

# Strategic and Competitive Advantages for the Novice Entrepreneur



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## Executive Summary

For many people, small business entrepreneurship is the means to having financial stability, ownership of something meaningful, and autonomy in their overall livelihood. Furthermore, small businesses collectively provide the largest number of jobs, particularly in the United States. Yet, with the volatility of market conditions, many small businesses in the United States fail within the first one to five years. Jane Manning, owner-manager and novice entrepreneur of NBalance Hot Yoga and Fitness, is hoping to beat those odds.

This capstone project explores the market condition of resource competitiveness through the lens of a resource-based theoretical view and through the analysis of resources and capabilities utilizing the Value-Rarity-Imitability-Originality (VRIO) framework of resource/capability analysis. This project investigates whether NBalance has sustained competitive advantages, if NBalance is leveraging those capabilities, and what strategic decisions are essential for growing the business and the owner's entrepreneurial skills in order to ascertain whether or not the organization is poised to achieve long-term success.

From client surveys and interviews with an employee and the owner, findings suggest the organization has resources that reflect a sustained competitive advantage with the opportunity to leverage temporary competitive advantages to move to sustained competitive advantages. Findings also suggest strategic planning, establishing business-oriented goals, and fostering a confident entrepreneurial identity are critical to the longevity of the business. Therefore, it is recommended that Manning continue to utilize a resource-based view to evaluate the resources and capabilities of NBalance and remain fully involved in all facets of the business.

The position of the business and novice entrepreneur, the literature review, and the resource-based theoretical framework guided the development of the following research questions:

*Q1: Does this business have a competitive advantage over comparable yoga and fitness studios? Is it sustainable? What factors contribute to the organization's current advantage?*

*Q2: Using a VRIO analysis, what current capabilities should be leveraged?*

*Q3: What strategic decisions are important for the owner-manager to consider in growing the business and in developing her entrepreneurial skills?*

Data analysis from client survey data and owner/employee interviews, resulted in the following findings:

*F1: Under the leadership of Jane Manning, NBalance is a small business that harnesses sustained competitive advantages over its competitors. The factors that contribute to the organization's advantages include the state-of-the-art studio space, a fully involved owner-manager, and a loyal client base with which Manning genuinely builds strong relationships.*

*F2: Within her organization, Manning has temporary competitive advantages that are primed to be leveraged for sustained competitive advantages, once the organization is structured around capitalizing on them.*

*F3: Strategic management literature consistently supports strategic planning, establishing business goals, and having a confident entrepreneurial identity are essential for long term success.*

To generate meaningful recommendations for Manning and her business, the findings, research-based scholarship, and the application of the resource-based view were consulted. They revealed the following:

*R1: Continue to embrace the social capital of the business by engaging with the community and utilizing word of mouth recruitment initiatives. To grow financial capital, construct a systematic and formal "grow your own" instructor pipeline with instructors who are aligned with the vision of the business and who are trained in the NBalance series.*

*R2: Strong temporary competitive advantages exist; therefore, focus growth and strategic efforts around them. This includes creating more of a presence for NBalance through signage on the*

*building and at the street. Find a tenant for the rental space and hire a studio manager (or associate) to assist with daily logistics of running the boutique.*

*R3: Increase entrepreneurial identity and confidence through a written business plan that includes goals and next steps for strategic business growth. This is particularly effective for supporting a feeling of security through uncertain market conditions. While some owner-managers are encouraged to delegate parts of the business to other key personnel, this is not a recommendation for Manning. Manning must continue in the owner-manager role to fully engage with every facet of the business. This includes managing the social capital, human capital, and financial capital of NBalance. Manning will accomplish this through the use of various business tools as modeled for her through this capstone project, through community engagement, and through initiatives that give her clients what they desire: a boutique yoga experience.*

## Introduction

Three years ago, Jane Manning uncovered a serious passion and way of life through classes at NBalance Hot Yoga and Fitness (NBalance). Her place of sanctuary was at risk when the owners began proceedings to shut down NBalance to pursue other educational goals and travel adventures. A simple suggestion by a loyal, trustworthy friend put Manning on a life-altering path. The suggestion was for her to buy the studio. A trained botanist and an skilled anatomy and biology instructor, Manning comes from a family of business owners. Yet, she has no formal training in business management of any kind. Regardless, with a soul full of passion and her inheritance from her grandfather who had recently passed, Manning bought NBalance.

NBalance is located in Clarksville, TN – a thriving, diverse city located 45 minutes north of Nashville, TN and adjacent to Ft. Campbell Army Base in Kentucky. With a population pushing 200,000 and an average age of 30, Clarksville has recently been named Money Magazine’s best city and big businesses such as Google and Hankook Tires are calling Clarksville home to their newest locations. With location and potential client opportunities on her side, Manning felt she could make the business successful.

NBalance, under the ownership and management of Jane Manning, seems to have great untapped potential in this modern, trendy market. In her first year of ownership, Manning used her own investment income to keep the business afloat. In her second year of ownership, Manning did not use her own personal funds to stay in the black, but she never collected a paycheck either. In this third year of being an owner-manager, Jane Manning had a special moment: she cut herself a quarterly paycheck.

As Manning launched herself into this new adventure, she quickly discovered that supporting her clients with top quality yoga instruction was only one part of a multi-faceted set

of responsibilities that all business owners face. In a study of small firm performance conducted by Williams et al. (2018), the researchers discovered that it is the combination of strategic planning, goal setting, and financial planning that were statistically significantly associated with better performance in small businesses (p. 41-42). In early conversations with Manning, she acknowledged that she hadn't done much strategic planning and was uncertain of whether or not she was running her business in a way that would ensure longevity of the organization.

While Manning does not have formal business management training, her aptitude for sound decision making that has sustained her business for the last three years is important as she moves into the next phase of her entrepreneurship. With respect to Manning, sound decision making in her context refers to catering to a loyal client base, transitioning to other virtual options during the pandemic, and not relying on lines of credit in order to keep her business functioning on a daily basis. Many small business owners prefer a networking method for informal learning over a formal education program. Through semi-structured interviews, Jalleh Sharafizad (2018) found that women in particular value informal learning and place added value on their experiences that they then integrate into the decisions they make in their organizations (p. 91). Manning relies heavily on her network of contacts and prefers to seek those contacts out when she needs to advice or needs to learn something new on the business side of running her organization.

In their study “Small Business Growth: Intention, Ability, and Opportunity,” Morrison, Breem, and Ali (2003) reveal that it is the “clear, positively motivated business intentions and actions on the part of an owner-manager” that contain the spark to ignite pro-growth factors<sup>1</sup> of a small business (p. 418). They also warn us to not negate the power of the “human factor” as the

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<sup>1</sup> In this context, pro-growth factors relevant to Manning are strong values and beliefs, higher education and research experience, growth potential of her business, and access to finance (p. 419). See also Appendix B.



common thread that connects the important pro-growth factors of intention, ability, and opportunity (p. 419). As in many small businesses, owner-managers keep logistical costs down by doing much of the work of the business themselves (Trevelyan, 2011). Manning is unsure where and how to direct her efforts. No one size fits all approach exists for strategic planning, but Manning recognizes that she needs to start somewhere. This capstone project aims to support Manning and her organization by drawing on relevant scientific evidence and other relevant data to identify the most important resources to support prioritizing strategic planning and goal setting. The goal is to develop informed recommendations to support strategic and competitive advantages for expansion, viability, and longevity of a small business.

### **Organizational Context**

In late 2020, Jane Manning expanded NBalance from renting a 2,925 square foot studio space in a strip mall to owning her own free-standing, 3,987 square foot studio with an additional 1,000 square feet of rental space for a future tenant. NBalance is in close proximity to established residential neighborhoods and medical parks that service various needs of Clarksville citizens, from physical therapy to dental services. The studio includes a boutique where clients can purchase their own yoga and fitness equipment, high-end clothing, literature, and vitamins. Clients have access to locker rooms, showers, and a lounge area for their comfort and convenience.

Jane Manning is the sole owner of NBalance and offers clients yoga (hot and non-heated) classes, fitness/TRX classes, and SPIN classes in either individual or small group settings. For hot yoga class offerings, Manning has an NBalance series of Hatha postures that meet the needs of beginners through advanced clients. Other class offerings utilize common practices of

Pratyahara, Baptiste-inspired Vinyasa, and the NBalance signature class, Hot Yoga Fusion. Class offerings also include gentle flow, yoga sculpt, and core fusion flow but with a special NBalance variation on the series. For fitness class offerings, clients may select from metabolic conditioning, TRX, SPIN, or functional interval training. There are also classes that combine the aforementioned training options, as well.

In addition to offering various classes, Manning offers teacher training for clients who want to grow deeper in their practice or become yoga instructors themselves, equipping Manning with a grow-your-own pipeline of future instructors who are specifically trained in the NBalance-specific series of various yoga practices. She employs nine certified instructors to deliver professional instruction to her active client base of 118. Manning employs instructors who hold certifications in the classes they teach. They also value relationship-building with their clients. An active client base in this context includes clients with current, paid memberships. The active client base does not factor in those who drop-in or guests of current clients, who are taking a class sporadically.

Manning's client base is predominantly affluent women who are deeply rooted in the Clarksville community. Most of her client base is upper middle class to upper class from Clarksville-native families who helped to grow the city into what it is today. According to Manning, her clients have high expectations of service, cleanliness, and involvement in the yoga community of NBalance.

NBalance brings a unique experience to Clarksville, as the infrared heating system in the studio is state of the art, therapeutic grade. In fact, Manning's studio is only one of three yoga

studios in the Middle Tennessee region to offer infrared heat. Through her website, Manning explains the significance of the infrared system:

“This system utilizes radiant heating panels that provide a comfortable environment by warming objects in the room instead of the room itself. This minimizes the intense, often uncomfortable, sensation experienced when entering a hot yoga studio that utilizes convection or forced-air heat. Since most of the heat produced by the infrared panels is used to heat the body rather than the air, there is more opportunity for the beneficial effects of hot yoga to be experienced. Furthermore, infrared heat does not involve air movement like that of convection heat, thereby reducing the distribution of unhealthy bacteria, allergens and dust.”

Manning’s studio includes a yoga room with special flooring that is slip-resistant, shock-absorbing, and anti-bacterial.

Manning offers clients drop-in rates, class passes, and various tiers of membership options. For a single class, a client pays \$20, a recent increase from \$15 for 2021. For regular clients, Manning offers classes at a reduced rate from the drop in class option. A ten-class pass (to be used within 90 days), is priced at \$175 and unlimited memberships are as low as \$100 a month but require a three-month minimum purchase and a thirty-day cancellation notice. For clients who prefer private training, rates vary from a single session priced at \$55 and range up to \$650 for a ten-class package. Manning does not offer cash refunds but will issue credit if there are extenuating circumstances for her clients.

### Area of Inquiry

In the United States, small businesses (defined as firms with fewer than 500 employees) make up 99.9% of all businesses (US SBA.gov, 2020). Small business entrepreneurship has become more accessible through more financial opportunities and more education offered at the state and national levels. Small businesses create jobs for 60.6 million people, 47% of the United States workforce, which is an asset to our economy, especially in light of the record high unemployment rates (US SBA.gov, 2020) due largely to the COVID-19 pandemic.

Unfortunately, small business ownership carries a high risk of failure, especially for new entrepreneurs. In their exploratory study on factors that affect small business performance, Campbell and Park (2016) show statistics that estimate 20% of new businesses survive the first year, and only 3% survive the first five years (p. 302). This startling statistic supports the goal of this project to assist Manning with an analysis of her organization's tangible and intangible resources and equip her with tools that will assist in decision making to support long-term sustainability of NBalance. The current problem is that Manning does not have clearly defined business goals, and she has difficulty articulating what makes her business successful. She values her common-sense approach to running her business and prides herself on running her business without relying on a line of business credit, aside from her recent mortgage. Manning is unsure if her current unstructured and unfocused business practices will be enough to ensure her business lasts for, at least, the next 30 years. In essence, as a novice entrepreneur, Manning has not yet fully developed an entrepreneurial identity. In one qualitative case study, the empirical evidence gathered suggests a theory that opportunity discovery and action is directly related to business owner (or career) identity (Lewis, et al., 2015). This is important for Manning because without

acknowledging a positive entrepreneurial identity, her capability to identify and realize opportunities is diminished.

A business plan has not been established for the business and a strategic framework for growth is underdeveloped. Manning readily admits that these are her shortcomings as a business owner but also views her methods of common-sense management as the reason for her success thus far. Manning's approach has produced short term positive outcomes to include owning the only 4,000 square feet free-standing yoga and fitness studio in town. The social capital Manning has garnered through a collective vision with her clients and with networking has created value and led to positive business performance so far. In their research, Campbell and Park (2016) used a structural equation model to support findings that relationships with clients aid in having a competitive advantage; furthermore, a social and ethical responsibility of the owner-manager with the community is advantageous for the business (p. 304).

Manning only owned the studio for two years before an unprecedented pandemic swept through the world. COVID-19 took a toll on business owners, and Manning was no exception. Her active client base reduced by 37%, and Manning was forced to get creative with how she could entice her clientele to continue paying their monthly fees. Manning offered package specials that included virtual live class sessions along with an option to access a recording to practice at a later time, if the client preferred. The pandemic heightened the need for a more thoughtful approach to running her business.

Many opportunities lie ahead for Manning, as she uncovers the importance of strategic planning and staying in tune with her loyal client base. She acknowledges the need for stronger business acumen to ensure that she can continue to be a light for her clients and up to date on her

new mortgage payments for the new studio, but she readily admits that she is not sure where to start.

### **Literature Review**

Before diving into the project design and relevant data, I will review the scientific literature related to strategic planning and management in small businesses. The concepts presented in this section serve to illuminate the reasons why Manning needs to refine her focus to attaining and developing an entrepreneurial identity. By viewing her business through the lens of strategic competitive advantages, Manning has the opportunity to ensure longevity of her yoga studio in a way that provides for financial stability while supporting the needs of her clients.

### **Competitive Advantages**

Jay Barney (1991) states that competitive advantages over other businesses cannot be purchased; instead, they must be found in the “rare, imperfectly imitable, and non-substitutable resources already existent in the organization (p. 117). An ethically and socially responsible small business owner-manager with a good reputation can be a strategic competitive advantage because an exemplary reputation can lead to premium pricing of goods and services and garners increased customer loyalty; it could also decrease capital costs (McWilliams and Siegel, 2011, p. 1492). This type of social capital paired with relationships inside and outside of the business alongside employees (Jones, Macpherson, and Thorpe, 2010, p. 663) who are strategically minded, and outperforming employees at other businesses, can harness superior leverage in competitive advantages (McWilliams and Siegel, 2011, p. 1493).

Building capacity is highly important for small businesses to maintain a sustained competitive advantage. This requires high intellectual, physical, and monetary investments (Riad Shams, 2016, p. 671). The process for capacity building is defined by Riad Shams (2016) as, “a continuous process to develop innovative capacities in socio-economic settings through on-going development and adaptation of strategies and processes that enable higher advantage in collective and individual levels, compared to the prior strategies and processes to enhance socio-economic development” (p. 671). For businesses, establishing relationships and exercising relationship marketing where individual needs, wants, and expectations are addressed is important capacity building (Riad Shams, 2016, p. 675). Filtering resources, activities, and business relationships through the resource-model framework (VRIO) can strategically assist in ensuring the capacity building of a small business is analyzed in a way that ensures growth and sustainability.

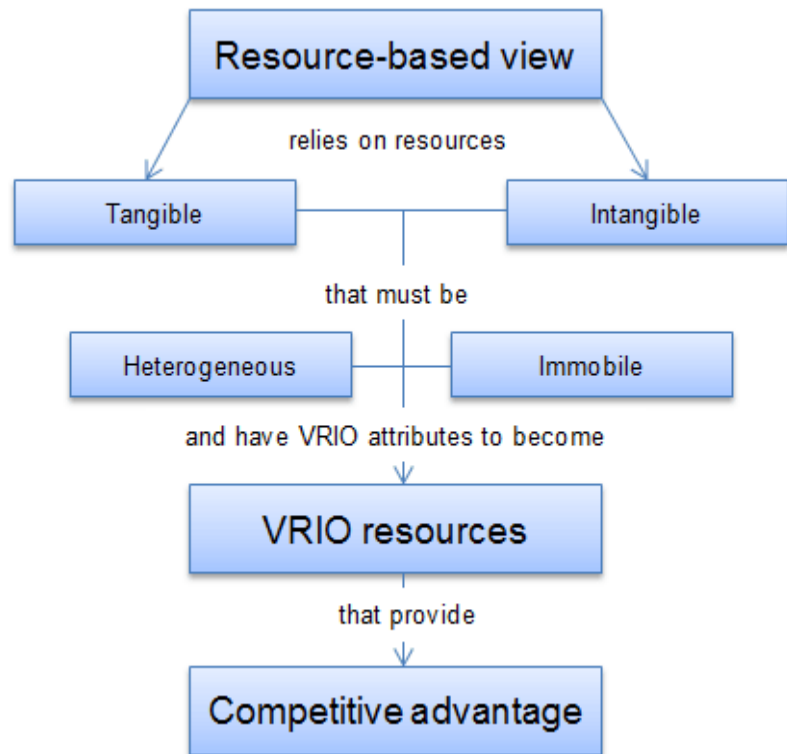
### **Essential Strategic Planning**

Jones, Macpherson, and Thorpe (2010) remark that strategic planning or “strategic space” is a vital practice for small business owner-managers due to their activities and experiences being embedded identifying and exploiting opportunities. Strategic space is central to reflection on the viability and longevity of the small business and is cultivated through intentional time and space set aside to reflect upon resources, motivation, and capability of the small business owner-manager (Jones, Macpherson, and Thorpe, 2010, p. 663). Furthermore, the authors assert that once business learning and experience occurs, it needs to be “institutionalized in routines and systems” for best practice implementation and return on learning (p. 663). In order to foster the time necessary for strategic space and relieve some daily operational tasks, owner-managers

must exert a willingness to delegate responsibilities and utilize technology toward logistical advantages for running the business (Jones et al., 2010, p. 663).

### Theoretical Framework

This capstone project will explore strategic planning and competitive advantages for the small business. A resource-based theory guides the project and informs the research questions, providing inquiry into addressing the problem of practice. A resource-based view was chosen for reasons of accessibility and practicality for the client who is a novice entrepreneur. Manning is invested in this project, so it was vitally important to anchor all



Source: *Strategic Management Insight* (2013)

outcomes to a framework that she can connect with and that is easy to understand. A framework that will not only guide this project but will provide a structure for future decision making.

Resource-based theory provides a “link between a firm’s internal characteristics and performance” (Barney, 1991, p. 101). A resource-based view considers an organization’s unique resources and how to harness them to a competitive advantage (Knott, 2009, p. 164). This takes a process of analyzing the relationship among value, resources, imitability, and substitutability (Barney, 1991). From this position, it is the aim of my capstone project to establish a study



design that infiltrates the inner workings of the business to uncover these critical links to strategic planning.

This project does not attempt to analyze all of the resources of the organization. Instead, critical, strategic resources are identified. Critical, strategic resources are defined as “the basis of the company’s sustainable competitive advantage” and will be examined through a resource-based lens that does not require the entrepreneur to expend a large amount of time working toward an advanced degree in strategic business management (Rangone, 1999, p. 234). This is important because owner-managers, such as Manning, are responsible for engagement in the daily logistics of the business in departmental capacities such as human resources, customer service, operations, business affairs, and maintenance. Often, owner-manager learning comes from a learning-by-doing approach because many small business owners do not have the time to devote to a formal training program. A study conducted by Simon Down (1999) reveals that the learning that occurs from networking, the learning-by-doing approach, and association with programs that contextualize learning are quite beneficial for small business entrepreneurs. Manning needs research-based, logical, and practical resources that she can implement immediately and as she engages with the multi-faceted nature of running every aspect of her business.

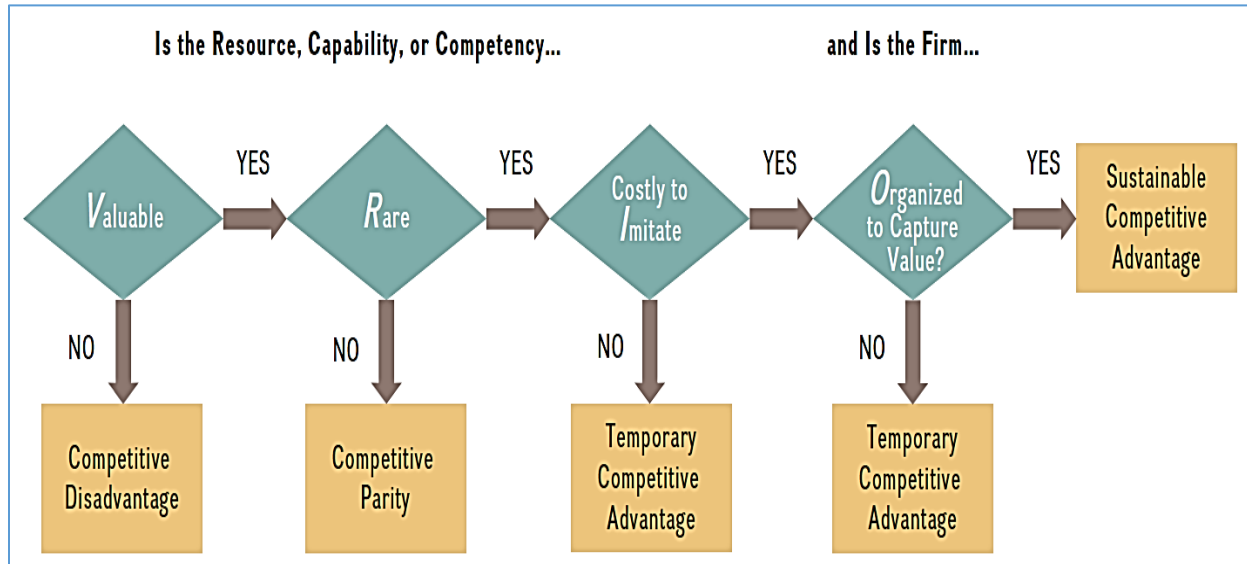
### **The Resource-Based View**

The resource-based theory posits two important concepts that differ from other strategic analyses; businesses “may be heterogeneous and resources may not be perfectly mobile across firms” (Barney, 1991). Barney suggests that competitive comparisons among businesses do not require that they are the same with access to the same resources. He asserts that there is room for

strategic and competitive planning with businesses that have distinctive aspects. This is important for Manning and her yoga studio because while she has competition, the other businesses are quite different in some services and resources. Yet, they all vie for clients from the same community.

Barney (2017) asserts that when businesses “control valuable, rare, inimitable, and non-substitutable resources” they are more in tune with the value of their resources and the future value that can be generated (p. 3310). This approach will practically assist Manning with cost awareness and resource value so that she can be a self-sustaining business for many years to come. The resource-based theory best suits this study design for its approachable and practical methods that are appealing to anyone, trained or untrained, in the business field.

Working with Manning, we identified strategic planning as a problem of practice. The resource-based view framework is structured through a “value-rarity-imitability-organization (VRIO)” system of assessing an organization's resources (Knott, 2009, p. 163). This “strategy-as-practice” is a comprehensive analysis of distinct resources for a business and focuses on the conditions under which unique resources are a source of sustained competitive advantage (Knott, 2009, p. 164). Barney (1991) explains that this theory requires certain questions be asked when planning strategically: 1) Is the resource valuable?; 2) Is it rare?; 3) Is it imperfectly imitable?; 4) Are there substitutes for the resource? A study design inclusive of this concept and framework for Manning is practical, applicable, and makes sense for the strategic planning and competitive advantage that she is trying to establish as the owner-manager of NBalance. Strategic planning is accessible for Manning through the application of the following decision tree:



*Strategic Management (Rothaermel, 2017, p. 142)*

The resource-based view theory assists in understanding and explaining “what works, where it works, and why” (Holdford, 2018, p. 2). Creating value is highly important for small business owner-managers. Hitt, Xu, and Carnes (2016) highlight the importance of businesses needing rare resources to elevate value and gain a strong competitive advantage. They explain that it is necessary for a business to ensure that the resources are costly to imitate and too difficult to substitute (p. 78). Specifically, entrepreneurs should elevate intangible resources for value creation and competitive advantage because they are, by nature, difficult to replicate and their function nearly impossible to substitute (Hitt, Xu, and Carnes, 2016, p. 78). The study design for this project centers around the analysis of the partner organization’s resources according to the resource-based view of which the VRIO model is a crucial analytical tool. The study design aids in discovering which resources and capabilities Manning must utilize for a sustained competitive advantage.

### Research Questions

To help Manning better understand how to make her business sustainable, I collected data to address the following questions. These questions are informed by the prior literature reviewed above, especially the VRIO model which provides a guiding framework to evaluate the level of competitive advantages for the organization's tangible and intangible resources. This is important to evaluate because a business owner should focus on leveraging the resources that exhibit a sustained competitive advantage and should focus on bolstering resources on the cusp of moving from a temporary competitive advantage to a sustained competitive advantage (Rothaermel, 2017, p. 113). This strategic management of resources advantageously aides the owner-manager in decision making to propel the business forward in response to environmental factors, such as competitors and ebbs and flows of the market.

#### Research Questions

Q1: Does this business have a competitive advantage over comparable yoga and fitness studios?  
Is it sustainable?  
What factors contribute to the organization's current advantage?

Q2: Using a VRIO analysis, what current capabilities should be leveraged?

Q3: What strategic decisions are important for the owner-manager to consider in growing the business and in developing her entrepreneurial skills?

#### Data Collection Plan by Question

Study Question	Data
Q1	Owner Interviews Client Surveys Observations
Q2	Client Surveys Owner Interviews VRIO Template for Evaluation
Q3	Relevant literature and theoretical framework Interviews and Surveys

## Project Design

### Overview

The project was designed with a mixed methods approach to answer the research questions. Interviews with the owner were conducted to identify potential resources to analyze from the clients' perspective and from the owner's perspective and to illuminate the organization's strengths and weaknesses. A survey collected data from all members regardless of frequency of membership to increase participation in the survey and to generally gauge the comfort level of continuing their yoga practice in the midst of the COVID-19 pandemic. After six months, another survey was sent to a loyal client base to discover what resources of the business they find most valuable. The purpose of the interview data collection was to illuminate the organization's strengths and weaknesses by identifying resources for advantages and exploring neutral resources that could be turned into sustained competitive advantages. The next section illuminates the details of data collection.

### Data Collection

The mixed methods approach included surveys with Likert-scaled responses and open questions. Additionally, data collected through semi-structured interviews followed a simple protocol (see Appendix A). I chose the surveys and interviews because they provided the data that answered the research questions to help Manning better understand her studio's relative value and resources. I chose the VRIO framework because it addresses the problem of practice and because it was a framework that she could continue to utilize in the future.

*Interviews*

The purpose of the interviews was to examine what resources the owner and instructors viewed as valuable. In all, three 45-minute interviews were recorded. Transcripts were cleaned and then coded to assist in developing constructs related to the value of resources and capabilities that NBalance offers. Two interviews were conducted with Manning and the other interview was conducted with the lead yoga instructor at NBalance. The outcomes of this process were then organized into a SWOT analysis framework as a tool to inform Manning in an accessible way and, to echo Vladoš (2019), offer a look into her business through “strategic windows.”

I developed the interview questions from the SWOT framework because of how complimentary this strategic analysis practice pairs with the resource-based view. A SWOT analysis allows for an organization to determine the validity of its strengths while detecting whether or not the resources and capabilities are competitive outside of the organization “where it cannot be easily challenged, defeated or displaced by opponents” (Vladoš, 2019, p. 360). A SWOT analysis supports the organization as the owner-manager reviews the resources and capabilities through a review of data and experiences to clearly evaluate those which are competitively strategic to determine how and when to harness them for advantages (Vladoš, 2019, p. 360).

*Surveys*

The surveys allowed me to easily collect information from clients given the COVID interaction complexities. Surveys were anonymous which allowed participants to be candid with their perspectives. Two surveys were developed to collect data from the clients of NBalance. For the purposes of this project, the loyal client base was determined based on the clients who

continued active, paid memberships throughout the pandemic, which distinctly impacted the Clarksville community starting in March of 2019. The first survey had a twofold purpose. Manning needed to know if her business was going to survive the challenges of the COVID-19 pandemic and the local government temporarily mandating her closure. She needed to know if her clients were ready for her to phase into in-person classes, and I needed to ensure that continuing to partner with this owner and her small business was still feasible for my capstone project.

The first survey was developed with questions derived from a collaboration with the owner of the organization. The questions asked about preferences of class delivery methods (in person or virtual), class time preferences, and two open response questions, one that solicited any health concerns related to in-person classes and then a general feedback optional question. This survey was deployed in July of 2019 to all clients past and present, whether the client attended one class in the past or presently attends classes on a regular basis. A third-party email service was used to deploy the electronic survey to approximately 200 people who had a past or present connection with NBalance.

Since stakeholders' perspectives are essential in the resource-based theory approach, Manning needs to consider her own stakeholders' interests when making decisions (Barney, 2018). Barney suggests that "[owner-]managers seeking to generate economic profits must adopt a stakeholder perspective in how they manage their firm" (p. 3309). The second survey design was to specifically target the identification of important resources of NBalance by directly asking clients what they deem valuable from the organization. I structured the survey with specific resources of the organization based on my personal observation and conversations with the

owner. Open questions were developed to allow for other theme constructs to emerge that could be used to identify important resources as valued from the client perspective.

Because this survey asked clients for more time and effort with their responses, Manning suggested sending the survey to only her most loyal client base who have supported her through the difficulties of owning the studio during an unprecedented pandemic. Furthermore, Manning admitted that she most valued the feedback from those who are affected by the studio yet still invest in her and her business.

A letter was sent introducing the survey and contained my purpose, IRB approval, and my contact information alongside contact information for Vanderbilt. The survey was sent through a third-party email service to 118 recipients. Participation was voluntary and no identifying information for the clients was captured. The survey was open for 10 days with two reminders sent on day five and day ten. I received 42 responses.



## Data Analysis

This section explores the plans for analysis of the data to inform answers to the research questions and findings.

### *Interview Data Analysis*

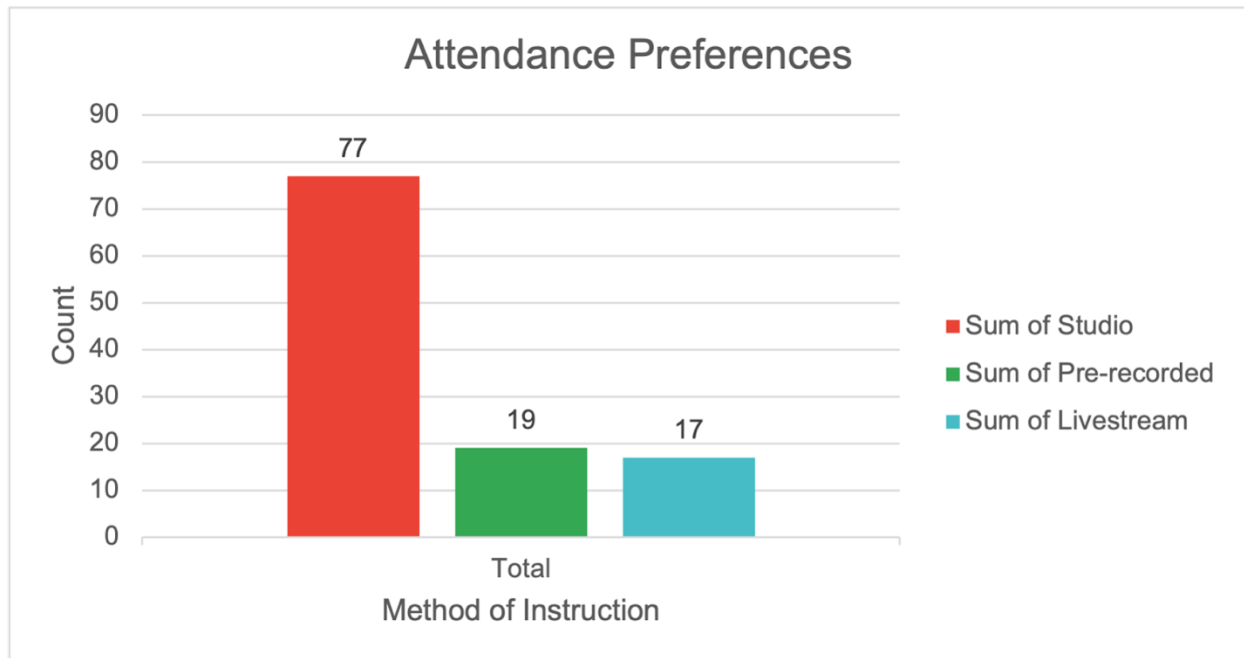
I analyzed interview transcripts with Manning and her lead yoga instructor to begin reflecting on NBalance's organizational health and Manning's business practices as an owner-manager. I coded using highlighting features in Microsoft Word to illuminate patterns of ideas and common phrasing over all three interviews. The information was organized visually in a SWOT template for presentation to Manning, as included below in Figure 1.



Figure 1. NBalance SWOT Analysis

### Survey Data Analysis

From the first client survey sent in July, eighty respondents completed the survey. This yielded a response rate of 40% of the total pool of past and current clients. Since participants voluntarily gave their names on the survey, I identified that all eighty respondents were current, active members of the 118 who are presently practicing. Therefore, 67.8% of current active members completed the survey. This high response rate signals the loyalty of Manning's current client base. This result positively determined my decision to move forward with this organization, since an overwhelming 96% of clients indicated that they wanted to return to in-person classes in the studio.



To answer the research questions, the second survey was focused on the value of resources and attaining stakeholder perspective to inform what they perceived to be the valuable and unique resources and capabilities of NBalance. The second survey response rate was only 40%, due to the smaller group who received the second survey. The open-ended survey questions

were organized by theme constructs. To develop a coding scheme, I first read through all of the responses, looking for repetition and patterns of ideas. I created categories based on common stakeholder responses (and the previously formed categories) and assigned a numeric value to determine the most common themes.

The close-ended survey items were imported into Excel and conditional formatting was attributed to the Likert scale responses. From the conditional formatting, I assigned numeric values of 1 through 5, with 1 for strongly disagree through 5 for strongly agree. An average was calculated for each resource. To calculate the average Likert response, the questions pertaining to each resource were then combined. Next, responses were averaged by each client, and the averages were calculated for the group as a whole. In Excel, the descriptive statistics function was applied to measure each resource (see Appendix C).

### *VRIO Framework*

The VRIO framework is an essential component of the resource-based view and provides an organization with a tool to discover and evaluate their tangible and intangible sources of performance within “component value-creating activities, synthesis of knowledge components, and cause-and-effect dissection of outputs” (Knott, 2009, p. 169). Resources are placed on a value chain that shows an organization what assets will help the business gain and sustain a competitive advantage. When considering resources and capabilities, the best strategic position is with the resources that provide value, are rare, are costly to imitate, and are organized to capture value (Barney, 1991; Rothaermel, 2017).

Manning’s business resources and capabilities were placed into a VRIO template to show how they need to interact to “create unique core competencies” and to show which resources are

contributing to a “unique strategic position” for NBalance in comparison to other competition (Rothaermel, 2017, p. 117). A table was used for an easy visual and for optimal organization in order to show Manning her capacities and resources that support current profitability and future sustainability.

## Findings

In this section, findings from data collection and analysis are explored. The findings are organized by the research question they answer.

*Q1: Does this business have a competitive advantage over comparable yoga and fitness studios? Is it sustainable? What factors contribute to the organization's current advantage?*

The analysis of the survey and interview data collected suggests that NBalance has sustainable competitive advantages over other comparable yoga and fitness studios through authentic relationship building and a competent, fully involved owner-manager. Descriptive statistics of the survey data showed the following relating to the resources and capabilities that were surveyed. Figure 2 lists the second survey questions and the resources or capabilities with which they align.

Survey Question	Resource/Capability
NBalance is clean and the studio is well-organized.	Studio
I feel welcomed when I enter the studio.	Relationship
The location of the studio is easy to find and convenient for me in relation to where I live and/or work.	Studio
My instructors at NBalance are helpful and friendly.	Instructors
I feel confident that my instructors are experts in the classes they teach.	Instructors
The owner, Jane Manning, genuinely cares about me and my wellbeing.	Relationship
The onsite boutique offers products that are appealing to me.	Boutique
For products offered, the boutique has my size and meets my style preferences.	Boutique

*Figure 2. Likert Scaled Survey Questions and the Corresponding Resources*

Resource/Capability (mean, standard deviation)

1. Studio (M = 4.70, SD = 0.61)
2. Instructors (M = 4.95, SD = 0.14)
3. Relationship (M = 4.94, SD = 0.16)
4. Boutique (M = 4.27, SD = 0.74)

The statistical analysis revealed little variation in the responses of the value of all resources, as stakeholders' responses were consistently clustered around the mean. The full statistics from the Excel data analysis can be found under Appendix C.

The data collected from the interviews align with the survey data showing that Manning understands the valuable resources and capabilities of her organization. All survey respondents selected agree or strongly agree for survey items related to the studio, the instructors, and relationships. The questions about the boutique garnered some “neutral” responses and “disagree,” showing that this is an area where Manning should focus improvement efforts. For example, 37% of clients disagree that the boutique offers products in their sizes and meets their style preferences. Overall, no respondents selected “strongly disagree” for any of the survey items. The client survey data and the interviews with Manning reveal that the clients of NBalance are invested in maintaining a boutique yoga experience, and Manning is most comfortable with that business structure. Manning genuinely cares about her clients and they know it. Roughly 90% of survey respondents selected “strongly agree” when responding to questions related to relationships, the remaining 10% indicated “agree,” showing that relationships are important to Manning's clients and their satisfaction is high. To grow too large would jeopardize this competitive advantage and this aspect is one resource that is positioned to sustain the business for many years to come.

In “Relationships, Marketing, and Small Business,” Zontanos and Anderson (2004) conducted a case study of a small firm and found that variation in the product of the firm was limited; therefore, a focus on relationships with customers was the best entrepreneurial marketing strategy. This strategy included “convincing customers about the reliability and quality of the commodity service” which yielded operational success (p. 234). Manning’s focus on customer relationships is an innovative strategy to use for a competitive advantage due to the customer perspective that the personal connection adds value to the membership with NBalance.

Furthermore, this relationship marketing is something that cannot be imitated at other yoga and fitness studios in town because of the high level of care and engagement Manning and her instructors bring to the organization. For example, one client stated in a survey response, “You can’t find the level of care and expertise anywhere else in town.” Another client remarked, “I always feel welcomed and sincerely cared about.” Many other clients remarked about the community feel of the studio and that it feels like home. In one of the interviews with the owner, Manning stated that it was important to her to remember her clients and “talk to them authentically.” Manning went on to say that relationship building and community “puts people at ease and provides comfortable experiences. Clients will try other classes and know there is no judgement.”

Manning is also fully involved in managing a boutique yoga experience for her clients. She stated in an interview, “I understand the lifestyle of my particular client base; I know what to give them because we are cut from the same cloth.” Manning is also committed to running her studio in line with the vision of taking care of her clients. She stated that she uses an innovative infrared heating system because of the health advantages, and she strives to cultivate an

environment that has a cozy, spa feeling. It made me smile when she said, “I want it to feel like a hug when my clients come in.”

NBalance is a business that has competitive advantages over competitors. The resources of the studio such as state-of-the-art yoga and fitness rooms and the unique amenities are strengthened when paired with Manning’s capacity to build a strong, loyal client base through meaningful relationships. The advantages are sustainable, and Manning has the capacity to leverage other strong aspects of NBalance for sustained competitive advantages in the future, such as having a tenant for her rental space and offering more options in the only yoga boutique shop in the area.

*Q2: Using a VRIO analysis, what current capabilities should be leveraged?*

In the VRIO analysis, the data revealed that the organization has temporary competitive advantages that are primed to be leveraged for sustained competitive advantages, once the organization is structured around capitalizing on them. The VRIO analysis, presented in Figure 3, shows the level of competitiveness of each resource. The resources are evaluated in comparison with Manning’s competitors. A competitively equal resource means that while valuable, this resource is not rare and is common in other yoga studios. A temporary competitive advantage suggests that Manning currently has the competitive edge over competitors and the resource is difficult to imitate; however, it could be copied by a competitor. Finally, a resource labeled as a sustained competitive advantage is a sweet spot for Manning. Resources that fall under this result must be retained for the organization to have long term success. Other competitors cannot imitate what Manning has established, due to the unique nature and organization of the business around these resources.



Figure 3 – VRIO Table of Resources/Capacities of NBalance

Resource/Capability	Is it valuable?	Is it rare?	Is it costly to imitate?	Is NBalance organized to capture the value?	Results
Instructors	✓	✗			Competitively Equal to Similar Yoga Studios
Fitness Classes	✓	✗			Competitively Equal to Similar Yoga Studios
Hot Yoga Classes	✓	✗			Competitively Equal to Similar Yoga Studios
Schedule	✓	✗			Competitively Equal to Similar Yoga Studios
Inviting Atmosphere	✓	✓	✗		Temporary Competitive Advantage
Boutique Space	✓	✓	✓	✗	Temporary Competitive Advantage
Boutique Products	✓	✓	✓	✗	Temporary Competitive Advantage
Rental Space	✓	✓	✓	✗	Temporary Competitive Advantage
Studio	✓	✓	✓	✓	Sustained Competitive Advantage
Equipment	✓	✓	✓	✓	Sustained Competitive Advantage
Teacher Training Programs (specific NBalance Series)	✓	✓	✓	✓	Sustained Competitive Advantage
Relationships	✓	✓	✓	✓	Sustained Competitive Advantage
Owner Involvement	✓	✓	✓	✓	Sustained Competitive Advantage

Adapted from Rothaermel's Strategic Management (2013)

Findings from client surveys and interviews indicate that the infrared heat and state of the art studio, specific NBalance series teacher training programs, relationship-building, and Manning's complete involvement in every facet of the business are creating significant opportunities to outperform competitors. While resources under a temporary competitive advantage, such as the boutique store and opportunity for a tenant in a 1,000 sq. ft. rental space, can be imitated, the amount of capital that a competitor would need to invest makes for an opportunity for Manning to use these resources to edge out her competition.

Manning does not currently organize her business around the critical resources of the boutique and rental space. They could be sustained competitive advantages because no other yoga studio has a boutique shop and available rental space, and it would be very costly for them to add these things; however, Manning does not strategically manage her shop or track inventory and financials. Additionally, the rental space does not currently house a tenant. Manning is not actively seeking one, since she is focused on running the business and has not had time to devote

to searching for the right business for the space, according to a statement she made during an interview session.

*Q3: What strategic decisions are important for the owner-manager to consider to grow the business and develop her entrepreneurial skills?*

Strategic management literature consistently supports strategic planning, establishing business goals, and having a confident entrepreneurial identity are essential for long-term success. In this section, I report on Manning’s current status in each of these areas.

### *Strategic Planning*

Many small business owners thrive when they foster authentic, positive relationships with their stakeholders. This is natural to Manning who genuinely cares about her clients. This was best displayed in one of the interviews where she responded that she felt a strength of NBalance is the connection she has with clients. She stated:

We remember our clients; we talk to them authentically. We remember what they said the last time and ask about it the next time we see them. I believe this is important because it puts people at ease and provides comfortable experiences. I’ve found that clients will try other classes and push themselves outside of their comfort zone because they trust there is no judgement.

Within areas of weaknesses and threats, failure to strategically plan and make decisions is most apparent. When Manning and her lead trainer were asked to elaborate on what they could improve with the business, Manning stated, “I don’t know if our instructors are the best because I haven’t experienced instructors in other studios.” Manning then sheepishly laughed and said, “To improve I guess I could actually try to make money through marketing and pursuing a tenant for

the available rental space.” As the interview progressed to discussing other obstacles, Manning and her lead instructor explained the toll COVID has taken on the business, such as a loss of revenue, deciding what health protocols to institute, and trying to avoid burn out and fatigue.

Manning acknowledged the opportunity for revenue and continued benefits of her teacher training program. While the teacher training is not unique to the area (two other studios have training programs), Manning is unique in that her trainees are trained in the foundational yoga practices with an emphasis on the NBalance series that her studio uses. This is important because trainees provide future instructors for the business who are in tune with the desires of Manning’s clientele.

### *Establishing Business Goals*

Manning does not have a formal business plan or business goals. She runs her business with a self-proclaimed common-sense approach and what she views as a modest, practical management. In a recent interview Manning stated, “I keep an eye on business spending. I don’t make purchases using credit, and I make sure I have a nest egg in savings. I take a careful approach to spending but not necessarily strict budgeting.” Manning inadvertently manages her social capital well. Runyan, Huddleston, and Swinney (2007) present social capital in the context of viewing the stakeholders as a community who affect the economy of the business. They are “an intangible resource manifested from social structures comprised of relationships” (p. 393). Client survey data supports this success of Manning’s entrepreneurial style. The average of responses related to the intangible resource of relationship garnered a 4.94 (out of 5.0) from clients. They also offered comments in support of this social context such as, “Jane is a perfect example of love, trust, and a professional. Jane’s education is spot on for a yoga teacher. I call it

Physical Therapy, and where can you get PT for \$100 a month? NBalance.” Another respondent said, “The studio is state of the art with infrared heat. It is also beautiful and welcoming. Jane and Susan are excellent teachers and also very caring. It feels like family...not just a workout facility.” This kind of support gave Manning the confidence to take the next step in building her own studio. She stated, “Most yoga studios do not have the opportunity to own the buildings they are in. I own the building. I have rental space. I have the boutique.” Social capital is important but failing to harness it in conjunction with human and economic capital diminishes its power to sustain her business at least long enough to pay off the mortgage of her state-of-the-art studio.

### *Confident Entrepreneurial Identity*

Manning struggles with embracing the part of her identity that came with becoming the owner-manager of NBalance. A confident entrepreneurial identity acknowledges that it is a part of the self that works in tandem with the daily structure and habits of the individual’s life. An entrepreneur imbeds personal values and motivations into the business so that it becomes a reflection of the owner (Lewis et al., 2016, p. 111). Manning embraces ownership but does not have a high confidence in her abilities. Yet, many of Manning’s choices are in line with modern business ownership that is social capital reliant. When I asked Manning about her lack of confidence as a business owner, she said, “I don’t know. [Pause] I’ve chosen to focus on people, not business.” I asked a follow-up question about her success so far, when many small businesses fail after the first year. She responded, “I’ve had two careers: teaching and owning a business. Both I’ve learned through modeling after people who made an impact on me.”

Findings further suggest that Manning must articulate what she wants her business to be before aligning a business plan, strategic work, and goals. Many people have expressed their

opinions on large scale marketing, press releases, and community-wide events for her new space. They are confused about what Manning wants out of her business, and her timid explanation does not instill confidence. So, they offer advice and recommendations, but often they do not align with what Manning and her clients want.

### Recommendations

The recommendations contained within this section of the capstone project emerged from the findings in the previous section. Therefore, the recommendations are organized by the finding they support.

*F1: NBalance has sustainable competitive advantages over comparable yoga and fitness studios through authentic relationship building and a competent, fully involved owner-manager.*

Manning should consider how her current resources can support both relationship-building and organizational capacity. To support relationship-building, Manning should continue to embrace the social capital of her business as this is part of supporting the longevity of NBalance. I recommend that Manning continue to engage with the community and continue to stay relevant with the needs and preferences of her loyal client base. For marketing, Manning's best method is word of mouth recruitment because it ensures her target clientele is maintained while new clients are identified. Manning could offer a loyalty referral program. In interviews, it came up several times that she wants to do something to support her most loyal clients, especially those who have continued to support her during the pandemic. Manning should consider creating a VIP membership group to continue to reward those loyal and most valued clients with special events, incentives, and discounts.

To support financial capital, Manning should consider a more systematic and formal process for a grow-your-own-instructor pipeline with instructors who are trained in the different forms of yoga and the specific series that are unique to NBalance. These instructors-in-training understand the importance of what the business is trying to accomplish, they have already bought into the vision, they made an investment with Manning (cost of certification program starts at \$3,000), and they understand the importance of relationships. From a financial perspective, this is an opportunity to capitalize on their services while they are in the training portion of their program and needing 500 live instruction hours. The resource-based view literature supports this recommendation because “those looking to gain access to a new resource may control other resources and capabilities that can be used, in combination with this new resource, to generate more revenue compared to what could be generated by other firms combining their resources with access to this new resource” (Barney, 2018, p. 3310). Barney (2018) goes on to explain that the information asymmetry is able to help the organization sustain itself through a tougher economic situation. Manning has experienced this firsthand throughout the pandemic, as her teacher training class helped keep her business afloat. However, this capability can be leveraged to yield even greater results in the future, both in good and in challenging economic times.

*F2: In the VRIO analysis, the data revealed that the organization has temporary competitive advantages that are primed to be leveraged for sustained competitive advantages, once the organization is structured around capitalizing on them.*

The organizational-level analysis results in the research of Ariyani, Daryanto, and Sahara (2018) revealed that competitive businesses should consider a strong brand identity, engage in

marketing networks, have support services that are reliable and well-experienced, and have sound financial management (p. 12). Therefore, it is recommended that Manning create more of a presence for her studio. Many clients commented on their surveys that street signage and signage on the building would be good additions to building more of a presence in the community. Manning utilizes the services of a financial advisor and organizes her finances through QuickBooks software.

Manning should begin immediately searching in earnest for a tenant in her rental space. This is a profitable capability, unique in comparison to other yoga/fitness studios, that is not currently generating capital for Manning. Further, the boutique in her studio is unique in comparison to the other yoga studio competition and her inventory includes highly sought-after brands that are not easily accessible in the Clarksville area. However, without a business plan focused on leveraging the store to provide profit to the business, there is a loss in this part of the business where a significant gain could be. Therefore, the business needs a studio manager or associate to assist with inventory control, pricing, and sales tracking. This position should offer some support to Manning with the upkeep of the studio to free time for her to continue relationship-building, pursuing innovative and strategic business ideas, and planning for classes and teacher training.

Howard, Ulferts, and Hannon (2019) posit that “organized business planning is essential for achieving [business] objectives because it provides small business owners with a framework for moving forward in a direction that is positive” (p. 49). Their research also supports including all stakeholders in developing a shared vision around which the organization can be structured. In support of these recommendations, the literature presents entrepreneurs as leaders who aspire to “achieve strategic agility;” therefore, Manning should run after innovative opportunities, allocate

resources to new endeavors, and be willing to reverse course when resources are not contributing to sustained competitive advantages (Howard, Ulferts, and Hannon, 2019, p. 52).

*F3: To sustain long-term success, Manning must plan strategically through establishing business goals, harnessing her unique resources and capabilities, and embracing a confident entrepreneurial identity.*

Establishing a business plan with short term and long-term strategic goals is recommended. A business plan with strategic goals will help Manning confidently articulate what her business is, the business goals and objectives, and the future of the organization. Blackburn, Hart, and Wainwright (2013) recognize this is a traditional activity of business owners and a wise decision for the 67.8% who do (p. 14). The business plan is not a metaphorical magic wand that ensures business long-term success. The business plan assists the entrepreneur with identity and establishing a confidence by putting goals and a direction in a business plan, even if the written business plan is an informal document. A business plan can provide security during times of change in the market, as well. As a business grows, a business plan becomes more important in order to manage the increased complexity that naturally occurs (Blackburn, Hart, and Wainwright, 2013).

Howard, Ulferts, and Hannon (2019) offer that entrepreneurial leadership is the “dynamic process of framing a vision, obligating followers, and risk acceptance when embracing opportunities that utilize available resources” (p. 49). Therefore, it is recommended that Manning continue in her owner-manager role, as multi-tasking in her business is required to maintain the type of service that her clients demand. With her passion to care for the souls who have entrusted their wellbeing to her, her positive attitude, and her ambitious drive, Manning should remain



fully involved in both the strategic work and daily operations of NBalance. This is a particularly strong recommendation. Manning should adhere to the recommendations of the strategic management literature in order to sustain her and keep her on a solid track. These recommendations are setting goals, planning in strategic ways, and keeping up with the financial health of the organization. Of note, it is important mention that these three things working in tandem yield the statistical significance of increasing an organization performance, since one cannot work as effectively without the other two (Williams et al., 2018).

Manning should use practical tools to continue to set goals, plan strategically, and move her business in a positive direction. A VRIO analysis and value chain assessment, as used in this project, are new resources available to Manning, and she can replicate those processes on a quarterly basis to ensure her goals and business decisions are rooted in sound strategic planning. Manning needs to utilize some marketing with her business. However, what makes sense for Manning is to create a marketing strategy that aligns with her client base and one that grows the business but does not lose the boutique, close-knit feel. For example, Manning should advertise with the local regional theatre and country club instead of whole community announcement boards and an article in the newspaper. Manning should continue to engage with the community as a whole through the free yoga classes she offers at the Downtown Commons in Clarksville, a central location for citizens. Since many of these clients are not Manning's target membership base, when she offers the free classes in the downtown community spaces, she stays engaged and gives back. Campbell and Park (2016) state that "[c]ompanies should have plans in place to properly address issues within the community and be seen as a socially responsible

business...community group ties are important...[it] signals that the business is ‘one of them’” (p. 307).

### Discussion

Support for our small businesses is vitally important as these owner-managers run businesses that bolster the economy and foster entrepreneurship in our society. For small business owners, entrepreneurship is a means of achieving dreams of ownership, having autonomous control of their lives, and having the opportunity to leave a legacy to inspire others. Many small business owners do not have formal business management training. As this capstone project promotes, it is not necessary to have formal entrepreneurial training to experience success. A resource-based theory and VRIO framework serve as guideposts for entrepreneurs to be highly successful in their decision making. The resource-based view is a reference or framework for conducting internal analysis by learning all of the resources and capabilities owned and controlled by the company (Ariyani, Daryanto, and Sahara, 2018); however, it is unnecessary to attempt to define a universal set of resources that all small business owner-managers need to be successful. Every organization has resources and capabilities rooted in specific organizational and social contexts. To discover Manning’s set of critical resources, Barney’s filter of what makes competitive advantages serves as a guide. These advantageous resources are deemed valuable if they can be utilized to improve efficiency and effectiveness; it must take advantage of an opportunity or neutralize threats of the competition (Ariyani, Daryanto, and Sahara, 2018).

The resource-based theory and VRIO framework of analyzing of critical resources of Manning's business allows for modeling of what Manning can continue to use in the future of her business, especially as she crosses the critical five-year mark of owning NBalance. This resource-based approach is not too complex, is not too time-consuming, and does not require a specialist skill set to use (Rangone, 1999), yet this approach provides a strategic and structured way for Manning to systematically and intentionally guide her business towards sustained success.

### **Limitations**

This capstone project recognizes the limitations in relation to the limited sample size of a small group of clients from only one specific organization. Therefore, while recommendations are practical and applicable for many small business owners, they cannot be generalized across other businesses and industries. An unprecedented pandemic occurred in the middle of gathering data for this project and served as an incredible limiting factor for comparing findings with other organizations and meeting with some focus groups, as originally planned.

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## Appendices

### Appendix A Interview Protocol

1. Ground conversation; Reminder of purpose and objective of the interview
  - a. Let's focus our conversation now on the topic of my capstone project. During the formal interview, we will not deviate into side conversations or from the purpose of the interview in any way.
  - b. Voluntary Participation; Verbal confirmation of agreement to recording
  - c. Review Purpose of the Capstone Project
2. Review of confidentiality
  - a. If something is mentioned that you would like removed, please let me know. Otherwise, all other information and quotes will be available for use in the project paper.
  - b. Agreement
3. Feel free to stop the interview at any time or decline to answer any of my questions.
4. Questions?

#### Interview Questions

- What do you believe you and your instructors do best? What unique knowledge, talent, or resources do you have?
- What could you improve about your business?
- How can you turn strengths into opportunities?
- What obstacles do you face? Who or what threatens the business? How so?

**Appendix B**  
**Pro-Growth Factors**

Morrison, A., Breen, J., and Shameem, A. (2003). "Small business growth: Intention, ability, and opportunity." *Journal of Small Business Management*, 41(4), 417-425.

**Small Business Pro-Growth and Inhibiting Growth Factors**

	<b>Pro-Growth Factors</b>	<b>Inhibiting Factors</b>
Intention	Demographic variables Personal characteristics Values and beliefs	Lack of ambition and vision Anti-business "hobbyist" approach Quality of lifestyle protectionism Mature position in life-cycle
Ability	Educational level Knowledge of different fields of business Perception/actual of owner-managers competence Growth potential products, assets and premises Legal format of business Proactive learning through social, informal networks	Constrained managerial competencies Narrow skills base Physical expansion/production limitations Organisational structure results in lack of time and resources
Opportunity	Market conditions Access to finance Public sector regulation Labor market	Weak power position within the industry sector and markets High dependency on externalities Adverse financial and economic conditions Unhelpful local government approach to business development Constraining government regulation and communication



## Appendix C Client Survey Data Excel Descriptive Statistics Report

	A	B	C	D	E	F	G	H
1	<i>Resource: Studio</i>		<i>Resource: Instructors</i>		<i>Resource: Relationship</i>		<i>Resource: Boutique</i>	
2								
3	Mean	4.695121951	Mean	4.951219512	Mean	4.93902439	Mean	4.268292683
4	Standard Error	0.09468765325	Standard Error	0.02289245452	Standard Error	0.02524630095	Standard Error	0.1144313327
5	Median		5 Median		5 Median		5 Median	4.5
6	Mode		5 Mode		5 Mode		5 Mode	5
7	Standard Deviation	0.6136461281	Standard Deviation	0.1483600617	Standard Deviation	0.1636147301	Standard Deviation	0.7415997949
8	Sample Variance	0.3765615705	Sample Variance	0.02201070791	Sample Variance	0.02676977989	Sample Variance	0.5499702558
9	Kurtosis	8.636975766	Kurtosis	6.443425156	Kurtosis	4.105790598	Kurtosis	-1.305778059
10	Skewness	-2.725500884	Skewness	-2.848212455	Skewness	-2.426133756	Skewness	-0.4515173001
11	Range		3 Range	0.5 Range		0.5 Range		2
12	Minimum		2 Minimum	4.5 Minimum		4.5 Minimum		3
13	Maximum		5 Maximum	5 Maximum		5 Maximum		5
14	Sum	197.195122	Sum	207.9512195	Sum	207.4390244	Sum	179.2682927
15	Count		42 Count	42 Count		42 Count		42
16	Confidence Level(95.0%)	0.1912255951	Confidence Level(95.0%)	0.04623224982	Confidence Level(95.0%)	0.05098593912	Confidence Level(95.0%)	0.2310987647
17								