Unfavorable to Logistics Integration?*, *Journal of Small Business Management*, 42(3), pp. 263-278, 2004.
- Gelter, M. (2009): *Dark Side of Shareholder Influence: Managerial Autonomy and Stakeholder Orientation in Comparative Corporate Governance*. *Harv. Int'l LJ*, 50, 129.
- GEM (Global Entrepreneurship Monitor (2015/16): *Global Report*, retrieved from: <file:///C:/Users/regin/Downloads/gem-2015-2016-report-print-version-smaller-1481623410.pdf>, access on July 7, 2017.
- Geroski, P., Toker, S. (1996): *The Turnover of Market Leaders in UK Manufactur-*

- ing industry, 1976-1986, *International Journal of Industrial Organization*, 14(2), pp. 141-158, 1996.
- Gibbert, M., Leibold, M. & Probst, G. (2002), 'Customer Knowledge Management, and How Smart Companies Put Them into Action', *Université de Geneve*,
- Gimeno, J., Folta, T. B., Cooper, A. C., & Woo, C. Y. (1997): Survival of the fittest? Entrepreneurial human capital and the persistence of underperforming firms. *Administrative science quarterly*, 750-783.
- Glantschnig, E. (1994): Merkmalsgestützte Lieferantenbewertung. Köln. Fördergesellschaft Produkt-Marketing.
- Gleißner, W., Leibbrand, F. (2003b): Indikatives Rating und Unternehmensplanung als Basis für eine Ratingstrategie, in Everling, O., Achleitner, A.K., 2003: *Praxishandbuch Rating – Antworten auf die Herausforderung Basel II*, Wiesbaden, 2003.
- Gleißner, W. (2004): *Future Value: 12 Module für eine strategische wertorientierte Unternehmensführung*. Springer-Verlag.
- Göbel, E. (2002): *Neue Institutionenökonomik. Konzeption und betriebswirtschaftliche Anwendungen*. UTB Verlag.
- Golsner, C., Leibfried, P., & Schäfer, D. (2012): *Effektives Wertmanagement im Mittelstand: eine systemische Perspektive*. na.
- Gompers, P. & Lerner, J. (2004): *The venture capital cycle*, The MIT Press
- Gorchla, E., Schönbohm, P. (1980): *Beschaffung in der Unternehmung*. Stuttgart. Poeschel, Verlag.
- Goxe, F. (2010): Human and social capital interplay among internationalizing SMEs, *Journal of Knowledge-based Innovation in China*, 2(1), 73-88.
- Graham, B., & Dodd, D. L. (1934): *Security analysis: principles and technique*. McGraw-Hill.
- Grant, R. M. (1996): Prospering in dynamically-competitive environments: Organizational capability as knowledge integration, *Organization science*, 7(4), 375-387
- Griliches, Z. (1979): Issues in assessing the contribution of research and de-

- velopment to productivity growth, *Bell Journal of Economics*, 10, pp. 92-116, 1979.
- Griliches, Z. (1990): Patent statistics and economic indicators: a survey, *Journal of Economics Literature*, 28 (4), pp. 1661-1707, 1990.
- Grochla, E., Vahle, M., Puhlmann, M., Lehmann, H. (1981): *Entlastung durch Delegation – Leitfaden zur Anwendung organisatorische Maßnahmen in mittelständischen Betrieben*, Berlin, 1981.
- Grossman, S. J. (1995): Dynamic asset allocation and the informational efficiency of markets. *The Journal of Finance*, 50(3), 773-787.
- Gruca, T. S., & Rego, L. L. (2005): Customer satisfaction, cash flow, and shareholder value. *Journal of marketing*, 69(3), 115-130.
- Grundy, T. (2006): Rethinking and reinventing Michael Porter's five forces model. *Strategic Change*, 15(5), 213-229.
- Grundy, T. (2006): Rethinking and reinventing Michael Porter's five forces model. *Strategic Change*, 15(5), 213-229.
- Gubrium, J. F., & Holstein, J. A. (2002): *Handbook of interview research: Context and method*. Sage.
- Günther, T., & Gonschorek, T. (2011): Wertorientierte Unternehmensführung im deutschen Mittelstand-Ergebnisse einer empirischen Studie. *Controlling*, 23(1), 18-27.
- Günther, T. & Gonschorek, T. (2008): Auswirkung der wertorientierten Unternehmensführung auf die Interne Revision, Freidank, C.-C./Peemöller, V. H. (Eds.), *Corporate Governance und Interne Revision - Handbuch für die Neuausrichtung des Internal Auditings*, Erich Schmidt, Berlin, pp 127-144
- Gunasekram, A., Patel, C. & Tirtiroglu, E. (2001): Performance measures and metrics in a supply chain environment. *International Journal of Operations & Production Management* Vol. 21 No. 1,2, pp. 71-87
- Habbershon, T.G. & Williams, M.L. (1999): "A Resource-Based Framework for Assessing the Strategic Advantages of Family Firms". *Family Business Review*, Vol. 12, No. 1, pp. 1-25.

- Habisch, A. (2003): Corporate Citizenship – Gesellschaftliches Engagement von Unternehmen in Deutschland, Berlin u. a.
- Hachmeister, D. (1999): Der Discounted Cashflow als Maß der Unternehmenswertsteigerung. 3. Auflage. Frankfurt a. M.
- Hagstrom, R.G. (2000): Investieren mit Warren Buffet. Finanzbuch Verlag. München.
- Haller, A. (1997): Wertschöpfungsrechnung, Stuttgart
- Hambrick, D.C., Crozier, L.M. (1985): Stumblers and Stars, Management of Rapid Growth, *Journal of Business Venturing*, 1(1), pp. 31-45, 1985.
- Hambrick, D. C., & Mason, P. A. (1984): Upper echelons: The organization as a reflection of its top managers. *Academy of management review*, 9(2), 193-206.
- Hambrick, D. C., Werder, A. V., & Zajac, E. J. (2008): New directions in corporate governance research. *Organization Science*, 19(3), 381-385.
- Hamel, G. & Prahalad, C.K. (1989): Strategic Intent, *Havard Business Review*, 67(3), pp. 63-76, 1989.
- Hamer, E. (1984): Die Unternehmerlücke, Stuttgart, 1984.
- Hamermesh, D.S. (1993): Labor demand, Princeton University Press, 1993.
- Hamilton, B.H., Nickerson, J.A., Owan, H. (2003): Team Incentives and Worker Heterogeneity: An Empirical Analysis of the Impact of Teams on Productivity and Participation, *Journal of Political Economy*, 111(3), pp. 98-145, 2003.
- Hammerschmidt, J., Dyllick, T. (2001): ISO 14001- Profitable? Yes! But is it Eco-Effective. *Greener Management International* 34, S. 43-54.
- Hannon, P., Atherton, A. (1998): Small Firm Success and the Art of Orient-eering: The Value of Plans, Planning and Strategic Awareness in the Competitive Small Firm, *Journal of Small Business and Enterprise Development*, vol. 5(2), pp. 19-102, 1998.
- Hannover Finanz gmbH (2012): Hannover Finanz neuer Minderheitsgesell-

- schafter bei Ziener, May, 9, 2012, available at: <http://www.presseportal.de/pm/51454/2249328>, access on July, 7, 2017
- Hannover Finanzgruppe (2017), retrieved from: <http://www.hannoverfinanz.de/startseite/>, access on July, 7, 2017
- Hans-Böckler-Stiftung (2011): Rechnungslegung nach den International Financial Reporting Standards (IFRS), Kapitel 2 – Bilanzierung immaterieller Vermögenswerte, retrieved from: https://www.boeckler.de/pdf/mbf_ifrs_kapitel2.pdf, access on July, 11, 2017
- Hanschke, I. (2010): Strategisches Management der IT-Landschaft. Auflage. Hanser, München.
- Hansen, E.L., (1995): Entrepreneurial networks and new organizational growth. *Entrep. Theory Pract.* 19 (4), pp. 7-19, 1995.
- Haps, A. (2001): Private Risikoübernahmen durch Business Angels, in: Koch, L./Zacharias, Ch. (ed): *Gründungsmanagement*, München, pp. 197-206, 2001.
- Hardtke, A. & Prehn, M. (2001): *Perspektiven der Nachhaltigkeit – Vom Leitbild zur Erfolgsstrategie*, Gabler, Wiesbaden
- Harley, B., Allen, B. & Leisa, D.S. (2007): High Performance Work Systems and Employee Experience of Work in the Service Sector: The Case of Aged Care. *British Journal of Industrial Relations* 45:3 September 2007 0007-1080, S. 607-633.
- Harting, D. (1994): *Lieferanten-Wertanalyse – Ein Arbeitshandbuch mit Checklisten und Arbeitsblättern für Auswahl, Bewertung und Kontrolle von Zulieferern*. 2nd ed. Stuttgart. Schäffer-Poeschel.
- Hartmann, H., Pahl, H.J. & Spohrer, H. (1997): *Lieferantenbewertung – aber wie?. Lösungsansätze und erprobte Verfahren*. 2nd ed. Dt. Betriebswirte-Verlag. Gernsbach.
- HassabElnaby, H. R., & Wier, B. (2003): An empirical investigation of the performance consequences of nonfinancial measures. *Journal of Management Accounting Research*, 15(1), 193-223.

- Hauschildt, J. Gemünden, H. G., Grotz-Martin, S., Heidle U. (1983): Entscheidungen der Geschäftsführung - Typologie, Informationsverhalten, Effizienz, Tübingen, 1983.
- Hauschildt, J. & Salomo, S. (2011): Innovationsmanagement. Vahlen, Wiesbaden.
- Haußer, K. (1982): Forschungsinteraktion und Forschungskonzeption: in: Huber, G., Mandl, H. (ed.): Verbale Daten, Eine Einführung in die Grundlagen und Methoden der Erhebung und Auswertung, pp. 61-78, Weinheim: Beltz.
- Hawawini, G., Subramanian, V., & Verdin, P. (2003): Is performance driven by industry-or firm-specific factors? A new look at the evidence. Strategic management journal, 24(1), 1-16.
- Heinen, E. (1983): (Hrsg.) Industriebetriebslehre. Gabler. Wiesbaden.
- Helm, S. (1997): Neue Institutionenökonomik - Einführung und Glossar, 2. Auflage, Düsseldorf.
- Hendricks, K. B., & Singhal, V. R. (2003): The effect of supply chain glitches on shareholder wealth. Journal of operations Management, 21(5), 501-522.
- Hennerkes, B. H. & Kirchdörfer, R. (1998): Unternehmenshandbuch Familiengesellschaften. Köln et al.: Carl Heymanns Verlag, 1998.
- Henrekson, M., Johansson, D. (2009): Competencies and Institutions Fostering High-Growth Firms, Foundations and Trends in Entrepreneurship, 5(1), pp. 1-80, 2009.
- Henschel, T. (2010): Typology of risk management practices: an empirical investigation into German SMEs. International Journal of Entrepreneurship and Small Business, 9(3), 264-294.
- Henseler, N. (2006): Beiräte in Familienunternehmen: Eine kritische Betrachtung der Ausgestaltung der Beiratsarbeit, Dissertation Universität Bielefeld, 2006.
- Herrmann, F. (2005): Integration und Volatilität bei Emerging Markets. Gabler. Wiesbaden.
- Hesse, J., Neu, M., & Theuner, G. (2007): Marketing. Grundlagen. 2. Aufl. Berliner Wissenschaftsverlag. Berlin.
- Hewitt de Alcántara, C. (1998): Uses and abuses of the concept of governance.

- International social science journal, 50(155), 105-113.
- Hieber, R. (2002): Supply Chain Management. A Collaborative Performance Measurement Approach. Vdf. Zürich.
- Hildebrandt, L. (1984): Kausalanalytische Validierung in der Marketingforschung. Marketing: Zeitschrift für Forschung und Praxis, 41-51.
- Hildebrandt, H. & Koppelman, U. (2000): Beziehungsmanagement mit Lieferanten. In: Schriftenreihe der Schmalenbach-Gesellschaft für Betriebswirtschaft e.V., Stuttgart: Schäffer-Poeschel Verlag.
- Hildebrandt, L. & Temme, D. (2006): Probleme der Validierung mit Strukturgleichungsmodellen, in: Die Betriebswirtschaft, 66. Jg., Heft 6, S: 618-639.
- Hilverkus, D. K. G., & von Rosenberg, O. (2003): Die Liquidation von Start-up Unternehmen: Rechtliche Grundlagen und Erfahrungen aus der Praxis. In Von der Gründung bis zur Insolvenz Erfahrungen von Start-Up-Unternehmen (pp. 127-143): Gabler Verlag.
- Hirth, C. & Ziegler, M. (2005): Das Gruppendiskussionsverfahren, Vorstellung der Methode und Möglichkeiten der Umsetzung in einer Seminarsitzung, Hausarbeit an der Universität Freiburg, retrieved from: https://www.ph-freiburg.de/fileadmin/dateien/fakultaet3/sozialwissenschaft/Quasus/Hausarbeiten/Hausarbeit_Gruppendiskussion.pdf, access on June, 21, 2017
- Hirt, H.-C. (2007): Der Zusammenhang zwischen Corporate Governance und Performance, Strebel- Aerni, B. (Ed.), Finanzmärkte, Effizienz und Sicherheit, Schulthess, Zürich, pp 35-156
- Hmieleski, K. M. (2009): Entrepreneur Improvisational Behavior and New Venture Performance: A Social Cognitive Perspective, *Frontiers of Entrepreneurship, Research*, Vol. 29, Iss. 5., Article 1, 2009.
- Hmieleski, K. M., & Baron, R. A. (2009): Entrepreneurs' optimism and new venture performance: A social cognitive perspective. *Academy of management Journal*, 52(3), 473-488
- Hmieleski, K. M., & Corbett, A. C. (2008): The contrasting interaction effects of improvisational behavior with entrepreneurial self-efficacy on new venture

- performance and entrepreneur work satisfaction. *Journal of Business Venturing*, 23(4), 482-496.
- Hölzl, W. (2009): Is the R&D Behaviour of Fast-Growing SMEs different? Evidence from CIS III Data for 16 countries, *Small Business Economics*, 33(1), pp. 59-75, 2009.
- Höpner, M. (2001): Corporate governance in transition: Ten empirical findings on shareholder value and industrial relations in Germany (No. 01/5): MPIfG discussion paper.
- Höpner, A., Hofer, J. (2010): Auf Ideensuche in der ganzen Welt, *Handelsblatt*, 129, pp. 24-25, 2010.
- Hofer, A. (2005): Mezzanine-Finanzierung der GmbH, in: *GmbH R 2005*.
- Hoffmann, S. (2006): Neue Formen der Eigenkapitalfinanzierung, *Swiss Banking*, Schweizerische Bankervereinigung, Basel, Juli 2006
- Holcomb, T. R., Holmes Jr, R. M., & Connelly, B. L. (2009): Making the most of what you have: Managerial ability as a source of resource value creation. *Strategic Management Journal*, 30(5), 457-485.
- Holström, B., Milgrom, P. (1999): Art.: Multitask Principal-Agent Analyses: Incentive Contracts, Asset Ownership, and Job Design, in: Williamson, Oliver E./ Masten, Scott E. (Hrsg.), *The economics of transaction costs*, S.214-242, Cheltenham.
- Hombeck, T. (2000): Auswirkungen der Rechnungslegung nach IAS auf die Analyse von Wachstumsunternehmen, in: Bischoff, J., *Reihe Steuer, Wirtschaft, Recht*, Band 174, Lohmar, Köln, Eul, Oestrich-Winkel, 2000.
- Homburg, C., & Sieben, F. (2005): *Customer Relationship Management (CRM): Handbuch Kundenbindungsmanagement*, 5th ed., Wiesbaden.
- Honer, A. (1994): Das explorative Interview: zur Rekonstruktion der Relevanzen von Expertinnen und anderen Leuten. *Schweizerische Zeitschrift für Soziologie*, 20(3), 623-640.
- Horváth, P. (1998): *Controlling*, 7. Ed., München, 1998.
- Hufty, M. (2011): "Investigating Policy Processes: The Governance Analytical

- Framework (GAF): In: Wiesmann, U., Hurni, H., et al. editors. *Research for Sustainable Development: Foundations, Experiences, and Perspectives.* Bern: Geographica Bernensia: 403–424.
- Huergo, E. & J. Jaumandreu (2004): Firms' age, process innovation and productivity growth, *International Journal of Industrial Organization*, (22), pp. 541-559, 2004.
- Huschens, S. (2006): Faktorstruktur und Marktmodelle. S. 15-34 in Kürsten, W. Nietert, D. (2006) (Hrsg.): *Kapitalmarkt, Unternehmensfinanzierung und rationale Entscheidungen*. Festschrift für Jochen Wilhelm. Springer. Berlin u. a.
- Hvide, H. K., & Møen, J. (2010): Lean and hungry or fat and content? Entrepreneurs' wealth and start-up performance. *Management Science*, 56(8), 1242-1258.
- IBB (2015): *KMU-Report Berlin 2015, Wirtschaftslage und Finanzierung*, Investitionsbank Berlin, Creditreform Berlin.
- ICC (2010): Die 10 Prinzipien des Global Compact. Internationale Handelskammer, The world business organization, retrieved from: <http://www.icc-deutschland.de/index.php?id=104>, access on November, 10, 2015
- Ifm (2015/I): Institut für Mittelstandsforschung, Bonn: Insolvenzen. Available at: <http://www.ifm-bonn.org/statistiken/gruendungen-und-unternehmensschliessungen/#accordion=0&tab=2>, access on 14.04.2017
- Ifm (2015/II): Mittelstand im Einzelnen, available at: <http://www.ifm-bonn.org/statistiken/mittelstand-im-einzeln/#accordion=0&tab=2>, access on 14.04.2017
- IIFL (2017): Nagarro Software joins hands with an NGO "I am gurgaon", retrieve dfrom: http://www.indiaonline.com/article/news-corporate/nagarro-software-joins-hands-with-an-ngo-i-am-gurgaon--113102202322_1.html, access on July, 10, 2017
- Ikävalko, M. (2010): *Contextuality in SME Ownership – Studies on Owner Manager's Ownership Behaviour*, Lappeenranta, Finland, 2010.
- Imai, Y., & Kawagoe, M. (2000): *Business start-ups in Japan: problems and poli-*

- cies. *Oxford Review of Economic Policy*, 16(2), 114-123.
- Institute Of Management Accountants (1997): *Measuring and Managing Shareholder Value Creation*, Statement Nr 4AA, Institute of Management Accountants, Montvale, N.J., March 31.
- Ittner, C. D., & Larcker, D. F. (2001): *Assessing empirical research in managerial accounting: a value-based management perspective*. *Journal of accounting and economics*, 32(1), 349-410.
- Janker, Ch. G. (2008): *Multivariate Lieferantenbewertung. Empirisch gestützte Konzeption eines anforderungsgerechten Bewertungssystems*. 2nd ed. Gabler. Wiesbaden.
- Jansen, S. A. (2000): *Mergers & Acquisitions - Unternehmensakquisitionen und -Kooperationen. Eine strategische, organisatorische und kapitalmarkttheoretische Einführung*. 3. Aufl., Wiesbaden.
- Jegadeesh, N., Kräussl, R., & Pollet, J. M. (2015): *Risk and expected returns of private equity investments: Evidence based on market prices*. *Review of Financial Studies*, hhv046.
- Jensen, M. C. & Meckling, W. H. (1976): *Theory of the firm: Managerial behavior, agency costs and ownership structure*. *Journal of financial economics*, 3(4), 305-360.
- Jensen, M. C. (1986): *Agency costs of free cash flow, corporate finance, and takeovers*. *The American economic review*, 76(2), 323-329.
- Jo, H., & Lee, J. (1996): *The relationship between an entrepreneur's background and performance in a new venture*. *Technovation*, 16(4), 161-211.
- Johannsen, W. & Goeken, M. (2007): *Referenzmodelle für IT-Governance. Strategische Effektivität und Effizienz mit COBIT, ITIL & Co.*, dpunkt.Verlag, Heidelberg
- Jones Lang LaSalle, CoreNet Global. (2007): *Global Trends in Sustainable Real Estate: An Occupier's Perspective*, 2007, p.5: *Mc Graw Hill Construction: Green Building Smart Market Report*. New York, Mc Graw Hill, 2006.
- Jost, P. (2000): *Ökonomische Organisationstheorie*. Gabler. Wiesbaden.

- Jung, H. (2004): Allgemeine Betriebswirtschaftslehre, 10. Auflage, München.
- Kahneman, D., & Tversky, A. (1972): Subjective probability: A judgment of representativeness. *Cognitive psychology*, 3(3), 430-454.
- Kahneman, D., & Tversky, A. (1979): Prospect theory: An analysis of decision under risk. *Econometrica: Journal of the econometric society*, 263-291.
- Kale, P., Singh, H., & Perlmutter, H. (2000): Learning and protection of proprietary assets in strategic alliances: Building relational capital. *Strategic management journal*, 217-237.
- Kaplan, R.S. & Norton, D.P. (1992): The Balanced Scorecard - Measures That Drive Performance, *Harvard Business Review*, No. 92105, Jan/Feb. 1992, S. 71-79
- Kaplan, R. S., & Norton, D. P. (2004): *Strategy maps: Converting intangible assets into tangible outcomes*. Harvard Business Press.
- Kaplan, R.S. & Norton, D.P. (2001): *The Strategy-Focussed Organisation: How Balanced Scorecard Companies Thrive in the New Business Environment*, Boston, Harvard Business School Press, 1(25), 2001.
- Karrer, M. (2006): *Supply chain Performance Management. Entwicklung und Ausgestaltung einer unternehmensübergreifenden Steuerungskonzeption*. Gabler. Wiesbaden.
- Kaserer, C. & Diller, C. (2005): Private equity funds: Return characteristics. Return drivers and consequences for investors. In *Journal of Financial transformation*, The Capco Institute. 12/2005/15, S. 107-120
- Kato, T., Lee, J.H., Ryu, J.S. (2010): *The Productivity Effects of Profit Sharing, Employee Ownership, Stock Option and Team Incentive Plans: Evidence from Korean Panel Data*, Discussion Paper no. 51, Bonn, 2010.
- Katsolaucos, Y. (1984): Product innovation and employment. *European Economic Review* 26, pp. 83-108, 1984.
- Kayser, G., Wallau, F. (2003): *Der industrielle Mittelstand - ein Erfolgsmodell, Untersuchung im Auftrag des Bundesverbandes der Deutschen Industrie e.V. und der Ernst/Young AG, Oktober, Berlin, 2003.*

- Keeney, R. (1992): Value-Focused Thinking: A Path to Creative Decision Making, USA.
- Keeney, R.L. (1994): Creativity in Decision Making with Value-Focused Thinking, Sloan Management Review, summer 1994, S. 33-41
- Keeney, R.L. (1996): Value -Focused thinking: Identifying decision opportunities and crating alternatives, European Journal of Operational Research 92(1996) pp. 537-549
- Keeney R.L. (1999): Value-Focused Thinking, S. 465-494 in: Bell, D.E., Raiffa, H., Tversky, A. (1999): Decision Making: Descriptive, Normative and Prescriptive Interactions, Cambridge UP, 4th ed. 1999.
- Keiner, T. (2001): Rating für den Mittelstand: Wie Unternehmen ihre Bonität unter Beweis stellen und sich günstige Kredite sichers, Campus Verlag GmbH, Frankfurt, 2001.
- Keiningham, T., Zahorik, A. J., & Rust, R. T. (1994): Getting return on quality. Journal of Retail Banking, 16(4), 7-13.
- Kehoe, P.M. & Wright, R.R. (2010): Human Resource Practices on Employees' Attitude and Behaviours. Journal of Management. 2010. zitiert wird das working paper.
- Kelly, P. (2007): 12 Business angel research: The road traveled and the journey ahead. Handbook of research on venture capital, 1, 315.
- Kepper, G. (2000): Methoden der qualitativen Marktforschung. Marktforschung, 2, 159-202.
- Keuschnigg, C., & Nielsen, S. B. (2004): Start-ups, venture capitalists, and the capital gains tax. Journal of Public Economics, 88(5), 1011-1042.
- KfW (2016/I): Gründerkredit, verfügbar unter: [https://www.kfw.de/inlandsfoerderung/Unternehmen/Gr%C3%BCnder-Erweitern/Finanzierungsangebote/ERP-Gr%C3%BCnderkredit-Startgeld-\(067\)/#2](https://www.kfw.de/inlandsfoerderung/Unternehmen/Gr%C3%BCnder-Erweitern/Finanzierungsangebote/ERP-Gr%C3%BCnderkredit-Startgeld-(067)/#2), Abruf am 13.04.2017
- KfW (2016/II): KfW-Gründungsmonitor 2016, available at: <https://www.kfw.de/PDF/Download->

- Center/Konzernthemen/Research/PDF-Dokumente-Gr%C3%BCndungsmonitor/Gr%C3%BCndungsmonitor-2016.pdf, access on July, 7,, 2017
- KfW, ZEW (2010): Aufbruch nach dem Sturm Junge Unternehmen zwischen Investitionsschwäche und Innovationsstrategie. KfW ZEW Gründungspanel, 2010.
- Khadjavi, K. (2005): Wertmanagement im Mittelstand, St. Gallen, 2005.
- Kim, K. S. (2004): Strategic planning for value-based management: An empirical examination. *Management Decision*, 42(8), 938-948.
- Kim, A. J., & Ko, E. (2012): Do social media marketing activities enhance customer equity? An empirical study of luxury fashion brand. *Journal of Business Research*, 65(10), 1480-1486.
- Kim, W. C., & Mauborgne, R. (1997): Value innovation: The strategic logic of high growth. Harvard Business School Pub.
- Kim, W. C., & Mauborgne, R. (2005): *Blue Ocean Strategy: How to Create Uncontested Market Space and Make Competition Irrelevant*. Harvard Business Press, 2005.
- Kinkel, S. & Zanker, Ch. (2007): *Globale Produktionsstrategien in der Automobilzulieferindustrie*. Springer, Berlin u. a.
- Kirchner & Robrecht (2016): Unternehmensdarstellung, retrieved from: http://www.kirchner-robrecht.de/fileadmin/files/PR/K_R_Praesentationen/Unternehmensdarstellung_Internet_KirchnerRobrecht_2017_final.pdf, access on July, 7, 2017
- Kirchner & Robrecht Management Consultants (2017): Website, retrieved from: <http://www.kirchner-robrecht.de>, access on July, 7, 2017
- Klandt, H., Hakansson P.-O. & Motte F. (2001): *Vademecum für Unternehmensgründer, Business Angels und Netzwerke*, Norderstedt, 2001.
- Klapper, L. (2006): The role of factoring for financing small and medium enterprises, *Journal of Banking & Finance* 30 (2006), pp. 3111-3130

- Kleiber, D., Velten, D. (1994): Prostitutionskunden. Eine Untersuchung.
- Kleiman, R. T. (1999): Some new evidence on EVA companies. *Journal of Applied Corporate Finance*, 12(2), 80-91.
- Klotz, A. C., Hmieleski, K. M., Bradley, B. H., & Busenitz, L. W. (2014): New venture teams a review of the literature and roadmap for future research. *Journal of Management*, 40(1), 226-255.
- Knust, A. (2008): Darstellung und kritische Analyse des Risikomanagements in der unternehmerischen Wohnungswirtschaft. Grin.
- Koeller, C. T., & Lechler, T. G. (2006): Economic and managerial perspectives on new venture growth: An integrated analysis. *Small Business Economics*, 26(5), 427-437.
- Körner, R. A., Nikolaus, U. & Poost, A. (2008): Marketing von Innovationen: Strategien und Mechanismen zur Durchsetzung von Innovationen. W. Kohlhammer Verlag.
- Koller, T. (1994): What is value-based management? *McKinsey Quarterly*, August 1994, retrieved online: <http://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/what-is-value-based-management>, access on April, 26, 2017
- Koller, T., Goedhart & M. Wessels, D. (2005): Valuation – Measuring and Managing the Value of Companies. 4. Auflage, Hoboken, New York.
- Kontinen, T. & Ojala, A. (2010): Internationalization pathways of family SMEs: psychic distance as a focal point. *Journal of Small Business and Enterprise Development*, 17(3), 437-454.
- Koppelman, U. (2000): Beschaffungsmarketing. 3rd. Ed. Berlin u. a. Springer Verlag.
- Kotter, J.P., Sathe, V. (1978): Problems of Human Resource Management in Rapidly Growing Companies, *California Management Review*, Winter78, Vol. 21, Issue 2, p.29, 1978.
- Kraus, P., & Britzelmaier, B. (2011): Corporate governance and corporate performance: A German perspective. *International Journal of Management Cases*,

- 13(3), 327-340.
- Krol, F. (2007): Value Based Management in Small and Medium Enterprises Analysis of internal and external impulses and possibilities of implementation, Arbeitspapier No. 9-1, 5/2007, Münster, 2007.
- Krol, F. (2009): Wertorientierte Unternehmensführung im Mittelstand - Erste Ergebnisse einer empirischen Studie, Münster, 2009.
- Kühn, R., & Grünig, R. (2000): Grundlagen der strategischen Planung: ein integrierter Ansatz zur Beurteilung von Strategien, 2. Aufl., Bern, Stuttgart, Wien.
- Küpper, H. U. (1998): Marktwertorientierung-neue und realisierbare Ausrichtung fuer die interne Unternehmensrechnung? Betriebswirtschaftliche Forschung und Praxis, 517-539.
- Kuester, S., & Thomsen, J. (2012): Drivers of eWOM Marketing for Successful New Product Launch. IMU Research Insights, 10.
- Kuhn, A. & Hellingrath, H. (2002): Supply Chain Management. Optimierte Zusammenarbeit in der Wertschöpfungskette. Springer. Berlin et al.
- Kuhner, C., & Maltry, H. (2006): Unternehmensbewertung. Springer-Verlag. Kuivalainen, O. - Sundqvist, S. - Saarenketo, S. - McNaughton, R. (2012): Internationalization patterns of small and medium-sized enterprises. International Marketing Review, 29(5), 448-465.
- Kuivalainen, O., Sundqvist, S., Saarenketo, S. & McNaughton, R. (2012): Internationalization patterns of small and medium-sized enterprises. International Marketing Review, 29(5), 448-465.
- Kuratko, D. F., Ireland, R. D., & Hornsby, J. S. (2001): Improving firm performance through entrepreneurial actions: Acordia's corporate entrepreneurship strategy. The Academy of Management Executive, 15(4), 60-71.
- Kviselius, N. Z. (2008): Trust-building and communication in SME internationalization: a study of Swedish-Japanese business relations (Doctoral dissertation, Stockholm School of Economics):
- Ladhari, R., Ladhari, I., & Morales, M. (2011): Bank service quality: comparing Canadian and Tunisian customer perceptions. International Journal of Bank

- Marketing, 29(3), 224-246.
- Lamnek, S. (1993): Band II Methoden und Techniken in die Qualitative Sozialforschung, 2nd edition, Psychologie Verlags Union Weinheim, 1993.
- Lamnek, S. (2010): Qualitative Sozialforschung, 5. Auflage, Beltz Psychologie Verlags Union.
- Langenberg, J. (2008): Controlling in jungen, innovativen Wachstumsunternehmen, Eine rationalitätsdefizitorientierte Analyse wesentlicher Probleme, Aachen, 2008.
- Langenkämper, C. (2000): Unternehmensbewertung. Gabler. Wiesbaden.
- Langfield-Smith, K. (1997): Management Control Systems and Strategy: A Critical Review. Accounting, Organizations and Society, vol. 22(2), pp. 207-232, 1997.
- La Porta, R., F. Lopes-de-Silanes and A. Shleifer (1999): Corporate Ownership around the World, Journal of Finance, Vol. 54, No. 2 (April), pp. 471-517.
- Laux, H., & Liermann, F. (2013): Grundlagen der Organisation: Die Steuerung von Entscheidungen als Grundproblem der Betriebswirtschaftslehre. Springer-Verlag.
- Laux, H. & Schabel, M.M. (2008): Subjektive Investitionsbewertung, Marktbewertung und Risikoteilung. Springer Verlag.
- Lawrenz, O., Hildebrand, K. & Nenninger, M. (2000): Supply Chain Management. Strategien, Konzepte und Erfahrungen auf dem Weg zu E-Business Networks. 1st ed., Vieweg, Gabler, Wiesbaden.
- Lazonick, W., & O'Sullivan, M. (2000): Maximizing shareholder value: a new ideology for corporate governance. Economy and society, 29(1), 13-35
- Leavitt, J. M. (2004): Burned Angels: The Coming Wave of Minority Shareholder Oppression Claims in Venture Capital Start-up Companies. NCJL & Tech., 6, 223.
- Lechler, T. (2001): Social interaction: A determinant of entrepreneurial team venture success. Small Business Economics, 16(4), 263-278.
- Leibfried, P. (2002): Rechnungslegung von Wachstumsunternehmen, St. Gal-

- len/Bamberg, 2002.
- Lee, J. (2006): Family firm performance: Further evidence. *Family business review*, 19(2), 103-114.
- Lee, S. M. und Lim, S. (2008): Entrepreneurial orientation and the performance of service business. *Service Business*. Vol. 3, 2008, 1, S. 1-13.
- Lee, S.F., Sai On Ko, A. (2000): Building balanced scorecard with SWOT analysis, an implementing "Sun Tzu's The Art of Business Management Strategies" on QFD methodology, *Managerial Auditing Journal* 15/1/2 (2000), pp. 68-76
- Lewin, K. (1946): Action research and minority problems. *Journal of social issues*, 2(4), 34-46.
- Leyherr, M. (2000): Die Situation von Familienunternehmen in Österreich unter besonderer Berücksichtigung der Finanzierung und Unternehmensnachfolge.
- Lezius, M. (2006): Mitarbeiterbeteiligung als Motor für Deutschlands Familienunternehmen, *Wirtschaftsdienst*, Vol. 86, Iss. 2, pp. 85-92, Hannover, 2006.
- Li, G., Fan, H., Lee, P. K., & Cheng, T. C. E. (2015): Joint supply chain risk management: An agency and collaboration perspective. *International Journal of Production Economics*, 164, 83-94.
- Li, S., Ragu-Nathan, B., Ragu-Nathan, T. S., & Rao, S. S. (2006): The impact of supply chain management practices on competitive advantage and organizational performance. *Omega*, 34(2), 107-124.
- Li, X., & Wu, L. (2013, January): Measuring Effects of Observational Learning and Social-Network Word-of-Mouth (WOM) on the Sales of Daily-Deal Vouchers, In *System Sciences (HICSS)*, 2013 46th Hawaii International Conference on (pp. 2908-2917), IEEE
- Lincoln, Y. S. & Guba, E. G. (1985): *Naturalistic inquiry*, Beverly Hills, CA: Sage.
- Lingnau, V. (2008): *Die Rolle des Controllers im Mittelstand*. Reihe Controlling Band 8. Eul Verlag. Innsbruck.
- Linked In (2017): Social network available at [linkedin.com](https://www.linkedin.com), access on July, 7, 2017

- Lintner, J. (1965): The valuation of risk assets and the selection of risky investments in stock portfolios and capital budgets. *The review of economics and statistics*, 13-37.
- Lohmann, D. (2012): ... und mittags geh ich heim, Linde Verlag Wien.
- Lombardo, D. & Pagano, M. (2002): Law and Equity Markets: A Simple Model, Working Paper
- Longhurst, R. (2003): Semi-structured interviews and focus groups. *Key methods in geography*, 117-132.
- Lovata, L. M., & Costigan, M. L. (2002): Empirical analysis of adopters of economic value-added. *Management Accounting Research*, 13(2), 215-228.
- Luo, X., Zhang, J., & Duan, W. (2013): Social media and firm equity value. *Information Systems Research*, 24(1), 146-163.
- Lueg, R. (2010): Shareholder Value und Value-based Management (VBM): Controlling, 22(6), 337-344.
- Lützkendorf, T. (2010): Nachhaltigkeit in der Immobilienwirtschaft von den Grundlagen zur branchen-spezifische Interpretation. KIT Karlsruhe Institute of Technology.
- Lumpkin, G. T. und Dess, G. G. (1996): Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*. 1996, 21, S. 135-172.
- Luo, X. & Bhattacharya, C.B. (2006): Corporate Social Responsibility Customer Satisfaction and Market Value, *Journal of Marketing*, 70, October 2006, S. 1-18
- MacMillan, I.C., Day, D.L. (1987): Corporate Ventures Into Industrial Markets: Dynamics of Aggressive Entry, *Journal of Business Venturing*, 2(1), pp. 29-39, 1987.
- Maditinos, D., Chatzoudes, D., Tsairidis, C., & Theriou, G. (2011): The impact of intellectual capital on firms' market value and financial performance. *Journal of intellectual capital*, 12(1), 132-151.
- Maignan, I. & Ferrell, O.C. (2004): Corporate Social Responsibility and Marketing:

- An Integrative Framework", *Journal of Academy of Marketing Science*, Vol. 32, No.1, pp. 3-19.
- Maindok, H. (2003): *Professionelle Interviewführung in der Sozialforschung: Interviewtraining: Bedarf, Stand und Perspektiven*. Springer-Verlag.
- Malmi, T., & Ikäheimo, S. (2003): Value based management practices – some evidence from the field. *Management Accounting Research*, 14(3), 235-254.
- Manalova, T.S. & Manvev, I.M. (2004): Internationalization and the performance of the small firm: a review of the empirical literature between 1996 and 2001, S. 37-63 in: Jones, M. V., - Dimitratos, P. (Eds.): 2004. *Emerging paradigms in international entrepreneurship*. Edward Elgar Publishing.
- Mandl, G., & Rabel, K. (1997): *Unternehmensbewertung: eine praxisorientierte Einführung*. Ueberreuter.
- Mankiw, N.G., Romer, D., Weil, D.N. (1992): A Contribution to the Empirics of Economy Growth, *Quarterly Journal of Economics*, 107(2), pp. 407-437, 1992.
- Margolis, J. & Walsh, J. (2001): *People and Profits? The search for a link between a company's social and financial performance*, Lawrence Erlbaum Associates, Publishers
- Markowitz, H.M. (1952): Portfolio Selection, *Journal of Finance*, Vol. 7 No. 3, pp. S. 77 – 91, 1952.
- Marsden, P., Samson, A., & Upton, N. (2005): *The economics of buzz-word of mouth drives business growth finds LSE study*. The London School of Economics and Political Science
- Marsh D.G. (1999): Making or breaking value, *New Zealand Management*, March, pp. 58-59.
- Martin, A. (Hrsg.) (2005): *Organizational Behaviour – Verhalten in Organisationen*. Stuttgart.
- Martin, J. D., & Petty, J. W. (2001): *Value based management: The corporate response to the shareholder revolution*. Oxford University Press.
- Matschke, J. & Brösel, G. (2006): *Unternehmensbewertung Funktion- Methoden-*

Grundsätze. 2. Ausgabe. Springer Verlag.

- Matthews, G., Bye, M., Howland, J., Stanley, M. (2009): Operational Improvement: The key to value Creation in Private Equity. *Journal of Applied Corporate Finance*, Volume 21, No. 3, Summer 2009.
- Maxwell, J. C. (2009): *How successful people think, change your thinking, change your life*, Center Street, New York, 2009.
- Maxwell, A. L., Jeffrey, S. A., & Lévesque, M. (2011): Business angel early stage decision making. *Journal of Business Venturing*, 26(2), 212-225.
- Mayer, H. O. (2013): *Interview und schriftliche Befragung: Grundlagen und Methoden empirischer Sozialforschung*. Walter de Gruyter.
- Mayring, P. (1991) *Qualitative Inhaltsanalyse*. In: Flick, Uwe (Ed.) ; Kardoff, Ernst von (Ed.) ; Keupp, Heiner (Ed.); Rosenstiel, Lutz von (Ed.) ; Wolff, Stephan(Ed.): *Handbuch qualitative Forschung : Grundlagen, Konzepte, Methoden und Anwendungen*. München : Beltz - Psychologie Verl. Union, 1991, pp. 209-213
- Mayring, P. (2015): *Qualitative Inhaltsanalyse (Vol. 14, pp. 159-175)*: UVK Univ.-Verl. Konstanz.
- Mayring, P. (2016): *Einführung in die qualitative Sozialforschung. Eine Anleitung zu qualitativen Denken*, 5
- McDougall, P., Robinson Jr., R.B. (1990): *New Venture Strategies: An Empirical Identification of Eight Archetypes of Competitive Strategies for Entry*, *Strategic Management Journal*, 11(6), pp. 447-467, 1990.
- McKenna, R. (1991) *Relationship Marketing: Successful Strategies for the Age of the Customers*. Addison-Wesley.
- McTaggart J. And Kontes P.W. (1993): *The Governing Corporate Objective: Shareholders versus Stakeholders*, *Marakon Commentary*, Marakon Associates, June, pp. 26.
- Measey, P. (2013): *Agile and the Best Management Practice framework within the public sector*, *The Stationery Office* 2013
- Meffert, H., & Bruhn, M. (1997): *Dienstleistungsmarketing. Grundlagen, Konzepte*

- te, Methoden. Wiesbaden 1997.
- Meffert, H. & Münstermann, M. (2006): Corporate Social Responsibility in Wissenschaft und Praxis – eine Bestandsaufnahme. In Meffert, H., Backhaus, K. & Becker, J. (Hrsg.) Corporate Social Responsibility – gesellschaftliche Verantwortung von Unternehmen. Arbeitspapier Nr. 191 der Wissenschaftlichen Gesellschaft für Marketing und Unternehmensführung e.V. Münster 2006.
- Mehra, R. (2003): The equity premium: why is it a puzzle? (corrected): *Financial Analysts Journal*, 59(1), 54-69.
- Meier, M. (2011): Knowledge management in strategic alliances: A review of empirical evidence. *International Journal of Management Reviews*, 13(1), 1-23.
- Meins, E. (2010): Der finanzielle Wert der Nachhaltigkeit von Immobilien. In Rottke, N., B., (ed.) (2010): Versusreihe. Ökonomie vs. Ökologie. Nachhaltigkeit in der Immobilienwirtschaft. Urban Land Institute. Manager Verlag. Oestrich Winkel. S. 259-286.
- Melzer-Ridinger, R. (2003): FAQ. Die Hundert wichtigsten Fragen zu Supply Chain Management. Fortis. Bildungsverlag EINS. Troisdorf.
- Mendibil, K., Hernandez, J., Espinach, X., Garriga, E., Macgregor, (2006): How can CSR Practices Lead to Successful Innovation in SMES?, working paper.
- Menz, M. (2012): Functional top management team members: A review, synthesis, and research agenda. *Journal of Management*, 38, pp.45-80, 2012.
- Merchant K.A. (1998), *Modern Management Control Systems Text and Cases*, Prentice Hall.
- Merchant, K. & Van der Stede, W.A. (2007): *Management Control Systems – Performance Measurement, Evaluation and Incentives*, Essex: Pearson Education Limited, 2007.
- Merriam, S. B. (1998): *Qualitative research and case study applications in education*. San Francisco: Jossey-Bass
- Merten, K. (2013): *Inhaltsanalyse: Einführung in Theorie, Methode und Praxis*. Springer-Verlag.

- Merton, R. C. (1987): A simple model of capital market equilibrium with incomplete information. *The Journal of Finance*, 42(3), 483-510.
- Meyer-Hentschel (1993): *Erfolgreiche Anzeigen; Kriterien und Beispiele zur Beurteilung und Gestaltung*; Gabler Verlag; Wiesbaden; 1993
- Meyer, C., & Schwager, A. (2007): Understanding customer experience. *Harvard business review*, 85(2), 116.
- Meyer, K. & Skak, A. (2002): Networks, serendipity and SME entry into Eastern Europe. *European Management Journal*, 20(2), 179-188.
- Meyer, M., Zarnekow, R. & Kolbe, L.M. (2003): IT-Governance. Begriff, Status quo und Bedeutung. *Wirtschaftsinformatik* 45 (2003) 4, S. 445-448.
- Michael, L.T., Fraedrich, J.P., Mullen, L.G. (2001): Successful cause related marketing, partnering as a means to aligning corporate and philanthropic goals.
- Micheau, J. P. 2004. Sicherung von Kreativität, Erfindungen, Innovation, Fortschritt und Verbesserungen. [Hrsg.] Ch. G. Böllhoff, et al. *Management von industriellen Familienunternehmen*. Stuttgart : Schäffer-Poeschel, 2004, S. 179-183.
- Miller, D. (1983): the correlates of entrepreneurship in three types of firms. *Management Science*. 1983, 29, S. 770-791.
- Mintzberg, H. (1979): An Emerging Strategy of Direct Research", *Administrative Science Quarterly*, vol. 24(4), pp. 580-589, 1979.
- Mintzberg, H. & Waters, J. A., (1982): Tracking Strategy in an Entrepreneurial Firm, 25 (3), pp. 465-499, 1982.
- Mithas, S., Krishnan, M. S., & Fornell, C. (2005): Why do customer relationship management applications affect customer satisfaction?. *Journal of Marketing*, 69(4), 201-209.
- Mitusch, K. & Schimke, A. (2011): *Gazelles – High-Growth Companies, Final Report, Task 4, Horizontal Report 5*, Karlsruhe, 2011.
- Modigliani, F., & Miller, M. H. (1958): The cost of capital, corporation finance and the theory of investment. *The American economic review*, 48(3), 261-297.
- Moen, Ø., Gavlen, M., & Endresen, I. (2004): Internationalization of small, com-

- puter software firms: entry forms and market selection. *European Journal of Marketing*, 38(9/10), 1236-1251.
- Moher, D., Cook, D.J., Eastwood, S., Olkin, I., Rennie, D., Stroup, D.F. 1999. "Improving the Quality of Reports of Meta-Analyses of Randomised Controlled Trials: The Quorum Statement," *Lancet* (354), pp. 1896-1900
- Mohr, L.A., Webb, D.J., Harris, K.E. (2001): Do consumers Expect Companies to be Socially Responsible? The Impact of Corporate Social Responsibility on Buying Behaviour, *The Journal of Consumer Affairs*, Vol. 35, No. 1, Summer 2001.
- Mollick, E. (2014): The dynamics of crowdfunding: An exploratory study. *Journal of business venturing*, 29(1), 1-16.
- Morin R. A. & Jarrell S. L. (2001): *Driving Shareholder Value Value-Building, Techniques for Creating Shareholder Wealth*, Mc Graw-Hill.
- Moro, A., & Fink, M. (2013): Loan managers' trust and credit access for SMEs. *Journal of Banking & Finance*, 37(3), 927-936.
- Morris, M. (2001): The Critical role of Resources, *Journal of Developmental Entrepreneurship*, vol. 6(2), pp. v-vii, 2001.
- Morse, J. M., Barrett, M., Mayan, M., Olson, K., & Spiers, J. (2002): Verification strategies for establishing reliability and validity in qualitative research. *International journal of qualitative methods*, 1(2), 13-22.
- Mossin, J. (1966): Equilibrium in a capital asset market. *Econometrica: Journal of the econometric society*, 768-783.
- Müller, H. (2007): Unternehmenswert im Spannungsfeld von Investorenvertrauen und Kapitalmarkttheorie. Theoretische Modellierung und praktische Anwendung zur Bewertung des Deutschen Corporate Governance Kodex.
- Müller, S., Ordemann, T. & Pampel, J.R. (2005): Handlungsempfehlungen für die Anwendung der IFRS im Controlling mittelständischer Unternehmen, in: *Betriebs-Berater*, 60. Jg., (39), p. 2119-2125, 2005.
- Mugler, J. (1998): *Betriebswirtschaftslehre der Klein- und Mittelbetriebe*, Band 1, Wien/NewYork, 1998.

- Mugler, J. (2005): Grundlagen der BWL der Klein- und Mittelbetriebe. Wien : Facultas Verlag.
- Murphy, K. J. (1985): Corporate performance and managerial remuneration: An empirical analysis. *Journal of accounting and economics*, 7(1-3), 11-42.
- Murphy, J.J. (2004): Technische Analyse, TU Darmstadt, AGI-Information Management Consultants.
- Muschinski, W. (1998): Lieferantenbewertung. In: Strub, M. (Hrsg.): Das große Handbuch Einkaufs- und Beschaffungsmanagement. Verlag Moderne Industrie. Landsberg a. Lech. p. 77-126.
- Myers, S. C., & Majluf, N. S. (1984): Corporate financing and investment decisions when firms have information that investors do not have. *Journal of financial economics*, 13(2), 187-221.
- Naldi, L., et al. (2007): Entrepreneurial orientation, risk taking, and performance in family firms. *Family Business Review*. 2007, Vol. 20 Iss. 1, S. 33-47.
- Narasimhan, R., Talluri, S. & Mendez, D. (2001): Supplier Evaluation and Rationalization via Data Envelopment Analysis: An Empirical Examination. *The Journal of Supply Chain Management*. Summer 2001.
- Narayandas, D. (1998): Measuring and managing the benefits of customer retention an empirical investigation. *Journal of Service Research*, 1(2), 108-128.
- Nagarro (2017): Corporate Website, retrieved from: <http://www.nagarro.com>, access on July, 8, 2017
- Nagarro 82017/II): Enterprise Agile, film, available at: <http://www.nagarro.com/de/who-we-are/enterprise-agile>, access on July, 9, 2017
- National Commission on Entrepreneurship, (2001): Embracing Innovation: Entrepreneurship and American Economic Growth, White Paper, 2001: in Volkmann, K.E., Mariotti, W.S., Rabuzzi, D., Vyakarnam, S., Sepulveda, A., (2009): Educating the Next Wave of Entrepreneurship Unlocking entrepreneurial capabilities to meet the global challenges of the 21st Century A Report of the Global Education, Initiative, Geneva, 2009.

- Nazmer, E. (2011): *Kapitalkosten bei der Unternehmensbewertung in den Emerging Markets Europas*, Springer Verlag, Berlin.
- Nilsson, A. (2010): *Balancing the Management Control Package of Small, Rapidly Growing Firms in Turbulent Environments*, *International Journal of Entrepreneurship and Small Business*, vol. 11(1), pp. 3-24, 2010.
- Nilsson, C., Rahmani, S. (2007): *Cause Related Marketing, From a Swedish Retail Perspective*. Bachelor Thesis, Lulea University of Technology
- Nofsinger, J. R., & Wang, W. (2011): *Determinants of start-up firm external financing worldwide*. *Journal of Banking & Finance*, 35(9), 2282-2294.
- Nonaka, I., Byosiere, P., Borucki, C. C., & Konno, N. (1994): *Organizational knowledge creation theory: a first comprehensive test*. *International Business Review*, 3(4), 337-351.
- Nørreklit, H. (2003): *The balanced scorecard: what is the score? A rhetorical analysis of the balanced scorecard*. *Accounting, organizations and society*, 28(6), 591-619.
- Nordqvist M. (2005): *Understanding the role of ownership in strategizing. A study on family firm*. JIBS Dissertation Series, No 29, Jönköping International Business School, Jönköping, 2005.
- North, D.C. (1994): *Economic Performance through Time*. *The American Economic Review*, Vol. 84. Nr. 3, S. 359-368.
- Olbrich, A. (2012): *Wertminderung von finanziellen Vermögenswerten der Kategorie „Fortgeführte Anschaffungskosten“ nach IFRS 9*. Eul Verlag, Lohmar.
- OECD (2004): *OECD Principles of Corporate Governance*, 2004 Edition
- OED (2014): *Oxford English Dictionary, Knowledge*, Vortrag vom 26.10.2014, verfügbar unter:
<http://www.oxforddictionaries.com/definition/english/knowledge>, access on May, 2, 2017
- OED (2017): *Comparability*, available at:
<http://www.dictionary.com/browse/comparability>, access on May, 14, 2017

- Ojala, A., & Tyrväinen, P. (2008): Market entry decisions of US small and medium-sized software firms. *Management Decision*, 46(2), 187-200.
- Olejnik, E. & Swoboda, B. (2012): SMEs' internationalisation patterns: descriptives, dynamics and determinants. *International Marketing Review*, 29(5), 466-495.
- Olson, P. D., & Bokor, D. W. (1995): Strategy process-content interaction: Effects on growth performance in small start-up firms. *Journal of Small Business Management*, 33(1), 34.
- Orthwein, I. (2014): *Crowdfunding: Grundlagen und Strategien für Kapitalsuchende und Geldgeber*. Igel Verlag RWS.
- Osterheld, I. (2001): *Transaktionskostenrechnung und Unternehmensstrategie*. Deutscher Universitäts-Verlag. Wiesbaden.
- Osteroth, R. (2008): *Erfinderwelten. Eine kurze Geschichte der Technik*. Rohwolt. Berlin.
- Oxman A. D. (1996): The Cochrane Collaboration in the 21st century: ten challenges and one reason why they must be met. In: Egger M., Smith G.D., Altman D.G., eds. *Paprottkka, S. (1996): Unternehmenszusammenschlüsse: Synergiepotentiale und ihre Umsetzungsmöglichkeiten durch Integration*, Wiesbaden.
- Page, A.S. & Jones, R.C. (1990): Business growth, in: *Management Decision* Nr. 28 (1), pp. 40-47, 1990.
- Palli, M. C. (2004): Einleitung. In *Wertorientierte Unternehmensführung* (pp. 1-5): Deutscher Universitätsverlag.
- Pangarkar, N. (2008): Internationalization and performance of small-and medium-sized enterprises. *Journal of World Business*, 43(4), 475-485.
- Parguel, B., Benoit-Moreau, Laceneux, F. (2009): A closer look at Ethical Corporate Marketing: sustainability ratings as a means to deter Green washing, Centre de recherche DRM UMR 7088, Paris.
- Parvatiyar, A., & Sheth, J. N. (2001): Customer relationship management: emerging practice, process, and discipline. *Journal of Economic and Social re-*

- search, 3(2), 1-34.
- Patton, A. (2012): *Work That Matters The Teacher's Guide to Project-based Learning*. Paul Hamlyn Foundation.
- Paul, S., Whittam, G., & Wyper, J. (2007): Towards a model of the business angel investment process. *Venture Capital*, 9(2), 107-125.
- Paunović, Z. & Prebežac, D. (2010): Internationalization of small and medium-sized enterprises. *Tržište*, 22(1), 57-76.
- Payne, A., & Frow, P. (2005): A strategic framework for customer relationship management. *Journal of marketing*, 69(4), 167-176.
- Peemöller, V. H. (2002): *Grundlagen der Unternehmensbewertung. Teil C: Grundsätze ordnungsmäßiger Unternehmensbewertung*. In: Peemöller (Hrsg.) (2002): *Praxishandbuch der Unternehmensbewertung*. 2. Auflage. Verlag Neue Wirtschafts-Briefe. Herne. Berlin.
- Peemöller, V. H. (2003): *Bilanzanalyse und Bilanzpolitik: Einführung in die Grundlagen*, Wiesbaden.
- Peemöller, V. H. & Kunowski, H. (2002): *Ertragsverfahren nach IDW*. In: Peemöller (Hrsg.) (2002): *Praxishandbuch der Unternehmensbewertung*. 2. Auflage. Verlag Neue Wirtschafts-Briefe. Herne. Berlin.
- Pelz, W. (2004): *Kompetent führen*, pp.23-101, Wiesbaden, 2004.
- Penman, S. (2003): *Financial Statement Analysis and Security Valuation*, McGraw-Hill, New York, USA, 2003.
- Peppard, J. (2000): Customer relationship management (CRM) in financial services. *European Management Journal*, 18(3), 312-327.
- Penrose E. (1959): *The Theory of the Growth of the Firm*, Oxford University Press, Oxford.
- Perridon, L., Steiner, M., & Rathgeber, A. W. (2007): *Finanzwirtschaft der Unternehmung (Vahlens Handbücher der Wirtschafts-und Sozialwissenschaften, 14., überarb. Und erw. Aufl.)*: München: Vahlen.
- Peter, J. P. (1981): Construct validity: A review of basic issues and marketing practices. *Journal of marketing research*, 133-145. Peteraf, M.A. (1993): *The Cor-*

- nerstones of Competitive Advantage: A Resource-Based View. *Strategic Management Journal*; 14, (3), pp. 179-191, 1993.
- Peters, W. (1984): Die Nachhaltigkeit als Grundsatz der Forstwirtschaft ihre Verankerung in der Gesetzgebung und ihre Bedeutung in der Praxis. Die Verhältnisse in der Bundesrepublik Deutschland im Vergleich mit einigen Entwicklungsländern. Diss. Uni Hamburg, FB Biologie.
- Peterson, S. J., Walumbwa, F. O., Byron, K., & Myrowitz, J. (2009): CEO positive psychological traits, transformational leadership, and firm performance in high-technology start-up and established firms. *Journal of Management*, 35(2), 348-368.
- Pfaff, D., & Bärtl, O. (1999): Wertorientierte Unternehmenssteuerung-Ein kritischer Vergleich ausgewählter Konzepte. *Zeitschrift für betriebswirtschaftliche Forschung-Sonderheft*, 41, 85-115.
- Pfläging, N. (2010): Die 12 Gesetze der Führung, Campus Verlag, Frankfurt a.M., New York.
- Picot, A., Dietl, H., Frank, E. (2002): Organisation. Eine ökonomische Perspektive. Schäfer Poeschel. Stuttgart.
- Picot R., Reichwald R. & Wiegand, R. (2003): Die Grenzenlose Unternehmung - Information, Organisation und Management: Lehrbuch zur Unternehmensführung im Informationszeitalter. Wiesbaden: Gabler.
- Pierce, J. L., Kostova, T., Dirks, K. T. (2001): Toward a theory of psychological ownership in organizations. *Academy of Management Review*, Vol. 26, pp. 298-310, 2001.
- Pierce, J. L., Kostova, T. & Dirks, K.T. (2003): The State of Psychological Ownership: Integrating and Extending a Century of Research. *Review of General Psychology*. Vol.7: pp. 84-107, 2003.
- Piotroski, J. D., & Roulstone, D. T. (2004): The influence of analysts, institutional investors, and insiders on the incorporation of market, industry, and firm-specific information into stock prices. *The Accounting Review*, 79(4), 1119-1151.
- Pleschak, F., & Sabisch, H. (1996): Innovationsmanagement. Stuttgart: Schäffer.

- Pörner, R. (2003): Strategisches Management in den deutschen Dax-30-Unternehmen, Fachhochschule für Technik und Wirtschaft Berlin, Berlin, September 2003, erschienen in FHTW-Transfer Nr. 38-2003,
- Polanyi, M. (1967): The tacit dimension.
- Polonsky, M.J., Wood, G. (2000): Can the Over-commercialization of Cause-Related Marketing Harm Society. *Journal of Macro-marketing*, Vol. 21 (2000), S. 8-22
- Popa, H. L., & Pater, L. R. (2006): The valuation of the enterprises and products competitiveness. *Tehnički vjesnik*, 13(1, 2), 39-48.
- Porter, M. E. (1980): *Competitive strategy: Techniques for analyzing industries and competitors*. Simon and Schuster.
- Porter, M. E. (1985), Technology and competitive advantage. *Journal of Business Strategy*, 5(3), 60-78.
- Porter, M. E. (1996/II): From competitive advantage to corporate strategy, *Managing the multi-business company: Strategic issues for diversified groups*, New York, 285-314 in GooldM., Luchs, S.K. (1996): *Managing the Multi-business Company: Strategic Issues for Diversified Groups*.
- Porter, M.E. (1996): What is strategy?. *Harvard Business Review*, November-December 1996, pp. 61-78
- Pott, O., & Pott, A. (2015): *Finanzierung und Controlling aus unternehmerischer Sicht*. In *Entrepreneurship* (pp. 235-276): Springer Berlin Heidelberg.
- Prahalad, C. K. and Ramaswamy, V. (2000): Co-Opting Customer Competence, in: *Harvard Business Review*, 78(1), pp. 79-87, 2000.
- Presber, R. & Stengert, U. (2002): *Kreditrating: Eine Chance für mittelständische Unternehmen*, Stuttgart, 2002.
- Puccinelli, N. M., Goodstein, R. C., Grewal, D., Price, R., Raghurir, P., & Stewart, D. (2009): Customer experience management in retailing: understanding the buying process. *Journal of retailing*, 85(1), 15-30.
- Quintas, P., Lefrere, P., & Jones, G. (1997): Knowledge management: a strategic agenda. *Long range planning*, 30(3), 385-391.

- Raab, G., Ajami, R.A., Gargeya, V.B., and Goddard, V.B. (2009): Customer Relationship Management: A Global Perspective accessed September 21, 2011, http://www.ashgate.com/pdf/SamplePages/Customer_Relationship_Management_Ch1.pdf
- Ramsey, H., D.,Scholarios, & B. Harley (2000): Employees and high performance work systems: Testing inside the black box. *British J.Indust.Rel.* 38 501–532.
- Rapp, M. S., Schellong, D., Schmidt, M., & Wolff, M. (2011): Considering the shareholder perspective: value-based management systems and stock market performance. *Review of Managerial Science*, 5(2-3), 171-194.
- Rappaport, A. (1986): *Creating Shareholder Value, The New Standard for Business Performance*, New York/London, 1986.
- Rappaport, A. (1995): *Shareholder Value: Wertsteigerung als Maßstab für die Unternehmensführung*, Stuttgart, 1995.
- Rappaport, A. (1998): *Creating Shareholder-Value: A Guide for Managers and Investors*, 2. Aufl., New York.
- Rappaport, A. (1999): *Shareholder Value*. Schäffer-Poeschel Verlag, Stuttgart.
- Raskop, J. (2004): *Der Deutsche Corporate Governance Kodex (DCGK) als Instrument zur Reduzierung der Kapitalkosten deutscher Publikumsaktiengesellschaften? Eine institutionsökonomische Analyse im Spannungsfeld zwischen Markt, Organisation und Norm*, .C.O., Bayreuth.
- Raub, S., & Liao, H. (2012): Doing the right thing without being told: joint effects of initiative climate and general self-efficacy on employee proactive customer service performance. *Journal of Applied Psychology*, 97(3), 651.
- Rauen, P. (1999): *Der Mittelstand - Motor für die deutsche Wirtschaft*, in: Koch, W., Wegmann, J. (editor): *Mittelstand und Neuer Markt*, Frankfurter Allgemeine Buch, pp. 13-24, Frankfurt, 1999.
- Ray, G., Barney, J. B., & Muhanna, W. A. (2004): Capabilities, business processes, and competitive advantage: choosing the dependent variable in empirical tests of the resource-based view. *Strategic management journal*, 25(1), 23-37.
- Reason, P. (2002): Editorial introduction: The practice of co-operative in-

- quiry. *Systemic Practice and Action Research*, 15(3), 169-176.
- Reason Street (2017): Website: <https://www.reasonstreet.co/2016/08/03/can-you-define-your-strategy-on-one-page/>, access on May, 3, 2018
- Rebien, A. (2007): Kapitalkosten in der Unternehmensbewertung. Auswahl und Einsatz von Ermittlungsmethoden zur sachgerechten Ableitung von Risikokosten unter Berücksichtigung fundamentaler Faktoren. Dissertation. TU Chemnitz.
- Ree, H.J. & Van Meel, J. (2007): CIB World Building Congress 'Construction for Development' 14-17 May 2007, Cape Town, South Africa, Sustainable Briefing for Sustainable Buildings. Fraunhofer IRB.
- Reid, G. C., & Smith, J. A. (2000): What makes a new business start-up successful?. *Small Business Economics*, 14(3), 165-182.
- Richert, J. (2006): Performance Measurement in Supply Chains: Balanced Scorecard in Wertschöpfungsnetzwerken. Gabler. Wiesbaden.
- Richter, F. (2004): Relativer Unternehmenswert. S. 367 – 380 in Richter, F., Timmreck, Ch. (Hrsg.): Unternehmensbewertung. Moderne Instrumente und Lösungsansätze. Stuttgart: Schäffer-Poeschel.
- Richter, B. & Bindseil, U. (1995): Institutionenökonomik, in: Berthold, N. (Hrsg.), Allgemeine Wirtschaftstheorie – Neuere Entwicklungen, München.
- Richter, R., & Furubotn, E. (2003): Neue Institutionenökonomik: eine Einführung und kritische Würdigung. 2. Auflage. Tübingen.
- RICS Royal Institution of Chartered Surveyors (2007): Surveying sustainability: A short guide for the property professional, London
- Riedl, J. B. (2000): Unternehmenswertorientiertes Performance Measurement Deutscher Universitätsverlag.
- Riess, B., & Peters, A. (2005): Die gesellschaftliche Verantwortung von Unternehmen. Dokumentation der Ergebnisse einer Unternehmensbefragung der Bertelsmann Stiftung, Oelde.
- Riess, B., Welzel, C., Lüth, A. (2008): Mit Verantwortung handeln: ein CSR-Handbuch für Unternehmer. Gabler. Wiesbaden.

- Rigby, D. K., & Ledingham, D. (2004): CRM done right. *Harvard Business Review*, 82(11), 118–129.
- Riordan, C., Gatewood, R.B., J. (1997): Corporate Image: employee Reactions and Implications for Managing Corporate Social Performance, *Journal of Business Ethics*, 16, pp. 401–412.
- Riordan, C.M., Gatewood, R.D., Bill, J.D. (1997): Corporate Image: Employee Reactions and Implications for Managing Corporate Social Performance, *Journal of Business Ethics* Volume 16, Number 4, 401-41
- Rippberger, T. (1998): *Ökonomik des Vertrauens, Analyse eines Organisationsprinzips: Die Einheit der Gesellschaftswissenschaften*. Mohr, Siebeck Verlag. Band 101. Tübingen.
- Risseuw, P. & Masurel, E. (1994): The Role of Planning in Small Firms: Empirical Evidence from a Service Industry, in: *Small Business Economics*, Vol. 6, No. 4, pp. 313-322, 1994.
- Robinson, R. B., McDougall, P., & Herron, L. (1988, August): Toward a New Venture Strategy Typology. In *Academy of Management Proceedings* (Vol. 1988, No. 1, pp. 74-78): Academy of Management.
- Roh, J., Hong, P., & Min, H. (2014): Implementation of a responsive supply chain strategy in global complexity: The case of manufacturing firms. *International Journal of Production Economics*, 147, 198-210.
- Roll, R. (1997): A Critique of the Asset Pricing Theory's Test' Part I: On Past and Potential Testability of the Theory. *Journal of Financial Economics*. 4:2, S. 129-176.
- Romer, P. (1990): Endogeneous technological change, *Journal of Political Economy*, pp. 71-102, 1990.
- Ronte H. (1998): Value based management, *Management Accounting*, January, pp. 38.
- Rose, C., & Mejer, C. (2003): The Danish corporate governance system: from stakeholder orientation towards shareholder value. *Corporate Governance: An International Review*, 11(4), 335-344.

- Röfl, D., Fink, M. & Kraus, S. (2008): Innovationen in Familienunternehmen. Rencontres de St-Gall. St. Gallen : s.n., 2008, S. 1-10.
- Rottke, N., B., Reichhardt, A. (2010): Nachhaltigkeit in der Immobilienwirtschaft: Implementierungsstand und Beurteilung. In Rottke, N., B., (ed.) (2010): Versusreihe. Ökonomie vs. Ökologie. Nachhaltigkeit in der Immobilienwirtschaft. Urban Land Institute. Manager Verlag. Oestrich Winkel.
- Roy, D.P., Graeff, T.R. (2003): Consumer Attitudes toward Cause-Related Marketing Activities in Professional Sports, *Sport Marketing Quarterly*, 2003, Vo. 12, No. 3 p. 163-172
- Rudolph, B. (2006): Unternehmensfinanzierung und Kapitalmarkt, Tübingen 2006
- Rudolph, T., Drenth, R. & Meise, J.N. (ed.) (2007): Kompetenzen für Supply Chain Manager. Springer, Berlin et al.
- Ruggie, J.G. (2004): The theory and practice of learning networks: Corporate social responsibility and the Global Compact. Learning To Talk: Corporate Citizenship and the Development of the UN Global Compact. Vol. 32. No. 42. Greenleaf Publishing in association with GSE Research, 2004. 32-42.
- Rumelt, D.P., (1984): Towards a Strategic Theory of the Firm, *Alternative theories of the firm*, Elgar Reference Collection. U.K. and Northampton, 2002, (2) pp. 286-300, 2002.
- Ruzzier, M., Hisrich, R. D. & Antoncic, B. (2006): SME internationalization research: past, present, and future. *Journal of Small Business and Enterprise Development*, 13(4), 476-497.
- Ruter, R. (2009): Aufgaben und Auswahl von Beiratsmitgliedern in Familienunternehmen, in: *Zeitschrift für Corporate Governance*, 4. Jg., pp. 209-214, 2009.
- Ryan, H. E., & Trahan, E. A. (2007): Corporate Financial Control Mechanisms and Firm Performance: The Case of Value-Based Management Systems. *Journal of Business Finance & Accounting*, 34(1-2), 111-138.
- Ryals, L., & Knox, S. (2001): Cross-functional issues in the implementation of relationship marketing through customer relationship management. *European management journal*, 19(5), 534-542.

- Sáenz, M. J., & Revilla, E. (2014): Creating more resilient supply chains. *MIT Sloan management review*, 55(4), 22.
- Said, A. A., HassabElnaby, H. R., & Wier, B. (2003): An empirical investigation of the performance consequences of nonfinancial measures. *Journal of Management Accounting Research*, 15(1), 193-223.
- Sammerl, N. (2006): Innovationsfähigkeit und nachhaltiger Wettbewerbsvorteil. Messung. Determinanten-Wirkungen. Hamburg : Springer, 2006.
- Sandelin, M. (2008): Operation of Management Control Practices as a Package – A Case Study on Control System Variety in a Growth Firm Context, *Management Accounting Research*, vol. 19(4), pp. 324-343, 2008.
- Sapienza, H.J. & Grimm, C.M. (1997): Founders Characteristics, Start-Up Process Strategy/Structure Variables as Predictors of Shortline Railroad Performance, *Entrepreneurship Theory and Practice*, vol. 22(1), pp. 5-22, 1997.
- Sayer, J. (2010): Menschenrechte. S. 103-127 in *Corporate Social Responsibility – gesellschaftliche Verantwortung von Unternehmen. Von der Idee der CSR zur erfolgreichen Umsetzung*. Gabler. Wiesbaden.
- Schachner, M., Speckbacher, G. & Wentges, P. (2006): Steuerung mittelständischer Unternehmen, Größeneffekte und Eigentums- und Führungsstruktur, *Zeitschrift für Betriebswirtschaft*, 76. Jg., (6) pp. 589-614, 2006.
- Schäfer, H. (2002): *Unternehmensfinanzen*. 2. Aufl. Physica Verlag Stuttgart
- Schaltegger, S., Hasenmüller, M. (2005): Interdisziplinäre theoretische Konzepte als Grundlage der Begriffsabgrenzung der CSR, S. 5-18 in: Müller, M., Schaltegger, S. (Hrsg.) *Corporate Social Responsibility: Trend oder Modeerscheinung?*. Springer. Berlin u. a.
- Schefczyk, M. & Pankotsch, F. (2002): Theoretische und empirische Implikation wachstumsstarker Start-ups – Stand der Forschung. In: Hommel, U., Knecht, T.C. (2002), *Wertorientiertes Start-up-Management: Grundlagen, Konzepte, Strategien*, München, pp. 21-38, 2002.
- Schierenbeck, H. (2003): *Grundzüge der Betriebswirtschaftslehre*, 16. Auflage, München.

- Schmelter, R. (2009): Der Einfluss von Management auf Corporate Entrepreneurship. Gabler. Wiesbaden.
- Schimpf, K.-H. & Terfurth, M. (2008): Wirtschafts- und Sozialprozesse: Informationshandbuch Spedition und Logistik, 2. Auflage, Troisdorf 2008
- Schmidt, K. D. (1996): Small and medium sized enterprises (SMEs) in international business: A survey of recent literature (No. 721): Kiel Working Papers.
- Schneider, D. (1998): Marktwertorientierte Unternehmensrechnung - Pegasus mit Klumpfuß. In: Der Betrieb, 51 (1998), Nr. 30, S. 1473-1478
- Schomaker, M. & Günther, T. (2006): Wertorientiertes Management für den Mittelstand, in: Wertorientiertes Management. Werterhaltung - Wertsteuerung - Wertsteigerung ganzheitlich gestalten, editor: Schweikert, N., Berlin, Heidelberg, pp. 215-237, 2006.
- Schommer, P., Harms, T. & Goschlich, H. (2007): Lohas - Lifestyle of Health and Sustainability, Ernst & Young (Hrsg.)
- Schoonhoven, C.B., Eisenhardt, K.M., Lyman, K., (1990): Speeding products to market: waiting time to first product introduction in new firms. *Adm. Sci. Q.* 35 (1), pp. 177-207, 1990.
- Schrader, U., Halbes, S. & Hansen, U. (2005): Konsumentenorientierte Kommunikation über Corporate Social Responsibility (CSR), Erkenntnisse aus Experteninterviews in Deutschland, Working Paper Nr. 54, Universität Hannover Institut für Betriebsforschung, Hannover, Januar 2005
- Schreyer, P. (1999): High-Growth Firms And Employment. DSTI/INT/PME (99) 6. OECD Working Party on SMEs, 1999.
- Schubert, P., Lincke, D. M., & Schmid, B. (1998): A global knowledge medium as a virtual community: the NetAcademy concept. *AMCIS 1998 Proceedings*, 207.
- Schumpeter, J.A. (1934): *The Theory of Economic Development*. Cambridge, Harvard University Press, 1934.
- Schumpeter, J. A. (2000): Entrepreneurship as innovation. *Entrepreneurship: The social science view*, 51-75.

- Schueffel, P.; Amann, W. & Herbolzheimer, E. (2011): Internationalization of new ventures: tests of growth and survival. *Multinational Business Review*, 19(4), 376-403.
- Schweinbacher, A., & Larralde, B. (2010): Crowdfunding of small entrepreneurial ventures. *Handbook of entrepreneurial finance*, Oxford University Press, Forthcoming.
- Schweizerische Nationalbank (2008): Bericht zur Finanzstabilität, Juni 2008, Zürich.
- Schwertsik, A. R. (2013): IT-Governance als Teil der organisationalen Governance. Wiesbaden: Springer Fachmedien Wiesbaden.
- Seal, W. (2010): Managerial discourse and the link between theory and practice: from ROI to value-based management. *Management Accounting Research*, 21(2), 95-109.
- Sedoglavich, V. (2012): Technological imperatives in the internationalization process: Results from a qualitative investigation of high-tech SMEs. *Management Research Review*, 35(5), 441-459.
- Seethaler, P. (2007): *Praxishandbuch Treasury-Management: Leitfaden für die Praxis des Finanzmanagements*, Gabler, Wiesbaden.
- Segbers, K. (2007): Die Geschäftsbeziehung zwischen mittelständischen Unternehmen und ihren Kommunikationsverhalten gegenüber der Bank - und Ergebnisse einer empirischen Studie (I); in *Finanz Betrieb* Jg 7., Nr. 4, 2005, pp. 229-237, 2007.
- Seifert, W. (1997): Schlusswort, in: *Deutsche Börse AG (Hrsg.), Jahreseröffnung*, Frankfurt am Main, pp. 21-25, 1997.
- Seligman, E. R. A. (1909): *Principles of economics*. Longmans, Green, and Company.
- Sen, S., Bhattacharya, C.B. & Korschun, D. (2008): Using corporate Social Responsibility to Win the War for Talent, *MIT Sloan management Review* 49, 2 pp. 37-44
- Solomon, E., (1966): *Return of Investment: The Relation of Book Yields to True*

- Yield, in *Research in Accounting Measurement*. American Accounting Association, Chicago.
- Sen, A. (2009): *The Tacit Dimension*, University of Chicago Press
- Shank, J. & Govindarajan, V. (1994): *Strategic Cost Management*, The Free Press, New York, NY.
- Sharpe, W. F. (1964): Capital asset prices: A theory of market equilibrium under conditions of risk, in: *Journal of Finance* 19, pp. 425-442.
- Shaw, C., Matthews, R. J., Perry, S. I., Assassa, R. P., Williams, K., McGrother, C., ... & Clarke, M. (2002): Validity and reliability of an interviewer-administered questionnaire to measure the severity of lower urinary tract symptoms of storage abnormality: the Leicester Urinary Symptom Questionnaire. *BJU international*, 90(3), 205-215.
- Siegel, R., Siegel, E., MacMillan, I.C. (1993): Characteristics Distinguishing High-Growth Ventures, *Journal of Business Venturing*, 8(2), pp.169-80, 1993.
- Siemens AG, Earnings Release Q3 2012: Continued Revenue Growth in More Challenging Markets, Munich, July, 26, 2012, retrieved from: <http://www.siemens.com/press/en/pressrelease/index.php>, on September, 20, 2012
- Sigler, C. (2010): *Corporate Social Responsibility: Eine Einführung*. Grind Verlag. Norderstedt.
- Simmons, C., Becker-Olsen, K. (2006): Achieving Marketing Objectives through social sponsoring, *Journal of Marketing* 70, 4 pp. 154-169
- Simms, J. (2001): Marketing for value. *Marketing*, 28, 34-35.
- Slater, S. F., & Olson, E. M. (1996): A value-based management system. *Business Horizons*, 39(5), 48-52.
- Solomon, E. (1970): Alternative Rate or Return Concepts and Their Implications for Utility Regulation. *The Bell Journal of Economics and Management Science*, 65-81.
- Solow, R. (1956): A Contribution to the Theory of Economic Growth, *Quarterly Journal of Economics*, 70(1), pp. 65-94, 1956.

- Sorg, M. (2007): Rationalitätssicherung durch Banken in mittelständischen Unternehmen – Eine empirische Untersuchung der Einflussfaktoren und Auswirkungen, Wiesbaden, 2007.
- Spekman, R. E., Kamauff Jr, J. W., & Myhr, N. (1998): An empirical investigation into supply chain management: a perspective on partnerships. *Supply Chain Management: An International Journal*, 3(2), 53-67.
- Spöhring, W. (1989): *Qualitative Sozialforschung*, Stuttgart, 1989.
- Sporer, S. L. & Franzen, S. (1991): Das kognitive Interview: Empirische Belege für die Effektivität einer gedächtnispsychologisch fundierten Technik zur Befragung von Augenzeugen, *Psychologische Beiträge*, 33, pp. 407-433, 1991.
- Spremann, K., Pfeil, O.P. & Weckbach, S. (2001): *Lexikon Value-Management*, Oldenbourg, München, 2001.
- Stake, R. E. (1994): Case studies. In N. K. Denzin & Y. S. Lincoln (Eds.), *Handbook of qualitative research* (pp. 236-246): Thousand Oaks, CA: Sage.
- Statista (2016): Anteil der Wirtschaftssektoren an der Bruttowertschöpfung in Deutschland i Jahr 2016, retrieved from: <https://de.statista.com/statistik/daten/studie/36846/umfrage/anteil-der-wirtschaftsbereiche-am-bruttoinlandsprodukt/>, access on July, 7, 2017
- Statistisches Bundesamt (2017): EU comparison 2017: Germany and the other member States, verfügbar unter: https://www.destatis.de/Europa/EN/Country/Comparison/GER_EU_Compared.html, Abruf am 07.07.2017
- Steiner, M. & Starbatty, N. (2004): Bedeutung von Ratings in der Unternehmensfinanzierung, in: Achleitner, A.-K.; Praxenthaler, M. (Hrsg.): *Handbuch Ratingpraxis*, Wiesbaden.
- Stern, H. J. (2007): *Marktorientiertes Value Management: Wettbewerbsvorteile durch das Finance Intelligence Radar erzielen*. Wiley-VCH.
- Sternberg, R., Voderwülbecke, A. & Brixy, U. (2015): *Global Entrepreneurship Monitor (GEM), Länderbericht Deutschland*, Hannover, Nürnberg, April 2014, verfügbar unter: <http://doku.iab.de/grauepap/2015/GEM-Laenderbericht-D-2014.pdf>, Abruf am 12.11.2016

- STEWART, G. B. (1991): *The Quest for Value - The EVA Management Guide*. New York 1991.
- Storey, D. J. (1994): *Understanding the Small Business Sector*, London, 1994.
- Strauss, A.L., Glaser, B. (1998): *The Discovery of Grounded Theory, Strategies for Qualitative Research*, Aldine Publishing Company, Chicago, 1998.
- Stuart, R. & Abetti, P.A. (1987): Startp-up Ventures: Toward the Prediction of Initial Success, *Journal of Business Ventures*, 2, pp. 215-230, 1987.
- Süss, C. (2001) *Führung in mittelständischen Konzernen - Eine kontingenztheoretische Analyse von Führungsstrukturen großer und mittelständischer Industriekonzerne*, Lohmar, Köln 2001.
- Szyperski, N. & Nathusius, K. (1999): *Probleme der Unternehmensgründung - eine betriebswirtschaftliche Analyse unternehmerischer Startbedingungen*, 2. Edition, Lohmar.
- Takeushi, H., Nonaka, I., Hitotsubashi, D. (2004): *Hitotsubashi on Knowledge Management*, ed. 1, Wiley, Singapore, 2004.
- Teece, D. J. (2000): Strategies for managing knowledge assets: the role of firm structure and industrial context. *Long range planning*, 33(1), 35-54.
- Teece, D. J., Pisano, G., & Shuen, A. (1997): Dynamic capabilities and strategic management. *Strategic Management Journal*, 509-533.
- Thaler, K. (2007): *Supply Chain Management. Prozessoptimierung n der logistischen Kette*. *Bildungsverlag EINS*. 5th ed. Troisdorf.
- Thamizhvel, D., & Ramachandran, R. (2011): IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT-AN EMPIRICAL ANALYSIS. *Global J. of Arts & Mgmt*, 1(4):
- The Guardian (2014) Facebook closes its \$ 2bn Oculus Rift acquisition. What next?, retrieved from <https://www.theguardian.com/technology/2014/jul/22/facebook-oculus-rift-acquisition-virtual-reality>, access on April, 05, 2017
- Thommen, J.-P. (2003): *Glaubwürdigkeit und Corporate Governance; 2., vollständig überarbeitete Auflage*, Versus Verlag AG, Zürich 2003

- Thompson, E., & Kolsky, E. (2004): How to approach customer experience management. Research Note, Gartner Inc.
- Thurow, Lester C. (1999): Building Wealth. New York. HarperCollins. 1999.
- Tiihonen, S. (2004): From governing to governance. Tampere: Tampere University Press.
- Times of India (2016): Connect karo Awards 2015, retrieved from: <http://epaperbeta.timesofindia.com//Article.aspx?eid=31808&articlexml=Connect-Karo-Awards-2015-16042015002022>, access on July, 10, 2017
- Tong, T. W., Reuer, J. J., & Peng, M. W. (2008): International joint ventures and the value of growth options. *Academy of Management Journal*, 51(5), 1014-1029.
- Tonge, R., Larsen, P.C. & Ito, M. (1998): Strategic leadership in super-growth companies - a re-appraisal, *Long Range Planning* Vol. 31, (6), pp. 838-847, 1998.
- Toft-Kehler, R., Wennberg, K., & Kim, P. H. (2014): Practice makes perfect: Entrepreneurial-experience curves and venture performance. *Journal of Business Venturing*, 29(4), 453-470.
- Tokarski, K.O. (2008): Ethik und Entrepreneurship: Ein theoretischer sowie empirischer Analyserahmen. Gabler. Wiesbaden.
- Torbert, W. R., & Taylor, S. (2008): Action inquiry: Interweaving multiple qualities of attention for timely action. *The Sage handbook of action research: Participative inquiry and practice*, 239-251.
- Trampusch, C. (2009): Der erschöpfte Sozialstaat, Schriften aus der Max-Planck Institut für Gesellschaftsforschung, Campus Verlag, 2009
- Trivago (2017): Trivago Hotel manager, retrieved from: <https://www.trivago.de/hotelmanager/>, access on July, 06, 2017
- Tsai, H. H. (2012): Global data mining: An empirical study of current trends, future forecasts and technology diffusions. *Expert systems with applications*, 39(9), 8172-8181.
- Tseng, C. Y., & James Goo, Y. J. (2005): Intellectual capital and corporate value in

- an emerging economy: empirical study of Taiwanese manufacturers. *R&D Management*, 35(2), 187-201.
- Turban, D., Greening, D. (1996): Corporate Social Performance and Organizational Attractiveness to Prospective employees, *Academy of Management Journal*, 40, No. 3, S. 658-672
- Tushman, M. L., & Anderson, P. (1986): Technological discontinuities and organizational environments. *Administrative Science Quarterly*, 439-465.
- Tversky, A., & Kahneman, D. (1985): The framing of decisions and the psychology of choice. In *Environmental Impact Assessment, Technology Assessment, and Risk Analysis* (pp. 107-129): Springer Berlin
- Ulrich, P. (1998): *Integrative Unternehmensethik - Grundlage einer lebensdienlichen Ökonomie*, 2.ed, Paul Haupt Verlag, 1998.
- Ulrich, P. & Fluri, E. (1995): *Management: eine konzentrierte Einführung*, 7. Aufl. Bern.
- Unternehmensanleihe (2009): www.Unternehmensanleihe.net, Abruf am 11.04.2017
- Upton, N., Teal, E.J. & Felan, J.T. (2002): Strategie und Planung in rasch wachsenden Familienunternehmen, *Internationales Gewerbearchiv*, J. 50(2), pp. 71-89, 2002.
- Urbach, D. W. I. N., Smolnik, S., & Riempp, G. (2009): Der Stand der Forschung zur Erfolgsmessung von Informationssystemen. *Wirtschaftsinformatik*, 51(4), 363-375.
- Van Enckevort, K., & Ansari-Dunkes, J. (2013): Facebook & Brand Equity: Firm-created advertising and its effects on the consumer mindset.
- Van Grembergen, W. (2000): The Balanced Scorecard and IT Governance. *Information Systems Control, Journal*. IT Governance Institute.
- Van Osnabrugge, M. (2000): A comparison of business angel and venture capitalist investment procedures: an agency theory-based analysis. *Venture Capital: An international journal of entrepreneurial finance*, 2(2), 91-109.
- Van Stel, A., Carree, M. & Thurik, R. (2005): The effect of entrepreneurial activity

- on national economic growth, *Small Business Economics* 24(3), pp. 311–321, 2005.
- Varadarajan, P.R., Menon, A. (1988): Cause-Related Marketing: A co-alignment of Marketing Strategy and Corporate Philanthropy. *Journal of Marketing*, Vol. 52 (July 1988), S: 58-74
- Vbw (2016): Die Bedeutung der deutschen Wirtschaft für Europa, Eine vbw Studie erstellt von der Prognos AG, Stand: Mai 2016
- Velthuis, L. J. (2004): Value based management auf Basis von ERIC (No. 127): Working paper series/Johann-Wolfgang-Goethe-Universität Frankfurt am Main, Fachbereich Wirtschaftswissenschaften: Finance & Accounting.
- Verheul, I., & Thurik, R. (2001): Start-up capital: " does gender matter?". *Small Business Economics*, 16(4), 329-346.
- Verhoef, P. C., Lemon, K. N., Parasuraman, A., Roggeveen, A., Tsiros, M., & Schlesinger, L. A. (2009): Customer experience creation: Determinants, dynamics and management strategies. *Journal of retailing*, 85(1), 31-41.
- Veugelers, R. (2008): The role of SMEs in innovation in the EU: a case for policy intervention?. *Review of business and economics*, 53(3), 239-262.
- Veugelers, R. (2009): A lifeline for Europe's young radical innovators, Policy Brief 2009/01, Bruegel, 2009.
- Veugelers, R. (2011): Europe's Missing Yollies', Policy Brief 2011(18), Bruegel, 2011.
- Volery, T. (2004): Bridging the Supply and Demand Side: Toward a General Model of Value Creation in Entrepreneurship, in: *Value Creation in Entrepreneurship and SMEs/Wertgenerierung durch Unternehmertum und KMU*, Rencontres de St-Gall 2004, Verlag KMU HSG, St. Gallen, 2004.
- Volkman, K. E., Mariotti, W. S., Rabuzzi, D., Vyakarnam, S. & Sepulveda, A. (2009): Educating the Next Wave of Entrepreneurship Unlocking Entrepreneurial Capabilities to Meet the Global Challenges of the 21st Century A Report of the Global Education Initiative, Geneva, 2009
- Von Werder, A. (2003): Ökonomische Grundfragen der Corporate Governance. In:

- Handbuch Corporate Governance - Leitung und Überwachung börsennotierter Unternehmen in der Rechts- und Wirtschaftspraxis. Hrsg.: Hommelhoff, P.; Hopt,
- Vos, E., Yeh, A. J. Y., Carter, S., & Tagg, S. (2007): The happy story of small business financing. *Journal of Banking & Finance*, 31(9), 2648-2672
- Wagenhofer, A. (2009): *Corporate Governance und Controlling*, Wagenhofer, A. (Ed.), *Controlling und Corporate Governance-Anforderungen -Konzepte - Maßnahmen - Umsetzungen*, Erich Schmidt, Berlin, pp 1-22
- Wallace, J. S. (1997): Adopting residual income-based compensation plans: Do you get what you pay for?. *Journal of Accounting and Economics*, 24(3), 275-300.
- Wang, J., & Dewhirst, H. D. (1992): Boards of directors and stakeholder orientation, *Journal of Business Ethics*, 11(2), 115-123
- Watson, W., Stewart, W. H., & BarNir, A. (2003): The effects of human capital, organizational demography, and interpersonal processes on venture partner perceptions of firm profit and growth. *Journal of Business Venturing*, 18(2), 145-164.
- Webb, D. & Mohr, L. (1998): A typology of consumer Responses to Cause-Related marketing: From Sceptics to socially concerned, *Journal of Public Policy*, S. 226-238.
- Weber, J., Bramsemann, U., Heineke, C., & Hirsch, B. (2002): *Erfahrungen mit Value Based Management (Experiences with value-based management)*:
- Weber, J., Schäffer, U., & Schäffer, U. (1995): *Einführung in das Controlling*.
- Weiber, R., & Mühlhaus, D. (2010): *Strukturgleichungsmodellierung: Eine anwendungsorientierte Einführung in die Kausalanalyse mit Hilfe von AMOS, SmartPLS und SPSS*. Springer-Verlag.
- Weichsler, T. (2009): *Corporate Governance und Shareholder Value - Eine empirische Untersuchung am Beispiel der Schweiz*, Dissertation,
- Weber, S. C. & Velte, P. (2011): *Der Zusammenhang zwischen Corporate Governance und Kapitalkosten des Unternehmens*, *Deutsches Steuerrecht*, Vol.49

(1), pp 39-46

- Wengraf, T. (2001): *Qualitative research interviewing: Biographic narrative and semi-structured methods*. Sage.
- Weick, K. E. (1979): Cognitive processes in organizations. *Research in organizational behavior*, 1(1), 41-74.
- Weitnauer, W. (2001): *Handbuch Venture Capital: Von der Innovation zum Börsengang*, München, 2001.
- Wieland, J. & Schmiedeknecht, M. (2010): Verantwortungsvolle Unternehmensführung. S. 78 - 102 in S. 286-357 in Hardtke, A., Kleinfeld, A. (2010): *Corporate Social Responsibility - gesellschaftliche Verantwortung von Unternehmen, Von der Idee der CSR zur erfolgreichen Umsetzung*. Gabler. Wiesbaden.
- Wijbenga, F. H., & van Witteloostuijn, A. (2007): Entrepreneurial locus of control and competitive strategies-The moderating effect of environmental dynamism. *Journal of Economic Psychology*, 28(5), 566-589.
- Wiklund, J. & Shepherd, D. (2003): Knowledge-based resources, entrepreneurial orientation, and the performance of small and medium-sized businesses. In: *Strategic Management Journal*, 24. Jg., pp. 1307-1314, 2003.
- Wildemann, H. (2004): *Entwicklungstrends in der Automobil- und Zulieferindustrie*, München. TCW-Presseinformation Nr. 137.
- Williamson, O. E. (1979): Transaction-cost economics: the governance of contractual relations. *Journal of law and economics*, 233-261.
- Winer, R. S. (2001): A framework for customer relationship management. *California Management Review*, 43(4), 89-105.
- Wischemann, D. (2010): *Darstellung der typischen Mezzanine-Instrumente und deren Vor- und Nachteile*. GRIN Verlag.
- Witte, H. (2007): *Allgemeine Betriebswirtschaftslehre: Lebensphasen des Unternehmens und betriebliche Funktionen*, 2.Aufl, Oldenbourg Verlag: München.
- Witzel, A. (1982): *Verfahren der qualitativen Sozialforschung. Überblick und Al-*

- ternativen. Frankfurt: Campus.
- Witzel, A. (1985): Das problemzentrierte interview. In Jüttemann, G. (ed.) *Qualitative Forschung in der Psychologie* p. 227-256. Weinheim: Beltz.
- Wernerfelt, B. (1984): The Resource-Based View of the Firm. *Strategic Management Journal*; 5, (2), pp. 171-180, 1984.
- Wolff, J. A., & Pett, T. L. (2006): Small-Firm Performance: Modeling the Role of Product and Process Improvements*. *Journal of Small Business Management*, 44(2), 268-284.
- Wonglimpiyarat, J. (2007): Management and governance of venture capital: A challenge for commercial bank. *Technovation*, 27(12), 721-731.
- Wood, D.J. (1991): Corporate Social Responsibility Revisited. *Academy of Management Review* vol. 16, No. 4, S. 691-718.
- Wood, D J. & Jones R. E. (1995): Stakeholder mismatching: A theoretical problem in empirical research on corporate social performance. *International Journal of Organisational Analysis* 3: 229-267
- World Business Council for Sustainable Development (2007): *Energy Efficiency in Buildings - Business Realities and Opportunities*, World Business Council for Sustainable Development
- Wortmann, A. (2001): *Shareholder Value in mittelständischen Wachstumsunternehmen*, Wiesbaden, 2001.
- Yin, R. K. (1994): *Case Study Research: Design and Methods*. Newbury Park, CA: Sage.
- Yin, R. K. (2003): *Case study research, Design and methods*, 3. ed., Thousand Oaks, Sage, 2003.
- Yoon, Y., Gürhan, Canli, Z. & Schwarz, N. (2006): The Effect of corporate social responsibility (CSR) Activities on Companies with Bad Reputation, *Journal of consumer Psychology*, 16, 4, S. 377-390
- Young, S. D., & O'Byrne, S. F. (2001): *EVA and value-based management*. New York.
- Yukl, G. & Lepsinger, R. (2004): *Flexible Leadership, Creating Value by Bal-ancing*

- Multiple Challenges and Choices, Jossey-Bass, San Francisco, 2004.
- Zagst, R., Hermann, F., & Schmid, W. (1995): Univariate und bivariate GARCH-Modelle zur Schätzung des Beta-Faktors. Univ., Fak. für Wirtschaftswiss..
- Zahra, S. A., & Bogner, W. C. (2000): Technology strategy and software new ventures' performance: Exploring the moderating effect of the competitive environment. *Journal of business venturing*, 15(2), 135-173.
- Zentes, J., & Swoboda, B. (2001): Grundbegriffe des Marketings: marktorientiertes globales Management-Wissen. Schäffer-Poeschel.
- Ziener (2017): Website of Ziener GmbH & co. KG, available at Ziener.com, access on July, 13, 2017
- Zuckerberg, M. (2014): Facebook contribution of March, 25, 2014, <https://www.facebook.com/zuck/posts/10101319050523971>, access on April, 05, 2017

10 APPENDIXES

10.1 SURVEY QUESTIONNAIRE IN GERMAN

Ich würde Ihnen gerne einige Fragen zu Ihrer persönlichen Erfahrung mit wertorientiertem Management in Ihrem Unternehmen stellen.

A. Allgemeine Fragen zu Ihrem Unternehmen:

1. Könnten Sie kurz Ihr Unternehmen vorstellen?
2. Was sind Ihre Produkte, wer sind Ihre Kunden und welche Mitarbeiter haben Sie?
3. Haben Sie eine besondere Vision in Ihrem Unternehmen?
4. Was ist an Ihrem Unternehmen - aus Ihrer Sicht - einzigartig?

B. Wertorientiertes Management

1. Was verstehen Sie persönlich unter wertorientiertem Management?
2. Könnten Sie dabei bitte auf die folgenden Teilbereiche eingehen?
 - a) Wertorientierung im Hinblick auf die Mitarbeiter
 - b) Wertorientierung im Hinblick auf die Lieferanten
 - c) Wertorientierung im Hinblick auf die Kunden
 - d) Wertorientierung im Hinblick auf die Gesellschaft (unternehmerische soziale und ökologische Verantwortung)
 - e) Wertorientierung im Hinblick auf die Shareholder (Anteilseigner, Eigentümer)
3. Was sind die besonderen Potentiale von wertorientiertem Management, die Sie in den oben genannten Teilbereichen für Ihr Unternehmen erkennen bzw. erlebt haben? Es können gerne Beispiele genannt werden.

4. Haben Sie Grenzen einer wertorientierten unternehmerischen Haltung in den einzelnen Teilbereichen erlebt bzw. fürchten Sie an Grenzen zu stoßen? Auch hier sind Beispiele interessant.

C. Rahmenbedingungen für die erfolgreiche Umsetzung einer wertorientierten Managementhaltung

1. Welche Voraussetzungen haben Sie in Ihrem Unternehmen geschaffen um wertorientiertes Management erfolgreich umzusetzen?
2. Woran möchten Sie weiterhin noch arbeiten?
3. Was würden Sie einem anderen jungen innovativen Wachstumsunternehmen raten, um wertorientiertes Management erfolgreich zu verwirklichen? Auch dies kann gerne beispielhaft dargestellt werden.

Vielen Dank für das Gespräch!

10.2 INTERVIEW TRANSCRIPTION 1: KRICHNER & ROBRECHT MANAGEMENT CONSULTANTS

Sehr geehrte Frau N.

Ich würde Ihnen gerne einige Fragen zu Ihrer persönlichen Erfahrung mit wertorientiertem Management in Ihrem Unternehmen stellen.

A. Allgemeine Fragen zu Ihrem Unternehmen:

5. Könnten Sie kurz Ihr Unternehmen vorstellen?

Wir sind ein mittelständisches Beratungshaus mit drei Partnern und unter 20 Angestellten, flachen Hierarchien. Wir sind spezialisiert auf das Verlagswesen. Wir sind eine klassische Unternehmensberatung für Verlage und haben auch eine Strategieberatung für Organisationsprojekte.

Unser Competitive Edge ist unsere Umsetzungsstärke.

Wir liefern auch Konzepte, aber stehen auch für die Umsetzung ein und sorgen für Realisierung der Projekte.

6. Was sind Ihre Produkte, wer sind Ihre Kunden und welche Mitarbeiter haben Sie?

Unsere Kunden sind Verlage und auch Dienstleistungsunternehmen.

Diese gehören dem Mittelstand an und umfassen alles auch Schulbuch, Zeitschriften, Zeitungsverlage.

Sie sind v.a. in Deutschland. Österreich und Schweiz sind weniger interessant, weil dort der Buchmarkt nicht so dynamisch ist und auch nicht so stark dem Change Prozess unterlegen ist.

Wir haben unter 50 Mitarbeiter, ca. 30, drei Hierarchiestufen, darunter 3 Partner, eine zweite Berater Ebene und eine Junior Ebene. Die Seniorberater leiten die Projekte, die Juniors unterstützen machen Market Research.

Die Partner sind nicht so stark im operativen Geschäft. Sie sind für die

Leadership verantwortlich. Sie machen die strategische Führung und die Akquise.

7. Haben Sie eine besondere Vision oder Mission in Ihrem Unternehmen?

Würde es nicht Mission nennen, unsere Vision ist einzigartig gute Beratung Kundenorientierung durch einen ganzheitlichen Ansatz. Wir streben die Kombination von fachlicher Expertise im Verlagswesen und wirkliches Verständnis für Organisationen an und haben dabei eine ordentliche Portion Menschlichkeit und Humor.

8. Was ist an Ihrem Unternehmen - aus Ihrer Sicht - einzigartig?

Momentan erkennen wir eine starke Schwäche im Beratermarkt. Denn systemische Organisationsentwicklungen können nur mit Menschen realisiert werden. Andererseits brauchen wir Fachberater. Die jedoch bauen oft nur auf Konzepte, die vorgefertigt sind.

Wir hingegen brüten nicht in unserem stillen Kämmerlein im Alleingang und entwickeln Konzepte die nie umgesetzt werden, sondern wir binden die Mitarbeiter des jeweiligen Unternehmens von Anfang an ganz eng in den Konzipierungsprozess ein und übertragen ihnen nach und nach auch mehr Verantwortung. Dadurch erhalten wir Lösungen, die von der Organisation selbst tragen werden und aus der Organisation herauskommen. Das macht uns eben auch umsetzungsstark und erleichtert die Realisierung.

B. Wertorientiertes Management

5. Was verstehen Sie persönlich unter wertorientiertem Management?

Ich verstehe unter wertbasierter Unternehmensführung: Man sollte den Begriff ganzheitlich fassen nicht reduziert auf einzelne Bereiche des Unternehmens z. B, nicht nur auf den Shareholder Value. Vielmehr ist VBM nachhaltig zu wirtschaften in allen Bereichen des Unternehmens. Das heißt, dass ich - zu deutsch - mit allen Parteien anständig umgehe mit Mitarbeitern, Kunden, Suppliern und selbst mit Widersachern.

6. Wie haben Sie VBM in Ihrem Unternehmen realisiert? Könnten Sie dabei bitte auf die folgenden Teilbereiche eingehen? Wo sehen Sie jeweils die Chancen dieser Haltung?

a) Wertorientierung im Hinblick auf die Mitarbeiter

Angefangen bei unserem größten Asset, nämlich unseren Mitarbeitern. Sie sind alle schon sehr lange bei uns, was im Beratungsmarkt eigentlich unüblich ist. Wir haben wirklich einen stabilen Beraterstamm verglichen mit dem Branchenschnitt, weil sich die Menschen bei uns wertgeschätzt fühlen. Dies resultiert aus unserer Personalpolitik. Wir suchen nicht nach Mitarbeitern standardmäßig also nicht nach Personen, die irgendwie ein 0815 Profil abdecken, sondern uns ist es wichtig, dass wir wirklich Individuen mit einzigartigen Fähigkeiten haben.

Wir haben Leute, die haben wirklich von der Pike auf im Druckereigeschäft gearbeitet. Wir haben Leute, die haben studiert und promoviert. Männer und Frauen in allen Altersklassen und mit ganz unterschiedlichen Profilen und Schwerpunkten. Wir versuchen die nicht alle gleich zu machen, sondern verkaufen die Personen so wie sie sind mit ihren Schwerpunkten und sorgen dafür, dass die Menschen nach ihren Neigungen arbeiten nicht nach irgend einer Firmenpolicy.

Wir kucken wirklich, was sind ihre Stärken, wir fördern und unterstützen sie dabei. Potentialorientierung gegenüber den Mitarbeitern zahlt sich aus. Flache Hierarchien, sehr gutes Betriebsklima, alles sind per Du, flexible Arbeitszeitmodelle, keine festen Offices, und wir ermöglichen den Leuten nach ihrem Familienbedarf auch mal zu Hause zu arbeiten. Zwar gibt es Spitzen in den Akutphasen, jedoch können sich die Leute auch mal entspannen. Wir sehen, dass es den Mitarbeitern einfach gut geht.

Wir haben also langjährige Mitarbeiter, ein großes Weiterbildungsbudget, flexible Arbeitszeit- und Vergütungsmodelle.

Urlaubstage sind z.B. an die Betriebszugehörigkeit gebunden. Wir haben ja

keine materiellen Produkte und verkaufen dafür Dienstleistungen und unsere Mitarbeiter sind sozusagen unsere Assets.

c) Wertorientierung im Hinblick auf die Kunden

Nachhaltigkeit bei Kunden ist natürlich mein Geschäftsmodell. Denn für mich ist es fünfmal so teuer Neukunden zu akquirieren als aus meinem Kundenstamm neue Aufträge zu generieren.

Insofern akquiriere ich also auch in den Projekten schon. Ohne diese Stammkunden gäbe es uns nicht und ich bin wahnsinnig dankbar dafür, dass sie uns ihr Unternehmen und soziale Entscheidungen anvertrauen und uns ihre Kundenbeziehungen mitgestalten lassen. Das ehrt uns und erfüllt und mit Stolz.

Unsere Art der Wertschätzung zeigen wir auch dadurch, dass wir von Anfang an versuchen, unsere Kunden für voll zu nehmen und die Kunden von Anfang an ab dem Kick off in unsere Projekte einbinden und bei Projekten in zentrale Schlüsselpositionen setzen auch wenn das mehr Zeit kostet.

Wir wollen ihnen das Fischen beibringen und ihnen nicht die Heringe gebraten am Tisch servieren. Das schätzen wir auch, denn andernfalls würden wir sie von uns abhängig machen. Und das wollen wir nicht.

Einen guten Job haben wir gemacht, wenn wir uns für unsere Kunden überflüssig machen. Das Zentrale ist, dass die Kunden genau das spüren und dass sie dann trotzdem immer wieder kommen, wenn was ist. Dafür, dass das nicht nur Geschwafel ist, spricht auch, dass unsere Liste an wiederkehrenden Bestandskunden sehr sehr hoch ist.

d) Wertorientierung im Hinblick auf die Gesellschaft (unternehmerische soziale und ökologische Verantwortung)

Beratungsansatz ist wirklich ein recht neuer: gut ist was wirkt. Nicht abhängig von irgendwelchen Moden. Wir kombinieren dafür in der Theorie oftmals als widersprüchlich dargestellte Ansätze. Was glaubst Du, wie ich

es als Beraterin in einer Männerdomäne so schnell nach oben geschafft habe. Erst war ich in einer Expertenberatung und habe relativ schnell gemerkt, dass mir das nicht taugt, wie die da arbeiten. Reingehen, Konzept aufdrücken, wieder rausgehen. Ich habe mich dann im Change Management und systemischer Organisationentwicklung auf einer fast eher therapeutischen Ebene, wenn Du so willst, weiterentwickelt. Und beide Parteien (also Organisationsentwicklung und klassische Beratung) mögen sich eigentlich nicht so gerne, aber ich habe mir gedacht, das ist doch ein Mehrwert für den Kunden, wenn man beides kombiniert. Und genau das ist die Stärke meines Unternehmens!

Die klassischen Berater gehen rein und drehen an einem Rädchen und dann dreht sich eben alles andere mit. Wir aber gehen rein und schauen uns das ganze Unternehmen an und betrachten das Unternehmen ganzheitlich. D.h. wir sehen Stärken und Schwächen nicht nur auf fachlicher Seite, sondern auch die Menschen und die Beziehungen zwischen den Menschen. Bzw. zwischen den Organisationseinheiten. Das sind so die drei Ebenen.

Dadurch dass wir sehen, dass wir den Unternehmen nachhaltig helfen, schaffen wir auch einen gesellschaftlichen Wert. Das ist z.B. bei Bankberatern oft nicht der Fall. Ich habe das Gefühl, dass wir dadurch, dass wir Arbeitsplätze erhalten und langfristig auch neu schaffen, gleichzeitig natürlich gesellschaftliche Werte generieren. Ein konkretes Beispiel vielleicht.

Die Verlagsbranche war so in den letzten Jahren ganz schön auf der Abchussliste, wenn man so sieht, wie z.B. die Auflagen und Erlöse eingebrochen sind durch den Einbruch des Printgeschäfts. Dadurch dass wir eben mit einer großen Expertise da hineingegangen sind, haben wir es schon geschafft viele von den Verlagshäusern durch den digitalen Change Prozess zu begleiten und ihnen dadurch eine neue Ausrichtung gegeben. Wir haben viele neue Produkte generiert und aus Verlagen Medienhäuser gemacht und dafür gesorgt, dass neue Arbeitsplätze entstehen und verlo-

ren geglaubtes Geschäft eben wieder eine Zukunftsperspektive hat.

b) Wertorientierung im Hinblick auf die Lieferanten

Natürlich arbeiten wir mit einigen freien Mitarbeitern zusammen. Das ist unser Beratungsnetzwerk und wir holen uns gezielt Spezialisten zu bestimmten Themen als Verstärkung. Auf diese Art stellen wir auch sicher, dass wir eine konstant hohe Qualität leisten. Wenn wir sagen, da fehlt uns die Expertise, holen wir uns gezielt jemanden mit an Bord der hier Erfahrung hat.

Die arbeiten dann in unserem Namen und werden dann zu festen Tagessätzen bezahlt. Manchmal zahlen wir dabei drauf, aber meistens passt es schon, so dass wir auch etwas davon abgekommen. Für die ist es auch eine win-win Situation, denn dann müssen sie nicht akquirieren und dadurch sind sie auch auf uns angewiesen.

Vor allem für die Kunden ist es ein Vorteil, wenn sie einen ausgewiesenen Spezialisten bekommen.

e) Wertorientierung im Hinblick auf die Shareholder (Anteilseigner, Eigentümer)

Wir sind eine GmbH. Bei uns selbst sind wir nicht so professionell wie bei anderen. Aber wir arbeiten daran. Zunächst ist es für uns relativ wichtig, dass wir transparent sind also mit unseren Umsätzen, die wir erlösen. Wir haben eine Mitarbeitererfolgsbeteiligung, so dass auch unsere Mitarbeiter zu Shareholdern werden und damit mit den Eigentümern an einem Strang ziehen.

Wir setzen uns Jahresziele und wenn wir die erreichen, gibt es z.B. ein 13. Gehalt für die Mitarbeiter für alle, egal ob Sekretärin oder Berater, in der Höhe des jeweiligen Gehalts. Wir haben auch so etwas wie Projekt- und Akquiseprämien und dadurch motivieren wir die Berater sich auch selbst ein wenig ins Zeug zu legen, damit nicht die ganze Arbeit bei uns hängen bleibt.

7. Haben Sie Grenzen einer wertorientierten unternehmerischen Haltung in den einzelnen Teilbereichen erlebt bzw. fürchten Sie an Grenzen zu stoßen? Auch hier sind Beispiele interessant.

Bei unseren Kunden erlebe ich immer wieder: auch Unternehmen haben einen bestimmten Lebenszyklus und stoßen an eine gewisse Grenze z.B. des Wachstums ab einer bestimmten Größe. Man muss dann mehr Hierarchien einziehen und das Familiengefühl kommt so ein wenig abhanden. Durch das Wachstum ändert sich auch die Unternehmenskultur ein wenig oder sehr.

Daher ist es für mich nun auch gar nicht das riesige angestrebte Ziel Wachstum um jeden Preis, sondern in ganz kleinen Schritten und indem wir uns treu bleiben. Und wir wollen unseren Competitive Edge nicht verspielen. Wenn du es z. B., nicht mehr schaffst deine Mitarbeiter selbst auszuwählen oder dich deinen Kunden zu widmen. Wir wollen in dieser Qualität bleiben.

Wir sind ja leider total abhängig vom Werbemarkt, weil die Budgets in Jahren einfach höher sind, wo es den Verlagen gut geht, also in stabilen konjunkturellen Situationen. Da geht es uns dann gut und andererseits haben wir auch immer mal wieder Durststrecken. Da wären wir bei zu schnellem Wachstum dann auch unflexibel. Denn zwei schwache Jahre gehen vielleicht noch bei der jetzigen Größe, wenn wir z.B. auf Prämienzahlungen verzichten.

Eine weitere Grenze des Wachstums wäre, wenn wir z.B. unsere Integrität verlieren. Wenn wir z.B. nicht die Persönlichkeit unserer Berater fördern könnten, sondern wild irgendwelche Projekte annehmen würden.

10.3 INTERVIEW TRANSCRIPTION 2: ZIENER GMBH & CO. KG

Sehr geehrte Frau K.

Ich würde Ihnen gerne einige Fragen zu Ihrer persönlichen Erfahrung mit wertorientiertem Management in Ihrem Unternehmen stellen.

A. Allgemeine Fragen zu Ihrem Unternehmen:

9. Könnten Sie kurz Ihr Unternehmen vorstellen?

Mein Unternehmen stellt Sportbekleidung im Bereich Ski und Bike her und ist einer der größten deutschen Handschuhproduzenten im Sportbereich. Das Familienunternehmen wird in 3. Generation geleitet und hat seinen Sitz in Oberammergau.

10. Was sind Ihre Produkte, wer sind Ihre Kunden und welche Mitarbeiter haben Sie?

Die Mitarbeiter kümmern sich um Entwurf Produktion (Management). Also produziert wird u.a. in Asien, Marketing, Vertrieb. Wir erkaufen die Produkte an Groß und Einzelhandel.

Wir haben einen sehr hohen Frauenanteil außer in der Geschäftsführung und im Lager.

Gemeinsamer Geschmack und gemeinsame Kommunikation braucht auch Erfahrung und man muss sich kennenlernen.

11. Haben Sie eine besondere Vision in Ihrem Unternehmen?

Wir haben den Leitspruch „made by pros“ und haben einen hohen Anspruch an die Funktionalität unserer Produkte. Wir arbeiten in die-

sem Bereich auch zusammen mit Größen wie Felix Neureuter. Wir hatten auch ehemals Maria Riesch oder den BSV und den DSV (Deutscher Skilehrerverband).

Die Testimonials sind pro Bereich verschieden ich bin v.a. für das Design im Winter- und Sommer Mode Segment (Bekleidung und Handschuhe) verantwortlich.

12. Was ist an Ihrem Unternehmen - aus Ihrer Sicht - einzigartig?

Ich glaube im Skibereich (Handschuhe) ist v.a. die sehr enge Zusammenarbeit mit den Professionals essentiell und die langjährige Erfahrung als Handschuhfabrikant.

B. Wertorientiertes Management

8. Was verstehen Sie persönlich unter wertorientiertem Management?

VBM ist natürlich auch eine Sache gegenüber den Shareholdern jedoch denke ich persönlich da eher im kleineren Rahmen. Das fängt bei der morgendlichen Begrüßung an und es geht weiter, wie kommuniziere ich mit den Leuten, wie höre ich den Leuten zu und wie gehe ich vernünftig mit den Leuten um.

9. Was sind die besonderen Potentiale von wertorientiertem Management, die Sie in den oben genannten Teilbereichen für Ihr Unternehmen erkennen bzw. erlebt haben? Es können gerne Beispiele genannt werden.

Könnten Sie dabei bitte auf die folgenden Teilbereiche eingehen?

a) Wertorientierung im Hinblick auf die Mitarbeiter

Was gut läuft bei uns ist eben, wenn jemand – bei Vereinbarkeit mit der Stelle – etwas früher oder später anfangen möchte oder mittags Sport machen möchte. Die Arbeitszeit ist flexibel.

Arbeitsstunden Überstunden alles bewegt sich in vernünftigem Maß.

Die Mitarbeiter sind sportorientiert. Gehen z.B. in ihrer Mittagspause auch mal gerne auf den Berg vor der Tür im Winter auch Skitouren und im Sommer zum Laufen und kommen weite Strecken mit dem Rad.

b) Wertorientierung im Hinblick auf die Lieferanten

Die Arbeitsbedingungen der Lieferanten sind total gut. Die Produktionsstätten haben deutschen Standard. Das Zulieferernetzwerk ist relativ weit gestreut. Die Zulieferer sind langfristige Partner durch das starke Wachstum kommen jedoch immer wieder Neue dazu.

Es kommt auch auf die Qualität der Lieferanten an, wie lang wir sie halten können.

Im Wesentlichen kommen die Designideen von uns und in Südostasien werden die Designs nur umgesetzt. Wir senden die Designs rüber. Die Prototypen kommen dann genäht zu uns oder jemand von uns fährt rüber aus dem Produktmanagement oder von der Qualitätskontrolle. Die Firmen treffen wir dann auch oft auf den Messen und besprechen da z.B. Designfragen.

Ich würde eine Verlagerung der Produktion nach Deutschland

bevorzugen wegen der langen Wege aber das ist aufgrund des aggressiven Preiswettkampfes schwierig. Es gibt immer Marken, die noch mehr Ökogeschichten machen. Die produzieren teilweise mehr in Europa bei höheren Kosten und geringeren Stückzahlen.

V.a. die Funktionsbeschichtung und Funktionsmaterialien von Skiprodukten können kaum in Deutschland gefertigt werden. Die Stoffe und Zutaten werden oft direkt in Fernost gefertigt und die hin und her zuschicken ist oft teuer und kompliziert.

Wir haben einen internen Mitarbeiter für Qualitätskontrolle, der dann hinfliegt. Wenn wir die Designdetails geklärt haben, kommt einer aus dem Schnitt oder der Qualität und überwacht das immer wieder.

c) Wertorientierung im Hinblick auf die Kunden

Wir machen mit den großen Ketten Kommissionsgeschäft. Was für uns nicht so profitabel ist. Aber wir machen das, um gelistet zu werden. Unsere Kunden haben aufgrund ihrer Größe (Sportscheck, Schuster Intersport) hohe Marktmacht. Wir tragen im Kommissionsgeschäft dann das Risiko hinsichtlich Preis und Menge.

In der Skibranche schreiben wir dennoch ganz gute Zahlen. Wir haben auch immer versucht nicht zu viel über das Internet zu machen, um dem Handel nicht das Geschäft wegzunehmen.

z.B. beim Sportscheck (Deutsches großes Sportgeschäft) wird auch etwas dafür bezahlt, dass wir gut positioniert sind aber so toll stellen die das nicht dar. Es gibt z.B. Filme im Geschäft mit Werbung für unsere Produkte.

Die Kunden haben natürlich selber extrem Druck wegen des hohen Wettbewerbsdrucks im Handel und die geben das dann auch an uns weiter.

d) Wertorientierung im Hinblick auf die Gesellschaft (unternehmerische soziale und ökologische Verantwortung)

Wir haben auch Teile aus recyceltem Plastik d.h. Produkte, die zu sehr hohem Anteil aus Plastik gefertigt werden, das aus dem Meer gefischt wird und dann zu neuen Rohstoffen verarbeitet wird.

Wir setzen das nur teilweise für die Imagewerbung ein. Ich selbst habe das z.B. gerade zufällig nebenbei erfahren.

Jeder Kunde behauptet für Nachhaltigkeit mehr ausgeben zu wollen aber in der Praxis sind die Kunden doch sehr preisgetrieben und das spürt auch der Handel. Hinzu kommt Konkurrenz von Onlineanbietern wie Amazon, die in Deutschland keine Steuern bezahlen.

d) Wertorientierung im Hinblick auf die Shareholder (Anteilseigner, Eigentümer)

Die verdienen wohl schon genug. Vor ein paar Jahre hat unser langjähriger Geschäftsleiter ca. 1 % übernommen und ist mit eingestiegen und gestern ist noch ein zweiter Geschäftsführer ernannt worden, der auch beteiligt ist.

Es gibt eine Prämie, die an die Mitarbeiter ausbezahlt wird, wenn ein Gewinn überbleibt. Das ist aber nicht immer der Fall.

10. Haben Sie Grenzen einer wertorientierten unternehmerischen Haltung in den einzelnen Teilbereichen erlebt bzw. fürchten Sie an Grenzen zu stoßen? Auch hier sind Beispiele interessant.

Unsere Vertriebsmitarbeiter sind aus Designsicht recht bescheuert. Wir geben uns das ganze Jahr Mühe und bei der Präsentation ver-

unglimpfen sie es erst mal und bei der Messe ist dann durch den Absatz wieder alles ok. Bessere Kommunikation wäre schon wünschenswert.

Es gibt dabei immer mal Reibungen auch zwischen den Mitarbeitern, aber im Prinzip ist das Klima gut.

Der Chef übergibt sein Unternehmen gerade und es gibt seit gestern einen neuen Geschäftsführer. Das führt zu den üblichen Schwierigkeiten, wenn sich so etwas neu zusammensetzt.

Mit der Kommunikation hapert es manchmal ein wenig. Entscheidungen werden dadurch, dass es Inhaber geführt ist, und Inhaber in leitenden Positionen sind, oft widerrufen oder geändert. Das wird oft zu spät oder gar nicht kommuniziert, so dass die Leute, die an den Projekten arbeiten, ein Zeitproblem bekommen.

D. Rahmenbedingungen für die erfolgreiche Umsetzung einer wertorientierten Managementhaltung

4. Welche Voraussetzungen haben Sie in Ihrem Unternehmen geschaffen um wertorientiertes Management erfolgreich umzusetzen?

Wenn man gut verdient und Geld übrig hat, kann man für Nachhaltigkeit oder Mitarbeiter Geld ausgeben.

Das Management muss sich auch um Werte jenseits einer reinen finanziellen Orientierung bemühen.

Bei den Mitarbeitern wäre es v.a. wichtig, dass es gutes Feedback gibt und dass eine Lobkultur herrscht. Da muss man jetzt auch nicht jeden Tag eine Poolparty machen oder den Friseur auf dem Gelände haben.

5. Woran möchten Sie weiterhin noch arbeiten?

Immer mehr den Umweltgedanken einfließen lassen, weil das die Kunden erstens wollen und zweitens auf lange Sicht anders gesellschaftlich auch nicht mehr tragbar ist.

Allerdings sind wir hier nicht alleine entscheidend, sondern der Markt und der Handel geben das auch vor.

6. Was würden Sie einem anderen jungen innovativen Wachstumsunternehmen raten, um wertorientiertes Management erfolgreich zu verwirklichen? Auch dies kann gerne beispielhaft dargestellt werden.

Geht gut mit Euren Leuten um kommuniziert gut und schätzt ihre gute Arbeit Wert!

Vielen Dank für das Gespräch!

10.4 INTERVIEW TRANSCRIPTION 3: ALLSAFE GMBH CO. KG

Sehr geehrter Herr L.,

Ich würde Ihnen gerne einige Fragen zu Ihrer persönlichen Erfahrung mit wertorientiertem Management in Ihrem Unternehmen stellen.

A. Allgemeine Fragen zu Ihrem Unternehmen:

13. Könnten Sie kurz Ihr Unternehmen vorstellen?

Wir produzieren Produkte zum Thema Ladungssicherung, textile Produkte, Sperrelemente, Verbindungselemente (Fittinge), an denen man dann mit Schienen oder Gurten Ladung im LKW und anderen Transportmaschinen festmachen kann.

Mein Bruder hat das Unternehmen 2000 gekauft. Es gab damals nur in Deutschland Vertriebsaktivitäten und wir haben in verschiedenen Ländern der Welt expandiert.

Ich bin mehr der Vertriebler im Unternehmen. Mein Bruder ist mehr von innen her aktiv.

- Umsatz: 57 Mio. € in 2016
- Mitarbeiter: 180
- Produktionsfläche: 11.200 m²
- Bürofläche: 1.700 m²
- Entwicklung: 38 Ingenieure und Techniker
10 CAD Arbeitsplätze inkl. FEA
- Investitionen: 5 % vom Umsatz
- Gesellschafter: Detlef Lohmann
[AxInter](#)



Was sind Ihre Produkte?

Hauptprodukt sind die Airline Schienen um verschiedene Systeme z.B: Doppelstocksysteme in Fahrzeugen zu etablieren. Aber auch an der Seitenwand eines LKW kann man mittels unserer Produkte beispielsweise Balken einhängen.

Wir sehen uns der Entwicklung und Produktion von Elementen im Ladungsverkehr verpflichtet.

allsafe konfektioniert:

- textile Produkte
- Schienen
- Balken und Sperrstangen
- Fittinge

allsafe steht für:

- auftragsbezogene 1-Stück-Fließfertigung

allsafe bietet den Kunden:

- individualisierte und personalisierte Produkte
- 24-Stunden-Lieferbereitschaft
- Made in Germany

14. Wer sind Ihre Kunden und welche Mitarbeiter haben Sie?

Wir entwickeln innovativ und kundenorientiert. D.h. z.B. wir entwickeln Fittinge gemeinsam mit Kunden weiter z.B. auch in Flugzeugen. Wir realisieren dabei v.a. inkrementelle Innovationen hinsichtlich Kosten und Haltekraft sowie besserer Handhabung.

Der Markt reagiert sehr konservativ, LKWs die wir aus- und nachrüsten sind beispielsweise 0 bis 25 Jahre alt und verschieden ausgestattet und da ist die Anpassung wichtig.

Unser Vertrieb erfolgt weltweit mit eigenen Mitarbeitern.

Die LKW sind verschieden pro Land und auch die Fahrzeughersteller sind

unterschiedlich z.B. in Australien und Südafrika sind sie wenig veränderungswillig.

Es gibt verschiedene technische Kulturen der Ladungssicherung wie überall in der Evolution.

15. Haben Sie eine besondere Vision in Ihrem Unternehmen?

Unsere zentrale Philosophie ist in unserer Präambel festgeschrieben und diese lautet: „Der Mensch ist frei und verantwortlich.“

Das setzen wir in vier Kernwerten um: Eigenverantwortung als Basis, Kundenorientierung, Innovation und Fairness.

Wir wollen fair und innovativ sein als Brücke zwischen uns und den Kunden einerseits und innerhalb des Unternehmens andererseits.

Fairness ist fast noch wichtiger als Eigenverantwortung. Der moralische Kern des Verhaltens und Denkens ist essentiell.

Das hat auch eine Wirkung nach innen und nach außen.

Wir reden darüber und leben das nach innen und außen.

Ein Leitmotiv ist Handlungsfreiheit: Sinnkopplung statt Abhängigkeit.

16. Was ist an Ihrem Unternehmen - aus Ihrer Sicht - einzigartig?

Wir haben ein Stück weit von der Kultur her eine besondere Stellung.

B. Wertorientiertes Management

11. Was verstehen Sie persönlich unter wertorientiertem Management?

Ich bin selbst Biologe und so sehe ich auch die Organisation in der ich arbeite als organisches, integrales System, welches primär kundenori-

entiert arbeitet.

12. Was sind die besonderen Potentiale von wertorientiertem Management, die Sie für Ihr Unternehmen erkennen bzw. erlebt haben? Es können gerne Beispiele genannt werden.

Könnten Sie dabei bitte auf die folgenden Teilbereiche eingehen?

a) Wertorientierung im Hinblick auf die Kunden

Wir haben mit unseren Kunden keine Kundenbeziehung sondern eine Partnerschaft.

Auch bei unseren Kunden ist Werthaltigkeit wichtig, insofern als die Beziehung stimmen muss und dass man sich gegenseitig vertraut. Für mich sind das externe Partner und keine Kunden. Die Partnerschaft bezieht sich auch auf die Akzeptanz der Wünsche des anderen.

Wir setzen Eigenverantwortung und Kundenorientierung in unserer Organisationsstruktur und unseren Prozessen um:

Wir haben eine sehr ausgeprägte Prozesslandschaft und haben das ganze Unternehmen weitgehend ohne Hierarchien als Prozessorganisation organisiert.

Wir haben das Organigramm quasi auf den Kopf gestellt und dabei die Kundenorientierung nach oben gestellt.

Wenn der Kunde im Unternehmen ist, wird er durch die Prozesse geführt und erhält im Ergebnis sein Produkt. Ganz unten steht der Geschäftsführer mit seiner Hauptverantwortung als Rahmengeber.

Ein wesentlicher Prozess ist die Marktbearbeitung

V.a. bei 24 h Auslieferung ist die kurze Reaktionszeit eine Kernkom-

petenz. Wir haben eine sehr flexible Produktion über online Steuerung aufgebaut. Leute wählen sich aus, was produziert werden soll und zwar online auf dem Bildschirm je nach Kundenwunsch.

Unsere Kernkompetenzen sind vor allem dem Kunden zu dienen und dazu geeignete Logistik zu bieten. Dabei verzichten wir auf Sonderpreise machen keine Preisaktionen, Kundenorientierung steht im Zentrum.

Der Kunde macht die Vorgabe was er braucht. Wir entwickeln das und am Schluss erhält der Kunde, was er braucht.

b) Wertorientierung im Hinblick auf die Mitarbeiter

Kundenorientierung ist für uns wesentlich mit der Orientierung der Mitarbeiter verknüpft:

Das hat eine wesentliche Veränderung der Mitarbeiter in ihrer Haltung bewirkt.

Jeder Mitarbeiter weiß, wo er steht, kennt die internen und externen Kunden und handelt kundenorientiert.

Wir brauchen keinen Kontrolleur und keine Freigabe und jeder handelt eigenverantwortlich und auf den Kunden bezogen.

Dadurch entsteht ein integrales evolutionär **selbststeuerndes System**.

Wir haben Prozesse als Strukturen, um zu sehen, was tun wir und welchen Standard haben wir. Aber es geht auch um individuelle Fähigkeiten als Menschen, die sich selbst steuern und organisieren.

Auch unsere Prozesse sind mitarbeiter-orientiert:

Es gibt gar keine Unterchefs sondern flache Strukturen, wo alle gleichermaßen wichtig sind und Menschen bauen nicht außerhalb ihres Kompetenzbereiches Machtstrukturen auf.

Wir vermeiden schon indirekte und natürlich auch direkte Kontrolle.

Alle Informationen müssen für alle leicht zugänglich sein. Daher darf es keine Informationsgrenzen geben. Das verhindert Machtausbreitung.

Wir haben alle Erfolge und es gibt auch einen individuellen Beitrag zu einem gemeinsamen Erfolg, aber wir waren nie alleine es gibt immer andere, die mitgeholfen haben.

Es ist immer unser Erfolg. Es ist nicht mein Erfolg.

Jeder handelt so, als ob er der Unternehmer wäre.

Jedes Team ist in operative und auch in strategische Projekte involviert.

Wir haben ein Dynamogramm eher als eine klare Struktur.

Empfehlenswert und wegweisend ist dazu folgendes Buch: Autor Niels Pfläging – Die 12 neuen Gesetze der Führung.

Bei uns gibt es keine Fixierung auf den **Arbeitsplatz**.

Teams organisieren sich selbst, übernehmen Verantwortung und sind dadurch kundenorientiert und flexibel.

Wir setzen wertorientiertes Management um, durch unseren Umgang mit **Erfolgsbeteiligung**. Wir haben das ganze persönliche Bonussystem abgeschafft und haben eine Mitarbeitererfolgsbeteiligung für alle eingeführt. Urlaubs- und Weihnachtsgeld haben wir in das Standardgehalt überführt. Alle Mitarbeiter erhalten also die gleiche Erfolgsbeteiligung. Damit leben wir Fairness auch nach innen.

Wenn sich jemand z.B. durch Gehaltsmodelle mehr Vorteile verspricht, funktioniert das nicht.

Es ist keine Gleichmacherei. Individuelle Belohnungen erfolgen durch Dank und Anerkennung, was viel wichtiger ist als materielle Belohnung.

Es gibt 0% Provision für den Vertrieb. Es gibt Ziele, die jedoch keine Bestrafung und Belohnung zur Folge haben. Dadurch kommt es zu einer starken Vernetzung der Regionen im Vertrieb und einer starken Zusammenarbeit innerhalb eines Teams über ganz Europa verteilt.

Wir arbeiten in **strategischen Projektteams (KVP)** mit sehr verschiedenen Kollegen, wo jeweils ihr Fachwissen gebraucht wird. Es gibt keine Regeln oder externe Bestimmung wer was macht, sondern das Team regelt das selbst im Rahmen einer „Selbststeuerung“, Damit stellt sich der optimale Prozess ein.

Wir haben keine Teamsitzung zur Selbstbeweihräucherung, sondern primär zum Informationsaustausch, um damit zu lernen von anderen. Wir bringen in den Meetings (mit den Vertriebsbeauftragten) Beispiele zu Erfolgen und fragen dann, warum waren wir hier erfolgreich. Wir lernen voneinander.

Unsere Allsafe Philosophie hängt überall aus und in **Mitarbeiterversammlungen** reden wir über alle Themen aus diesem Zusammenhang. Mitarbeiterversammlungen sind keine einseitige Informationsweitergabe.

Alle Mitarbeiter denken darüber nach, obwohl ein verschiedenes Werte- und Verständnisniveau aufgrund des Bildungsstandes herrscht, gibt es ein gemeinsames Leitmotiv und das motiviert v.a. die Mitarbeiter aus der Produktion.

Sehr viel hängt an der gleichmäßigen Motivation der Mitarbeiter und

der Mitbestimmung. Die unten haben nicht das Gefühl, es wird ihnen etwas gesagt, sondern sie sehen, dass sie Aufgaben haben. Es geht darum, Menschen mitzunehmen in die Frage, wie können wir als Unternehmen überleben wie sind wir wettbewerbsfähig aufgrund unserer idiosynkratischen Eigenschaften nicht nur aufgrund von Effizienzsteigerung.

Mein Buch ist auch entstanden, um den eigenen Leuten zu sagen, was mir wichtig ist, und es freut mich, wenn auch andere Menschen sich dadurch berührt fühlen. Wichtig ist, dass ich auch den Menschen dahinter erkenne.

c) Wertorientierung im Hinblick auf die Lieferanten

d) Wertorientierung im Hinblick auf die Gesellschaft (unternehmerische soziale und ökologische Verantwortung)

Es gibt ja verschiedene soziale Projekte z.B. Kinderkrippen und weiteres soziales Engagement. Wir sagen: unsere erste Aufgabe ist unternehmerischer Erfolg und damit bieten wir schon einen sozialen Beitrag. Wir tun dies auch über unsere Steuerzahlungen.

Wir tragen v.a. dazu bei, dass Werte, die das Unternehmen lebt, auch von anderen Menschen als vorbildlich wahrgenommen werden. Wir verbessern dadurch die Welt.

Das ist für mich als Biologe die Grundlage wertorientierten Managements, dass man sich auch an den Prinzipien der Biologie orientiert.

Das normale Wachstumsdenken in Unternehmen hingegen inkludiert

zu 99% Materialverbrauch. Es gibt immer wieder neuere und komplexere Systeme und das sind hochsensible Güter aus sehr hochwertigen Rohstoffen. In der Natur gibt es aber kein exponentielles Wachstum und da kommt auch die Menschheit und die Technologie noch hin.

Wir haben seit zwei Jahren das Konzept „nutzen statt kaufen“. Wir wollen die Produkte möglichst lange am Leben erhalten und bieten daher einen Reparaturservice für unsere Produkte.

Die Wegwerfkultur ist furchtbar. Das sind Dinge, die unsere Vorfäter kannten.

Umweltzertifizierungen haben wir v. a., weil die Kunden das haben wollen und das hat mit der wirtschaftlichen Realität nichts zu tun. Das ist reines Geld machen. Das Geschäftsmodell ist dann nachhaltig, wenn es einen langfristigen Kundennutzen gibt, ohne ständig neue Ressourcen zu verbrauchen.

Nachhaltigkeit bezieht sich auch auf Datenstrukturen. Wir berechnen und optimieren z.B. Nutzungszeiten unserer Produkte mit speziellen Verfahren.

Wertorientiertes Management beginnt bei einem Erkenntnisprozess bei jedem Einzelnen und endet oft in Resignation, aber wir können tatsächlich unser Umfeld positiv beeinflussen in dem Sinne, dass jeder sich nachhaltig engagiert.

e) Wertorientierung im Hinblick auf die Shareholder (Anteilseigner, Eigentümer)

Auf die Frage, wie ist euer Erfolg zu definieren, antworte ich nicht, dass das der hauptsächliche Unternehmensgegenstand ist. Die Kernauf-

gabe ist es, Menschen nachhaltig zu ernähren und ihnen ein Stück Glück und Sicherheit zu geben. Es geht darum, nachhaltig zu überleben, indem man Menschen in die Lage bringt, in dem Unternehmen persönlich erfolgreich, also glücklich und zufrieden zu leben. Die Kooperation mit anderen ist dabei sehr wichtig.

Der Homo oeconomicus ist tot und ist wohl eine reine Erfindung von Hobbes.

Auf der Nachhaltigkeitskurve finde ich die optimale Überlebensfähigkeit auf einem Mittelweg zwischen Widerstandsfähigkeit und Effizienz.

Wir wollen eine gesunde Mischung aus Herz und Verstand, also aus Kooperation und Wettbewerb.

Wir möchten in Deutschland genauso preiswert produzieren wie andere Hersteller in anderen Regionen der Welt und haben natürlich aus Billiglohnländern sehr hohe Konkurrenz. Aber wir differenzieren uns über Qualität und haben auch einen anderen Kundenkreis.

13. Haben Sie Grenzen einer wertorientierten unternehmerischen Haltung in den einzelnen Teilbereichen erlebt bzw. fürchten Sie an Grenzen zu stoßen? Auch hier sind Beispiele interessant.

Es gibt natürlich auch Kunden, die keine Partner sind, aber bei solchen Kunden entwickeln auch wir uns weiter und entwickeln unsere Wettbewerbsfähigkeit.

Wir haben natürlich durch unser Wachstum auch sehr viele Leute (Mitarbeiter), die in der Gründerzeit nicht dabei waren und erst eine andere Kultur haben. Dieser Prozess der stillen Machtübernahme ist sehr subtil und es gilt dann, mit den Leuten zu reden, um zu vermeiden, dass ver-

schiedene Menschen über ihren Aufgabenbereich hinaus andere beeinflussen. Sie dürfen verändern aber nicht zu ihrem persönlichen Nutzen

Es gibt auch Menschen, die von ihrem Selbstverständnis her gerne Machtstrukturen anstreben. Diese haben bei uns nichts verloren. Machtstrukturen sind nicht geeignet, sondern eher gemeinsamer Erfolg, Fairness und Teamarbeit.

Vielen Dank für das Gespräch!

10.5 INTERVIEW TRANSCRIPTION 4: NAGARRO GMBH GERMANY

Sehr geehrte Frau K.,

Ich würde Ihnen gerne einige Fragen zu Ihrer persönlichen Erfahrung mit wertorientiertem Management in Ihrem Unternehmen stellen.

A. Allgemeine Fragen zu Ihrem Unternehmen:

17. Könnten Sie kurz Ihr Unternehmen vorstellen?

Wir sind ein mittelständisches deutsches IT Unternehmen mit Sitz in München und noch einer Niederlassung in Leipzig und eigentlich auch mit einer Niederlassung in Rumänien (Timisuara). Es ist eine GmbH. Diese ist ca. 30 Jahre alt. Wir entwickeln nur Software und zwar sowohl kundenindividuelle Software, als auch SAP, Sharepoint und dann haben wir noch ein eigenes Produkt bzw. eine eigene Produktlinie und damit auch eine eigene Entwicklung. In München haben wir etwa 100 Mitarbeiter. Wir haben Projektmanager, Entwickler für Software, auch generell IT Berater. Wir sind auch in Unternehmen als IT Berater, welche dann projektindividuell als Service oder Delivery Manager eingesetzt werden, um irgendein Roll-out zu begleiten. Es gibt auch Tester und Architekten und Supportmitarbeiter, Hotline.

Ich bin Projektmanager.

18. Was sind Ihre Produkte, wer sind Ihre Kunden und welche Mitarbeiter haben Sie?

Unser eigenes Produkt heißt SCOWI und SCOWI mobil, letzteres läuft auf Smartphones. Das ist das Programm, mit dem dann das Bundesamt für Güterverkehr eine Ordnungswidrigkeit erstellt, wenn ein LKW zu

wenig oder gar nicht gezahlt hat. Das ist nur eine Ausprägungsform des Produktes und nur ein Kunde. Auch die Stadt Köln z.B. setzt dieses Produkt ein, um Bußgeldbescheide zu erstellen auch das Land Brandenburg arbeitet mit SCOWI Mobil, um z.B. ein Knöllchen an der Windschutzscheibe zu positionieren.

Das LKW Maut System ist das wichtigste Instrument auf dem SCOWI System aber nicht das wichtigste für die Firma. Es gibt drei Hauptstandbeine. Den SAP Bereich, den SCOWI Bereich und individuelle Software Entwicklung bei unterschiedlichen Kunden vor Ort z.B. auch bei BMW, früher auch bei Siemens. Die Säulen tragen sich auch gegenseitig.

19. Haben Sie eine besondere Vision in Ihrem Unternehmen?

Der größte Wert der Firma sind letztlich auch die Kunden und Mitarbeiter, ok auch das Produkt, aber der Ursprung der Produkte sind die Mitarbeiter und auch die Kooperation mit dem Kunden. Wir haben v.a. eine Mitarbeiterweiterbildung und auch gute Zukunftsperspektiven.

Unser Leitspruch ist u.a. „be agile“.

20. Was ist an Ihrem Unternehmen - aus Ihrer Sicht - einzigartig?

Die Weiterentwicklungsmöglichkeiten innerhalb des Unternehmens und der bedarfsgerechte Einsatz sind m.E. ein einzigartiges Merkmal. Du bist also nicht auf eine Stelle festgelegt.

B. Wertorientiertes Management

14. Was verstehen Sie persönlich unter wertorientiertem Management?

Ich würde sagen, dass das Management sich an den inneren Werten des Unternehmens orientiert. Die Werte bei uns sind definitiv Kundenzufriedenheit, die Mitarbeiter – also zum einen ihre Zufriedenheit, aber auch die Mitarbeiterqualifikation. Dann hast du natürlich schon die Umsatzorientierung. Nicht so sehr gewinnorientiert als eben umsatzorientiert.

15. Was sind die besonderen Potentiale von wertorientiertem Management, die Sie in den oben genannten Teilbereichen für Ihr Unternehmen erkennen bzw. erlebt haben? Es können gerne Beispiele genannt werden. Könnten Sie dabei bitte auf die folgenden Teilbereiche eingehen?

a) Wertorientierung im Hinblick auf die Mitarbeiter

Als Mitarbeiter gehörst Du verschiedenen Bereichen an, aber wenn in Deinem Bereich kein Bedarf ist, wirst Du auch entliehen in einen anderen Bereich. Es gibt bedarfsabhängig eine interne Ressourcenverschiebung, die sehr flexibel ist. Das ist in anderen Unternehmen nicht so einfach.

Hier haben wir auch jährliche Ziele, die erreicht werden. Es gibt auch eine interne Mitarbeiter-Online-University, wo man sich einfach bürokratiefrei einfach reinklicken und informieren kann, wenn man in der Arbeitszeit freie Zeit hat.

Die Mitarbeiter sind dadurch relativ stark motiviert. Wir haben neben jungen Entwicklern auch Leute, die sind seit 25 Jahren dabei.

Es gibt sehr flexible Arbeitszeitmodelle. Du kannst Überstunden machen so viel du willst im Rahmen der gesetzlichen Regelungen. Du kriegst die auch honoriert z.B. ausbezahlt oder abfeiern.

Du kannst auch keine Überstunden machen. Keiner erwartet das. Bei

Unterstunden bekommst du schon ein Problem, aber du kannst Deine Arbeitszeit anpassen zwischen 20 und 40 h.

Man kann teilweise auch Heimarbeit machen. Ich persönlich mache das, alle aus meinem Bereich auch.

Unsere Hierarchie ist relativ flach es gibt einen Vorgesetzten und einen Geschäftsführer.

Es gibt ein mitarbeiterinternes Forum für private Chats, wo jeder von dem berichtet, was er mag z.B. über Zwergkaninchen, Jogger, Bowlen etc. Das Management will, dass man sich auch auf sozialer Ebene kennenlernt und versteht. Der eine schickt Bilder und der andere liked das etc. Ich kann damit zwar nichts anfangen, aber es ist sehr beliebt. Du sollst dich auch privat einbringen und engagieren.

Die Mitarbeiter in Indien werden mit dem Taxi abgeholt und ins Büro gebracht. Es wird also viel für Mitarbeiter auch im Ausland getan.

b) Wertorientierung im Hinblick auf die Lieferanten

Wir haben keine Lieferanten im eigentlichen Sinne, weil wir selbst entwickeln, z.B. auf fertigen Plattformen, aber diese Softwareprovider sind keine Lieferanten.

Wir haben eher Partner z.B. für das Gerät, mit dem die Knöllchen gedruckt werden.

Wir haben eher technische Schnittstellen, die wir selbst über Simulatoren nachbilden, damit die nachher passen.

Wir kooperieren zusätzlich mit einer indischen Tochter unseres Mutterkonzerns der Allgeier Group.

Den Kostenfaktor können wir v.a. dadurch beherrschen, dass wir auch in Rumänien oder mit Indien (Mutterkonzern) zusammenarbeiten. Wir können so den Preis senken. Mit den Rumänen funktioniert das ganz toll. Mit den Indern in Indien klappt das nur bedingt Aber die sind noch billiger.

Es gibt dadurch schon eine Verschiebung, dass du z.B. deutlich mehr Projektmanager brauchst und weniger Entwickler. Die Entwicklungen in Indien und Rumänien brauchen mehr Projektleiter, um die Inhalte zusammenzuführen. Du brauchst noch zusätzlich einen Ansprechpartner beim Kunden.

Der gute Entwickler entwickelt sich dann eher zum Architekten. Den brauchst Du nach wie vor hier. Der Architekt konzipiert das Produkt. Er überlegt, wie man die Sachen implementieren kann, mit welchen Datenbanken, Instrumenten und in welcher Sprache. Er arbeitet mit den Entwicklern eng zusammen und auch mit dem Projektmanagement.

Viele Entwickler kommen nun schon aus Indien außer eben im SCOWI Sektor hier sind wir nur in Deutschland.

Wir haben die Umstrukturierung nicht durch Entlassung gelöst, sondern durch gelenktes Wachstum eben in Richtung Projektmanagement.

c) Wertorientierung im Hinblick auf die Kunden

Wir haben Kunden die es seit 20 Jahren oder einfach langjährig gibt. Wir haben auch neue Kunden.

Wir haben z.B. **Anwendertagungen**, verbunden mit einer Feier. Wir stellen dabei unser Unternehmen und Themen vor, die interessieren. Oft kommen auch externe Leute, die vortragen oder auch Kunden. Es geht um alles, was im Groben mit dem Themengebiet zu tun hat. z.B. Ordnungswid-

rigkeiten, neue Gesetze zu Mess- und Eichverfahren, handschriftliche Urkundenerkennung.

Das Ziel von der Tagung ist eigentlich eher ein nettes Zusammenkommen, ins Gespräch kommen unabhängig vom geschäftlichen Zusammensein.

Wir haben auch mit den Kunden in der laufenden Entwicklung **Workshops**, um zu erkennen was der Kunde will und in der laufenden Entwicklung zusammenzukommen.

Wir haben auch **Anwenderschulungen**, die wir einerseits verkaufen, um zu Geld zu kommen und andererseits um den Kunden zu zeigen, wie er mit seinem Produkt zurechtkommt, damit er mit seinem Produkt dann nicht unzufrieden ist.

Für uns ist auch **Qualität** ganz wichtig. Qualität bekommen wir v.a. durch Produkttests v.a. bei uns im Haus und über die Kundenworkshops.

c) Wertorientierung im Hinblick auf die Gesellschaft (unternehmerische soziale und ökologische Verantwortung)

Ökologische Nachhaltigkeit bei uns nicht so ein Thema. Wir haben nicht einmal Mülltrennung und teilweise drucken die Leute immer noch alles aus.

Bei uns gibt es v.a. soziales Engagement im Hinblick auf die Mitarbeiter. Bei uns gibt es z.B. viele Frauen in Teilzeit und Familie und Beruf ist

kein großes Problem. Wir sind auch ein Ausbildungsbetrieb und wir haben auch Praktikantenstellen.

d) Wertorientierung im Hinblick auf die Shareholder (Anteilseigner, Eigentümer)

Wir gehören der Allgeier Group zu 100 % und die hat ganz klare Umsatzvorgaben, die wollen Kohle sehen.

Die Allgeier Gruppe macht nichts anderes als Unternehmen aufzukaufen. Unsere Firma war früher ein kleines mittelständisches Unternehmen mit einem Inhaber und sie wurde von Allgeier gekauft, finanziert und das klappt eigentlich ganz gut. Unternehmen die Zur Allgeier Gruppe gehören, werden zu irgendwelchen Gruppen und Branchen zusammengefasst und die Kooperation klappt ganz gut.

Die Allgeier Gruppe hat mit dem Geschäftsführer und den Bereichsleitern regelmäßige Meetings. die hatten auch die Vorgabe, dass wir eben mit der indischen Schwester zusammenarbeiten, um dann mit denen gemeinsam im Hinblick auf die Umsatzbilanz erfasst zu werden.

Die Indische Kooperation kommt von der Gruppe. Sie haben auch Ideen, wie das zu erreichen ist.

16. Haben Sie Grenzen einer wertorientierten unternehmerischen Haltung in den einzelnen Teilbereichen erlebt bzw. fürchten Sie an Grenzen zu stoßen? Auch hier sind Beispiele interessant.

Bei uns läuft alles bestens.

E. Rahmenbedingungen für die erfolgreiche Umsetzung einer wertorientierten Managementhaltung

7. Welche Voraussetzungen haben Sie in Ihrem Unternehmen geschaffen um wertorientiertes Management erfolgreich umzusetzen?

Im Vergleich zu meiner alten Firma, die branchenmäßig gleich aber inha-bergeführt ist, ist es bei Allgeier besser. Sie machen klare Vorgaben. Der Vorgesetzte ist das deswegen, weil er eine Ausbildung und Erfahrung hat. Es geht nicht um Sympathie, sondern um Kompetenz. Du hast eine besse-re Art der Unternehmensführung, wenn die Posten nach Kompetenz ver-geben werden und nicht weil die Manager mit dem Chef verwandt sind.

Das ist neu, nachdem Allgeier gekommen ist. Nun gibt es z.B. auch mehre-re Manager nicht nur einen Geschäftsführer. Es sind nicht viele Manager, ca. 5. Jeder hat 20 Mitarbeiter, um die er sich auch kümmert und das macht er, weil er es gelernt hat.

Es gibt aber sicher auch die Stimmen, die den alten Vorgesetzten besser fanden und denen das überhaupt nicht passt.

Wir haben einen Pool an Individualisten und individuellen Charakteren, die sehr verschieden sind. Die werden alle respektiert und gut eingebunden. Du kannst den Respekt an deinen Mitmenschen in unserer Firma selbst lernen.

8. Woran möchten Sie weiterhin noch arbeiten?

Z. B. Datenschutz, Arbeitsschutz muss mehr beachtet werden, mehr so

Verwaltungskram, Konzept passt insgesamt.

9. Was würden Sie einem anderen jungen innovativen Wachstumsunternehmen raten, um wertorientiertes Management erfolgreich zu verwirklichen? Auch dies kann gerne beispielhaft dargestellt werden.

Du brauchst v.a. gute Leute und eine raffinierte Idee, was du machen willst und du musst Dich auch trauen das umzusetzen, deine eigenen Ideen und du brauchst auch einen Finanzier.

Vielen Dank für das Gespräch!

10.6 INTERVIEW TRANSCRIPTION 5: BLU PROFESSIONALS GMBH, BLU GRUPPE

Sehr geehrter Herr Zimmermann,

Ich würde Ihnen gerne einige Fragen zu Ihrer persönlichen Erfahrung mit wertorientiertem Management in Ihrem Unternehmen stellen.

A. Allgemeine Fragen zu Ihrem Unternehmen:

21. Könnten Sie kurz Ihr Unternehmen vorstellen?

Wir sind ein inhabergeführtes mittelständisches Unternehmen, welches auf Projektmanagement, Ingenieurdienstleistungen und kaufmännische Sachbearbeitung spezialisiert ist.

Wir haben unseren Hauptsitz in München und haben auch eine Niederlassung in Berlin. Zurzeit sind wir 120 fest angestellte Mitarbeiter bei 75% Frauenanteil aus 23 verschiedenen Nationen.

22. Was sind Ihre Produkte, wer sind Ihre Kunden und welche Mitarbeiter haben Sie?

Unsere Hauptkunden sind BMW, Allianz, Zalando, Bayer.

Wir haben keine materiellen Produkte, sondern wir sind ein Beratungshaus.

23. Haben Sie eine besondere Vision in Ihrem Unternehmen?

Wir haben eine Vision die heißt „menschliches Handeln und Erfolg ist vereinbar“!

24. Was ist an Ihrem Unternehmen - aus Ihrer Sicht - einzigartig?

Das ist der bunte Mix aus jungen und alten oder reifen Mitarbeitern aus unterschiedlichsten Ländern, die sich für Beratungsthemen begeistern.

Die blu Kultur ist ein unmittelbarer Gewinn für unsere Kunden. Denn je zufriedener ein Mitarbeiter mit seinem Unternehmen ist, desto effektiver und leistungsorientierter ist er im Projektgeschäft. Sie verspüren keine Existenzängste, wenn ein Projekt zu Ende geht, weil sie bei der blu Gruppe einen Heimathafen gefunden haben.

Das haben wir selbst in unseren Kulturworkshops entwickelt.

Daran wird auch jede Führungskraft gemessen, ob sie sich dementsprechend verhält, sowohl den Kunden als auch den Mitarbeitern als auch den Lieferanten gegenüber.

B. Wertorientiertes Management

17. Was verstehen Sie persönlich unter wertorientiertem Management? Darunter verstehen wir die nachhaltige und authentische Beziehung zu unseren Mitarbeitern. Das ist unser höchstes Gut, denn ohne Mitarbeiter haben wir kein Beratungsportfolio. Somit gewinnen wir keine Kunden und keine Projekte. Damit steht und fällt alles mit der Beziehung zu unseren Mitarbeitern.

18. Was sind die besonderen Potentiale von wertorientiertem Management, die Sie in den oben genannten Teilbereichen für Ihr Unternehmen erkennen bzw. erlebt haben? Es können gerne Beispiele genannt werden. Könnten Sie dabei bitte auf die folgenden Teilbereiche eingehen?

a) Wertorientierung im Hinblick auf die Mitarbeiter

Durch eine gelebte und authentische blu Kultur ersparen wir uns Sales und Marketingabteilung, weil die Mitarbeiter so hinter dem Unternehmen stehen, dass sie sich im Projekt selber weiter empfehlen und auch neue Mitarbeiter für uns begeistern. Das ist der authentischste Ansatz sowohl im Vertrieb als auch im Recruiting.

Selbst Bewerber, die wir nicht einstellen, empfehlen uns weiter.

Ich stelle Leute ein, die ich sympathisch finde, die v.a. sozial zu uns passen und die natürlich in dem Bereich bereits gearbeitet haben oder arbeiten wollen, in dem wir tätig sind.

Die machen mir dann auch keine Probleme, leben die Kultur weiter, leben sie vor, fungieren als Mentoren, als sogenannte blu Scouts d.h. durch ihre positive Ausstrahlung ziehen sie neue Projekte und Kunden an sich.

Jeder Mitarbeiter, der uns verlässt, nimmt auch ein Stück Kultur mit und er trägt das vielleicht teilweise auch in das neue Unternehmen. So kann sich unsere nachhaltige Philosophie verbreiten.

Wir richten uns in unserem Arbeitszeitmodell nach den Bedürfnissen der Mitarbeiter z.B. bei Müttern, deren Kind noch mehr Zeit braucht, bevor es in die Krippe gehen kann, als gesetzlich vorgesehen.

b) Wertorientierung im Hinblick auf die Lieferanten

Unsere Lieferanten sind hauptsächlich freie Mitarbeiter. Die werden genauso behandelt wie Werkstudenten, oder Festangestellte. Es gibt keinen Unterschied, ob es der Hausmeister ist, ein Werkstudent oder teurer Freiberufler. Letztendlich sind das aus unserer Sicht keine Lieferanten

sondern Kooperationspartner und die gehören auch zu unserer Kultur.

Darüber hinaus sind wir Teil der blu Gruppe und kooperieren dort mit den Fach-GmbHs weil wir alle das gleiche Wertesystem leben. Dadurch tun wir uns sehr leicht in Projekten zusammenzuarbeiten, Mitarbeiter untereinander auszutauschen oder in größeren Projekten gemeinsam zu arbeiten.

c) Wertorientierung im Hinblick auf die Kunden

Der Kunde verliebt sich spätestens nach 6 Monaten in die blu. Warum? Weil er merkt, er bekommt ausgeglichene positive Projektpartner, weil wir uns nicht als Lieferant sehen, sondern als Partner des Projektes beim Kunden. In dieser Partnerschaft sehen wir uns auf Augenhöhe mit dem Kunden im Projekt und nicht als dummer Lieferant, der das bestellt, was der Kunde in Auftrag gegeben hat, sondern als Partner, der sich mit dem Projekt identifiziert.

Durch die gelebte Unternehmenskultur bei blu bekommt der Kunde Projektmitarbeiter, die die vollste Rückendeckung ihres Unternehmens spüren und keine Existenzängste haben, wenn ein Projekt zu Ende geht.

Bei vielen Projektfirmen besteht ein hoher Druck auf den Beratern Stunden oder Umsätze zu generieren. Dies ist bei uns nicht der Fall, weil wir an dem Projekterfolg orientiert sind. Wir investieren auch in Projekte, weil wir davon überzeugt sind, dass der Kunde, wenn er erst einmal zu uns Vertrauen gefasst hat, uns auch wieder beauftragen wird.

Darüber hinaus sind wir sehr transparent und übermitteln den Kunden auch interne Newsletter über Einstellungen soziale Projekte und Referen-

zen, damit der Kunde auch ein authentisches Bild über seinen Projektpartner hinter den Kulissen erhält.

Das ist auch der Mehrwert, den ich den Kunden z.B. BMW verkaufe: Er bekommt tolle innovative Menschen über die blu ins Projekt und kann die eventuell internisieren (*einstellen*). Daraus entsteht eine dreifache win win win Situation. Der blu Mitarbeiter wird Kundenmitarbeiter. Der Kunde bekommt einen eingearbeiteten Kollegen und wir bekommen einen weiteren Kundenansprechpartner.

d) Wertorientierung im Hinblick auf die Gesellschaft (unternehmerische soziale und ökologische Verantwortung)

Selbstverständlich sind wir ökologisch nachhaltig (Stichwort DIN 14001, fahrradfreundlicher Arbeitgeber, familienfreundliches Unternehmen, Familienpakt Bayern).

Darüber hinaus haben wir ein Programm, welches sich blu complement nennt und es den Mitarbeitern ermöglicht, an sozialen Projekten teilzunehmen oder soziale Projekte vorzuschlagen. Dafür werden dem Mitarbeiter sowohl Ressourcen als auch, ähnlich wie bei der Miles und More Karte, Bonuspunkte vergeben, die er im Lauf des Jahres einlösen kann. Z.B. ein Wellness Wochenende oder Unterstützung für Sprachreisen.

Dafür wird jedem Mitarbeiter Arbeitszeit eingeräumt, um an sozialen Projekten teilzunehmen z.B. im Sommer sind wir am Chiemsee und unterstützen da die Stiftung Kindness für Kids, welche sich um Kinder mit seltenen Krankheiten kümmert. Anstatt mit Geld unterstützen wir mit Arbeitskraft und kümmern uns sowohl um erkrankte Kinder als auch um deren

Angehörige, um ein schönes Wochenende zu ermöglichen.

Anstatt Weihnachtsgeschenke an Mitarbeiter auszugeben, haben wir uns entschlossen dem Flüchtlingsheim an der Siemensallee in München einen Aufenthaltsraum zu bauen. Diesen Entschluss haben alle Mitarbeiter mitgetragen. (homepage)

e) Wertorientierung im Hinblick auf die Shareholder (Anteilseigner, Eigentümer)

Es gibt nur drei Shareholder, wobei ich der Mehrheitseigner bin. D.h. unsere Shareholder haben an der blu Kultur mitgearbeitet, sind selber operativ tätig und leben diese vor.

Unser Ziel ist es nicht ein Unternehmen zu anzubieten, sondern nachhaltig für die nächste Generation vorzubereiten. Wir wollen eine kleine Oase für tolle Mitarbeiter sein und bleiben und nicht irgendwelchen Umsatzvorgaben fremdgesteuert hinterherlaufen.

Selbstverständlich müssen auch wir ergebnisorientiert wirtschaften, aber immer unter dem Motto menschliches Handeln und Erfolg sind vereinbar.

19. Haben Sie Grenzen einer wertorientierten unternehmerischen Haltung in den einzelnen Teilbereichen erlebt bzw. fürchten Sie an Grenzen zu stoßen? Auch hier sind Beispiele interessant.

Wir können nicht jedes Projekt annehmen, weil uns entweder die finanziellen Mittel dazu fehlen, weil wir eigenfinanziert sind und wir können auch nicht unkontrolliert wachsen, weil das die Kultur verwässern würde.

Wir planen gerade unsere erste Auslandsniederlassung in Bangkok

aufzumachen und da wird es spannend sein, unsere Kultur ins Ausland zu tragen. Können wir diese dort „verteidigen“ unter anderen kulturellen Rahmenbedingungen?

F. Rahmenbedingungen für die erfolgreiche Umsetzung einer wertorientierten Managementhaltung

10. Welche Voraussetzungen haben Sie in Ihrem Unternehmen geschaffen um wertorientiertes Management erfolgreich umzusetzen?

Aus unserer Vorgängerorganisation haben wir gemerkt, dass durch eine zu starke hierarchische Verschachtelung von Abteilungen Mitarbeiter in ihrer Entwicklung stark eingegrenzt werden und sich daher sehr unzufrieden fühlen. Daher haben wir in der Nachfolgeorganisation von Anfang an darauf geachtet „Unternehmer im abgesicherten Modus“ für uns zu gewinnen. Dies bedeutet Mitarbeiter, welche für ein bestimmtes Thema brennen, können sich auf ihr Thema konzentrieren.

(Ich spreche nun von der blu Gruppe als Ganzes, welche sich als Business Angel engagiert:)

Wir als Eigentümer kümmern uns um Finanzierung, Marktzugänge, Recruiting und alles Administrative. Wir beteiligen die Mitarbeiter an ihren kleinen Unternehmungen und schaffen so eine langfristige Perspektive, sich bei uns wohl zu fühlen mit extrem vielen Möglichkeiten.

Wir sind ein operativer Business Angel, der immer unter dem Deckmantel der Wertegemeinschaft fungiert, welche nicht verhandelbar ist.

z.B. bei dem Thema Big Data haben wir einen sehr charismatischen spezialisierten Berater gefunden, der auch bereit war, sein Wissen weiter zu geben, aber kein Interesse an dem Aufbau einer GmbH, Struktur, etc. hat,

sondern sich auf sein Thema konzentrieren möchte. Wir haben dem eine Firma hingestellt, an der er beteiligt ist. Somit ist er mehr als ein Angestellter, hat nicht die volle Verantwortung als Unternehmenslenker, hat aber die thematische Hoheit und ist nachhaltig am Unternehmenserfolg beteiligt. Wir sind allerdings weniger am Gewinn interessiert, sondern vielmehr an dem nachhaltigen Aufbau einer funktionierenden GmbH. Der eigentliche Mehrwert ist Assets zu generieren.

Der Mehrwert entsteht durch verschiedene spezialisierte GmbHs. Somit entsteht eine werteverbundene Gruppe, welche wiederum den Konsolidierungsanspruch großer Kunden vorwegnimmt. Dies heißt: Immer mehr Großkonzerne in Deutschland wollen immer weniger Lieferanten haben. Indem wir als Auftragnehmer im Rahmen der blu Gruppe auftreten, können auch kleinere spezialisierte GmbHs im Rahmen der blu Gruppe bei Großkunden aktiv werden. Denn der Konzern listet nur die blu Gruppe, weiß aber unter der blu Gruppe gibt es 5-6 spezialisierte GmbHs, die auf Ebene der Fachabteilungen Projekte durchführen können. Der große Auftraggeber braucht aber nur einen Rahmenvertrag und eine Preisliste verhandeln.

Auf sich gestellt ist eine kleine GmbH mit einem Knowhow Träger gar nicht in der Lage, sich bei einem Großkunden listen zu lassen.

11. Woran möchten Sie weiterhin noch arbeiten?

An der Internationalisierung unsers Unternehmens.

Dann wollen wir noch attraktiver für Familien und Mitarbeiter mit pflegebedürftigen Angehörigen werden.

12. Was würden Sie einem anderen jungen innovativen Wachstumsun-

ternehmen raten, um wertorientiertes Management erfolgreich zu verwirklichen? Auch dies kann gerne beispielhaft dargestellt werden.

Letztendlich nur durch eine wertorientierte Unternehmensphilosophie, bekommst Du nachhaltig die besten Mitarbeiter auf dem Arbeitsmarkt, die mit Begeisterung für dich arbeiten, Kosten ersparen, durch Treue, Loyalität und Fleiß die Kunden überzeugen, um mit diesen gemeinsam Projekte zu stemmen. Das ist ein Invest, der wird sich immer auszahlen, je mehr der Kampf um innovative Fachkräfte zunimmt.

Vielen Dank für das Gespräch!