
Efficiency and profitability along the lifecycle stages of small enterprises

Csaba Bálint Illés*, Hilda Hurta and Anna Dunay

Department of Business Economics and Management,
Faculty of Economics and Social Sciences,
Szent István University,
H-2100 Gödöllő, Páter Károly u. 1, Hungary
Email: illes.b.csaba@gtk.szie.hu
Email: hurta.hilda@gtk.szie.hu
Email: dunay.anna@gtk.szie.hu
*Corresponding author

Abstract: The Adizes lifecycle model is a widely used model for determining the different development stages of enterprises. Lifecycle stages may be differentiated even in the smallest companies, and the model may be used in analyses before making plans and can be a practical tool for managers in the decision-making process. We conducted an overall survey among Hungarian SMEs in 2012, and examined the different attitudes and behaviour of managers in different lifecycle stages of their companies and the most important motivations and driving forces of their decisions in the specific stages. Firstly, we analysed the financial performance of enterprises according to the results of their balance sheet, by which we determined four main categories depending on their business success. Our results proved that the profitability of enterprises is strongly influenced by their lifecycle stage and the growing process is also determined by the age of the enterprise.

Keywords: SMEs; lifecycle stages; profitability; growth; competitiveness; Greiner's growth model; Adizes's model; Hungarian enterprises.

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Biographical notes: Csaba Bálint Illés is Full Professor and Head of the Department of Business Economics and Management at Szent István University Gödöllő, Hungary. His research interest is in the field of business economics, management and development of SMEs, corporate competitiveness, farm management and food safety management.

Hilda Hurta is a Lecturer at Szent István University Gödöllő, Hungary. Her main research fields are microeconomics, business economics, management and competitiveness of small and medium enterprises, managerial attitudes and development of social capital.

Anna Dunay is an Associate Professor at the Szent István University Gödöllő, Hungary. Her main research fields are management and competitiveness of small and medium enterprises, lifecycle analysis of enterprises, competitiveness of the agricultural sector and the food chain, farm management, evolution and implementation of the common agricultural policy.