BUSINESS INTEGRATION AS BASIS FOR GROWTH IN SMALL AND MEDIUM AGRICULTURAL ENTERPRISES

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ABSTRACT

Increased diversity in the agricultural sector in South Africa is forcing farmers to focus on the production of value-added commodities in the face of mounting global competitive pressures. However, many farmers, by operating individually, are unable to expand operations to the scale necessary to become involved in value-adding processing. This requires too much capital, skills, and time. By pooling resources and forming integrated small and medium sized agricultural enterprises even small producers can enter the processing arena successfully. This paper focuses on the specific driving forces, pitfalls and strategies that agricultural SMEs need to pursue in order to survive.

Key words: Collective business systems, SMEs, inter-organisational links, supplier collaboration, value creation.

1. INTRODUCTION

Small and Medium Size Enterprises (SMEs) have a critical role to play in the sustainable economic development of a country (Timmons & Spinelli, 2007). In Africa SMEs have performed relatively disappointingly and some researchers attempt to define the reasons for this phenomena from an internal business and managerial perspective (Hinojosa-Barragan, 2005) while others place a historic-comparative perspective on the problem (First, 1970; Diamond *et al*., 1988; Laidi, 1990; Marte, 1994; Mbeki, 2004). However, mainstream research on SMEs has focused largely on the commercial and manufacturing sectors, while less attention is placed on agriculture as a specific type of small enterprise. The agricultural sector is as important from an entrepreneurial and small business perspective as any other. From a research perspective it is an imperative to elevate the importance of small and medium size agricultural entities as contributors to sustainable economic development.

The entire business sector of the agricultural industry was once dominated by a regional, domestic approach. This specific sector has, however, followed the route of the private and corporate sectors and has become increasingly and rapidly globalised and industrialised in nature.

The road to globalisation and industrialisation started in the early 1900s and has emerged from single farmer activities that required of the producer to find and manage his own market and distribution channels, to the formation of co-operative organisations as the business environment within which they operated became more complex and volatile (Staatz,1989). Many farmers, by operating individually, are simply unable to expand operations to the scale necessary to become involved in value-added processing of their commodities. This move requires too much capital, expertise, and time. However, by pooling resources and forming integrated small and medium sized agricultural enterprises even small producers can reach the necessary size and output levels to vertically integrate and enter the processing arena. This requires a number of specific strategies to enable sustained competitive advantage for these organisations. These integrated agricultural businesses are facing substantial pressure to become more market-oriented and to move away from traditional commodity-type businesses.

The question, however, is to determine the critical prerequisites for success in agricultural small and medium size enterprises that pursue business integration strategies as an option to create competitive advantages.

2. BUSINESS INTEGRATION

In the context of this paper, business integration is defined as a series of joint and co-operative agreements between numbers of farming producers with the intent to operate as an integrated business in a co-operative manner. This integration refers to the creation of market space for small and medium size agricultural enterprises in an increasingly competitive global market. Integrated agricultural enterprises offer agricultural producers an opportunity to compete in today's global marketplace. By adding value to farm products through processing, these organisations help keep a greater portion of the profit in the hands of producers. Working together, the economies of scale needed for integration can therefore be obtained. A common strategy in agricultural business integration is for farmers and agricultural producers to build processing plants. Farmers pursuing agricultural integration often provide three rationales for this decision. Firstly, the objective is to take control of their crop (Smith, 2000). Agricultural producer-owned value-added production becomes the critical element for farmers seeking to survive over the longer term. Secondly, business integration allows producers to capture higher returns and lower price volatility downstream (Forster, 1996; Siebert *et al.*, 1997; Ball, 2000; Smith, 2000). Finally a rationale for business integration is that lost markets are potentially being replaced due to consolidation (Ball, 2000).

A study by Esterhuizen *et al.* (2004) indicates that a number of critical driving forces influence the success of agricultural organisations. These include:

- Lack of a clearly identified mission. Agricultural SMEs should ensure the development of effective and specific goals and a clearly defined strategic intent that is accepted by its members.
- Inadequate planning. Detailed plans for achieving the identified goals and mission must be established.
- Failure to understand the entire industry value chain and associated profit pool.
- Lack of leadership. Leadership must come from within the group. The success of SME agricultural enterprises should originate from its members. If an external leader has initiated the entire process, what will happen when this external source of inspiration leaves?
- Lack of member commitment. Members must be committed to the business because it will not succeed without their time, effort, and dedication. Often, the early years of an agricultural SME are slow and frustrating. Member commitment is crucial during these times.
- Inadequate management. Selecting a manager is an extremely important, but often difficult, task for an agricultural SME's Board of Directors. This person can literally make or break the organisation. Supervising and establishing goals for the manager to achieve are also tasks delegated to the Board of Directors.
- Failure to identify and minimise risks. Risk is inherent in any new endeavour and, while it cannot be completely eliminated, it can be limited. However, risk must first be identified and quantified.
- Overly optimistic assumptions. Huge future profits may be on members' minds during the organisational phase; however, such profit cannot be automatically assumed and speculation can hurt the organisation.
- Not enough capital. As is typically the case with small businesses, projects tend to outstrip the planned costs. To prevent difficulties from budget shortfalls, it is best to make sure that financing is adequate by carefully planning for contingencies.
- Inadequate communication. During formation and the critical initial years of operation, high levels of communication are essential so that members know what to expect and are not caught short by unexpected difficulties.

As agricultural SMEs are operating in an increasingly complex and volatile business environment, the scope of strategic approach should shift towards obtaining and sustaining competitive advantages. They need to intensify their knowledge of the competitive conditions and develop strategies that will ensure that they are able to respond effectively to each. Growth by diversification becomes the driving strategy for many of these organisations. Today a range of organisational choices such as joint ventures, long-term contacts, and strategic alliances increase the organisation's interdependence and ensure its ability to produce to specifications (Boehje *et al.,* 1995). Shifts in customer requirements, merging competitors, technical and organisational innovations make markets fluid and complex, forcing agricultural organisations to become market-oriented (De Geus, 1988; Senge, 1990).

3. RESEARCH METHODOLOGY

For the purposes of this project a combination of two approaches was used; content analysis and grounded theory analysis. Content analysis is a systematic observation of open-ended questions and unstructured interviews used to report on the essence of such interviews both qualitatively and quantitatively. Grounded theory refers to the attempt to use the interview data inductively, so that production of abstracted analytical categories comes from the respondent's accounts. It is the social organisational phenomena that guide business integration that become important in this study, and therefore qualitative research was used. Qualitative research seeks to provide a deeper understanding of social phenomena (Silverman, 2001), and is used successfully in the description of organisations, while quantitative research methods are more useful in hypothesis testing (Welman and Kruger, 1999).

For the purposes of sampling, purposive, non-probability sampling was used as a general framework. Purposive sampling refers to the collection of information from specific targets of people who will be able to provide the needed information either because they are the only ones who can give the information or they are the only ones who conform to some criteria that have been established by the researcher (Sekaran, 1992). According to Deming (1990), in evaluating the reliability of such a sample one must rely on the expert's judgment and that the theory of probability sampling cannot be used in such cases. If a sample is confined to only 1, 6, or 10 units, a judgment sample would be preferable to a probability sample (Deming, 1990). In such small samples the errors of judgment are usually fewer than the random errors of a probability sample. Bryman argues that qualitative research follows a purposive rather than a statistical logic (Bryman, 1988).

3.1 Data collection

The sampling framework for this project consisted of 10 agricultural institutions in South Africa. This included 2 agricultural co-operatives, and 8 smaller agricultural firms that are operating in the production and value-added processing fields. The sample was selected using purposive, non-probability sampling as explained above. Personal interviews were conducted with owners, entrepreneurs and specialists within these institutions. The grounded approach advocates the use of multiple data sources converging on the same phenomenon. Glaser and Strauss (1967) term these "*slices of data".* Turner (1983) concluded in a research project that was based on grounded theory, that documentary sources were treated like sets of field notes. The use of multiple data sources enhances construct validity and reliability (Yin, 1989). The principal data source in this study included personal unstructured interviews and published industry documents.

3.2 Data analysis

Responses from the sample combined with literary evidence about the topic were analysed and key concepts were identified from the interviews. Responses were compared to highlight similarities and differences in responses and the data from the research project. The results are formulated in line with the prescriptions for content analysis and grounded theory analysis, namely the formulation from interview and published data of concepts, categories and propositions (Corbin & Strauss, 1990).

Concepts are the basic units of analysis since it is from conceptualisation of data and not the actual data *per se*, that theory is developed (Corbin & Strauss, 1990). Categories are higher in level and more abstract than the concepts they represent. They are generated through the same analytic process of making comparisons to highlight similarities and differences that are used to produce lower level concepts. Categories are the "cornerstones" of developing theory. They provide the means by which the theory can be integrated (Corbin & Strauss, 1990). Propositions indicate generalised relationships between a category and its concepts and between discrete categories (Glaser & Strauss, 1967).

Two computer programs (Atlas.ti and EazyText ver. 3.1) were used to analyse the data. In order to eliminate bias from the data analysis process, two independent coders were used. Consequently it was important to ensure coder reliability and that any level of agreement between the coders that may be a result of chance, are eliminated. This was achieved by using Cohen's kappa statistic (Cohen, 1960).

Cohen's kappa is defined by: $k = (P_o - P_e) / (1 - P_e)$, where:

P_o is the observed agreement between the coders.

P_e is the chance-expected agreement between the coders.

One of the most important features of the kappa statistic is that it is a measure of agreement between coders, which naturally controls for chance (Fleiss, 1971). In order to interpret the kappa results it was important to obtain a general benchmark of acceptable levels of the kappa statistic. According to Hartmann (1977), kappa levels of agreement should exceed 0.6. Landis and Koch (1977) however provided a more detailed benchmark for interpreting kappa values as follows; <0.00, poor agreement; 0.00 to 0.20, slight agreement; 0.21 to 0.4, fair agreement; 0.41 to 0.60, moderate agreement; 0.61 to 0.8, substantial agreement and 0.81 to 1.00, almost perfect agreement. In the same manner, Fleiss (1971) provides a benchmark for interpreting kappa values as follows; 0.4, poor agreement; 0.4 to 0.75, intermediate to good agreement and >0.75, excellent agreement.

Since Hartmann, Landis & Koch and Fleiss all indicate that kappa levels exceeding 0.6 are above average, this level of inter-rater agreement was used as an acceptable level of agreement between coders. Once these levels of coder agreement are achieved it can be accepted that the resultant propositions, concepts and categories identified in the data are reliable.

4. RESEARCH RESULTS

Combining the results of the content and grounded theory analyses a number of theoretical categories and concepts emerged which eventually grounded into the formulation of three specific prerequisite propositions for effective business integration in small and medium sized agricultural organisations. These propositions formed the cornerstones for the development of the recommendations of this paper.

4.1 Proposition 1: Agricultural SMEs should focus on building strategic capabilities to enhance effective business integration and operation

Analysis of the interview responses resulted in the formulation of a number of categories and concepts which culminated in the first proposition, that is, that agricultural SMEs should focus on specific strategic capabilities to enhance effective business integration and operation. From the data analyses process three categories were identified as is indicated in Table 1.

Table 1 : Concepts and categories supporting proposition 1

CONCEPT (Responses from interviews)	CATEGORY
• Accumulation of sufficient capital to support the venture • Equity to finance improvements, expansions and innovations • Investment capital is required from external sources via effective positioning	Capitalisation
• Effectiveness and efficiency of operations • Focus only on essential activities required for optimal operations required for sustaining competitiveness in the market • Enhance competitiveness and create marketability by establishing one-stop shop opportunities in the market	Efficiency
• Investment in skills and human resource development • Focus resources on strategic capabilities of the enterprise	Skills and development

4.1.1 Capitalisation

One of the most profound challenges facing agricultural entrepreneurs who venture into business integration in order to form agricultural SMEs is accumulation of sufficient capital, particularly equity, to finance improvements and expansion of services. Traditional co-operative principles dictate that these organisations are owned and controlled by the persons who use their services, and benefits flow to user-owners on the basis of use, not investment. This makes investment in a co-operative organisation unattractive to external investors, even those who support what the business is trying to accomplish.

To this end, the positioning of the SME needs to make provision for investment capital to be drawn into the business, by ensuring that it is not viewed as a traditional agricultural co-operative, but as an integrated business. This can be achieved by effective positioning of the enterprise.

4.1.2 Efficiency

Related to the above strategies, successful agricultural SMEs should create the ability to move with speed in as far as strategic market decisions are concerned. They should become fast-thinking, quick-decision-making, fast-to-market organisations that instill processes and strategic decision-making approaches that will sustain the speed. In order to sustain the competitive advantages it is imperative to build effective trading and distribution capacities across the globe. Agricultural SMEs share the same motivation as private and public companies for sourcing outside traditional channels, being the need to compete more effectively in today's rapidly changing markets. Price strategies based on reducing costs or non-price strategies built on adding value to products and services are the approaches most often employed for meeting this need. While domestic member and non-member products may fill some of these needs, foreign sources can offer significant cost savings or an array of unique or seasonal products.

In order to ensure sustainable growth, the organisation needs to pursue and enhance business optimisation strategies. As an initial approach, one needs to identify the levels of efficiency and effectiveness that prevail within the current business and how these will change once the integration process is initiated. High efficiency levels combined with low levels of effectiveness require substantial focus on strategic planning to enhance the strategic direction and motivation of the organisation. This should enhance the effectiveness by providing focus on the essential activities and objectives that the organisation needs to pursue after integration. When both effectiveness and efficiency are low, a comprehensive transformation is required consisting of all the structures and processes of the agricultural SME, as well as its approaches to the market, its production approach, technological leverage, and resource elements. When these organisations focus on the correct activities and processes, but in an inefficient manner, the processes of the firm will need to be changed in order to create such efficiencies.

4.1.3 Skills and development

In order to gain global competitive advantage, small and medium sized agricultural businesses need to enhance the level of skills in the organisation. Greater investment is needed in the people and skills of the enterprise.

Directors, managers, and staff members must receive the training required to deal with current global business issues in order to understand the options available and create the ability to analyse them and make sound strategic business decisions.

4.2 Proposition 2: Agricultural SMEs' business orientation should focus the enterprise on creating and sustaining competitive advantage

Analysis of the interview responses resulted in the formulation of the following concepts and categories which culminated in the second proposition, that is, that the business orientation of agricultural SMEs should focus the enterprise on creating and sustaining competitive advantage. From the data analyses process, three categories were identified as indicated in Table 2.

Table 2: Concepts and categories supporting proposition 2

CONCEPT (Responses from Interviews)	CATEGORY
• Redirect from commodity business to differentiated business • Business orientation must shift from independent to inter-dependent • Focus on value creation • Enhance quality focus • Enhance pro-activeness in innovation	Strategic orientation
• Value creation to target market through business positioning • Build on core competencies of the enterprise to position effectively • Create competitive space for the enterprise in the market • Information sharing and communication including external market communication	Strategic positioning
• Strategic planning and strategy implementation processes need to be enhanced • Focus on real-time strategy implementation • Develop strategic planning processes that enhance effective and pro-active strategic decisions	Strategic planning

4.2.1 Strategic orientation

There are six basic elements that clearly indicate how agricultural organisations are responding in the face of the strategic issues and driving forces (Esterhuizen *et al.*, 2004), as depicted in Table 3.

Table 3: Changes in business orientation required by agricultural organisations (Esterhuizen *et al*., 2004):

	Traditional orientation	Required future orientation
Information sharing and communication	None / Little	Extensive
Primary focus	Cost/Price	Value / Quality
Orientation	Commodity	Differentiated
Market relationship	Supply push	Demand pull
Structure	Independent	Inter-dependent
Philosophy	Self optimisation	Chain optimisation

In essence these six areas all point to a single important shift in response strategies from agricultural organisations. That is, they are moving from the traditional commodity-based approach, to a much more fluid market orientation in their overall business approach.

A critical mind-shift is required to obtain a new focus on the marketing approach. In essence successful organisations should be able to shift from production orientation to a market orientation. Global proliferation of technology and managerial skills, re-organisation of international economic boundaries, deregulation of markets and heterogeneity in consumer behaviour mark the requirement of a major economic shift from production to market orientation.

Technological advancement and innovation is in constant flux, and as soon as the business begins to understand the technology, it becomes obsolete. The increasing pace of these developments should be viewed in the light of the capital requirements of obtaining new technologies in time. Product quality is a major competitive advantage in world markets today, and one needs to keep abreast with latest technological developments that will allow value adding and processing on world best levels if these organisations want to remain competitive over the long term.

4.2.2 Strategic positioning

Agricultural organisations venturing into global markets in order to obtain competitive advantages need to ensure effective positioning strategies. The most obvious approach is through the creation of new value to the target market, that is, value that cannot easily be reproduced by competitors. In order to succeed, focus is required to create and build on the core competencies and develop and use tacit knowledge created by the enterprise. This will support the creation of new competitive space for agricultural SMEs competing in a global environment. Market communication and the development of brand names for the products of the enterprise are critical to create the value proposition and the required quality perspective in the market.

To this end it is imperative that agricultural SMEs use differentiation strategies in order to position themselves in the global arena. The quality perception of certain products and related services from these organisations need to be enhanced and they need to identify and enhance their distinctive capabilities in view of world markets. Distinctive capabilities are those elements within a business that cannot be replicated by competitors.

4.2.3 Strategic planning and strategy implementation

The core strategic planning approach of modern agricultural organisations does not differ much from their investor-owned private or public corporations. The main challenge remains the creation and sustainability of profitable growth. In this sense, such organisations are required to engage in similar strategic planning and strategy implementation practices to their counterparts in related and unrelated businesses across the globe. The key performance driver in organisations has become the ability to integrate the complexity of the environment with the implementation of strategy (Lynch, 2000). In the highly complex markets that co-operative organisations are facing, the traditional views that tend to over-emphasise the ability to predict what strategic positions will be viable, often miss the critical issues. They tend to under-emphasise the importance of actually implementing and executing the strategy (Hrebiniak & Joyce, 1984).

Strategic planning is evolving, incremental and continuous, and can therefore not easily be summarised in a plan which then requires to be implemented (Lynch, 2000). While complexity and the scope of strategic planning are interrelated, the length of the planning horizon is influenced by the volatility and turbulence of the environment. Studies by Kukalis (1988) found that shorter plan horizons are related to environments that are more turbulent. Many of the authors on the subject (Cooksey & Gates, 1994; Muller & Watts, 1993; Peters, 1988; Stacey, 1991; Vinten, 1992 and Phelan, 1995) agree that long-term strategic planning is futile in a volatile environment.

Agricultural SMEs are urged to develop an adaptive stance and a preparedness to react to unexpected and unanticipated events. These organisations will have to focus their strategic planning views on understanding the entire pool of profits within the array of businesses that constitute the new agricultural organisation, as well as the entire industry within which they operate, and then decide if they want to play in the deep end or the shallow end (or both ends) of the profit pool. This can only be successful when they are focused on the pertinent and imperative future of the organisation and its specific strategic alignment and market approach within this context.

They need to become market driven and make concerted efforts to gain and sustain global competitive advantages. A new approach to marketing and strategic planning / implementation is required, while the business model should shift to value adding and expanding through diversification and differentiation strategies. In order to cope with strategic surprises and fast-developing threats and opportunities, strategic decisions need to be precipitated and made outside of a fixed-time planning cycle.

4.3 Proposition 3: Market understanding is a critical element of the long term success of agricultural SMEs

Analysis of the interview responses resulted in the formulation of the following concepts and categories which culminated in the second proposition, that is, that market understanding is a critical element of the long term success of agricultural SMEs. The data analyses process identified the following categories.

Table 4: Concepts and categories supporting proposition 3

CONCEPT (Responses from interviews)	CATEGORY
• Understand the business environment facing the enterprise • Re-direct the "provincial view" of the market to understanding the market in a global sense • Create ability to pre-empt future changes in the business environment • The manner in which organisations compete and are structured as well as the nature of domestic competition	Knowledge of business environment
• Enhance knowledge of customer / stakeholder requirements • Understand demand conditions • The presence or absence of supplier industries and related industries that are internationally competitive • The actual position of factors of production, natural resources, level of production costs, knowledge and infrastructure • Understanding the strategies that competing firms employ in global markets • Competitor analysis	Shifting market requirements

The ever-increasing changes in the global environment have a profound influence on the strategic success of agricultural SMEs. These organisations need to have a good understanding of the current and future market situation facing them.

4.3.1 Rapidly changing business environment

The business environment changes so rapidly that only those organisations that have mastered the ability to understand the environment and forecast these changes correctly will be able to succeed. In the pace of today's volatility, it is not the big that will eat the small, but the fast that will eat the slow (Jenning & Houghton, 2002). An in-depth understanding of world markets is required. Small and medium size agricultural organisations need to expand their views of markets both regionally and globally. To this end they need to develop market intelligence processes and systems that will particularly enhance market and product requirements from selected global markets. The market structures and dynamics change as a result of concentration, internationalisation, and emergence of collaborative schemes in every stage of the value chain of the agricultural industry. Globalisation of the markets creates new sources of competition.

The small and medium sized agricultural organisation needs to keep abreast of these changes and anticipate moves of global competitors in this field. This places certain challenging demands on them to interpret environmental conditions effectively, and to respond accordingly (Dess *et al.*, 1997).

A marked shift from linear approaches to systematic knowledge-based innovation processes is experienced in the modern business environment faced by agricultural SMEs (Kotelnikov, 2004). While traditional innovative developments targeted only the technological process, the modern guideline is to enhance the entire organisation and business process by the application of innovative thinking. It is not only the product, but the business model in itself that needs innovative re-engineering. In this context, traditional organisations utilised the skills and knowledge of technologists, engineers and functional experts to lead and drive innovation. Modern organisations need an integrated approach where cross-functional teams are involved in the innovation change processes. This will allow for a wider impact on the competitiveness of the entire organisation driven by organisation-wide synergies.

4.3.2 Shifting market requirements

As the market changes, the requirements of customers regarding aspects such as product quality, information and value for money, are increasingly changing and becoming more critical from an organisational point of view. The correct response strategies to these changing customer and market preferences will provide organisations with differential abilities in a global market context.

Small and medium size agricultural organisations should be committed to a strategy that attracts and satisfies customers. Fundamental to this is the assumption that sustainable competitive advantage stems from managing the value chain so as to maximise customer-delivered value, and optimise the share in the profit pool for the business. Value is a function of customer preferences, competitive action, supply chain partnering, technological developments and changes in the regulatory environment.

From a strategic point of view a number of competitive options are available to agricultural organisations. They may: (1) hold off on pursuing obvious growth opportunities in favour of concentrating first on seemingly less exiting business segments with richer profit pools; (2) shed traditional customers, products, services, or entire businesses in order to focus on best profit sources; (3) deliberately reduce profits in one area of the business in order to maximise them in another; or (4) decide to co-operate in the market with competitors or members, in order to block, or take advantage of, value chain shifts that threaten an existing profit pool.

5. RECOMMENDATIONS

This paper focused on the strategic context of agricultural SMEs and specifically on the pre-requisites that these organisations should pursue to achieve effective business integration and sustained competitive advantage operating in a global market. From the results of the research the following broad recommendations can be made:

(a) Agricultural SMEs need to position themselves to enable external investment capital to be drawn into the business. Market communication and the development of brand names for the products of the enterprise are critical to create the value proposition and the required quality perspective in the market. These organisations should re-position away from the traditional commodity-based approach, to a much more fluid market orientation by shifting from production orientation to market orientation.

(b) Differentiation strategies are required for optimal market positioning. The essence is the creation of new value to the target market, that is, value that cannot easily be reproduced by competitors.

(c) Create the orientation and organisational ability to move with speed in as far as strategic market decisions are concerned. To this end they should become fast-thinking, quick-decision-making, fast-to-market organisations that instill processes and strategic decision-making approaches that will sustain the speed.

(d) Agricultural SMEs are urged to develop an adaptive stance and a preparedness to react to unexpected and unanticipated events. The length of the planning horizon is influenced by the volatility and turbulence of the environment and therefore strategic planning horizons should conform to the speed of their market.

(e) A thorough understanding of the entire business environment facing the enterprise is required and this knowledge should be sustained and updated continuously.

(f) In order to sustain competitive advantages, they should build effective trading and distribution capacities across the globe.

(g) Investment is needed in the development of the people and skills of the enterprise in order to deal effectively with current global business issues.

6. CONCLUSION

This study investigated the specific driving forces and challenges facing agricultural SMEs and the subsequent strategies that these organisations need to employ to ensure sustained competitive advantage in a global market. The propositions and related categories that were identified point to specific areas of concern for agricultural SMEs in their quest for establishing and operating integrated businesses that are market-oriented.

The study reveals that the three core areas of concern for such organisations are the establishment and enhancement of specific strategic capabilities, their business orientation in the face of a global market and the fact that market knowledge is a crucial element of global market success.

Further research is necessary to establish specific relationships between inter-organisational linkages and specifically the strategy-making processes required in business integration at entrepreneurial and agricultural SME levels. Secondly, future research ought to examine the conditions under which the effects of the interaction at this level affect the internal capabilities of the firm to create market space in a global market.

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