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Strategy implementation in an IT microenterprise

A qualitative case study

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ABSTRACT:

Strategy implementation is widely recognized as one of the most complex phases of strategic management, as it requires turning abstract intentions into concrete action. Although strategy implementation has gained growing scholarly attention, microenterprises remain insufficiently examined as a distinct context, despite representing the majority of European firms. Their resource constraints, informal structures, and overlapping roles create distinct conditions for translating strategic goals into everyday practice, particularly in the rapidly changing and project-driven IT sector.

This study examines how strategy is implemented in a Finnish IT microenterprise following its first formal strategic planning process. It focuses on how strategic intentions are interpreted, adapted, and enacted in everyday decision-making in a small organization where all members are co-owners. The study addresses the following question: How is strategy implemented in an IT microenterprise after a formal strategic planning process?

The research adopts a qualitative single-case design. The empirical material consists of six semi-structured interviews with internal members and consultants, complemented by internal documentation. The data were analyzed using thematic analysis within an abductive research approach. The theoretical framework integrates effectuation, digital bricolage, dynamic capabilities, and sensemaking, providing the analytical lens to understand how strategy is enacted through everyday practices in a resource-constrained microenterprise context.

The findings show that strategy implementation unfolded as a participatory and practice-driven process, where strategic goals were clarified through shared reflection and embedded in existing tools and work practices. Rather than progressing through a linear execution phase, implementation evolved through continuous prioritization, adaptive experimentation, and situated decision-making. While the small size of the organization enabled fast responses, it also exposed the process to capacity limitations and shifting demands. Progress was supported by creative use of available resources, and the strategy increasingly guided development work by structuring decisions on new initiatives. Overall, strategy implementation emerged as an adaptive and continuous process integrated into everyday work.

The study contributes to strategy implementation research by demonstrating how strategic action in microenterprises is driven by everyday practices, resourceful experimentation, and shared interpretation rather than formal structures or linear planning. It offers a multidimensional explanation of how strategy becomes sustained over time in resource-constrained environments. For practitioners, the findings show that strategic progress in small firms can be supported through lightweight coordination and reflective, participatory practices rather than reliance on complex systems.

KEYWORDS: microenterprises, strategy work, strategic planning, information technology, decision making, small and medium-sized enterprises

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TIIVISTELMÄ:
Strategian toimeenpanoa pidetään yhtenä strategisen johtamisen haastavimmista vaiheista, sillä se edellyttää abstraktien strategisten tavoitteiden muuttamista konkreettiseksi toiminnaksi. Strategian toimeenpanoon keskittyvä tutkimus on lisääntynyt, mutta mikroyrityksiä tarkastellaan edelleen harvoin tutkimuksissa omana kontekstinaan, vaikka ne muodostavat valtaosan eurooppalaisista yrityksistä.

Tämä tutkimus tarkastelee, kuinka strategiaa viedään käytäntöön suomalaisessa IT-alan mikroyrityksessä sen ensimmäisen muodollisen strategiaprosessin jälkeen. Tutkimuksessa keskitytään siihen, kuinka strategisia aikomuksia tulkitaan, mukautetaan ja viedään käytäntöön mikroyrityksessä, jonka kaikki jäsenet ovat myös omistajia. Tutkimuskysymys on: Kuinka strategiaa toteutetaan IT-mikroyrityksessä muodollisen strategiaprosessin jälkeen?

Tutkimus on toteutettu laadullisena tapaustutkimuksena. Empiirinen aineisto koostuu kuudesta puolistrukturoidusta haastattelusta, joista neljässä haastateltiin tapausyrityksen jäseniä ja kahdessa konsultteja yrityksestä, joka tuki case-yrityksen strategiaprosessia. Aineisto analysoitiin temaattisesti abduktiivista tutkimusotetta hyödyntäen. Teoreettinen viitekehys yhdistää effectuation-teorian, digital bricolage-käsitteen, dynaamisten kyvykkyyksien teorian sekä sensemaking-teorian tarjoten analyysille useita toisiaan täydentäviä näkökulmia.

Tulokset osoittavat, että strategian toimeenpano eteni case-yrityksessä osallistavana ja käytännönläheisenä prosessina, jossa strategisia tavoitteita selkeytettiin yhdessä ja liitettiin osaksi arjen työtä luovasti hyödyntämällä olemassa olevia työkaluja ja toimintatapoja. Toimeenpano ei edennyt lineaarisesti, vaan kehittyi jatkuvan priorisoinnin, mukautuvan kokeilemisen ja kontekstisidonnaisen päätöksenteon kautta. Pieni organisaatiokoko toi toimintaan ketteryyttä, mutta altisti prosessin myös työkuorman vaihteluille ja resurssirajoitteille. Strategia alkoi vähitellen ohjata kehittämistyötä tarjoamalla rakenteen uusien aloitteiden arvioinnille ja ajoittamiselle.

Tutkimus täydentää strategian toimeenpanon tutkimusta tuomalla esiin, että mikroyritysten strategisessa toiminnassa korostuvat arjen tekeminen, kokeileminen ja yhteiset tulkinnat muodollisten prosessien ja lineaarisen suunnittelun sijaan. Tutkimus tarjoaa moniulotteisen tulkinnan siitä, miten strategia vakiintuu ajan myötä osaksi arjen toimintaa resurssirajoitteisissa olosuhteissa. Käytännön toimijoille tutkimus tarjoaa ymmärrystä siitä, miten pienissä yrityksissä strategista edistymistä voidaan tukea yksinkertaisilla koordinaatio- ja toimintatavoilla sekä reflektoivalla ja osallistavalla työskentelyllä monimutkaisten järjestelmien sijaan.

AVAINSANAT: microenterprises, strategy work, strategic planning, information technology, decision making, small and medium-sized enterprises

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1 Introduction

Strategy implementation is widely recognized as one of the most complex and critical phases of the strategic management process, as it often determines whether strategic goals are successfully achieved (Hrebiniak, 2006). It has been suggested that up to 90% of strategies may fail during implementation, rather than due to flaws in their initial planning (Kaplan & Norton, 2008). While early research primarily focused on strategy formulation, subsequent studies have increasingly addressed the practical challenges and conditions that influence the success of implementation (Noble, 1999; Aaltonen & Ikävalko, 2002; Mantere & Vaara, 2008).

These challenges are particularly evident in microenterprises, which account for over 90 % of European firms (European Commission, 2020). With fewer than ten employees, they are typically characterized by centralized decision-making, informal structures, and limited resources (Beaver, 2002; Hudson et al., 2001). In knowledge-intensive sectors such as information technology (IT), rapid technological change and reliance on specialized expertise further shape how strategy is enacted in day-to-day work (Levy & Powell, 2005). Despite the widespread presence of microenterprises, research has tended to treat SMEs as a homogeneous category, leaving limited understanding of how strategy is actually implemented in microenterprises, especially those operating in fast-changing, knowledge-intensive environments (Kelliher & Reinl, 2009; Mazzarol, 2005).

This study addresses this gap by examining how strategy is implemented in a Finnish IT microenterprise following its first formal strategic planning process. The case offers a relevant setting for understanding how strategic intentions are interpreted, adapted, and enacted in a small, resource-constrained, and low-formality organization in which all members are also co-owners.

The study draws on four complementary perspectives – effectuation, digital bricolage, dynamic capabilities (DC), and sensemaking – to capture both the action-oriented and

interpretive aspects of strategy implementation. Taken together, these perspectives provide a multidimensional view of how strategy unfolds in everyday work.

This study seeks to answer the following research question: How is strategy implemented in an IT microenterprise after a formal strategic planning process? To address this question, a qualitative single-case study design was adopted. Empirical material consists of six semi-structured interviews – four with the co-owners of the case company and two with consultants from the firm involved in its strategy work – as well as relevant internal documents. The analysis followed thematic analysis (Braun & Clarke, 2006) within an abductive research approach (Dubois & Gadde, 2002; Timmermans & Tavory, 2012).

This study contributes to the literature in three ways. First, it extends strategy implementation research by examining microenterprises as a distinct organizational context within the broader SME category. Second, it provides practice-oriented insight into how strategic plans are translated into concrete routines, priorities, and decisions in a resource-constrained environment. Third, it brings together internal and external perspectives, offering both case-specific and experience-based insights into strategizing in microenterprises.

The structure of the thesis is as follows: Chapter 2 reviews the relevant literature and develops the theoretical framework that informs the analysis. Chapter 3 describes the research methodology, including the case study design, data collection, and analysis procedures. Chapter 4 presents the empirical findings, while Chapter 5 integrates the results with the theoretical discussion and presents implications, limitations, and directions for future research.

2 Theoretical background

Strategy implementation remains a complex and significant domain within strategic management. Although research in this field has expanded over the past decades, the majority of existing work has focused on large organizations or approached smaller firms as a homogeneous group. However, the processes through which strategies are implemented in smaller firms – particularly microenterprises – are shaped by different logics, dynamics, and constraints than those embedded in mainstream strategy models (Beaver, 2002; Hudson et al., 2001; Kelliher & Reinl, 2009).

Microenterprises, by definition small in size and often informally structured, typically operate without formal hierarchies or complex organizational infrastructure. These structural conditions limit the applicability of strategy models that assume well-defined organizational roles, formalized support functions, and a clear separation between planning and implementation activities (Kearney et al., 2019; Mazzarol, 2005). In the IT sector, firms face additional demands related to adaptability, technical expertise, and project-based operations, which further shape how strategy is put into practice (Levy & Powell, 2005; Thong, 1999). These combined structural and sectoral features indicate the need for a context-sensitive and practice-oriented perspective on strategy implementation in microenterprises – especially in settings where formal strategy development meets the everyday realities of informal structures and limited resources.

To examine how strategy is implemented in the everyday operations of an IT microenterprise, this literature review builds on existing research on strategy implementation, outlines the structural and strategic characteristics of SMEs and microenterprises, and introduces four complementary theoretical perspectives – effectuation, digital bricolage, dynamic capabilities, and sensemaking. Together, these perspectives provide the analytical foundation for examining how strategic intentions are interpreted and enacted in resource-constrained and informally structured organizational contexts.

This chapter provides the conceptual foundation for the study by reviewing existing research on strategy implementation, identifying the specific characteristics of small firms and microenterprises, and presenting the theoretical lenses that inform the analysis.

2.1 Strategy implementation as a research topic

Strategy implementation is widely recognized as a critical dimension of strategic management, yet it continues to pose challenges in both theory and practice (Hrebiniak, 2006; Noble, 1999). While strategy formulation has traditionally attracted considerable academic and managerial attention, numerous studies suggest that the success of a strategy often depends on how effectively it is implemented rather than on the quality of the strategic plan itself (Hrebiniak, 2006; Speculand, 2009). Given that failures of implementation explain much of the gap between intended and realized strategies, strategy implementation requires closer examination from both scholars and practitioners.

The literature on strategy implementation is broad and multidimensional. Scholars have approached the phenomenon from multiple angles, including leadership and communication, organizational processes, and practice-oriented perspectives (Noble, 1999; Mantere & Vaara, 2008). This diversity reflects the fact that implementation is not a singular, standardized activity but a situated, socially constructed process shaped by structures, resources, everyday practices, and shared meanings. At the same time, the fragmented nature of the literature indicates that combining different perspectives can offer a more comprehensive understanding of how strategies are carried out in organizations**.**

Over the past decades, implementation has gradually shifted from being regarded as a less prominent phase in the strategy process to being recognized as a distinct area of research (Floyd & Wooldridge, 1992; Whittington, 2006). This evolution highlights that

understanding strategy requires attention not only to how strategies are formulated, but also to how they unfold in practice through everyday actions and interactions. Accordingly, implementation is now increasingly examined as an ongoing process shaped by organizational routines and prevailing conditions (Hrebiniak, 2006), as well as the interpretive agency of those involved (Mantere & Vaara, 2008).

Section 2.1.1 describes the strategic management process and highlights how formulation and implementation are both connected and distinct. Section 2.1.2 examines the development of research on implementation, while Section 2.1.3 discusses key challenges that commonly affect strategy implementation in organizations.

2.1.1 The phases of strategic management process

The strategic management process has traditionally been presented as comprising two main phases: strategy formulation and strategy implementation. Whereas formulation emphasizes the design of goals, plans, and resource allocations, implementation translates these intentions into concrete organizational activities (Hrebiniak, 2006; Kaplan & Norton, 2008). In this traditional two-phase view, a carefully crafted strategy is assumed to precede its execution. In practice, greater emphasis has typically been placed on formulation than on implementation. Subsequent research has shown that while planning is important, the majority of strategies fail not because of weaknesses in formulation but because of difficulties in implementation (Aaltonen & Ikävalko, 2002; Noble, 1999). Therefore, implementation is not only critical but also often the most vulnerable part of the process.

At the same time, the relationship between formulation and implementation is more complex than a simple linear process. Mintzberg (1994) argued that viewing strategy primarily as a rational planning activity has significant limitations, as real-world strategies rarely unfold exactly as intended. Instead of strictly following a predetermined plan, strategies often emerge from the interaction of deliberate and

emergent elements, as planned initiatives meet unexpected opportunities and constraints. Later, Mintzberg, Ahlstrand, and Lampel (1998) further elaborated on this tension by categorizing strategy research into distinct schools of thought, distinguishing between those that emphasize design and control and those that highlight learning and adaptation. These perspectives challenge the assumption that implementation is merely the straightforward execution of prior plans.

A process perspective sees strategy as a continuous cycle in which formulation and implementation are interdependent and shape each other over time (Sminia, 2009). This dynamic view recognizes that organizations must constantly adjust strategic intentions in light of new information, shifting conditions, and the interpretations of those involved. Similarly, Whittington (2006) emphasized that strategy is not limited to a planning phase but enacted through practices that extend across multiple organizational levels. This process perspective also highlights the importance of organizational actors, whose involvement complicates the distinction between formulation and implementation.

The involvement of different organizational actors weakens the distinction between formulation and implementation. According to Floyd and Wooldridge (1992), middle managers act as mediators between executive goals and everyday operations, actively contributing to both formulation and implementation. Implementation is rarely a straightforward extension of planning. Even in hierarchical firms, it requires negotiation, adaptation, and sensemaking across levels. This complexity becomes particularly evident in microenterprises, where minimal formal structures result in the same individuals frequently taking part in both planning and execution.

In summary, while the strategic management process is often presented as comprising distinct phases, research increasingly highlights the interdependence and fluidity between formulation and implementation. Plans provide direction, but implementation is shaped by how strategies are interpreted and adjusted in the course

of everyday work practices. Within strategy research, this interdependence has resulted in greater focus on processes and practices rather than viewing implementation as a separate stage. This dynamic is particularly evident in microenterprises, where strategic planning and implementation are often carried out by the same individuals.

2.1.2 Development of strategy implementation research

Early contributions to the field tended to portray implementation as a technical and linear extension of planning, in which strategic choices were expected to be implemented through established structures and control mechanisms (Hrebiniak, 2006). At the same time, implementation research was not fully coherent. Noble (1999) highlighted its fragmented and multidimensional nature, noting that implementation cannot be simplified to a single standardized activity.

From the 1990s onwards, greater emphasis was placed on the organizational and behavioral dimensions of implementation. During this period, scholars such as Floyd and Wooldridge (1992) challenged purely structural perspectives and showed how organizational members contribute actively to implementation. Similarly, Zbaracki and Bergen (2010) demonstrated that routines, while typically designed to promote strategic stability, may be continuously negotiated and reinterpreted under pressure. Overall, these insights highlight that implementation involves navigating internal dynamics, evolving routines, and shifting organizational priorities – rather than merely executing predefined plans. However, while these perspectives emphasize the role of agency, they often neglect the structural and contextual constraints that are particularly notable in small firms.

Subsequent research explored how strategic intentions are interpreted and enacted in context-specific practices. Rouleau (2005) showed how sensemaking and sensegiving influence the translation of strategy in everyday managerial practices, while Mantere and Vaara (2008) analyzed how discourse and power relations shape participation in

strategic activities. These studies shifted attention toward the cultural and linguistic dimensions of implementation and the ways in which strategy becomes meaningful in organizational contexts.

In parallel with these interpretive perspectives, practice-oriented research emphasized the integration of strategizing into everyday organizational contexts. Whittington (2006) approached implementation within a practice-oriented view of strategy rather than as a separate phase. He emphasized that it unfolds through norms, routines, and social interactions across organizational levels. More recent contributions, including Sminia (2009), have reinforced this view by conceptualizing implementation as an ongoing activity of organizing rather than a distinct phase in the strategy process. Together, these studies emphasize that implementation is not a technical phase that follows planning but a socially embedded and continuously unfolding process. At the same time, they reveal an ongoing tension: structural and technical perspectives often diminish individual agency, whereas interpretive approaches risk neglecting the structural and resource-based constraints that shape what organizations can realistically achieve.

These interpretive and practice-oriented developments laid the foundation for what later became known as the strategy-as-practice (SAP) perspective, which examines strategizing as situated, social, and materially embedded activity. Vaara and Whittington (2012) synthesized this evolution by reviewing the development of SAP research and outlining its core agenda for the field. Their analysis highlighted how SAP literature has shifted the focus from linear and purely cognitive approaches to implementation towards the social, historical, and practice-based contexts in which strategizing unfolds. By articulating key themes such as the role of everyday practices, the situated nature of strategizing, and the embeddedness of strategy in broader organizational and societal contexts, they helped clarify and strengthen SAP's position within contemporary strategy research.

In summary, research has progressed from structural and linear views toward more refined perspectives that recognize the behavioral, interpretive, and processual dimensions of strategy implementation. Overall, these developments reflect a shift from viewing implementation as a technical phase of executing predetermined plans toward understanding it as a socially embedded and contextually shaped process. This evolution has also opened up opportunities to connect interpretive and practice-oriented approaches with perspectives that examine how strategic action unfolds under conditions of uncertainty and resource constraints. More recent research has increasingly drawn on entrepreneurial, resource-oriented, and capability-based perspectives to deepen understanding of how small firms enact strategy in practice. These emerging streams of research highlight the value of integrating multiple theoretical perspectives to capture both the situated, interpretive nature of strategizing and the resourceful, action-oriented ways in which small firms navigate uncertainty. Such integration provides a more comprehensive foundation for analyzing how strategies are implemented in contexts characterized by limited resources, informal structures, and dynamic environments.

2.1.3 Challenges in strategy implementation

While careful strategy formulation is essential, research has shown that many strategies fail during implementation rather than due to shortcomings in planning (Hrebiniak, 2006; Kaplan & Norton, 2008). Difficulties in execution can compromise even well-formulated strategies, highlighting the importance of identifying barriers that prevent strategies from being put into practice as intended.

One of the most enduring organizational challenges is ineffective communication. Without a shared understanding of goals and priorities, strategies may remain abstract or disconnected from day-to-day activities (Heide et al., 2002). Kaplan and Norton (2008) argue that unless strategic objectives are clearly translated into concrete actions, they may be neglected due to the demands of daily operations. Similarly, Sull (2007) argues that implementation gaps often arise from strategic objectives that are

too vaguely defined or too numerous, resulting in organizational inertia rather than progress.

Another critical dimension is participation. If employees are not engaged in the implementation process, they may feel excluded or disconnected from the strategic goals and their relevance to everyday work. This increases the risk of resistance or misinterpretation (Mantere & Vaara, 2008; Rouleau, 2005). According to Beer and Eisenstat (2000), a lack of open dialogue and collaboration across departments can diminish implementation efforts by enabling so-called "silent killers" – deeply rooted organizational routines and political dynamics that prevent strategic change.

Structural and contextual constraints also present barriers. Rigid hierarchies, limited resources, and misaligned incentives can prevent effective execution, particularly in smaller firms (Aaltonen & Ikävalko, 2002; Hrebiniak, 2006). In such environments, strategic initiatives can be overshadowed by the urgency of daily operations. Furthermore, implementation is rarely a neutral or purely procedural process. As Mantere (2008) emphasizes, people make sense of strategy in ways that reflect how they see their role and their perceived ability to influence outcomes. As a result, people do not simply follow strategy as written; they interpret and apply it through the lens of their everyday experiences.

To summarize, challenges in strategy implementation exist at both organizational and individual levels, and these barriers interact in ways that make implementation demanding in both practical terms and in its social and political dimensions. In microenterprises, these challenges are often intensified by scarce resources, overlapping roles, and informal structures. As a result, effective implementation depends especially on clarity, engagement, and adaptability in everyday work, where strategy is continuously interpreted and enacted in practice.

2.2 Strategy implementation in SMEs and microenterprises

Strategy implementation is strongly influenced by organizational context, underscoring the need to examine the conditions under which it unfolds**.** Small and medium-sized enterprises (SMEs), and especially microenterprises, represent a critical setting, as their structures, resource constraints, and strategic practices differ considerably from those of larger firms. Since most conventional models of strategic management have been developed with large organizations in mind, their applicability to smaller firms remains limited. Accordingly, this section first outlines the organizational conditions that shape strategy implementation in SMEs and microenterprises and then examines IT microenterprises as a specific and dynamic sectoral context.

2.2.1 Implementation conditions in SMEs and microenterprises

Small and medium-sized enterprises (SMEs) are typically defined based on quantitative criteria, such as number of employees, annual turnover, and balance sheet total. In the European Union, a firm is classified as an SME if it employs fewer than 250 people and has either a turnover of less than €50 million or a balance sheet total of less than €43 million (European Commission, 2020). However, size-based definitions alone do not fully capture the diversity and internal dynamics of SMEs. Early work by Bolton (1971) already emphasized the importance of considering qualitative characteristics in understanding the SME context.

Compared to larger firms, SMEs tend to have flatter structures, centralized decision-making, and more informal communication (Storey, 1994). These features support responsiveness and agility, enabling rapid adaptation to changing conditions. At the same time, they can limit formal planning, reduce role specialization, and restrict the use of structured management systems (Beaver, 2002). Limited financial, human, and technological resources are also typical, often constraining not only strategic planning but also the implementation of goals that require coordinated and sustained efforts across the firm (Beaver, 2002; European Commission, 2020).

Microenterprises represent the smallest category within SMEs and are defined as firms with fewer than ten employees and an annual turnover or balance sheet total not exceeding €2 million (European Commission, 2020). Although formally grouped within the SME category, microenterprises differ significantly from small and medium-sized firms in how resource limitations, organizational simplicity, and individual agency shape their everyday operations and strategy work.

Unlike larger SMEs, microenterprises typically lack middle management and formalized support roles (Hudson et al., 2001; Kelliher & Reinl, 2009). Strategic and operational responsibilities are often carried out by the owner-manager alone, resulting in high dependence on individual skills and judgment (Kearney et al., 2007). Strategy formulation and implementation are rarely separate phases; instead, strategy often develops through daily problem-solving and short-term adaptations (Kearney et al., 2019). Mazzarol (2005) highlights how strategic behavior in microenterprises is shaped more by opportunity recognition and resource pragmatism than by formal planning. While this allows flexibility, it also makes implementation outcomes vulnerable to capacity constraints and coordination gaps.

In both SMEs and microenterprises, limited resources affect the feasibility and form of strategic implementation – but the effects are more pronounced in microenterprises. The absence of managerial depth and structured systems increases the importance of interpersonal trust, shared understanding, and real-time decision-making. Coordination is typically based on informal mechanisms and personal relationships, which support agility but may limit scalability and increase dependency on key individuals (Kelliher & Reinl, 2009).

For microenterprises, strategy implementation is not a discrete or formal phase but a continuous process embedded in everyday work (Kearney et al., 2019; Mazzarol, 2005). Owner-managers play a central role in translating strategic intentions into action, often without formal documentation or delegated structures (Kelliher & Reinl,

2009; Kearney et al., 2007). This makes microenterprises both adaptable and fragile – capable of rapid change but sensitive to disruptions in personnel, routines, or external pressures (Beaver, 2002; Kelliher & Reinl, 2009).

Because conventional strategy models assume more structured resources and planned execution, they may not fully reflect the realities of microenterprises. As Kearney et al. (2019) argue, alternative conceptual frameworks are needed to understand strategy in firms with informal structures and personalized practices. Microenterprise strategy tends to be emergent, intuitive, and closely interwoven with daily operations.

Recent research also highlights how microenterprises can pursue broader societal goals. For example, Pardo Martínez and Cotte Poveda (2022) analyzed 120 microenterprises in an emerging economy and found that many adopted sustainability-oriented strategies despite significant constraints. Their findings suggest that very small firms may integrate social and environmental concerns into strategic behavior, especially when embedded in local contexts.

Taken together, these observations suggest that SMEs – and especially microenterprises – require context-sensitive approaches to understand strategy implementation. Their small scale, informal routines, and centralized leadership shape not only what strategies are feasible, but also how they are enacted in daily work. While flexibility and responsiveness are important strengths, they also come with limitations that traditional models often overlook. Recognizing microenterprises as a distinct group within SME research helps clarify how structure, resources, and agency interact in shaping strategic action.

2.2.2 Implementation dynamics in IT microenterprises

Microenterprises in the information technology (IT) sector operate in a fast-paced and knowledge-intensive environment that places high demands on adaptability and continuous learning. The sector is shaped by rapid technological change, project-based

work, and complex client needs, all of which influence how strategy is implemented in practice (Levy & Powell, 2005). For IT microenterprises, limited resources and managerial capacity add to these challenges – widely recognized as constraints to strategic implementation in microenterprises (Kelliher & Reinl, 2009; Mazzarol, 2005).

Many IT microenterprises develop customized software or digital services for business or public sector clients. Strategy is often carried out through client projects, where implementation becomes part of the everyday work of solving problems and fulfilling client requirements. In IT microenterprises, the absence of formal systems means that strategy is often implemented through the decisions of key individuals during day-to-day technical and client work (Kearney et al., 2019; Mazzarol, 2005). This highlights how implementation is shaped not only by structural features, but also by personal engagement and interpretation.

Individuals in IT microenterprises frequently act simultaneously as technical experts and as contributors to strategic decision-making. Thong (1999) has noted that in small technology firms, the decision to adopt new systems is significantly influenced by the innovativeness and expertise in information systems of key individuals, rather than by formalized structures. This emphasizes the role of personal expertise and agency in shaping how strategic tools and systems are utilized in practice.

Operational pressures in the IT sector, such as short project cycles and client deadlines, may also push long-term strategy to the background. This can create tension between strategic intentions and immediate client demands, especially when the firm does not have enough resources or time available for strategic planning (Kelliher & Reinl, 2009). However, the same conditions can also support agile implementation. The small size of the organization, together with flat hierarchies and technical skills, may enable rapid adaptation and continuous alignment of strategic and operational goals (Levy & Powell, 2005). In some cases, information technology may support strategic decision-making in small firms by improving access to relevant information and enhancing

managerial insight (Arendt, 2008). Moreover, digital platforms and ecosystems can extend the strategic capacity of IT microenterprises by providing access to scalable tools, services, and markets beyond the firm's internal resources (Nambisan, 2017). Such enabling conditions partly mitigate the structural and resource constraints that otherwise shape strategy implementation in these firms.

In sum, IT microenterprises operate in a context where strategy is closely connected to technical work and project delivery. Implementation is shaped both by structural limitations and by the interpretive practices of key individuals, unfolding in a highly dynamic and resource-constrained environment. These contextual dynamics reinforce earlier insights that strategy implementation cannot be limited to a linear phase of executing predetermined plans, but instead unfolds through ongoing negotiation, adaptation, and sensemaking in everyday practices.

2.3 Theoretical framework for strategy implementation

To better understand strategy implementation in the IT microenterprise context, the analysis draws on four complementary theoretical perspectives: effectuation, digital bricolage, dynamic capabilities, and sensemaking. Together, these perspectives capture both the action- and resource-oriented as well as the interpretive dimensions of strategizing, providing a comprehensive framework for analyzing how strategies are enacted under conditions of uncertainty and constraint.

The combination of these four perspectives is based on how their underlying ideas support and complement one another. Effectuation and digital bricolage offer logics of action for navigating uncertainty and working with limited resources, while dynamic capabilities introduce a long-term orientation to strategic renewal through routines and reconfiguration. Sensemaking, in turn, provides an integrative interpretive dimension that helps explain how strategic actions gain meaning and are coordinated in practice. Rather than approaching these as isolated theories, the framework

highlights their interaction in shaping microenterprise strategizing as both a practical and meaning-making activity.

Each perspective offers a distinct yet interconnected lens for examining strategy implementation. Effectuation focuses on how actors make decisions by leveraging available means in uncertain contexts. Digital bricolage builds on this by examining how small firms creatively recombine digital tools, routines, and relationships to progress despite constraints. Dynamic capabilities extend the analysis to deliberate capability development and strategic renewal over time. Sensemaking complements these perspectives by illuminating how individuals interpret strategic intentions and align their actions accordingly in everyday work.

The strategy-as-practice (SAP) perspective serves as a broader conceptual framework that integrates these four theoretical perspectives, rather than serving as a separate analytical lens. SAP conceptualizes strategizing as situated, social, and practice-based activity (Whittington, 2006; Jarzabkowski, 2005) and highlights the micro-level practices through which strategic intentions are interpreted and enacted.
Recent SAP research has moved beyond a narrow focus on discursive and social dimensions to explore the material, embodied, and performative aspects of strategizing. Whittington and Mantere (2015) furthered this research agenda by emphasizing how strategizing involves emotions, bodily engagement, and situated action, thereby extending the focus beyond language and interaction. Extending this line of research, Jarzabkowski, Bednarek, and Cabantous (2023) developed an integrative synthesis that brings attention to the material and performative dimensions of strategy work**.** Their analysis demonstrates how strategizing emerges through the interaction of people, artifacts, and physical spaces, highlighting the complex socio-material configurations through which strategic activity unfolds.

2.3.1 Effectuation theory

Effectuation theory was originally developed to explain entrepreneurial decision-making under uncertainty, but it also offers useful perspectives for understanding how strategies are shaped and implemented in small and resource-constrained firms. The concept of effectuation was first introduced as an alternative to causation by Sarasvathy (2001). Whereas causation assumes that entrepreneurs set clear objectives and then identify the means to achieve them, effectuation emphasizes flexible, means-driven approaches. It begins with the resources, knowledge, and networks at hand and focuses on what can be achieved with them. This shift highlights four central principles: starting with available means rather than predefined goals, prioritizing affordable loss over expected returns, forming partnerships through stakeholder commitments, and leveraging contingencies rather than avoiding them. These principles reflect a broader logic of action over prediction, where entrepreneurs proceed by taking action based on what they can do with their current means, rather than trying to forecast or control future outcomes (Sarasvathy, 2001). Together, these principles represent a practical and adaptive logic of action that contrasts with the predictive, planning-oriented logic of causation.

Later research has shown that small and medium-sized enterprises (SMEs) rarely rely solely on either causation or effectuation but instead combine them in diverse ways. Yu et al. (2024), for instance, demonstrated through a configurational analysis of SMEs that performance outcomes are frequently linked to hybrid strategies, where effectual and causal principles reinforce one another. This resonates with the idea that while formalized planning provides structure, adaptive improvisation enables responsiveness to uncertainty. Similar findings were presented by Smolka et al. (2018), who argued that the simultaneous use of both logics can create synergies, improving firm performance beyond what either logic could achieve alone. Complementing these insights, Berends et al. (2014) demonstrated how small firms combine the two logics across innovation processes, relying more on effectuation in the exploratory phases and gradually adopting causation as projects develop. This perspective supports the

view that effectuation complements rather than replaces causation, particularly in dynamic environments where flexibility and planning must coexist.

Recent empirical work has also highlighted how effectuation is enacted in everyday practice. Koller et al. (2025) developed a situational judgment test (SJT) to assess how strongly entrepreneurs rely on effectual heuristics. Their results indicated that effectuation often operates not as abstract principles but as concrete “rules of thumb” that guide decision-making in real time. For instance, entrepreneurs may quickly evaluate whether a project is feasible given existing resources or whether engaging a client as a partner can help mitigate risks. This heuristic perspective is especially relevant for IT microenterprises, where project work demands frequent improvisation, quick adjustments, and the leveraging of existing technical expertise. In such settings, effectuation can be understood less as a formal framework and more as a pragmatic mode of reasoning that enables strategy to be implemented with limited resources.

Despite its appeal, effectuation theory has attracted criticism. One line of critique has come from Kitching and Rouse (2020), who argued that the theory risks overemphasizing one mode of entrepreneurial logic, thereby overlooking the diversity of approaches that entrepreneurs actually employ. Many small firms continue to depend on goal-setting and systematic planning, meaning that effectuation alone cannot fully explain their behavior. Kitching and Rouse also highlighted the risk of post hoc rationalization: entrepreneurial decisions are often interpreted as effectual only retrospectively, which makes it difficult to determine whether the theory can be reliably tested in empirical research. These critiques caution against portraying effectuation as universally applicable and emphasize that causal elements continue to shape entrepreneurial practice – a point that remains relevant also for microenterprises, especially when they adopt more formal approaches to strategy.

Finally, research suggests that effectuation is not only relevant for opportunity creation and growth but also for adaptation and retrenchment. Boonchoo (2025)

shows how SMEs employ effectuation when withdrawing from international markets, using existing resources and partnerships to manage exits strategically. This broadens the scope of effectuation and highlights its value in navigating strategic shifts through the reconfiguration of resources. For IT microenterprises, this perspective is especially relevant, as they often face resource constraints and must adapt their strategies under pressure.

In sum, effectuation theory enriches the understanding of microenterprise strategy implementation by emphasizing adaptability, resource-driven action, and stakeholder engagement. Empirical evidence increasingly shows that effectuation works best when combined with causal logic, particularly in resource-constrained environments. At the same time, critical perspectives remind us that effectuation is not universally explanatory and must be integrated with other strategic approaches. This balanced view provides a foundation for examining how IT microenterprises enact strategy through both improvisation and structure.

2.3.2 Digital bricolage

The concept of bricolage illustrates how individuals or firms creatively combine and repurpose the resources at hand to respond to emerging challenges (Baker & Nelson, 2005; Duymedjian & Rüling, 2010). Unlike formal planning or resource acquisition strategies, bricolage emphasizes doing more with less by flexibly adapting existing tools, routines, and networks to address emergent challenges. In the context of microenterprises, this approach can be essential for managing uncertainty and scarcity. Bricolage is also increasingly relevant in digital contexts, where firms must continuously adapt to new technologies without the resources or infrastructure typical of larger firms (Garud & Karnøe, 2003). As such, it connects the logic of effectuation, where action is based on means rather than goals, with the realities of digital strategy implementation in IT microenterprises.

Empirical studies have shown that bricolage plays a vital role in helping small firms survive and grow, particularly in resource-constrained environments. Senyard et al. (2014) found that resource-constrained startups that practiced bricolage were more likely to demonstrate innovative behavior, particularly when adapting to unfamiliar environments. Similarly, Baier-Fuentes et al. (2023) showed that bricolage played a critical role in the organizational resilience of owner-managed SMEs during the COVID-19 pandemic. Their study illustrates how firms can stay operational and adapt under pressure by relying on existing relationships and making pragmatic use of available resources. Such findings suggest that bricolage is not merely a coping mechanism but can be a proactive and strategic response to disruption.

The concepts of bricolage and effectuation are closely related. Both emphasize action over prediction, experimenting within the local context, and making use of existing resources. However, bricolage focuses more directly on recombining material and social elements – such as tools, artifacts, and relationships – in creative ways to address immediate needs or problems (Duymedjian & Rüling, 2010; Welter et al., 2016). Welter et al. (2016) argue that bricolage and effectuation complement each other**,** particularly in opportunity creation. While effectuation provides the guiding logic for action under uncertainty, bricolage represents the concrete means through which this logic is enacted. In the context of IT microenterprises, this means that strategic intentions are often implemented not through formal planning and investments, but through everyday adjustments and reconfigurations of digital tools, workflows, and client interactions.

As digital technologies become increasingly widespread, the concept of digital bricolage has emerged to capture how small firms improvise with digital resources under constraints. Karanasios et al. (2025) investigate how microenterprises in low-resource settings approach digitalization not through strategic IT investments but by creatively recombining free, low-cost, or legacy digital tools. Their study identifies the limits of such bricolage – particularly when digital fragmentation and lack of

integration limit scalability – but also highlights its value as a foundation toward more formalized digital strategies. Digital bricolage, in this sense, becomes both a survival mechanism and a starting point for strategic development.

The broader digital transformation literature reflects similar themes. For instance, Li et al. (2018) highlight the role of entrepreneurial capabilities in navigating digital transformation in SMEs, emphasizing the importance of flexible resource coordination. Romero and Mammadov (2025) conceptualize SME digitalization as an innovation process shaped by interconnected internal and external factors – including resource constraints, institutional pressures, and customer expectations. Meier et al. (2025) expand on this by proposing an updated view of competitiveness in SMEs, where digital transformation is achieved gradually through learning, experimentation, and capability development rather than large-scale change programs. Together, these studies suggest that digital transformation in small firms is less about radical reinvention and more about adaptive bricolage – fragmented, contextual, and often invisible in formal strategic plans.

In summary, bricolage provides a valuable lens for understanding how microenterprises approach digital strategy implementation under conditions of constraint. It draws attention to improvisational action, contextual decision-making, and the repurposing of available digital tools and collaborative relationships. In the context of IT microenterprises, where formal planning is often limited and digital tools evolve rapidly, digital bricolage can be both a necessity and a capability. The practice-based, emergent nature of bricolage also forms a foundation for the following section, which explores how such informal practices may evolve into more structured, repeatable dynamic capabilities.

2.3.3 Dynamic capabilities (micro-level)

Dynamic capabilities (DC) have become a central framework for understanding how firms adapt and renew their strategic direction in changing environments. Rooted in

the resource-based view (RBV), DC theory offers a refined lens for analyzing how competitive advantage is built and maintained over time. RBV, as formalized by Barney (1991), argued that firms can achieve sustained competitive advantage only if they possess resources that are valuable, rare, inimitable, and non-substitutable (VRIN). While RBV identifies the types of resources that can support sustained advantage, it offers limited insight into how such resources are developed or adapted in practice, especially under changing conditions. Teece, Pisano and Shuen (1997) addressed this gap by shifting the analytical focus from static resource possession to the processes through which firms actively renew and transform their capabilities over time.

Teece, Pisano and Shuen (1997) emphasized that dynamic capabilities enable firms to purposefully adapt, integrate, and renew their competences to stay aligned with evolving market and technological conditions. Building on this foundation, Eisenhardt and Martin (2000) argued that dynamic capabilities are not rare or inimitable assets, but rather identifiable, learnable, and repeatable processes. They highlighted that dynamic capabilities are shaped by the market context: in moderately dynamic environments they often take the form of structured, well-understood routines, while in high-velocity markets they are more experiential and evolve rapidly. From this perspective, routines, knowledge, and organizational experience play a key role in fostering strategic flexibility. Teece (2007) later expanded the concept by framing dynamic capabilities as sensing, seizing and transforming activities, offering a structured view of how firms identify opportunities, and adapt over time.

While DC theory has become a prominent framework for explaining strategic adaptation, it has also faced criticism. Arend and Bromiley (2009) argued that the concept suffers from vagueness and limited empirical testability, with many studies restating general management principles rather than offering distinctive theoretical insights. Similarly, Barreto (2010) asserted that the unclear definition of dynamic capabilities makes it difficult to distinguish them from ordinary processes. These critiques suggest that classical, organization-level perspectives on dynamic capabilities

may not sufficiently capture the mechanisms through which capabilities emerge and evolve, as they tend to remain highly abstract. In response, more recent research has turned towards microfoundations to provide greater conceptual clarity and empirical applicability.

Microfoundational research examines the individual and relational mechanisms that underlie organizational capabilities. Felin, Foss, Heimeriks and Madsen (2012) argued that dynamic capabilities are fundamentally grounded in the actions, processes, and structures of individuals, which in turn shape how routines emerge and evolve over time. This perspective is particularly relevant in smaller firms, where organizational layers are flat and change is often driven by key individuals rather than formalized structures. Barney and Felin (2013) further emphasized the role of motivation, agency and individual decision-making as core elements of capability development. From this perspective, dynamic capabilities are best understood not as fixed organizational patterns, but rather as phenomena rooted in the intentions and actions of individuals.

Routines play a key role in connecting micro-level actions to organizational outcomes. Salvato and Rerup (2011) argued that routines are not merely stabilizing mechanisms but can serve as sources of adaptability when they are mindfully performed and modified. This interpretation views routines as a dynamic bridge between structure and agency, where individuals can adapt established patterns to respond to changing circumstances. Helfat and Peteraf (2015) complemented this view by highlighting managerial cognitive capabilities as key microfoundations of dynamic capabilities. Managerial cognitive capabilities, such as sensing changes in the environment, interpreting strategic signals, and formulating alternative courses of action, are particularly important in microenterprises, where strategic decisions are typically concentrated in the hands of a few individuals. Taken together, these microfoundational perspectives provide a more nuanced understanding of how dynamic capabilities are enacted in practice.

The relevance of microfoundations becomes even more pronounced in microenterprises, where limited structural complexity and resource scarcity shape how strategic renewal takes place. Rather than relying on formalized structures, these firms often depend on the tacit knowledge and experience-based insights of owner-managers when developing and leveraging capabilities. Kelliher and Reinl (2009) found that limited managerial capacity and informal management practices further intensify this reliance, making capability development more personalized and context-dependent than in larger organizations. Mazzarol (2005) similarly emphasized the role of embedded entrepreneurial practices and adaptive behaviors in shaping strategic responses in small firms. More recently, Polge, Fourcade and Spence (2025) have provided empirical support for this perspective, demonstrating how dynamic capabilities can be enacted even in the smallest firms through a combination of improvisation, learning, and embedded routines. Together, these dynamics highlight why DC theory provides a useful lens for examining strategic adaptation in microenterprise contexts.

The industry context further influences how dynamic capabilities emerge and operate. In IT microenterprises, the rapid pace of technological change and the knowledge-intensive nature of the work create distinct demands for sensing, seizing, and transforming activities. Held, Heubeck and Meckl (2025) demonstrated that dynamic capabilities enable SMEs to develop digital leadership and foster a digital culture by supporting organizational learning, experimentation, and employee involvement. This is particularly relevant for IT microenterprises, where strategic renewal often depends on rapid technological integration and experimentation driven by a small number of key individuals. In such settings, dynamic capabilities are not only a source of competitive advantage but also a practical necessity for maintaining core operations and responding to rapidly evolving technological conditions**.**

At the same time, applying dynamic capabilities theory in microenterprise settings can also pose challenges. The framework was originally developed with larger firms in

mind, which typically have more formalized processes and greater organizational capacity for strategic renewal. As Arend and Bromiley (2009) and others have noted, many of the assumptions underlying DC theory reflect the structures and processes of larger organizations. This contrasts with the everyday realities of microenterprises, such as operational constraints, informal decision-making, and personalized management practices, which may limit the applicability of classical DC models unless they are integrated with more practice-based perspectives.

In summary, dynamic capabilities offer a useful framework for understanding how microenterprises respond to the challenges of strategic renewal in dynamic environments. The theory builds on and extends the resource-based view by focusing on how firms develop and reconfigure their resource base through sensing, seizing and transforming activities. A microfoundational perspective adds further depth by highlighting the individual, cognitive and routine-based mechanisms through which capabilities emerge, particularly in small firms with limited formal structures. In IT microenterprises, these mechanisms are shaped by the rapid pace of technological change and the central role of key individuals in enabling adaptation. Although the dynamic capabilities framework has been criticized for its lack of conceptual clarity and limited empirical testability, its integration with complementary approaches – such as effectuation and digital bricolage – can provide a more grounded and context-sensitive understanding of strategic renewal. Together, these perspectives help explain how even resource-constrained firms may gradually develop more structured capabilities, especially when supported by shared sensemaking within the organization**.**

2.3.4 Sensemaking theory

As introduced by Weick (1995), sensemaking refers to the process through which individuals interpret uncertain situations and construct meanings that guide their actions. In contrast to rationalist perspectives, which assume that objectives are clear and information is complete, sensemaking emphasizes how organizational members create shared understandings in uncertain and dynamic contexts. From this

perspective, strategy implementation is not the mere execution of predetermined plans, but rather an ongoing process in which individuals continuously interpret strategic intentions and translate them into practical action.

Building on this, Weick, Sutcliffe, and Obstfeld (2005) further developed the concept, defining sensemaking as the activity through which people "structure the unknown." They emphasized three closely connected aspects: the retrospective nature of interpretation, the social dimension of constructing meaning, and the action-oriented character of sensemaking. Together, these aspects suggest that people make sense of events by looking back at what has already happened, by negotiating meanings through interaction with others, and by acting upon these interpretations in ways that influence organizational realities over time.

Sandberg and Tsoukas (2015) later proposed that these aspects can be understood as three interrelated dimensions – cognitive, social, and pragmatic – which together explain how sensemaking links interpretation with concrete action. Complementing these perspectives, Maitlis and Christianson (2014) have emphasized that sensemaking involves not only cognitive but also emotional and collective processes, situated in specific social contexts. Their review of the field shows how sensemaking research has evolved to highlight the emotional and contextual dimensions of interpretation alongside its cognitive and social aspects.

In strategy research, this interpretive perspective has been applied to explain how actors translate abstract ideas into practices in their local contexts. Rouleau (2005), for example, demonstrated how managers in the fashion industry translated broad strategic objectives into concrete actions through everyday conversations, narratives, and micro-level practices. Her study illustrates how strategy becomes embedded in daily work through discursive and interpretive activities rather than through top-down directives. Similarly, Mantere (2008) analyzed the role of organizational actors in strategy processes, emphasizing that participation depends on how individuals make

sense of their expected roles. He found that employees' interpretations influence both their ability and their willingness to engage in strategic activity, which in turn shapes implementation outcomes. This demonstrates that strategic agency is not given but constructed through sensemaking practices.

Whittington (2006) positioned these interpretive activities within the broader strategy-as-practice perspective, arguing that strategy emerges through the dynamic interaction between practitioners, practices, and praxis. From this view, sensemaking is a key mechanism that connects strategic intentions with everyday practices, highlighting the inherently social and contextual nature of strategizing. Within this thesis, the strategy-as-practice (SAP) perspective provides an integrative lens for examining how strategizing unfolds through situated, social, and practice-based activities. Sensemaking is positioned within this perspective as a key mechanism that links strategic intentions to everyday practices, while effectuation, digital bricolage, and dynamic capabilities offer complementary explanations for how strategic action is enabled under conditions of uncertainty and resource constraints.

The sensemaking perspective is particularly relevant for microenterprises, where formal systems and levels of management are either minimal or absent. In such settings, strategy implementation relies heavily on how individuals interpret strategic intentions in the context of technical tasks and client-related work, and on how these interpretations are shared within a small group. Cornelissen (2012) demonstrated that role expectations, social accountability, and interpersonal dynamics strongly shape how actors interpret strategic priorities and coordinate their actions. This highlights that sensemaking is not a neutral or purely cognitive process but one embedded in social relationships and role structures, which are especially significant in small firms. From this perspective, strategy is understood as something that is continuously negotiated and enacted through everyday interactions rather than as the execution of formal plans.

In this thesis, sensemaking is used as a complementary theoretical lens that connects the interpretive processes of organizational actors with the strategic mechanisms described in the literature on effectuation, digital bricolage, and dynamic capabilities. Together, these perspectives provide a comprehensive foundation for examining strategy implementation in IT microenterprises, where strategizing is embedded in interconnected technical, client, and managerial work.

2.4 Research gap and contribution

Although the field of strategy implementation has expanded in recent years, microenterprises have received relatively little focused attention. Much of the existing research treats SMEs as a single group, which overlooks the distinctive characteristics of microenterprises, such as their limited resources, informal structures, and overlapping roles (Beaver, 2002; Kelliher & Reinl, 2009). As a result, insights drawn from studies on larger SMEs are not fully applicable to microenterprise dynamics (Hudson et al., 2001; Kraus et al., 2008).

Within this broader research gap, the IT sector has long been considered a particularly relevant but underexplored context, due to its fast pace of change, project-based operations, and reliance on knowledge-intensive resources (Levy & Powell, 2005; Thong, 1999). While prior studies acknowledge these contextual challenges, relatively little is known about how strategy implementation unfolds in IT microenterprises, where strategic work is closely embedded in daily technical and client tasks.

Another underexplored area concerns the role of external consultants. Existing literature rarely examines how strategies that have been formally developed in collaboration with consultants are later applied in microenterprises, even though such collaborations are becoming increasingly common (Mantere, 2008; O'Regan & Ghobadian, 2005). This raises important questions about how externally facilitated

planning processes are translated into routine practices in firms with minimal formal structures and scarce resources.

This study addresses these gaps by focusing on strategy implementation in a Finnish IT microenterprise that recently completed its first formal strategic planning process in collaboration with external consultants. The contribution of the thesis is multifaceted. First, it extends the understanding of strategy implementation in microenterprises by examining how strategic intentions are interpreted and enacted in everyday work under conditions of limited resources and informal structures. Second, it adds to the literature by integrating four complementary perspectives – effectuation, digital bricolage, dynamic capabilities, and sensemaking – within an analytical framework.

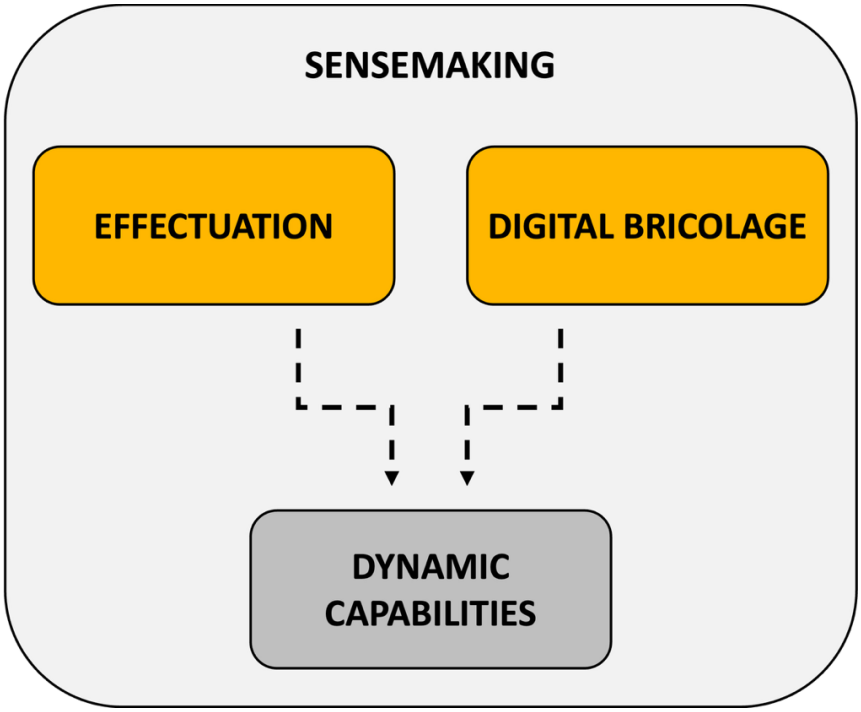

Figure 1. Theoretical framework of the thesis

The proposed framework (Figure 1) brings these perspectives together by illustrating how effectuation and digital bricolage function as action-oriented logics that enable

progress despite constraints, while dynamic capabilities provide a longer-term view on renewal through routines and reconfiguration. Sensemaking, shown as a surrounding dimension, cuts across all three and shapes how individuals interpret strategic aims and coordinate action in uncertain and resource-constrained settings.

The directional arrows in the Figure 1 highlight how effectual and bricolage-based actions may cumulatively contribute to the development of dynamic capabilities over time. Although these logics are not synonymous, they can act as building blocks that foster experiential learning and resource reconfiguration – processes that underpin dynamic capability development (Teece, Pisano, & Shuen, 1997; Baker & Nelson, 2005). This relationship reflects the idea that even in highly constrained environments, strategic renewal can emerge from bottom-up actions and situated experimentation.

Together, these contributions provide both conceptual and empirical insights into a context that has received little focused academic attention, thereby directly addressing the identified research gaps.

3 Methodology

This chapter presents the research design and describes the methodological choices of the study. The aim is to examine how strategy is implemented in the everyday operations of an IT microenterprise following a formal strategic planning process. The study adopts a qualitative, interpretive single-case design to provide a detailed and contextually grounded understanding of strategic practices. Through this design, the study examines how organizational actors interpret and enact strategy in their daily work within the structural and resource conditions of a microenterprise.

This chapter presents the research approach, introduces the case company, and describes the methods of data collection and analysis, as well as the procedures used to ensure data quality and trustworthiness. Together, these methodological choices form a clear and coherent foundation for the study.

3.1 Research approach

This study adopts a qualitative single-case study approach to examine how strategy is implemented in an IT microenterprise following a formal strategic planning process. A qualitative research design is well suited to the exploratory and context-sensitive nature of the research question, which focuses on meanings, practices, and situated processes rather than on testing predefined hypotheses. Qualitative methods are particularly appropriate for studying how strategic practices unfold in real-life contexts and how individuals make sense of and enact strategy in their daily work (Eriksson & Kovalainen, 2015; Mantere & Vaara, 2008; Rouleau, 2005; Weick, 1995).

This study adopts an interpretive perspective, emphasizing that strategy implementation is a socially embedded process shaped by interaction, interpretation, and organizational context. This aligns with the theoretical framework of the thesis, which combines effectuation, digital bricolage, dynamic capabilities, and sensemaking to understand strategy implementation in resource-constrained microenterprises. An

interpretive approach is particularly suited to exploring how organizational actors construct, negotiate, and enact strategic meanings within their everyday work contexts (Eriksson & Kovalainen, 2015; Rouleau, 2005). The interpretive approach enables the researcher to capture multiple viewpoints and gain a deeper understanding of how strategy is understood and enacted in everyday work.

A single-case design enables an in-depth and holistic understanding of the phenomenon in its real-life context. According to Yin (2018), case studies are particularly suitable when the boundaries between the phenomenon and its context are blurred. Similarly, Eisenhardt (1989) emphasizes that the value of the case study approach in enabling analytical rather than statistical generalization. The selected case company, Index IT, provides a unique opportunity to examine strategy implementation in a microenterprise that has recently completed its first formal strategic planning process. By focusing on one strategically selected case, the study aims to generate rich empirical insights and offer a deeper understanding of strategy implementation in microenterprises, an area that remains relatively underexplored.

3.2 Case company

The selected case company, Index IT, is a Finnish IT service provider founded in 1993. The company operates in a niche segment of the IT industry, specializing in documentation technologies. Index IT employs four people and has an annual turnover of approximately €700,000. Its operations are based in Finland, and the company has a long history of delivering specialized IT services to both private and public sector clients.

Recently, Index IT has refined its strategic focus. The company's client base has traditionally consisted mainly of public sector organizations, but it has decided to strengthen its presence in private-sector markets to support balanced growth and reduce dependency on any single customer segment. Its documentation technologies also have strong application potential in manufacturing and industrial firms, which

further motivates this expansion. For a microenterprise with limited resources, such diversification requires careful prioritization to ensure sustainable development. This need for prioritization played a key role in the company's decision to initiate a more structured approach to strategy work.

To support this development, Index IT engaged in its first formal strategic planning process, with the aim of setting a clear direction for the coming years. This case therefore offers a relevant and timely opportunity to examine how an IT microenterprise implements strategy after formal planning, particularly in a niche field where strategic choices are closely linked to resource constraints and specialization.

3.3 Data collection

The empirical data for this study were collected through semi-structured interviews, which are well suited for qualitative case studies that aim to understand complex organizational processes (Eriksson & Kovalainen, 2015). This method allows for an in-depth exploration of participants' perspectives while maintaining a consistent structure across interviews. Semi-structured interviews are particularly appropriate for examining strategy implementation in a microenterprise context, as they enable the researcher to capture both shared and individual interpretations of strategic practices (Mantere & Vaara, 2008; Rouleau, 2005).

The interviewees included all four co-owners of the case company, including the CEO, as well as two representatives from the consultancy that supported the firm during the strategic planning phase. In addition to reflecting on the specific case, the consultancy representatives were invited to share their broader experiences with strategy processes in small firms and microenterprises, providing contextual insight into strategy implementation beyond the case company. This selection was designed to capture multiple perspectives on the strategy implementation process, both from within the organization and from an external viewpoint. The interviews were guided by

key themes from the theoretical framework, while allowing space for follow-up questions and clarifications.

The interviews were conducted online via Microsoft Teams during October 2025. Each interview lasted no longer than one and a half hours. All interviews were recorded with the participants' consent. Participation was voluntary, and informed consent was secured from all interviewees prior to the interviews. Confidentiality and anonymity were ensured by removing personal identifiers from the transcripts and by presenting the findings at a general level.

The interview protocol was designed to cover key aspects of strategy implementation in the case company, while also allowing participants to elaborate on issues they consider important. This balance between structure and flexibility helped generate rich, contextually grounded data relevant to the research questions.

In addition to interviews, internal documents and strategy-related materials provided by the case company were used to contextualize the findings and support data triangulation, as recommended in case study research (Yin, 2018).

3.4 Data analysis

The data were analyzed using thematic analysis (Braun & Clarke, 2006), a flexible method well suited for identifying patterns and themes within qualitative data. The purpose of the analysis is to interpret the interview data in relation to the theoretical framework on strategy implementation and microenterprises, while remaining open to emerging themes. Rather than aiming to build new theory, the analysis focuses on producing a contextually grounded interpretation of how strategic plans are implemented in an IT microenterprise. The analysis follows a deductive-inductive logic within an abductive research approach, moving through several cycles between theory and data (Dubois & Gadde, 2002; Timmermans & Tavory, 2012).

All interviews were recorded and subsequently transcribed using Microsoft Teams' automatic transcription tool, with the consent of the interviewees. The automatically generated transcripts were reviewed alongside the original audio recordings to correct possible inaccuracies or spelling errors. The transcription and review process was carried out alongside the data collection to allow for the clarification of any potential uncertainties while the interviews were still recent. Since the interviews were conducted in Finnish and the thesis is written in English, relevant quotations were translated before being presented in the findings chapter. The translations aim to preserve the original meaning and tone as closely as possible.

The analysis followed the general principles of qualitative data analysis as outlined by Saunders et al. (2023). The transcripts were first read carefully to ensure familiarity with the material, after which initial coding was conducted. This first, deductive stage was guided by the study's theoretical framework, which focuses on strategy implementation, microenterprise characteristics, and the role of effectuation, digital bricolage, sensemaking, and dynamic capabilities. At the same time, the analysis remained open to inductively derived themes that were not fully anticipated by the framework. Coding and theme development were carried out manually using spreadsheets to systematically organize and refine the data.

To capture different perspectives, the data were first examined within interviewee groups (e.g., CEO, co-owners, external consultants) and then integrated to form a comprehensive view of the strategy implementation process. Internal strategic documents were also used to provide contextual background and support triangulation (Yin, 2018).

Finally, the themes were refined and organized to answer the research questions and to highlight key patterns and contextual dynamics relevant to strategy implementation in microenterprises. Selected quotations from the interviews are presented in the findings chapter to illustrate the themes and to support the transparency and

credibility of the analysis (Pratt, 2009). The results of this analysis are presented in Chapter 4.

3.5 The assessment of the quality of the data

The quality of the data in this study is ensured through careful planning of data collection, transparent analytical procedures, and systematic documentation of the research process. According to Saunders et al. (2023), the quality of qualitative data depends on the attention given to data collection, recording, and analysis. In case study research, it is especially important to ensure data quality because the conclusions are based on a detailed understanding of the specific context and phenomenon (Yin, 2018).

Several steps were taken during data collection to support the reliability and validity of the material. The interview process was designed to capture multiple perspectives related to strategy implementation within the case company. All interviews were recorded, transcribed, and reviewed for accuracy. Transcription was carried out alongside data collection to allow for the clarification of any unclear points immediately. Semi-structured interviews provided a structured way to address key themes while also leaving space for unexpected issues to emerge, adding depth and credibility to the data.

The quality of the data is also supported through systematic analysis. The data were analyzed using thematic analysis based on Braun and Clarke's (2006) framework, which provides a clear process for identifying and interpreting patterns. All steps of the analysis were documented to make the process transparent and dependable. Following Yin's (2018) guidelines for case studies, an audit trail was kept to record how the data were collected and analyzed.

Finally, the presentation of the results highlights the link between the data and the researcher's interpretations. Selected quotations are used to show how the themes

are grounded in the material (Pratt, 2009). This helps to make the analysis more transparent and allows readers to evaluate the interpretations. The overall trustworthiness of the study is enhanced by ensuring credibility, dependability, and transparency throughout data collection and analysis (cf. Lincoln & Guba, 1985; Shenton, 2004).

4 Findings

This chapter presents the empirical findings of the study, which explores how strategy implementation unfolds in a microenterprise context. The findings are drawn from a strategy process carried out at Index IT, a Finnish microenterprise operating in the IT sector. The case offers a focused setting for examining how strategic thinking and action are shaped under conditions of limited resources, informality, and overlapping roles. As all four members are also co-owners and actively involved in decision-making, their perspectives provide insight into how strategy work is integrated into the everyday operations of a small and tightly knit organization.

The empirical material consists of six semi-structured interviews: two with external consultants and four with internal members of Index IT. One of the consultants had directly facilitated the strategy process at Index IT, while both also offered broader reflections on strategy work in microenterprises. The participants are anonymized as Consultant 1-2 and Member 1-4 throughout the chapter. Their reflections form the basis for understanding how strategic goals were formulated, clarified, implemented, and followed up within the company.

The chapter is structured into three sections. Section 4.1 discusses the consultants' views, offering an external perspective on strategy work in microenterprises. Section 4.2 presents the internal members' experiences of how the strategy process unfolded at Index IT. Finally, Section 4.3 summarizes the key findings and integrates them with the theoretical framework introduced in Chapter 2, resulting in a revised model that captures how effectuation, digital bricolage, dynamic capabilities, and sensemaking interact in practice.

4.1 Strategy work in microenterprises: external perspective

This section presents findings from two consultant interviews, offering an external perspective on how strategy work typically takes place in microenterprises. The

interviews offer contextual insight into how microenterprises approach strategy formulation and implementation in practice, helping to frame the subsequent case analysis.

Both consultants work at a Finnish consulting firm specializing in strategy, leadership development, and growth support for SMEs. Consultant 1 has worked at this consulting firm for around five years. He focuses on strategy projects with SMEs, including the strategy process of Index Information Technologies – the case company examined in this thesis. Before joining this consulting firm, he worked in strategy consulting for larger organizations, including publicly listed and state-owned companies. Earlier in his career, he also gained experience in business development, corporate acquisitions, and trend analysis in the industrial sector.

Consultant 2 has worked as an entrepreneur for about twenty years, having managed three companies in different industries. For the past six years, he has worked as a consultant focusing primarily on microenterprises. As he explained, strategy has been an integral part of nearly all his assignments – even when the original focus was on something else. Over the years, he estimates having worked on strategic development together with thousands of small firms.

The consultants were selected because of their extensive experience working with microenterprises, as well as the firsthand experience of consultant 1, who was directly involved in the case company's strategy work. Their insights offer a comparative understanding of how microenterprises typically manage strategic processes, the challenges they face, and the conditions that support success. Section 4.1.1 first examines how strategies are formulated, while section 4.1.2 explores how they are implemented and adapted in everyday practice. Section 4.1.3 then focuses more specifically on how consultant 1 experienced the strategy process at Index IT, providing a detailed external perspective on the case company's strategic development.

4.1.1 Strategy formulation

The interviews indicate that strategy work in microenterprises is generally practical, flexible, and less formal than in larger organizations. Rather than following a fixed planning cycle, strategic ideas often evolve from practical problem-solving and day-to-day work, as described especially by consultant 2, who noted that many microenterprises make clear strategic choices without ever formalizing them in writing. Consultant 1 noted that small firms rarely have systematic tools or data to support decision-making and instead rely on experience and informal discussion. Because few firms have systematic data, strategic reasoning tends to rely strongly on intuition and the entrepreneur's personal judgment. In both cases, strategic and operational considerations appear closely intertwined in the microenterprise context.

Both consultants described strategy formulation as a process shaped by dialogue and participation. Consultant 2 noted that strategy often takes form through collective discussions rather than formal planning, while both observed that it cannot be developed effectively by the owner-manager alone, as its success depends on whether others have understood and accepted the direction. Consultant 2 remarked that "when people talk together about what they want to achieve, it becomes more real for them," and consultant 1 mentioned that even brief discussions with the whole team can make strategy feel more tangible and shared.

The consultants also discussed how informality and openness, while encouraging engagement, may create challenges for consistency. Consultant 1 noted that the flexible and sometimes spontaneous way of making decisions allows small firms to react quickly but can make it easy to lose long-term focus. "They can change direction very fast, which is great," he said, "but sometimes there is no continuity between one decision and the next." Consultant 2 described a comparable situation: "Small companies often have many good ideas, but the ideas are scattered. They need help turning them into a coherent direction."

Resource constraints were another recurring topic. Consultant 1 observed that small firms rarely have systematic tools or data to support decision-making, relying instead on accumulated experience and informal discussion. Consultant 2 similarly noted that everyday work leaves little time for structured analysis, so companies rely on what is already available – particularly their existing skills, networks, and client experiences. Consultant 2 remarked that “the strategy usually evolves from what they already do well,” and consultant 1 expressed a similar view, describing it as “making the best out of what you have at hand.” In many cases, strategy exists implicitly, guiding everyday decisions even if it has never been written down**.** Together, their accounts reflect an approach where entrepreneurs build strategy incrementally and pragmatically, drawing on what is close at hand.

Both consultants underlined the importance of reflection. Because microenterprises are often occupied with daily operations, strategic thinking tends to surface only when an external trigger – such as a facilitated discussion – encourages them to pause and reflect. Consultant 1 explained that his role is partly to create space for this reflection: when he joins a project, it is often the first time the client firm actually stops to talk about where they are going. Consultant 2 likewise noted that many entrepreneurs think strategically as they work, but mostly in their own heads, and rarely share those thoughts with others. As he described it, entrepreneurs often think strategically on their own, but these thoughts remain unshared until a facilitated setting brings them into collective discussion. Facilitated discussions, he said, help them “move from intuition to shared understanding.”

Both described their consulting role as facilitating rather than instructing, involving listening, clarifying, and guiding. Supporting reflection and discussion was seen as a key part of their work. Consultant 1 noted that he often uses structured tools or visual elements to help make ideas more concrete for the firm. Consultant 2, in turn, described relying on open and exploratory discussions that help participants articulate what matters most to them. They both saw their role as helping companies recognize

and express ideas that already exist within the organization. As consultant 1 explained, they do not give clients a ready-made strategy but help them articulate the one that already exists in their actions.

Finally, both consultants noted that strategy work in microenterprises should remain light and practical. For these firms, keeping strategy work light is not just a preference but often a necessity: too much structure can distance people from their daily work, while too little makes it difficult to stay focused. Consultant 1 explained that if the process becomes too formal, people tend to disengage – they need to feel that strategy relates to their everyday work. Consultant 2 noted that even minimal structure, such as defining three main goals, can make a noticeable difference, as it helps people measure their progress without taking away their sense of freedom.

In summary, the consultants portrayed strategy formulation in microenterprises as dialogue-driven, emergent, and grounded in everyday practice. Strategic ideas appear to develop gradually through reflection and interaction, shaped by the resource limitations, informality, and immediacy characteristic of microenterprise contexts.

4.1.2 Strategy implementation and adaptation

When moving from planning to implementation, strategy work in microenterprises remains strongly shaped by pragmatism and informality. Compared to larger organizations, which often have established systems and formal processes for implementation, small firms operate with greater flexibility and faster response times. Consultant 2 noted that “in larger organizations, strategy implementation is more systematic but much more rigid. In small firms and microenterprises, decision-making is concentrated, so they can react quickly, and the strategy or its implementation can be redirected, for instance by piloting new approaches, if the focus changes.” However, both consultants emphasized that such agility often comes at the expense of consistency and systematic follow-through. Consultant 2 observed that “in small firms, around 90 percent of strategic work never reaches implementation. Many

entrepreneurs eventually realize that everyday operations have started to drive the business, rather than the other way around."

Both consultants identified similar conditions for effective implementation. They stressed that strategies should remain simple, concrete, and realistic in order to be actionable. Consultant 1 explained that "there must be clear responsibilities, measurable indicators, and plans that are actually followed." Similarly, consultant 2 emphasized that "the strategy must be clear and understandable – not too complex. It should translate into practical actions assigned to people who also have the resources to carry them out." In microenterprises, where individuals often juggle multiple roles, dividing responsibilities and linking goals to realistic timeframes were seen as essential for maintaining progress.

At the same time, the consultants pointed to recurring barriers that hinder implementation. Both described how everyday work can easily push strategic priorities aside. Consultant 1 summarized that "daily work takes over, and operational projects push strategic goals aside." Consultant 2 shared a similar view, noting that limited time, opportunistic decision-making, and lack of focus are frequent obstacles. According to him, "many microenterprises live from hand to mouth – they grab any tempting project, even if it doesn't fit the strategy. That kind of opportunistic thinking may help in the short term, but in the long run it fragments direction." Human factors, such as resistance to change or uncertainty about new methods, were also seen as common challenges. Consultant 2 noted that some entrepreneurs hesitate to adopt unfamiliar technologies or tools, such as AI-based solutions, which can slow down renewal. Consultant 1 likewise mentioned that in very small teams, the departure of a single key person may require rethinking the overall direction.

Both consultants portrayed their role in strategy implementation as primarily supportive and facilitative rather than directive. Rather than providing ready-made answers, they help firms maintain focus and translate plans into concrete routines. Consultant 1 described his approach as "coaching rather than instructing," focusing on

helping firms “take the strategy into everyday practice.” Similarly, consultant 2 stated that “the main help is often making the entrepreneur realize that day-to-day work has started to drive the business too much. An external view helps restore focus and clarify the strategy.” Their insights suggest that effective consulting in this context involves maintaining accountability, clarifying priorities, and providing psychological support. As consultant 2 put it, “the consultant can help turn the strategy into a concrete path, clarify the steps, set a timeline, and offer mental support.”

Regular follow-up was identified by both consultants as a decisive factor for keeping the strategy alive. Consultant 1 explained that “if it’s reviewed regularly, say in monthly meetings, it stays on people’s minds.” Both consultants also noted that their firm offers an “implementation support” service, where clients are met periodically to discuss progress and obstacles. As consultant 2 added, “my job is not only to support but sometimes to give a small push – to remind that things don’t happen on their own.” Both considered such structured follow-up, whether through a formal service or informal routines, particularly beneficial for maintaining strategic momentum, even though only a small number of firms make it a regular practice. They emphasized that routine reflection and external encouragement help prevent the strategy from fading into the background once the planning phase ends.

Adaptation and flexibility were recurring themes across both interviews. Consultant 1 stressed that “once the strategic plan is ready, it must not remain static. It should be reviewed regularly and adjusted if something doesn’t work.” Likewise, consultant 2 highlighted how microenterprises must be able to respond rapidly to external changes: “if competitors can now achieve in three days what used to take six months, you have to adapt.” Both consultants framed strategy implementation not as a fixed process but as an ongoing cycle of learning, adjustment, and alignment with shifting circumstances.

Concrete examples illustrated how structured yet flexible approaches can lead to success. Consultant 1 described a construction-sector client whose performance improved markedly through monthly reviews and systematic monitoring. “Regular

follow-up helped them make better decisions, spot risks early, and develop the business in the right direction," he recalled. Consultant 2 mentioned similar results from firms using implementation-support services, where "revenue and profitability often start to grow, in some cases even doubling within a year." Both emphasized that maintaining such momentum is demanding in small firms, where progress depends heavily on a few key individuals. Continuity therefore relies on collective commitment and simple, repeatable routines rather than complex systems. These insights highlight that implementation success in microenterprises often depends on maintaining continuity, focus, and external encouragement amid limited internal capacity. Both consultants also emphasized that, for microenterprises, successful implementation rarely depends on the sophistication of tools but rather on maintaining focus and human commitment.

In summary, the consultants portrayed strategy implementation in microenterprises as a practical, people-driven process requiring clarity, discipline, and adaptability. While formal structures are minimal, progress emerges through concrete routines, regular reflection, and a willingness to adjust direction when needed. Successful implementation thus depends less on elaborate systems and more on maintaining focus, learning continuously, and integrating strategic goals into everyday action.

4.1.3 Strategy work in the case company: consultant's perspective

Consultant 1 worked closely with the case company as the external facilitator during strategy formulation. He explained that the process began with discussions between himself and the CEO, during which they analyzed the firm's current state and considered possible focus areas. When the groundwork had been laid, consultant 1 visited the company's office to facilitate a collaborative session at the company's office as part of the strategy formulation process. During the session, the staff discussed the company's strategic direction and refined earlier ideas developed in the preparatory phase. Consultant 1 observed that the open discussion generated ideas and insights that neither he nor the CEO had anticipated, leading them to revise the original plan.

According to consultant 1, there was a longer break in the process while the company conducted a customer pilot related to its main product. He was not directly involved in the pilot but explained that its outcomes were later incorporated into the strategy. He recalled that they met again later, reviewed what had changed, and revised the plan accordingly. In total, the strategy went through three iterations.

Reflecting on his experience, consultant 1 highlighted Index IT's open and constructive communication climate as a key enabling factor. He contrasted it with situations in other companies where "the CEO talks and everyone else stays quiet," noting that at Index IT, psychological safety allowed genuine dialogue and contribution across roles. Consultant 1 considered this openness an important strength in enabling broad participation in strategic discussions.

At the same time, he pointed to some structural constraints that, in his view, limited the range of perspectives in the discussions. The firm's strong product-development orientation meant that marketing and sales perspectives were less visible. He and the CEO sought to integrate these aspects, but the absence of a dedicated marketing role made it difficult to fully balance technical and commercial viewpoints. As consultant 1 observed, this tendency is typical of small firms where homogeneity of expertise can narrow strategic thinking. However, consultant 1 noted that strengthening sales resources was under consideration at the time, which he regarded as a positive step.

Although he was no longer involved in the strategy process after the strategy was finalized in summer 2025, consultant 1 assessed the company's implementation capacity positively. In his opinion, Index IT's small, co-located team and frequent informal communication supported effective follow-up and coordination. He believed the organization's culture of openness and shared responsibility would help maintain focus during implementation. Nevertheless, he cautioned that limited sales and marketing competence could slow down progress when the firm later seeks to translate strategic goals – such as productization and sales development – into concrete actions.

4.2 Strategy work in the case company: internal perspective

This section presents findings from four internal interviews, offering insight into how strategy was developed and implemented from within Index Information Technologies (Index IT). The company is a Finnish IT-sector microenterprise, where the strategy process was carried out as part of a development project that was partially publicly funded. This structured initiative aimed to clarify the company's long-term direction and included, among other goals, the piloting of the company's cloud product.

At the time of the strategy process, Member 4 had recently taken over as the company's CEO and majority owner. He coordinated the process in close collaboration with an external consultant. All four members are also shareholders, meaning that everyone participated in decision-making not only as staff but also as owners. This dual role influenced how the strategy was shaped, monitored, and integrated into daily operations.

The four interviewees – referred to here as Members 1 through 4 – comprise the entire staff of Index IT. Member 1 is a long-serving software developer who has worked at the company since 1999. Member 2 is a software tester who has been with the company since the 1980s. Member 3, a developer, joined in 2023, bringing an outsider's perspective. Member 4 is the current CEO, having joined Index IT in 2020.

Section 4.2.1 examines how the strategy process was experienced as participatory. Section 4.2.2 focuses on how strategic clarity was achieved. Section 4.2.3 explores how the strategy was implemented in everyday work, and Section 4.2.4 discusses how it was linked to development efforts.

4.2.1 Participatory process

The strategy process was generally described as a collaborative effort in which everyone had the opportunity to contribute. Rather than being top-down, strategy work was viewed as open and inclusive. The involvement of an external consultant was seen as a helpful element in facilitating this shared process. Member 3 described the experience as constructive: “It felt like everyone could share, and everyone’s opinions were really considered – we talked through them and nothing was outright dismissed.” This sense of inclusion helped create a shared understanding of what the strategy meant and increased motivation to follow it through.

Across all four interviews, the company’s general decision-making culture was characterized as collaborative, democratic, and rooted in open discussion. This cultural foundation also appeared to shape how the strategy process unfolded. Member 2 explained: “This is teamwork. When it’s a small company, we all do it together.” She noted that even major decisions – such as recruitment or new partnerships – were typically made collectively, and that participation was part of the company’s everyday working practices. Member 3 noted that although she was new to the company when the strategy process began, she still felt that she was able to contribute to the discussions. She wondered whether her outsider perspective might have brought something useful to the table, even if she lacked historical context. This suggests that openness to new viewpoints was not only allowed but made room for.

Two members independently brought up the role of the external consultant, noting that his involvement helped them approach the strategy formulation process more systematically and productively. He was seen as someone who enabled participation by guiding the sessions and helping the group stay focused. Member 3 stated that “the consultant was good at concretizing our goals and steering the work in a sensible direction,” while Member 4 emphasized that “he was able to look at things from the outside, ask the right questions, and sometimes challenge us – that was very valuable.”

In a small company where strategy discussions might otherwise remain informal, facilitation was viewed as essential for making the process productive and inclusive.

Participation was also closely linked to a sense of shared ownership and practical relevance. Member 4 highlighted that the new strategy was “not a document made by one person, but something accepted and created by everyone.” Similarly, Member 1 expressed that “I feel like I’m involved in everything Index does,” humorously adding that there are “two types of projects at Index: the ones that are mine and the ones I’m involved in.” These reflections mirrored the structure of a microenterprise, where overlapping roles are common and strategic and operational work often merge. Member 2 added that “now things have been written down, and they are also read regularly – that’s really good,” referring to the team’s habit of documenting and following up on plans together. Collectively, these practices contributed to the perception that the strategy was not an abstract document but a living part of everyday operations.

While participation was widely appreciated, the members recognized that it required balancing different perspectives and levels of responsibility. Member 4 explained that as CEO, he tried to avoid dominating the process: “I tried not to be too controlling. I wanted others to have their say.” At the same time, he took responsibility for keeping the process on track. In contrast, Members 2 and 3 viewed their involvement more through the lens of shared dialogue, emphasizing that each person’s input was valued equally. This balance between collective input and managerial coordination was described as natural within a small and close-knit team.

Overall, the members saw the strategy process as a shared achievement that strengthened internal cohesion. It offered clarity about the company’s direction and encouraged a sense of ownership and responsibility for putting the strategy into action. As Member 3 summarized: “It was nice to notice that everyone wanted to go in the same direction.”

4.2.2 Clarifying the strategy

All the interviewees emphasized that one of the most important outcomes of the strategy process was achieving greater clarity about the company's direction. According to the participants, the company had not previously engaged in formal strategy work, instead relying on shared intuition and informal routines. The strategy formulation sessions brought these implicit ideas to the surface and helped articulate them. As Member 4 noted, "A lot of things were already kind of in the air, but now they've been said out loud and written down." This shift toward formalization enabled the members to recognize and express their strategic priorities more explicitly.

Member 2, who has worked in the company for decades, emphasized how the current strategy process differed from earlier attempts to structure the company's direction. According to her, previous efforts had often taken the form of informal brainstorming sessions that failed to lead to concrete outcomes. Many promising ideas had been raised over the years, but limited resources and the absence of structured follow-up meant that most of them were never implemented. Against this background, the current approach – with its written goals, clear responsibilities, and regular monitoring – was seen as a clear improvement.

All four members described how the strategy is regularly revisited during monthly board meetings, using a shared document originally provided by the external consultant. This document, which has been updated as needed, includes the company's key strategic goals, proposed action steps, and indicative timelines reaching into 2026. It functions both as a communication tool and a monitoring framework. Member 2 explained: "We go through that document. (The CEO) updates it when there are changes, and he uses the color-coding to show which goals are on track and which are not." Member 3 referred to this system as a "traffic light model" and emphasized that it had made the goals feel more tangible: "It has concretely influenced our work. We've set goals and thought about how to reach them."

The participants, particularly Members 1, 2, and 3, emphasized that the strategy felt actionable because it remained concrete, realistic, and adapted to the company's everyday work. Rather than being perceived as an abstract or overly complex plan, it was experienced as something that could be put into practice. Member 3 explained: "It wasn't like this huge, fixed plan. It was more like small steps that made sense." This incremental and flexible approach was seen as particularly suitable for a small company, where roles often overlap and operational demands are constant.

The simplicity of the strategy was also considered a strength. Member 2 stated: "The goals have been set realistically – we haven't made plans that we already know we couldn't carry out." She noted that in a small organization, overly ambitious or theoretical strategies are unlikely to succeed, whereas clear and realistic goals are more likely to guide daily work. According to Member 1, the act of writing things down and revisiting them regularly made it easier to stay focused: "The strategy is written down, so then you can actually do it."

Member 4 provided concrete examples of how strategic goals had already led to visible follow-up actions. For example, to support the objective of increasing visibility, Member 2 was scheduled to give a guest lecture at a course at the University of Jyväskylä in the upcoming spring. In addition, efforts had been made to improve the company's online presence through search engine optimization. These actions were seen as small but meaningful steps toward translating the strategy into practice.

Across the interviews, the strategy's concrete nature was often linked to the team's ability to move from general intentions to specific follow-up actions. Rather than trying to plan everything in advance, the members described how the strategy had helped shape a general direction while allowing room for practical adjustments. This balance between clarity and flexibility was seen as essential for implementation in a dynamic and resource-limited setting.

4.2.3 Everyday implementation

All four participants described how the strategy has gradually found its place in the company's everyday work, though the extent to which it is consciously present varies across roles. Overall, the members agreed that the strategy is not treated as a separate or static plan, but rather as something that evolves alongside the company's day-to-day priorities. The primary forum for implementation and follow-up is the monthly board meeting, where the strategy document is reviewed, adjusted when necessary, and used to assess progress. Member 4 emphasized that the monthly review routine helps keep the strategy present and actionable. According to him, some objectives have been revised, postponed, or replaced entirely, but this has been done collectively and with deliberate reasoning.

Several members highlighted that strategy implementation does not rely on abstract goals, but is supported by concrete practices such as interim targets, timelines, and color-coded progress tracking. Member 4 explained that each strategic goal was broken down into smaller milestones, and their status is monitored using a traffic light system: "Red means we're behind, green means on track." This level of clarity was considered especially important in a small company where operational demands can easily overshadow long-term objectives. Member 1 described how seeing goals written down and placed in a visible spot has helped maintain focus: "The goals are somewhere where I can see them – I like that."

For some participants, the strategy is a visible part of their daily or weekly work, while for others, it plays more of a background role. Member 3 stated that she does not actively think about the strategy on a daily basis but still recognizes its influence: "I don't carry the strategy in my head every day, but I feel it in the direction we're going." She explained that while her own workload is mainly driven by ongoing customer projects, she sees how the strategic choices shape what kinds of clients the company works with and what kinds of projects are prioritized. A similar view was expressed by

Member 2, who noted that although the strategy has not significantly changed her own daily tasks, she appreciates the fact that the goals are clear and consistently followed up in meetings.

There were a few mentions of the company's internal ticketing system (Jira) in relation to strategy implementation, but from slightly different perspectives. Member 1 speculated that some tasks stemming from the strategy may have been added to Jira among other ongoing tickets. However, he was not certain about their origin or status and simply noted that "they do get dealt with every now and then." In contrast, Member 4's interview suggested that no strategy-based tasks had yet been added to Jira. Instead, he reflected on whether the system could be used more systematically in the future as a tool for supporting strategy implementation – for instance, in guiding time allocation and making strategic work more tangible.

Time constraints and limited resources were identified as the main challenges to implementation. Member 2 noted that in a small company, time and capacity are always limited, which can sometimes make it difficult to stay focused on strategic objectives alongside day-to-day demands. Despite this, the members felt that progress has been steady, particularly in areas the company can directly influence. Some strategic initiatives, such as external partnerships or product visibility, require longer timelines or depend on external actors, but even these are actively discussed. Member 4 explained that while not all tasks are completed on schedule, the team has succeeded in maintaining a forward-moving rhythm: "Some deadlines have shifted, but we've kept the ball rolling." Member 3 pointed out that even though some strategic ideas cannot be pursued right away due to time or resource constraints, they are still documented and kept in mind for later. In this way, the strategy serves not only as a plan for current priorities but also as a memory tool for future development.

Member 4 also emphasized that strategic implementation required conscious prioritization. He explained that not all goals were pursued at the same time, but

instead, the team made deliberate choices about which ones to tackle first. For example, while sales development was initially included among the strategic objectives, it was temporarily put on hold so that the company could focus its limited capacity on preparing for a potential strategic initiative related to another key objective. This kind of pragmatic sequencing was seen as necessary in a small organization, where resources are not always sufficient to pursue multiple development tracks simultaneously.

Members also emphasized the importance of flexibility and prioritization. Instead of sticking rigidly to the original plan, they adjust as needed. For example, one originally defined objective was put on hold when it became evident that it no longer aligned with the company's priorities. At the same time, a new objective – securing a reference case for a specific technical standard – was added based on emerging opportunities. Member 3 appreciated the fact that the team is not constrained by rigid numeric targets, such as fixed revenue goals, but instead focuses on sustainable implementation: "There's no pressure to hit a certain euro figure. It's more about keeping quality high and customers happy."

Member 4 emphasized the CEO's role in helping others navigate their daily work through a strategic lens. He explained that one of his responsibilities was to support the others in focusing their time and energy on tasks that aligned with the company's direction. He described this as using the strategy as a decision filter: "If we're doing something, is it aligned with the strategy – and if not, should we even do it?" This perspective reinforced the idea that strategy was not a separate plan, but a practical guide for daily choices in a resource-limited context.

Finally, the role of internal communication and rhythm emerged as an enabling factor. Strategy-related topics are integrated into the company's regular meetings rather than treated as something separate. According to Member 3, this continuity helps ensure the strategy remains present in everyone's mind: "If we only had a strategy meeting

once a year, no one would remember what we're doing." The participants described the current balance between operational agility and long-term direction as functional, noting that the strategy has become a shared frame of reference rather than a formalized burden.

4.2.4 Strategy and development

The interviews revealed that the new strategy has influenced how the company approaches development work, both in terms of what is pursued and how those efforts are structured. All four participants described a shift toward a more purposeful and coordinated way of developing the business. Rather than reacting only to immediate client needs or technical issues, the members now use the strategy as a guide for setting priorities and evaluating which development efforts align with the company's long-term goals.

According to Member 4, one of the key outcomes of the strategy process was the realization that development efforts need to be focused and time-bound: "Before, development work was often fragmented and reactive. Now, we try to look at it from a broader perspective and set goals we can actually reach." He described how strategic development areas – such as productization, visibility, and the potential strategic initiative – were broken down into actionable steps and tracked regularly. These initiatives were also sequenced and resourced based on their strategic importance. For example, efforts to improve visibility and branding were intentionally postponed to give precedence to preparatory work related to the potential strategic initiative.

Member 1 also noted that the strategy has helped bring greater structure to development activities. He explained that earlier, ideas for improvement often arose informally during day-to-day work, but now there is a more conscious effort to evaluate which directions are worth pursuing. He mentioned, for instance, the idea of tailoring the company's core product for specific industry contexts and exploring the potential of a structured documentation standard relevant to future client needs.

These examples reflected how strategic discussions and practical insights increasingly shape the company's development priorities.

Several members highlighted that development ideas still emerge organically in their everyday work, but the strategy provides a shared framework for evaluating them. Member 3 emphasized that although she does not directly work on strategic development tasks, she can see how the company's direction influences choices around technologies, partnerships, and project types. She appreciated that the team is encouraged to bring forward ideas, even if not all of them are acted upon immediately: “It’s not like we have to wait for a strategy workshop to talk about improvements – we can still suggest things anytime.”

Participants also reflected on the challenges of balancing strategic development with ongoing client work. Member 2 described how development tasks often require a different kind of focus than project delivery, and sometimes risk being sidelined: “You have to consciously make room for development. It doesn’t happen by itself.” Member 4 echoed this, noting that some larger development goals – such as expanding the company’s product offering – are long-term efforts that require patience and sustained attention over time.

While most development work is carried out internally, the members also mentioned selectively using external support when needed. For instance, Member 4 explained that external advisors were consulted during discussions concerning the potential strategic initiative, and that similar outside expertise might be used in future efforts around sales and productization. However, the members emphasized that core development work remains closely tied to the team’s own capabilities and vision.

Looking forward, the participants expressed a desire to continue building on the progress already made. Member 4 hoped that the company would strengthen its communication around what it offers and how it works, while Member 1 saw potential

in deepening customer collaboration to guide future development. Across the interviews, there was a shared understanding that development work is now more focused, better aligned with strategic goals, and increasingly treated as an integral part of the company's ongoing evolution.

4.3 Summary of the key findings and the revised framework

The empirical findings of this study reveal how strategy work unfolds in the specific context of a Finnish IT microenterprise. Drawing on both external and internal perspectives, six interrelated themes emerged that shed light on how strategy is formulated, implemented, and adapted in a collaborative setting shaped by limited resources.

First, strategy work at Index IT appeared as a participatory and practice-driven process. Rather than unfolding through formal phases, strategic direction emerged through dialogue and collective reflection. This aligns with earlier findings on the informal and intuitive nature of strategizing in small firms (e.g., Kelliher & Reinl, 2009), but the case also highlights how participatory structures – such as collective decision-making by all members – can support shared ownership and reinforce shared strategic understanding. In Index IT, the entire staff was involved in both shaping and implementing the strategy, reflecting a deeply embedded democratic culture.

Second, the strategy process resulted in increased clarity and shared understanding of the company's direction. Implicit ideas were made explicit through structured discussions and documentation. The resulting strategy document, updated regularly and reviewed in monthly board meetings, acted as a reference point that helped the members align their thinking and actions. This shift from tacit knowledge to articulated goals reflects the role of sensemaking in translating lived experience into shared meaning (cf. Weick, 1995; Rouleau, 2005). At Index IT, sensemaking processes were embedded in everyday routines and enabled members to connect concrete practices with strategic intent. In particular, the shared strategy document provided a concrete

anchor for joint reflection and coordination, helping participants interpret evolving situations in relation to strategic goals.

Third, the strategy was integrated into everyday operations through concrete tools and routines. Its implementation was supported by short-term targets, progress tracking, and visual aids (e.g., a traffic light model), which helped translate strategic goals into daily decision-making. This reflects the microfoundational view of dynamic capabilities, where routines and shared practices form the basis for sustained change (Felin et al., 2012; Teece, 2007). While formal structures were minimal, routines such as monthly reviews and emerging efforts to link strategic goals with everyday tools maintained momentum and reflected the microfoundations of dynamic capabilities.

Fourth, adaptability and practical adjustments proved to be key strengths. Strategic plans were not approached as fixed prescriptions but were continuously reprioritized based on internal capacity and external opportunities. For example, visibility efforts were consciously postponed to focus on preparatory work related to the potential strategic initiative. This aligns with effectual logic, where entrepreneurs prioritize control over forecasting and work with means at hand (Sarasvathy, 2001).

Fifth, ongoing resource constraints shaped a strategy process grounded in both effectual and bricolage-based thinking. Some strategic directions emerged from unfolding situations, such as the decision to prioritize building a client reference case around a specific technical standard. At the same time, participants described how available resources and informal processes were creatively reused – for example, by breaking down goals into manageable tasks and tracking progress through a shared digital document used in board meetings. This can be seen as a modest form of digital bricolage (cf. Duymedjian & Rüling, 2010; Senyard et al., 2014): rather than adopting new systems, the company repurposed an accessible tool for coordination. There were also reflections on possibly linking strategy work to the existing ticketing system in the future. Strategic ideas were sometimes postponed but rarely dismissed; they were

documented and revisited, turning the strategy into a form of organizational memory. These examples show how elements of effectuation and (digital) bricolage co-occurred in everyday practice, enabling strategic progress under constraint.

Sixth, the strategy brought greater structure and direction to development activities. While new ideas still arose organically, the strategy served as a shared filter for evaluating their relevance, timing, and alignment with the firm's overall direction. Over time, this contributed to a more focused and coordinated approach to strategic development, even without complex planning systems.

Together, these findings underscore that strategy implementation in microenterprises is not a linear or detached process. It is embedded in everyday work, guided by shared understanding, and shaped by the realities of limited resources. This reflects earlier observations in strategy-as-practice research that strategy is not merely designed and then implemented but continuously shaped through everyday actions and interactions (Mantere & Vaara, 2008; Rouleau, 2005). Based on these findings, a revised analytical framework has been developed (Figure 2) to illustrate how the four theoretical perspectives – effectuation, digital bricolage, dynamic capabilities, and sensemaking – interact in the strategic practices of microenterprises.

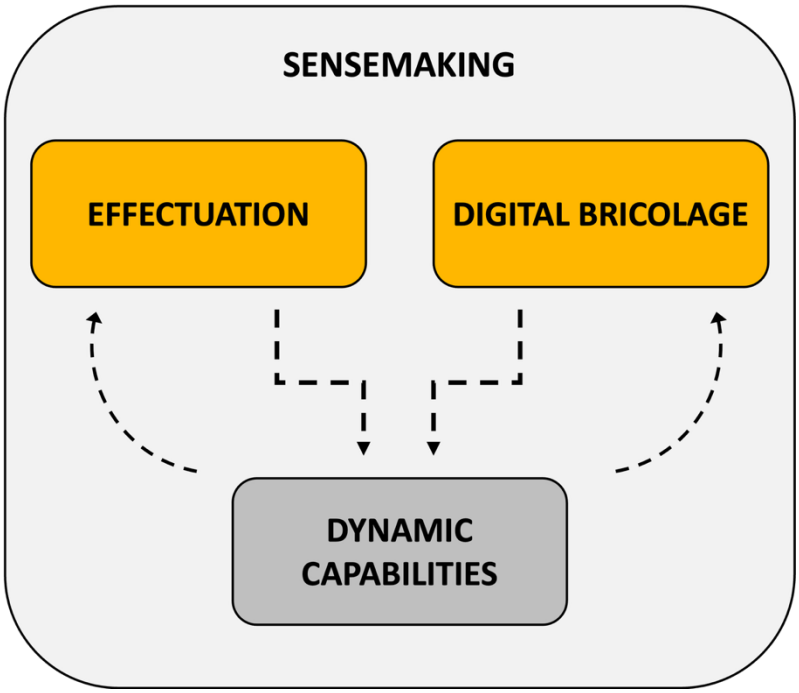

Figure 2. Revised framework of the thesis

Compared to the original framework (Figure 1), which proposed a conceptual link between improvisational action and dynamic capabilities, the revised version incorporates empirical insights into how these relationships unfold in everyday practice. The feedback loop from dynamic capabilities to earlier logics of action is now made explicit, reflecting how established routines and strategic structures can influence future experimentation and prioritization. For example, the experience of using a shared strategy document as a coordination tool encouraged reflection on whether the same logic could be extended to other systems such as the company's digital ticketing platform. Sensemaking continues to function as an integrative interpretive mechanism that connects and coordinates all other perspectives in daily work, facilitating alignment and shared understanding through ongoing interpretation of goals, actions, and priorities.

The revised framework (Figure 2) shows how effectuation and digital bricolage operate as logics of action in resource-constrained environments, enabling forward movement

through experimentation and recombination. These activities contribute over time to the development of dynamic capabilities as firms establish routines for strategic renewal. The framework also illustrates how these capabilities, once developed, can shape future strategic action through feedback effects. Sensemaking supports individuals in making sense of strategic goals, coordinating their efforts, and responding to evolving priorities in the flow of daily activities.

For example, in the case company, the initial strategy included a focus on visibility, but this was consciously postponed to allow for preparatory work related to the potential strategic initiative. Later, a new development goal related to technical certification was added based on an emerging opportunity. These adaptations illustrate how earlier improvisational efforts informed future priorities and gradually contributed to more structured routines – a process that is captured in the iterative feedback arrows of the revised framework.

Overall, the findings illustrate that strategy implementation in microenterprises emerges through the interplay of improvisational action, shared interpretation, and the gradual stabilization of routines – while formal planning structures play only a minor role.

5 Discussion

This chapter discusses the findings of the study in relation to the theoretical framework and existing research on strategy implementation in microenterprises. As the final analytical chapter, it integrates the empirical findings from Chapter 4 and interprets what the results indicate about strategizing in a resource-constrained, participatory and knowledge-intensive microenterprise context. The aim is to clarify how the case extends, supports, or elaborates on current theoretical perspectives.

The chapter consists of three sections. Section 5.1 outlines the theoretical contributions, showing how the integrated framework of effectuation, digital bricolage, dynamic capabilities and sensemaking helps explain strategy implementation in microenterprises. Section 5.2 translates the findings into practical implications for managers and owner-practitioners. Section 5.3 discusses the study's limitations and identifies directions for future research. Together, these sections address the research question: how strategy is implemented in an IT microenterprise after a formal strategic planning process.

5.1 Theoretical contributions

This study contributes to the understanding of strategy implementation in microenterprises by integrating four theoretical perspectives – effectuation, digital bricolage, dynamic capabilities, and sensemaking – into a coherent analytical framework. While these perspectives have often been examined in isolation or within the context of larger SMEs or corporate environments, empirical research has offered limited insight into how they interact in shaping strategy implementation in microenterprise settings. This study addresses this gap by providing an empirically grounded illustration of how these perspectives intersect in the everyday strategic practices of an IT microenterprise. By anchoring the framework in real-world observations, the study demonstrates how their combined use offers nuanced insight into strategizing under conditions of uncertainty, informality, and limited resources.

A central contribution of the study is the integration of improvisation-based logics of action with the development of dynamic capabilities. Earlier research has suggested that effectual and bricolage-like behaviors may support capability-building, as discussed by Fisher (2012) and by Senyard et al. (2014), yet empirical illustrations of how these mechanisms unfold in practice – particularly in microenterprises – remain limited. Building on the themes identified in Chapter 4.3, the revised framework (Figure 2) demonstrates how effectuation and digital bricolage enable strategic progress by allowing individuals to work with available means, creatively recombine existing resources, and adjust priorities in response to emerging opportunities and constraints.

The findings further suggest that dynamic capabilities may emerge without predefined routines or formal renewal processes. Instead, they may develop through situated experimentation, shared practices that evolve over time, and processes that gradually take shape as coordination mechanisms. This aligns with practice-oriented views of dynamic capabilities, including the work of Zollo and Winter (2002) and Barreto (2010), while providing a contextually grounded illustration of how capability development may take shape in an environment characterized by minimal structure and overlapping responsibilities. In the examined case, lightweight routines, such as monthly strategy reviews, the use of a shared strategy document, and the ongoing refinement of goals, provided continuity and supported ongoing re-prioritization, illustrating how dynamic capabilities are enacted in daily work.

The study also contributes to strategy-as-practice research by reinforcing the view that microenterprise strategizing is informal, distributed, and emergent. This perspective is reflected in earlier work by Whittington (2006) as well as Mantere and Vaara (2008). The present study extends this understanding by showing how effectuation and digital bricolage become embedded in everyday decision-making, functioning not only as entrepreneurial heuristics but as practical logics through which strategy is interpreted,

enacted, and iteratively adapted. The findings illustrate how strategic clarity arises through cumulative sensemaking among organizational members rather than through top-down planning, as individuals collectively respond to opportunities and coordinate their efforts over time.

Another key theoretical contribution concerns the role of sensemaking as an integrative mechanism. While prior research has often focused on sensemaking as an individual or background interpretive process (e.g., Rouleau, 2005; Whittington & Mantere, 2015), this study demonstrates that it functions as a central connective mechanism linking improvisational action to the emergence of routines and capability development. The findings demonstrate how shared interpretation helped individuals navigate uncertainty, align around evolving goals, and maintain a consistent strategic direction, even without formal hierarchies or specialized strategy roles. This extends earlier work by demonstrating how sensemaking plays a central role in maintaining continuity and learning in microenterprise contexts where strategic and technical work are closely intertwined.

Taken together, these contributions offer a context-sensitive extension of existing strategy theories by illustrating how strategic capabilities emerge through everyday actions in resource-constrained environments. By bringing effectuation, digital bricolage, dynamic capabilities, and sensemaking together within an empirically grounded framework, the study deepens understanding of strategy implementation as a dynamic, participatory, and adaptive process in microenterprises. This integrative perspective provides a well-grounded foundation for examining how strategizing unfolds in microenterprises and suggests avenues for future research on the interaction of multiple theoretical perspectives in practice. Building on these theoretical insights, the next section translates the findings into practical implications for managers working in microenterprises.

5.2 Managerial implications

This study offers several practical implications for managers and owner-practitioners operating in microenterprises, particularly in knowledge-intensive and resource-constrained environments. Although the findings are grounded in the specific context of a Finnish IT microenterprise, several of the mechanisms identified, such as participatory strategizing, lightweight coordination practices, and ongoing sensemaking, may also be relevant to other small organizations aiming to strengthen their strategic practices without relying on formalized systems. The implications presented below translate the empirical insights of this study into actionable considerations for those involved in organizing and developing strategic work in small firms.

First, the findings highlight the value of participatory strategizing in microenterprises. In the case organization, strategic direction was shaped collectively rather than imposed through hierarchical processes. This inclusive approach helped foster shared ownership, enhance mutual understanding, and support commitment to strategic choices. For managers in microenterprises, enabling broad participation in strategy discussions may strengthen alignment and ensure that strategic priorities reflect both organizational goals and the practical realities experienced by those carrying out the work. Participation also helps articulate tacit knowledge, which is particularly important in small organizations where experience is highly personal and rarely documented. Encouraging structured but open dialogue can therefore enhance the quality and relevance of strategizing.

Second, the results emphasize the importance of making strategy visible and reviewing it regularly. The use of simple tools such as a shared strategy document, visual progress indicators and recurring monthly reviews helped maintain a shared understanding of strategic direction. These practices supported continuity in a context where individuals balance multiple roles and operational demands can easily overshadow long-term goals. Managers in microenterprises may benefit from adopting

similarly lightweight structures that keep strategy present in daily routines without creating unnecessary administrative burden. Linking strategic goals to existing systems, such as project management tools or work-tracking platforms, may further strengthen integration between strategy and operational work.

Third, the findings demonstrate that flexible prioritization is essential for microenterprises operating with limited resources. Strategic plans in the case company were continually adjusted in response to internal capacity and unfolding opportunities, reflecting a pragmatic approach to commitment. For practitioners, this suggests that effective strategy implementation in small firms does not require strict adherence to predetermined timelines. Instead, managers should allow room for flexible adjustment of priorities in response to emerging conditions. Effectual and bricolage-oriented thinking, which involves working with available means, experimenting through small steps and recombining existing resources, can provide a practical basis for advancing strategic objectives even when capacity is constrained. This flexible approach may also reduce the risks linked to committing limited resources to initiatives that later prove not viable.

Fourth, the findings suggest that lightweight routines play an important role in supporting strategic continuity and capability development. Although the case organization lacked formalized processes, its strategy work was supported by recurring practices such as monthly reviews, written goals, and regular updates to strategic targets. These routines created a sense of structure that helped the organization to maintain focus and learn from prior decisions. For managers, establishing small but consistent routines may help stabilize strategic work in the absence of more formal systems. Even modest forms of documentation or follow-up can serve as microfoundations for dynamic capabilities by enabling collective reflection and supporting ongoing progress in strategic development.

Finally, the findings suggest that ongoing sensemaking supports shared understanding across organizational members. Shared interpretation helped maintain strategic

coherence in the case organization, where technical and strategic tasks were closely intertwined. Managers in microenterprises may therefore benefit from facilitating ongoing conversations that help individuals interpret evolving priorities and connect them to their work. Regular interaction reduces ambiguity and helps keep strategic intent aligned with operational decisions. This is particularly relevant in small firms where rapid changes in workload, client needs or technological demands can easily draw attention away from longer-term goals.

In sum, the managerial implications of this study emphasize that microenterprises can strengthen their strategy implementation without adopting complex planning systems or hierarchical structures. Instead, strategic progress can be supported through participatory processes, clear and regularly reviewed goals, flexible prioritization, lightweight routines and ongoing sensemaking. Together, these practices offer microenterprise managers a practical and contextually appropriate way to organize strategic work under conditions of uncertainty and limited resources.

5.3 Limitations and suggestions for future research

Although this study offers empirically grounded insights into strategy implementation in a microenterprise context, several limitations should be acknowledged when interpreting the findings. These limitations are linked primarily to the case-specific nature of the research design, the characteristics of the data, and the analytical choices made during the study. At the same time, they open avenues for further research that could deepen understanding of strategizing in small organizations.

First, the study is based on a single case: a Finnish IT microenterprise in which all four organizational members are also the sole owners. The company's small size, participatory governance structure and knowledge-intensive work environment form a specific context that shaped both strategic activities and the dynamics observed. The findings therefore cannot be generalized to all microenterprises or SMEs, and they do not aim to represent a universal model of strategy implementation. Instead, the

insights should be viewed as contextually informed interpretations of how strategy work unfolded in this particular setting.

Second, the data were collected at an early stage of the company's strategy implementation process. While this timing enabled the study to capture the emergence of routines, prioritization mechanisms and shared interpretations, it also limits the ability to observe longer-term developments or the establishment of more mature strategic practices. The interviews reflect participants' interpretations at a single point in time, and retrospective descriptions may be influenced by memory and sensemaking processes. Additional forms of data, such as extended observation or longitudinal documentation, could complement these insights by capturing how strategic practices evolve over time.

Third, the methodological choices of the study introduce their own limitations. The analysis relies primarily on semi-structured interviews, supported by the company's strategy document. Although this combination provided useful insight into everyday strategizing, it does not cover all the informal or everyday interactions within the organization that may also affect strategy implementation. Moreover, the theoretical framing – grounded in effectuation, digital bricolage, dynamic capabilities and sensemaking – guided the interpretation of the findings. Other theoretical lenses, such as organizational learning or routine dynamics, might have highlighted additional dimensions of microenterprise strategizing.

These limitations indicate several opportunities for future research. Longitudinal studies might examine how strategic routines, coordination practices and sensemaking processes evolve as microenterprises mature or encounter new environmental pressures. Comparative studies across industries or ownership structures might help clarify which mechanisms observed here are context-specific and which may be shared more broadly across small firms. Further research might also explore the role of digital tools in enabling strategy implementation, particularly as microenterprises increasingly

integrate project management platforms or digitalized workflows into their daily operations. Finally, future studies might examine how hybrid theoretical frameworks – combining practice-based, entrepreneurial and capability-oriented perspectives – can deepen understanding of strategizing in resource-constrained environments.

Taken together, while the findings are shaped by the characteristics of a single case and an early implementation phase, they offer a valuable basis for understanding how strategic practices take form in microenterprises. Recognizing these limitations helps clarify the scope of the study and suggests promising avenues for future research on the everyday enactment of strategy in small firms. Overall, these limitations highlight the importance of approaching strategy implementation in microenterprises as a context-dependent and continually evolving process.

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Appendices

Appendix 1. Semi-structured interview questions for consultants

Background:

1. Could you briefly describe your role and background in strategy consulting?
2. How have you experienced strategy processes in small and micro-enterprises compared to those in larger organizations?
3. What differences have you noticed between the strategy processes of micro-enterprises and those of larger SMEs?

Strategy processes in microenterprises:

4. Based on your experience, which factors support successful strategy formulation in small enterprises?
5. Which factors, in turn, tend to challenge strategy formulation in small enterprises?
6. How do strategy processes typically progress in small firms? What phases or core activities does the process typically include?

Consultant's role:

7. How would you describe the role of a consultant in the strategy work of a small enterprise?
8. How do you aim to balance the consultant's expertise with the client's own perspective during the process?
9. How important do you consider participation and the building of shared understanding during the strategy process?
10. What is the consultant's role during the strategy implementation phase?

Strategy implementation in microenterprises:

11. Based on your experience, which factors support effective strategy implementation in small enterprises?

12. And which factors tend to make strategy implementation more challenging in small enterprises?
13. Could you give an example of a project where strategy implementation was particularly successful? Which factors explained this success?

Index IT case (questions asked only from Consultant 1):

14. Could you briefly describe how the strategy project with Index IT progressed?
15. Which aspects of the company's practices or ways of working supported the strategy formulation phase – and which aspects created challenges?
16. How would you assess the organization's readiness to implement the strategy? Which factors support implementation, and which might constrain it?

Closing:

17. Do you have any additional insights or observations about strategy processes in small enterprises that we have not yet discussed?

Appendix 2. Semi-structured interview questions for the case company

Background:

1. To begin, could you describe your role at Index IT, and what are your main tasks and responsibilities?
2. How long have you been working at Index IT, and what kinds of tasks or responsibilities have you had during that time?
3. Has Index IT done any strategy work before, or what is your understanding of any earlier strategy work?

Perceptions and interpretation of the strategy:

4. How did the strategy planning process unfold from your perspective – what were its main stages and how were you involved?
5. When the new strategy was introduced in the summer, what caught your attention the most?
6. Where do you see the company heading at the moment? What do you consider to be the core of the strategy?
7. What do you consider the most important elements of the strategy and which aspects do you find less important?
8. To your knowledge, have there been any changes or updates to the strategy or its goals since it was introduced?

Strategy in daily work and concrete changes:

9. In what ways has the strategy started to become visible in practice – for instance in projects, priorities, or work practices?
10. Have your own tasks or responsibilities changed in any concrete ways since the strategy was introduced, or have you made any changes to them yourself?
11. Have any of the development areas listed in the strategy (e.g., productization of your software product, new customer acquisition, improving visibility, customer collaboration) emerged in your own work?

12. How well do your current resources (time, skills, tools) meet the demands of carrying out the strategy? Have you needed any external support to implement the strategy, or have you been able to progress relying solely on your own resources?

Collaboration and involvement in strategy implementation:

13. Have you discussed the strategy within the company since it was introduced? In what kinds of situations?
14. In what ways do you see yourself being involved in the implementation of the strategy, and how would you describe your role in it?
15. Has some form of monitoring or shared strategic targets been established that you review together?

Enablers, challenges, and future direction:

16. What factors have, in your view, supported the implementation of the strategy or its practical execution in daily work?
17. And what factors, in your view, have posed challenges for the implementation of the strategy or slowed down its practical execution in daily work?
18. Looking ahead, what would you like to happen next with the strategy, and in which direction would you like it to develop?

CEO's perspective on the process (questions asked only from the CEO):

19. How did you perceive your role in relation to the consultant and the other co-owners during the planning phase?
20. What aspects emerged as particularly important or challenging during the planning process?
21. What insights or new perspectives did you gain during the strategy planning phase?
22. When changes are made to the strategy, who makes those decisions?

23. How has the implementation of the strategy progressed since it was introduced? In which areas do you feel the changes have progressed most clearly?
24. Have you had to make choices about which strategic issues to advance first and which can wait?
25. As the CEO, in what ways have you supported the others in implementing the strategy and putting it into practice in daily work?
26. How do you work to ensure that the strategy remains visible in everyday conversations and decisions?
27. How would you assess the involvement of the other co-owners in the implementation of the strategy?
28. How do you think the communication or follow-up of the strategy could be improved going forward?

Appendix 3. List of interviewees

#	Participant	Role	Group	Date	Interview length
1	Consultant 1	Strategy consultant	External	14.10.2025	1 h 20 min 31 s
2	Member 1	Co-owner	Internal	23.10.2025	50 min 16 s
3	Consultant 2	Strategy consultant	External	27.10.2025	1 h 3 min 14 s
4	Member 2	Co-owner	Internal	28.10.2025	45 min 7 s
5	Member 3	Co-owner	Internal	30.10.2025	1 h 24 min 11 s
6	Member 4	Co-owner / CEO	Internal	3.11.2025	57 min 7 s