

An Analytic Framework for Competence Set Expansion: Lessons Learned from
an SME

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Abstract

This paper proposes an analytic framework for competence set (CS) expansion and presents a case of small and medium enterprise that has used this framework. The purpose is to illustrate how a small and medium enterprise (SME) expands its CS as a response to intensified competition in industry and, by means of this, to demonstrate the applicability of this framework. The CS expansion started with the construction of a 'goal and operation principles' hierarchy regarding the status quo. Based on the hierarchy, the CS necessary to enforce the principles and achieve the goal is derived. Through the application of various strategic planning tools, the goal for the future has been planned, and the CS necessary to achieve this goal has been analyzed. The enterprise can then determine the CS gap by comparing the CS it possesses right now against the one it should possess in the future, and related efforts can be made to develop strategies to bridge the gap. This paper, based on the experience of the case study, finally concludes that the personnel development is the most essential ingredient for CS expansion. Other strategies include strategic alliance with key partners, more utilization of information technology, and the acquisition of consulting services.

Key words : Competence set expansion; Small and medium enterprise;
Strategic planning