

**PRE-EXPORT PLANNING AND START-UP EXPORT  
PERFORMANCE FOR SMALL ELECTRONICS  
MANUFACTURERS**

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**ABSTRACT**

*An increasing number of small businesses are seeking customers in foreign countries. At this time, however, our knowledge of small business successful export practices is limited. To increase our export understanding, it has been suggested that research should examine in more depth the relationship between export planning and performance. Based on a sample of eighteen small firms in the electronics industry, weak support was found for the hypothesis that the level of formal export planning is positively related to export performance. Areas for future research and limitations of the study are also discussed.*

**INTRODUCTION**

A growing number of businesses are becoming involved in the international area. That is, firms today are increasingly seeking customers in foreign countries rather than just domestic ones. This is true even for small businesses. A recent survey conducted for the Small Business Administration "revealed that 37 percent of U.S. firms with less than 500 employees are engaged in exporting, and that roughly 25 percent of all exporters, or more than 16,000 firms employ fewer than 100 people" (Agmon & Drobnick, 1994, p. 9). Thus, a significant proportion of small businesses export and a significant proportion of exporters are small businesses.

The fact that small businesses have been exporting has stimulated researchers over the years to conduct studies in this area. Our understanding of small business exporting, and exporting in general, however, is still limited (Aaby & Slater, 1989; Kamath, Rosson, Patton & Brooks, 1987; Miesenbock, 1988). Indeed, after over twenty-five years of research, our knowledge and explanation of successful export practices is still rather fragmented and unclear.

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To increase our export understanding, research on the export planning-performance relationship would appear to be important. Past studies on this topic are limited because early export research found that export pre-planning was rare (Bilkey, 1987). Some researchers (Aaby & Slater, 1989; Ayal & Raban, 1987; Bijmolt & Zwart, 1994), however, have suggested that planning is an important factor for success in exporting and that additional studies are needed. The purpose of the current study is to examine, from a strategic management perspective, the export planning-performance relationship for a set of small electronics manufacturers.

## BACKGROUND

A number of studies have been published on the planning-performance relationship in the strategic management field. Most of this research has focused on large firms and their domestic rather than international operations. Consequently, in the current study planning-performance research of large firms is reviewed first before turning attention to small business strategic management studies and export studies. Also included in this section is information about formal export planning conceptual and methodological issues.

### Planning-Performance Research

Large business studies. Among the schools of thought on strategic management (Mintzberg, 1990), there is general agreement about the difference between strategic content and process. Content research has focused on specific decisions: choices of entry and exit; product and market differentiation; and degrees of vertical integration, diversification, and interfirm cooperation. In contrast, process research has dealt with the development (formulation) and use (implementation) of strategies (Pettigrew, 1992). Noting the logical framework that relates formulation, strategic content (choice), and implementation to performance, it is clear that the role of process activities in strategic management is substantial.

Of primary interest in this study is the relationship between export strategy process activities and export performance. Strategy process research can be divided into a number of major divisions. Huff and Reger (1987), in their review of the literature, discuss eight classes, one of which is planning practices. Early work in this area has focused on whether certain planning methods enhance firm performance, and a significant issue in this stream of research has been the impact of "formal" planning on firms' performance (Robinson and Pearce, 1984; Shrader, Taylor & Dalton, 1984). Formal is defined in different ways by researchers. Armstrong (1982) mentions the use of an explicit goal achievement process, while Fredrickson (1984) emphasizes the use of a comprehensive planning process. Although a number of empirical studies support the positive effect of formal planning on performance (Fredrickson, 1984; Karger & Malik, 1975; Pearce, Robbins & Robinson, 1987; Rhyne, 1986), some strategy researchers have called attention to the pitfalls of formal planning.

Findings of negative relationships between formal planning and performance are attributed to the dysfunctions of over-formalization, inertia, and institutionalized responses. Bresser and Bishop (1983) proposed that a high degree of formal planning may cause conflict within the organization, impeding successful performance. Mintzberg (1994) warned of the "fallacy of formalization," maintaining that formal strategic planning is not identical to

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strategic thinking. The former can process more information, but cannot adapt or learn; its rigidity may adversely affect performance. It may be preferable to "loosen up the process of strategy making rather than trying to seal it off by arbitrary formalization" (Mintzberg, 1994, p. 114).

Small business studies. The themes found in studies of large businesses are also observed in small and entrepreneurial businesses. For instance, Covin and Slevin (1991) have proposed a model of the relationship between a firm's entrepreneurial strategy process and its performance. Further, Lyles, Baird, Orris and Kuratko (1993) have provided a review of work supporting the positive relationship between planning activities and the performance of small businesses. And in limited corroboration of Mintzberg's warning, small business researchers have found contradictory results on the effect of formalized planning. Hand, Sineath, and Howle (1987), in an empirical study, determined that formal prior planning had a negative effect on the performance of retail service outlets.

Export studies. Research on the export planning-performance relationship for firms and, in particular, small firms is limited. Early export research showed that random events--unsolicited export orders--played a major role in the initiation of exporting by firms (Bilkey, 1987) and that export pre-planning was relatively rare (Brasch & Lee, 1978). More recent, however, are works that suggest planning is an important prerequisite for success in exporting. Ayal and Raban (1987) state that, for firms developing high technology products with short life cycles, waiting for unsolicited export orders is not feasible. That is, in the context of dynamic industries or environments, selecting foreign markets, adapting products to these markets and determining ways to enter foreign markets have to be planned before a product is developed. Further, Aaby and Slater (1989) and Bijmolt and Zwart (1994) suggest that planning in a systematic way appears to be an important discriminator between successful and unsuccessful exporting firms. Other researchers, however, have not found a positive relationship (Miesenbock, 1988).

#### Export Planning Conceptual Issues

One issue that can lead to variability in research results is the use of different definitions of the formal planning concept. Hence, in each planning-performance study it is important to define the concept. It has also been proposed in the strategic management field (Bracker, Keats & Pearson, 1988) that formal planning be conceptualized on a continuum, ranging from a low to a high level. This suggestion is consistent with a position taken by Suzman and Wortzel (1984) in their study of export marketing (i.e., planning) strategies. These authors proposed that firms can adopt, from a continuum that closely corresponds to a strategic management formal planning continuum, any one of three export marketing strategies.

#### Export Planning Methodological Issues

Given the early stage of research that links exporting with strategic management issues, not only are there conceptual and theoretical modeling concerns (i.e., concerns about definitions and which export strategic management issues/concepts should be studied as well as how these issues/concepts are related) but there are also methodological issues that impact study results. Two such research methodological issues are: the operationalization of the

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export formal planning concept (measuring levels of formal planning); and timing periods for the variables (appropriate measurement lags).

Operationalization of formal planning. One way to gauge the formality of planning is to measure the degree to which the planning process generates written documentation. This formality measure can be traced to Weber's (1947) concept of bureaucracy. Basically, Weber proposed written documentation as a bureaucratic tool to help large organizations become rational and efficient. Most small business researchers have continued this convention of using written documentation (e.g., the completeness of a business plan) to measure formal planning (e.g., Bracker, Keats & Pearson, 1988; Gilmore, 1971; Robinson & Pearce, 1983; Still, 1974). In these instances, planning is often measured either as a dichotomy referring to the absence or presence of a written plan, or as a planning comprehensiveness continuum where such levels as no written plan, partial written plan, and complete written plan are included (Pearce, Freeman & Robinson, 1987). Some researchers, however, question whether large firms prescriptions are relevant to small firms (Robinson, 1982). In this vein, data exists which suggests that written business plans are not being used as extensively by small businesses as business experts might believe (Parks, Olson & Bokor, 1991; Shuman, Shaw & Sussman, 1985). For example, Parks, Olson and Bokor found in a survey of 120 INC. 500 firms that only 17.5% had a complete written plan, 32.5% had a partial written plan, and 50% had no written plan at start-up.

Another way to operationalize the formality of planning is to measure the degree to which external and/or internal counsel is relied upon in the strategic planning process. Robinson (1982) has proposed that "outsider" involvement in planning indicates a serious commitment to a formal strategic planning orientation in small firms. Outsider involvement refers to both boards of directors and management consultants--people who would appear to be able to supplement a small firm leader's lack of skills in, and time for, formal planning. Robinson found that profitability and improvement in effectiveness were higher for small firms which engaged in outsider-based strategic planning than for firms which did not.

Timing of measurement. Building on past planning-performance studies (e.g., Schwenk & Shrader, 1993; Shrader, Taylor & Dalton, 1984), as well as on past export studies (e.g., Aaby & Slater, 1989; Madsen, 1987), one caveat in the export planning-performance research area concerns the use of cross-sectional data where a firm's values for its dependent variable (performance) and its independent variable (planning) are from the same point in time. This practice is questionable because the results or outcomes associated with a plan that is, for example, developed in period one may not be observed until period two or even later.

Instead, studies relating data about past events to more recent outcomes require a longitudinal design. Implementing a longitudinal design to collect information often means a choice between using a panel survey (administering a questionnaire at different points in time) or a retrospective questionnaire. Limitations of panel surveys include: additional planning and patience on the part of researchers; a longer delay until data are available for analysis; higher research costs; and participants being less willing to commit themselves and their organizations to multiple data gathering points in time.

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These limitations may be avoided by using a retrospective survey. However, objections have been raised concerning the construct validity of variables measured by recall responses (Brockner, Grover, Reed, & DeWitt, 1992). Several issues impact the accuracy of recalled information and hence, its validity (Auriat, 1993; Howard & Dailey, 1979; Van de Ven, 1992). Factual information is more likely to be recalled accurately and without biases. The saliency of a past event--its importance as a turning point or landmark, the degree to which it provokes emotion, and its financial impact--is positively associated with recall accuracy. Also, a questionnaire constructed in chronological order affects positively participants' accurate retrieval of past information.

### Hypothesis

Two contextual factors that can influence the effectiveness of export formal planning strategies are a firm's environment and its goals. Contextual issues have become an important strategic management research area in recent years because of inconsistencies in past study results. Pearce, Freeman and Robinson (1987) suggest that researchers conducting strategic planning studies should include information about environmental and firm contextual issues. Of interest in this study are those firms that operate in a dynamic environment and that have growth as a goal. Given this context and the prior export formal planning-performance information, the following hypothesis is proposed:

- H1: Level of formal export planning is positively related to export performance for small firms that operate in a dynamic environment and that have growth as a goal.

## METHODOLOGY

### Sample

A sample of firms was obtained by surveying small, exporting, manufacturing firms (less than 100 employees at export initiation) in the electronics industry (standard industrial classification(SIC) code 36). The firms were located in Idaho and eastern Washington. Four trade directories were used to obtain a list of 55 firms: the Idaho Manufacturing Directory (1993), the Idaho International Trade Directory 1993-1994 (1993), the Idaho International Trade Directory 1994-1995 (1994), and the Spokane, Washington Area Exporters Directory 1994-1995 (1994).

Information for the study was gathered through a structured telephone interview with each firm's CEO or some other knowledgeable senior executive during the last part of 1993 or early part of 1994. The interview was structured in the sense that each interviewee was asked to respond to a set of pre-determined questions. There were two time periods of interest for the current study: the year immediately preceding export initiation (pre-export), and the year following export initiation (export start-up). Of interest during the pre-export year was information about level of formal planning, and of interest at the end of the export start-up year was export performance. Hence, a time lag existed between export planning and performance measures to allow for implementation of export plans.

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In this study, one contextual condition that firms needed to satisfy was to exist in a dynamic external environment at export start-up. Although many exporting firms in the electronics industry were thought to exist in dynamic environments, some firms may have been part of an industry sub-category that was considered stable at their export initiation. In like manner, not all exporting electronics firms would necessarily have growth as a key goal during export start-up, the other contextual condition for the study. Accordingly, information was gathered from surveyed firms about these two factors, and seven of the firms did not meet one or both of these contextual conditions. On that account, they were excluded from the study.

Eighteen of the 55 firms met both contextual conditions and also agreed to participate in the study for a response rate of 33%. In terms of age and size characteristics of the 18 firms, they were on average 13 years old and they had an average of 29 employees when they were interviewed. Note, however, that most firms had begun exporting earlier than the year in which the interview took place. In fact, during their first year of exporting the firms were on average eight years old and they had an average of 14 employees. Thus, the typical firm in the sample started exporting five years before the interview was conducted and doubled in work force size.

To determine the representativeness of the 18 firms in the sample, when compared to the remaining 35 firms that did not participate in the study, one test was performed. In particular, a t-test was conducted to determine if a difference existed between the two groups in employee mean size. No statistical difference was observed. A test to determine if a difference existed between the two groups regarding mean age was not conducted because the ages for some of the 35 firms that were not in the sample were not available in the trade directories.

### Measures

Building on Armstrong (1982), formal planning is defined in the current study to be the use of an explicit goal achievement process. Further, it is proposed along the lines of Bracker, Keats and Pearson (1988) that formal planning be conceptualized on continuum ranging from a low to a high level of explicitness.

Given this definition of formal planning and the accompanying notion of a continuum, it is suggested here that the continuum be sub-divided into three export planning levels: reactor, follower and explorer. The rationale for these levels builds on Suzman and Wortzel's (1984) export marketing strategies.

Firms adopting the reactor stance undertake limited or little formal export planning. Another way to characterize these firms is to state that they are "reactive" exporters because their foreign business arises from unsolicited orders. As such, these firms begin with very little investment in exporting.

The reactor stance or planning strategy is not likely to be highly effective for firms pursuing growth as a goal. Suzman and Wortzel (1984) state that this stance should usually be viewed as a first step leading to a higher level of export involvement by a firm's leaders. Unsolicited orders are unpredictable and uncertain; all of a firm's foreign orders may originate from one country, or they may be diversified geographically. Although growth is possible with

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this strategy, investing time in a higher level of formal planning (i.e., spending time gathering information about and analyzing different foreign markets, in a more explicit, systematic manner) would offer a better chance for growth.

The follower stance is one where some or moderate formal planning takes place before export decisions are made. In this case foreign business is likely to result from both planned and unplanned (unsolicited) orders. Firms employing this strategy, when compared to the reactor stance, can be characterized as "active" exporters. Planning in this situation frequently revolves around pursuing foreign opportunities that a firm's domestic competitors are exploiting. Implementing this strategy requires more investment in time than the reactor strategy.

The explorer planning level is opposite the reactor class. In this case extensive formal planning is undertaken prior to important export decisions and, like the follower strategy, foreign business will probably result from both planned and unsolicited orders. While the reactor strategy is reactive and the follower is active, the explorer strategy is "proactive" in the sense that leaders in a firm employing this strategy pioneer the search for new foreign customers. Because of the pioneering nature of this strategy, a considerable investment in time is often necessary. This investment, however, could lead to significant foreign sales in a new market which would not have to be shared with other exporters for some time. Firms with growth goals in dynamic industries probably find this strategy effective. That is, dynamic industries often mean short product life cycles; hence, selecting foreign markets, adapting products to these markets and deciding how to enter the foreign markets have to be planned early, if a firm desires to maximize its products' sales (Ayal & Raban, 1987).

Information used to measure each firm's level of export formal planning was obtained by asking each survey participant to respond to two questions. The first question asked if, in the decision to first export, counsel had been sought from advisors (e.g., stakeholders, trusted experts, consultants, or members from a firm's board of directors). The responses were: 1) no, and 2) yes. The second question asked if a business plan--a written document summarizing strategic information about the firm including an industry analysis, a marketing plan, etc.--that included exporting had been developed prior to export initiation. The responses were: 1) no business plan that included exporting was developed, 2) a partial business plan that included exporting was developed, and 3) a complete business plan that included exporting was developed.

Using these two questions, it was decided that the reactor level of formal planning would be evident if firms did not seek counsel from advisors and they had no or just a partial business plan that included exporting prior to exporting. Further, the follower level of formal planning would exist if firms did not seek counsel and they had a complete business plan; or if firms did seek counsel and they had no business plan. Finally, the explorer level of formal planning would be evident if firms did seek counsel and they had a partial or a complete business plan.

The performance measure used for the firms was the percentage of export sales to total sales (export intensity) at the end of the first year of exporting. Export intensity is a frequently used performance measure in the export field (Aaby & Slater, 1989).

Survey participants were also given the opportunity to offer additional details about their initial export experiences. In particular, another survey question asked them to respond with any other information they deemed important about their export start-up planning-performance relationship.

## RESULTS

In Table 1, frequencies, export intensity means, and export intensity standard deviations are presented for the three formal export planning levels. Observe that there is an increasing trend in the export intensity mean values from reactors to explorers. However, a test of significance concerning these mean values (ANOVA) was not conducted for two reasons. First, only two of the 18 firms were at the explorer level. Second, a test was conducted concerning equality among the three variances (an ANOVA test assumption), and it was rejected at the .05 level of significance.

Table 1  
**Reactor, Follower, and Explorer Planning Level Results**

Planning level	n	Export intensity Mean	Export intensity Standard deviation
Reactor	9	6.93	7.71
Follower	7	14.43	11.68
Explorer	2	19.15	20.01

The next step in the analysis was to combine the explorer and follower levels into a single formal planning level. This classification scheme is consistent with Macharzina and Engelhard's (1991) comparison of reactive (reactor) and active (follower/explorer) exporters. In Table 2, frequencies, export intensity means, and export intensity standard deviations are presented for the adjusted classification scheme. The difference between the means, based on a t-test, was significant at the .10 level. Hence, there was weak support for the hypothesis that the level of export formal planning is positively related to export performance.

Table 2  
**Reactive and Active Planning Level Results**

Planning level	n	Export intensity Mean*	Export intensity Standard deviation
Reactive	9	6.93	7.71
Active	9	15.48	12.38

\* Difference between means is significant at less than the .10 level.

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A final study result concerned the open-ended responses that survey participants provided about their salient export start-up planning-performance experiences. Most respondents did not comment on this question. Of those who did respond, one CEO stated that it was not written plans that contributed to this firm's high export intensity but "attentiveness to customers' needs," "carefully following our noses," and "communicating with customers in order to change designs and tactics." Two other surveyed individuals replied that collaborations with other exporting firms were extremely helpful during their export start-up period. Another participant commented that his initial export plan changed after he found that resources did not exist to implement the plan. He mentioned further that this change in plans, in turn, influenced his export performance. Hence, his position was that planned or "intended" ideas should not always be viewed as being "implemented" or carried out.

## DISCUSSION

### Planning Level Frequencies

Consider first the number of firms at different planning levels in Table 1 and, in particular, the finding that only two of the 18 electronics firms were at the explorer level. It was originally believed that more firms would be classified at this level, given that these businesses operated in dynamic environments and that they had growth as a goal. It may be, however, that other contextual factors not considered in this study might have an impact on the frequency of firms at different levels of formal planning. For example, Keats and Bracker (1988) have proposed a contingency model of small firm performance within which the effect of planning (behavioral strategic sophistication) on performance is moderated by managerial traits (cognitive strategic sophistication) and by environmental characteristics (task environment factors). Maybe future export research should also control for managerial traits in addition to environmental and organizational traits.

### Planning-Performance Relationship

Modeling issues. Focus next on this study's hypothesis and the result that only weak support was found for the proposed positive relationship between export formal planning and performance. Perhaps, as was mentioned when discussing the frequency data, the model employed in this study was not properly specified, and more complex models are needed when studying the export planning-performance relationship. Again, other contingencies, such as managerial traits and forms of rivalry, might be explored in future export studies.

Measurement issues. Another possible explanation of this study's hypothesis result (and also the frequency findings) concerns the measurement of formal export planning. Building on prior background information, the existing convention of using written documentation (e.g., a written business plan) to measure export formal planning may not be appropriate for some or even many small firms. If this is true, using it to measure formal planning would not provide meaningful information.

In a post hoc sense, this suggestion was empirically explored by first separating the two survey questions used to measure formal planning and then examining each question with

respect to its relationship with performance. The results of the relationship between levels of written business plans and export sales intensity are presented in Table 3. The results were not significant.

Table 3  
**Written Plan Results**

Planning level	n	Export intensity Mean <sup>a</sup>	Export intensity Standard deviation
No written plan	14	10.89	11.09
Partial or complete written plan <sup>b</sup>	4	12.33	14.13

<sup>a</sup> Difference between means is not significant at less than the .10 level.

<sup>b</sup> Two of the firms had partial written plans and two had complete written plans.

The results of the relationship between the use of advisors (the other formal planning measure) and export sales intensity are presented in Table 4. The findings here were significant. Given these analyses, it is suggested that formal planning measures for small firms also be a topic of additional study.

Table 4  
**Advisor Results**

Planning level	n	Export intensity Mean <sup>a</sup>	Export intensity Standard deviation
Did not use advisors	11	6.67	8.01
Used advisors	7	18.33	12.41

<sup>a</sup> Difference between means is significant at less than the .05 level.

To further document concerns about the measurement of formal export planning and, in particular, the use of written plans, consider Robinson and Pearce's (1983) study. They found that written plans may be de-emphasized in small firms for reasons other than that the firms did not have time to plan, or that they viewed planning as unimportant. Interestingly, they found some firms de-emphasized written plans to "deformalize" planning. Perhaps the use of written documentation to measure planning in small firms does not measure the true intent of planning.

#### **Other Planning-Performance Issues**

In this section the open-ended responses that were presented in the results section concerning survey participants' initial export experiences are discussed.

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Customer focus. The insight by one CEO in the study that it was not written plans that contributed to his high export performance but rather "attentiveness to customers' needs," corroborates a recent management literature focus. Peters and Waterman (1982), for example, list "staying close to customers" as an attribute of excellent firms.

A customer focus is also consistent with recent advances in total quality management (TQM) that suggest meeting or exceeding customer needs is the centerpiece of successful businesses (Gouillart & Sturdivant, 1994). Naumann and Shannon (1992) extend this concept by identifying customer-driven marketing as the most important management innovation for competing in the 1990s and beyond. This innovation is based on total customer integration (TCI) and it includes the involvement of representatives from key customers in a firm's product design process. The goal of using both TQM and TCI concepts within firms is to help them meet or exceed their customer needs and expectations.

TQM and TCI concepts suggest that a high level of formal planning, in the traditional sense, may not lead to improved performance when a firm does not both acquire accurate information about and achieve active involvement with its customers. On the other hand, a low level of formal (written) planning may exhibit above average performance as long as firms stay close to their customers. Because of the potential relationships between TQM, TCI and export formal planning, future studies might also explore these linkages. Researchers who decide to move in this direction, however, face the fact that staying close to foreign customers is likely to be more difficult than domestic ones. Some research suggestions here are: at the conceptual level, include as part of the formal planning concept the notion of staying close to customers; and concerning measurement issues, examine ways to gauge the notion of staying close to foreign customers.

Collaboration ideas. Another noteworthy observation from executives of two firms about their experiences was that their initial export orders were linked to past collaborations with other exporting firms. One executive reported instances where foreign customers had become acquainted with his firm's product while it was being used by another American firm.

Another executive stated that his firm's product complemented a product being exported by a larger firm with extensive export experience. Here, an agreement or alliance was established that allowed the small firm to include its promotional material in the export packaging of the larger firm--whose ultimate customers did respond by ordering products from the small firm. This "piggybacking," then, was an innovative way to overcome entry barriers in foreign markets as well as being effective at sales generation. Because of these two examples, one recommendation for small firms that are active (follower or explorer) pre-export planners is to encourage them to seek linkages with firms exporting complementary products or with businesses which use their products overseas.

Intended versus emergent strategies. Also important, when discussing the planning-performance relationship, is the idea that classifying firms by their initial export planning strategy may imply that exporters become locked into or tied to a particular strategy. In the case of firms using a reactive (or reactor) planning process it would mean the CEOs "intended" and "carried out" a strategy to let export opportunities come to them before expending

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resources. In the case of active (follower or explorer) firms it would mean they intended and carried out a strategy that committed resources before foreign orders existed.

Interestingly, the actual behavior of the sample firms during the investigated time periods (i.e., pre-export to the end of the first year of exporting) revealed that not all strategic intentions were realized or carried out, an issue which could have had an impact on this study's results. The pertinent point in this discussion is that strategy implementation, in addition to formulation, can influence performance.

This point was mentioned by one executive when he commented on his experiences. He not only had developed a business plan that included exporting, but had invested significant effort in the pre-export period (1991) by: filing two world-wide patents, registering with Barclay's Bank as an exporter to European markets, and engaging in extensive counseling on export markets for his electronic product. Such behavior clearly signalled the intentions of an explorer strategy. But faced with dissonance within his firm, due to lack of resources and organizational control (the export window of opportunity had not changed), the firm's emerging export position quickly became that of a reactor--just accepting unsolicited orders during the first year of exporting. A further twist in this saga, although it is outside the investigated time periods of this study, is that the CEO is currently realigning resources so that the explorer export strategy can again be employed.

Of further interest here is that this firm's changes can be linked to current strategic management research. Mintzberg (1990) argues that intentions and planning can lead to inflexible implementation. He proposes that, in reality, adaptive or emergent strategies may be more successful. Adaptive behavior occurs when firms are beyond intentions and in the midst of directing resources toward markets. Although the performances of firms with highly vacillating export strategies are likely to be mediocre or weak over time, the performances of firms with flexible export strategies that match internal resource strengths with export opportunities are likely to be strong.

## CONCLUSION

Study limitations, in addition to those mentioned in the discussion section, include generalizability of the findings, contextual variable measurement issues, and retrospective survey biases. Because the sample contained only 18 firms, and further because it was restricted geographically and industrially, the current results may have limited applicability to other firms. Also, single- rather than multiple-item measures were used to obtain information about the environmental and the goal contextual variables. Further, retrospective surveys can be vulnerable to inaccurate and biased recall responses and, hence, cause problems with construct validity.

In summary, this study was designed to empirically explore the hypothesis that the level of formal export planning will be positively related to export performance for small firms that operate in a dynamic environment and that have growth as a goal. Based on the results from eighteen firms in the electronics industry, weak support was found for the hypothesis. Possible reasons why a stronger result was not found include modeling, measurement, and sample size

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issues. Additional export planning and performance research that builds on this study's findings, and the discussed future research suggestions, is encouraged for the purpose of developing a clearer understanding of successful export behavior patterns.

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