



“PRODUCING FOR CHANGE”

Dynamic Entrepreneurialism in Small to Medium-Sized Enterprises in the German Independent TV Production Industry

Master's Thesis in Media Management

University of Tampere

School of Communication, Media and Theatre

Supervisor: Prof. Gregory Ferrell Lowe

June 2016

Katrin Ehnert

Master's Thesis in Media Management

Title: "Producing for Change" – Dynamic Entrepreneurialism in Small to Medium-Sized Enterprises in the German Independent TV Production Industry

Author: Katrin Ehnert

Supervisor: Professor Gregory Ferrell Lowe

University: University of Tampere / School of Communication, Media and Theatre

Date: June 2016

Keywords: *Independent Television Production, Entrepreneurship, Dynamic Capabilities, Business Renewal, SME, Innovation, Media Management, Germany*

Abstract

Background: The German TV production industry is characterised by a structural imbalance due to a strong power asymmetry between a few major broadcasting clients with their dependent producers on the one side and many small to medium-sized independent production firms on the other side. Independent producers do not only compete against larger opponents, but also within a highly volatile media sector. The specifics of media content, constantly emerging technologies and channels, increasing price pressures and the unpredictability of viewer attention, therefore, demand constant innovation, change and organisational renewal.

Purpose: Differences in SMEs' business success and the conditions for firm-level failure or survival have received increasing research attention. However, the majority of media business and management studies focus on media conglomerates, whereas insights into long-term SME business survival within a dynamic project-based context are still rare. Hence, the purpose of this thesis is to investigate *why some small to medium-sized independent TV production companies are more successful*.

Method: The research strategy is based on the development of a theoretical framework for "Dynamic Entrepreneurialism" in media management, combining the firm-level entrepreneurial orientation concept with the dynamic capability theory. A qualitative research approach in the form of a *case study* of the German independent TV production firm *Kimmig Entertainment GmbH* was taken. Within this context, empirical data was collected through *semi-structured interviews*, and through supplementary firm and industry documents.

Results: The study found that in the case firm an entrepreneurial orientation enhances organisational and creative reconfiguration and change abilities. Specific dynamic capabilities were found, including an entrepreneurial absorptive and response capability, a puzzle-solving capability and a variation capability. The empirical study advances the understanding and value of entrepreneurial managerial strategies and dynamic firm capabilities for SMEs in order to achieve better adaptability, innovation and change competences in the project-based television industry.

Acknowledgements

Writing this Master's thesis was a very special educational journey in my life. It was a challenging, insightful and rewarding endeavour at the same time, and it inspired my personal development. As such, this journey allowed me to enhance my knowledge about television production and its peculiarities – an industry that has always aroused my interests, whether in my professional work life or in my academic studies.

First and foremost, I want to thank *my family*. Meine Lieben, Dankeschön! Für eure vertrauensvolle Unterstützung, für euren unendlichen Zuspruch und für die Kraft, die ihr mir zum Meistern meines Masterstudiums gegeben habt. Dankeschön!

I would like to especially thank all the *interview respondents from my case company*. I appreciate the time and effort they have taken for participating in this research and for making it possible. I am very thankful for the open and informative conversations during our interviews, for the valuable insights that they shared, and for their sincere interest in this study, which encouraged me in my research process.

I would further like to express my gratitude to my supervisor, *Prof. Gregory Ferrell Lowe*, for all his constructive advice, regular feedback and direction during my whole Master's studies and my thesis process. I especially value and enjoyed the human aspect in his teaching, and the diverse approaches that he provided towards the topic of media management.

Last but not least, I am more than thankful to *my friends*. To my flatmate, who always knew how to bring joy and relaxation to my mind. To all my friends in Tampere that supported and encouraged me with their friendship and knowledge. And to all my friends at home in Germany who always believe in me, no matter what and no matter the distance between us. Thank you so much!

Katrin Ehnert

University of Tampere

TABLE OF CONTENTS

FIGURES AND TABLES	IV
1 INTRODUCTION	1
2 ENTREPRENEURSHIP AND THE MEDIA INDUSTRIES	4
2.1 Entrepreneurship as a Firm-Level Concept	4
2.2 The Field of Media Entrepreneurship – Definition, Context and Value.....	13
3 DYNAMIC CAPABILITIES FOR MANAGERIAL PERFORMANCE.....	17
3.1 Dynamic Capabilities Theory – Definition and Importance for SME Performance	17
3.2 “Dynamic Entrepreneurialism” as a Conceptual Framework – Connecting Entrepreneurial and Dynamic Capability-Building Processes	24
4 RESEARCH BACKGROUND AND DESIGN	29
4.1 The German Independent TV Production Industry – Economic State, Features and SME Structure	29
4.2 Methodology.....	35
4.2.1 Research Approach and Philosophy	36
4.2.2 Research Strategy – The Case Study Method	37
4.2.3 Data Collection – Semi-Structured Interviews	38
4.2.4 Interview Respondents and Interview Procedure	40
4.2.5 Data Analysis – Qualitative Content Analysis	41
4.2.6 Limitations of the Study	43
4.3 The Case Company – Kimmig Entertainment GmbH	44
4.3.1 “Make the artist happy” – The Company History.....	44
4.3.2 Internal Structure and Business Expertise	51
4.3.3 Production Performance.....	53
5 THE FINDINGS	60
5.1 Entrepreneurial Orientation in the Kimmig Entertainment GmbH	60
5.2 Dynamic Capabilities and Dynamic Entrepreneurialism in the Kimmig Entertainment GmbH.....	82
6 DISCUSSION AND IMPLICATIONS.....	102
6.1 Discussion of the Results	102
6.2 Contributions and Implications for Scholars.....	106
6.3 Implications for Media Managers	108
7 FUTURE RESEARCH RECOMMENDATIONS	110
REFERENCES.....	112
APPENDIX.....	123

Figures and Tables

Figures

Figure 1: Perspectives on Entrepreneurship Research.....	5
Figure 2: Enabling Processes for both an Entrepreneurial Orientation and Dynamic Capabilities Development.....	25
Figure 3: Conceptual Model suggesting a Reciprocal Influence between Entrepreneurial Orientation and Dynamic Capabilities in a Firm.....	27
Figure 4: Elements of the Research Process.....	35
Figure 5: Continuous Process of Entrepreneurial Opportunity Sensing and Seizing through Communication and Network Building & Reconfiguration.	73
Figure 6: Key Features of the Firm-Level Entrepreneurial Orientation of the Kimmig Entertainment GmbH.	81
Figure 7: Puzzle-Solving Capability for the Innovative Customisation of each Television Production.	92
Figure 8: Dynamic Entrepreneurialism Model representing a Reciprocal Influence between Entrepreneurial Orientation and Dynamic Capabilities Development and Usage in a Firm.....	105

Tables

Table 1: Media Entrepreneurs and their Functions.....	14
Table 2: Essential Characteristics of Dynamic Capabilities.	19
Table 3: Themes and Codes for Data Analysis.	42
Table 4: The Most Successful Award Shows 2006.	49
Table 5: Productions of the Kimmig Entertainment GmbH in the 2000s – A Selection of Examples.	51
Table 6: Overview of the Production Performance – Kimmig Entertainment GmbH...	54
Table 7: Leading Production Companies in the Show Genre in 2008 and 2012.	56
Table 8: Performance of Programmes by Kimmig Entertainment GmbH in 2015. Includes only productions that were broadcasted.	58

1 Introduction

The *television production sector* – as most other creative media industries – is governed by multiple uncertainties. These range from constant technological developments and a rising number of evolving platforms, structural shifts due to globalisation and business consolidations, a highly mobile work force to demand uncertainties and an intensified competition for audience attention that is spread across an increasing number of media channels. “People make the business” in the project-based, collaborative television production industry since they are the source of creative abilities for original and innovative content creation, which determines current and future business success. Under these conditions, business survival based on a static strategy and the mere ownership of resources is ineffective – especially for smaller, less-resource rich firms.

Questions about suitable strategies for the development of a firm’s competitive advantage and business renewal in relation to all these uncertainties and shifts in the environment pose a constant strategic challenge to the creative media industries, in particular, due to the supreme unpredictability of content success (Küng, 2008). Accordingly, the value of media entrepreneurship – the exploration and exploitation of innovative and new value creating opportunities – and the need for the development of firm-specific change capabilities by media managers, is receiving increasing attention from researchers and media practitioners.

Regarding this, entrepreneurial and change capabilities, called dynamic capabilities (Teece), are playing an increasingly important role in business sustainability for small to medium-sized firms (SMEs). This is also true for firms in the German independent television production industry, which is at the heart of this thesis. Germany forms Europe’s largest, most valuable television market (Moran, 2009) with a long involvement in independent television production. This media sector is characterised by a highly compartmentalised structure with mostly small to medium-sized companies and a strong power asymmetry with a few big firms (Röper, 2014).

Therefore, this thesis aims at developing new insights about *why some small to medium-sized independent TV production companies are more successful*. The thesis structure and research strategy are guided by a combination of perspectives from the entrepreneurship theory and dynamic capability theory. Entrepreneurship theory addresses dynamic processes of innovation, and of perceiving, discovering and creating

new economic opportunities (Acs and Audretsch, 2010; Kuratko and Hodgetts, 2004). Dynamic capability theory deals with how firms achieve organisational change and sustainable competitive advantage through firm-specific capabilities and strategic processes of resource reconfiguration and renewal (Oliver, 2014; Teece 2009; Teece, Pisano and Shuen, 1997). As such, both theories are concerned with factors for improved firm-survival, business competitiveness and renewal in volatile environments, which is further regarded as highly complementary to strategic management theory (Albarran, Chan-Olmsted and Wirth, 2006). New insights into the value of a firm-level entrepreneurial orientation and of firm-specific dynamic capabilities, therefore, are especially crucial for the strategic abilities of media managers of less-resource rich SMEs in the dynamic independent TV production environment.

On this basis, the thesis asks the specific research question: *In what way is the success of independent SMEs in the German TV production industry related to the linkage between an entrepreneurial orientation and the development of dynamic capability processes in management?* With the focus on entrepreneurial orientations, this research takes a firm-level-perspective, looking at entrepreneurial and dynamic organisational routines and processes in order to answer the research question. To achieve this, the study creates a conceptual model for “Dynamic Entrepreneurialism” which suggests a connection between an entrepreneurial orientation and the development and use of dynamic capabilities in a firm. The suggested interlacement may enhance SMEs’ change and renewal ability, in particular.

This is a case study research of one specific small to medium-sized German independent TV production company, namely the *Kimmig Entertainment GmbH*. The company’s business success for over three decades, its smallness and especially its independence position it as a very suitable case for the research aims of this thesis. The choice of investigating an individual company has two main advantages. First, the detailed findings reduce a major research gap in fine-grained studies about business renewal abilities and firm-capability factors for the competitiveness of SMEs over time in dynamic environments (Ambrosini and Bowman, 2009; Küng, 2008). Second, the qualitative approach offers an intensive description and understanding of processes, choices and decisions of media managers under specific market dynamics and pressures.

The findings of this study contribute to the theoretical development of the entrepreneurship and dynamic capabilities literature, they advance the young field of media entrepreneurship, and they provide valuable implications for better adaptability strategies in balancing business exploitation and new opportunity exploration. This is relevant to the innovative needs for media managers in order to improve business survival in smaller firms.

2 Entrepreneurship and the Media Industries

2.1 Entrepreneurship as a Firm-Level Concept

“This is what the entrepreneurial mindset is all about—seeing opportunities where others see barriers and limits.”

Donald F. Kuratko’s (2010) insight from Acs and Audretsch’s “Handbook of Entrepreneurship Research” encapsulates the essence of a vast amount of research literature about entrepreneurship theory. This chapter will shed light on, define and discuss entrepreneurship and entrepreneurial orientation – namely the pro-active willingness and capabilities to see and exploit opportunities for continuous adaptability and creative change (Acs and Audretsch, 2010; van Weezel, 2009; Messeghem, 2003; Lumpkin and Dess, 1996). The goal is to explain the importance of a firm-level entrepreneurial orientation in this study, and to highlight it as an increasingly crucial element for strategic management and firm-behaviour in today’s turbulent media markets in which firms grapple with an accelerating pace of change.

Over the decades, academics have applied a variety of perspectives to research entrepreneurship (Watson, 2013). Existing reviews of the field (Thornton, 1999) have often found that until the beginning of the 21st century the prominent research focus was on the individual characteristics and behaviours of “the entrepreneur”. This study, however, is more aligned with contemporary theory because it builds its argument upon a wider perspective of entrepreneurship that includes firm-level conceptions, especially the “Entrepreneurial Orientation” (Parkman, Holloway and Sebastiao, 2012; Lumpkin & Dess, 1996) and “Entrepreneurial Behaviour” (Covin and Slevin, 1991) concepts. Figure 1 demonstrates the positioning of these concepts in the broad field of entrepreneurship research. The wider perspective highlights a shift in the focus of entrepreneurship research towards perceptions that go beyond understanding the individual entrepreneur to incorporate a broader analysis of the processes and actions of entrepreneuring (Kuratko and Hodgetts, 2004, p. 73). In addition, Watson (2013) is helpful in emphasising the different contextual embeddedness of entrepreneurship, together with multiple dimensions of entrepreneurial actions that are usually beyond the means of a start-up firm.

Whether examined from an individual (as elsewhere) or firm-level perspective (as here), consensus can be found regarding the importance and value of an organizational entrepreneurial orientation as “the engine of economic and social development throughout the world” (Acs and Audretsch, 2010, p. 1), because as such those businesses “... challenge the unknown and continuously create the future” (Kuratko and Hodgetts, 2004, p. 3).

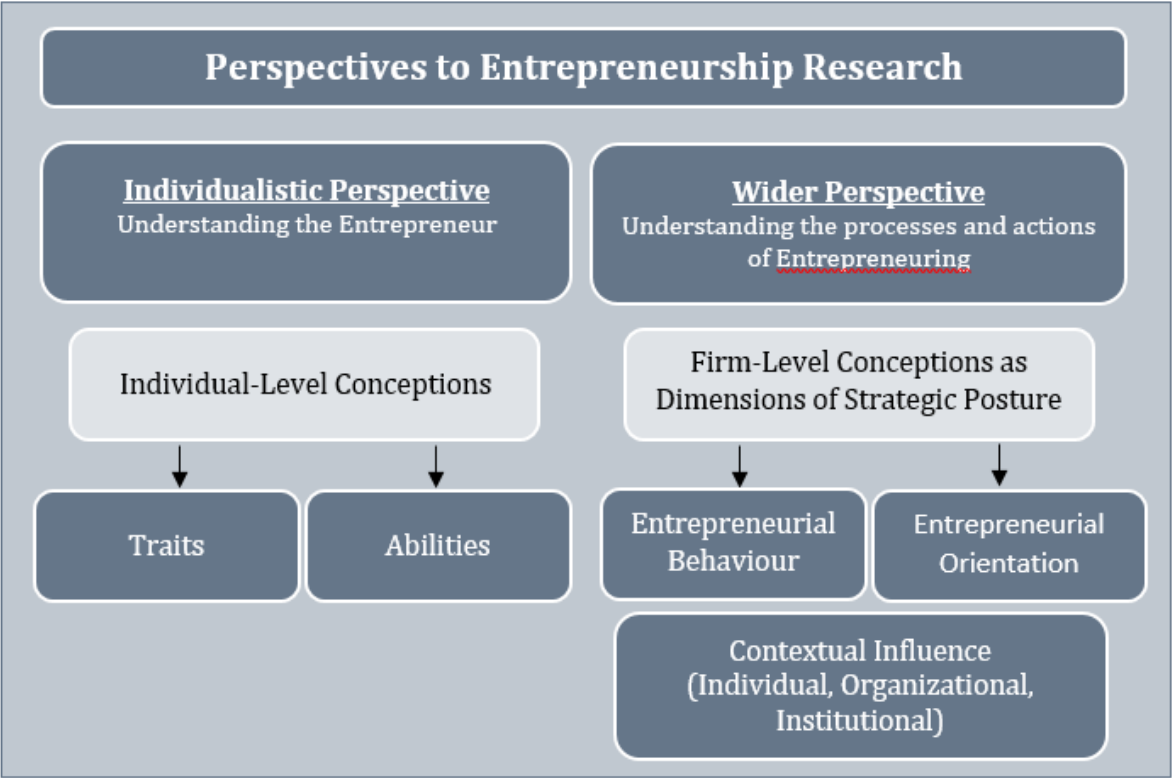


Figure 1: Perspectives on Entrepreneurship Research. Own representation on the basis of Kuratko and Hodgetts (2004) and Watson (2013).

In this context, the connection between entrepreneurship and economic progress in general, and its importance for every firm, becomes highly visible. A firm’s competitiveness – defined by Picard (2011) as “... the degree to which a firm ... can survive, sustain itself, and remain a viable economic contributor” (p.55) – is influenced and achieved through its abilities to identify and respond to market opportunities and threats, and to actively build competitive advantages which “... result from internal atmospheres that support change and innovation” (ibid.). In this way, entrepreneurship is more than the creation of a new business. It is a vital element for the competitiveness of all firms, including established companies, by means of pursuing multiple opportunities to exploit developments in product, process and organizational innovation, moves into new

markets and creative resource allocations.¹ Today companies compete within a knowledge society, a context that, as Peter F. Drucker (2011) said, would “... inevitably become far more competitive than any society we have yet known ...” (p. 233). Such is the case nowadays, which explains the growth of the number of entrepreneurship and management academics (Watson, 2013; Parkman et al., 2012; Kuratko, 2010; Küng, 2008; McKelvie and Picard, 2008; Covin and Slevin, 1991). These experts believe today’s dynamic and complex environments demand that every established company adopt and integrate entrepreneurial attitudes and actions into its management and operations.

Despite a variety of definitions, the mentioned consensus in contemporary academic circles is based on a shared vision of entrepreneurship as a dynamic process of change that is driven by innovation (Koppl and Minniti, 2010, p. 244), and equally defined as “... a dynamic process of vision, change and creation” (Kuratko and Hodgetts, 2004, p. 30). In this sense, entrepreneurship does not refer to an individual but to processes by individuals and organizations – be they old, new, small or large – to pursue, discover, evaluate and exploit value-creating entrepreneurial opportunities (Messeghem, 2013; Eckhardt and Shane, 2010; Henrekson and Stenkula, 2010; Kuratko, 2010; van Weezel, 2009).

This shared vision and definition of entrepreneurship has deep roots in Josef Schumpeter’s ideas –described in “The Theory of Economic Development” – which highlights that the main function of entrepreneurship is the allocation of existing resources to new uses and new combinations (Śledzik, 2013, p. 91). Nonetheless, as presented in Figure 1 above, there are crucial differences in understandings of the entrepreneurship concept. This is largely the result of whether it is analysed from a narrower perspective, focusing on the individual and his/her entrepreneurial abilities and traits, or from a firm-level perspective, focusing on entrepreneurial processes, strategy and entrepreneurial activities of organizations as systems. In this study, the latter approach is used by looking at the dimensions of entrepreneurial management which have been described by firm-level conceptions of entrepreneurship, including the “Entrepreneurial Orientation” (Lumpkin and Dess, 1996) and “Entrepreneurial

¹ An interesting concept relating to this context is called “entrepreneurial intensity”. Kuratko (2010) offers a good discussion and a graphic illustration of the nature of entrepreneurial intensity in the “entrepreneurial grid”. In: Acs, Zoltan J. and David B. Audretsch (2010): *The Handbook of Entrepreneurship Research*. New York: Springer, pgs. 146-148.

Behaviour” (Covin and Slevin, 1991) concept, in particular. This study will use these concepts as the basis for its argumentation.

Before discussing these concepts in detail, however, it is crucial to elucidate the interdependency between individuals and organizations in order to understand that even when analysing entrepreneurship from a macro/organizational level (as done here with the mentioned firm-level conceptions), a degree of the micro/individual level is nonetheless always incorporated into it. This becomes clear when looking at the definition of “organization”, which Miller (2012) outlines as consisting of five main features – “namely, the existence of a social collectivity, organizational and individual goals, coordinated activity, organizational structure, and the embedding of the organization with an environment of other organizations” (p. 11). This understanding of organisations is in line with definitions by other researchers (Aldrich and Ruef, 2006; Stacey, 2003) that equally describe organisations as purposive social systems formed through patterned activities and communicative interactions between interdependent individuals. In addition, Aldrich (2006) defines these sets of routines, bundled activities and competencies created by such collective activity systems (organizations) as organizational knowledge, which has to be constantly reproduced over generations of newcomers in order to maintain and renew the organizational boundaries and identity (p. 76 and 92).

This highlights that organisations are collectives of individuals. As such, it is recognized in the entrepreneurship literature that entrepreneurial action and the opportunity discovery processes of organisations are influenced, and also limited, by the individual, meaning by the entrepreneur’s or manager’s knowledge and learning abilities, not only by the organization’s learning ability (Koppl and Minniti, 2010). Entrepreneurship theory stresses that managers’ prior experiences, their interpretation of the firm’s environment, their access to information through social networks (Naldi and Picard, 2012; Eckhardt and Shane, 2010; Albarran et al., 2006) and thus, their ability to engage in an “enactment process of acting, observing, learning and acting” (Alvarez et al., 2010, p. 31) are determining conditions for the exploitation of new opportunities.

However, organisations are not individualistic since they precede and succeed individual involvement. Although it is individuals that create and influence collective-level constructs such as organisational processes and capabilities in an organisation

(Felin and Foss, 2005), these processes and created structures in turn also influence and shape the actions of current and especially of future individuals of the organisation. Therefore, analysing entrepreneurship from a process and capabilities perspective – as is the means in this study – implies not studying the individual or the manager per se; but implies analysing how managers and their entrepreneurial leaning encourage or inhibit entrepreneurial action by *developing and using dynamic organisational processes and capabilities* to create an overall strategic and collective entrepreneurial leaning, structure and conduct in the organisation. Garvin (1998) argues accordingly that a process perspective gives the needed integration since it ensures that the realities of work practice are explicitly linked to the firm’s overall functioning, yet allowing a fine-grained insight into diverse, interlinked tasks and actions that processes are composed of. In addition, capabilities, similarly understood as processes based on the interaction of a range of organisational elements (Oliver, 2014; Eisenhardt and Martin, 2000), provide a useful basis for the analysis approach.

Returning now to the discussion of entrepreneurial firm-level conceptions, both the “Entrepreneurial Behaviour” and the “Entrepreneurial Orientation” conceptions are used interchangeably by researchers in the literature. This is due to the fact that both relate to a type of organizational behaviour and to a type of strategic orientation, respectively, which capture specific entrepreneurial aspects of decision-making styles, methods, and practices by management (Zampetakis, Vekini & Moustakis, 2011; Covin and Slevin, 1991). These firm-level concepts are linked to and set out from the point of the individual. However, they do not analyse the manager’s traits or abilities but rather link his/her actions and decision-making to the formation and development of organisational entrepreneurial processes and firm strategies.

In a complementary way, both conceptions “... address more directly the “opportunity orientation” of managers in a firm (van Weezel, 2009, p. 50) and both emphasise the notion, stated by Naldi and Picard (2012), that opportunities and resources are the heart of entrepreneurial processes. This crucial connection between opportunities and resources is further highlighted in the definition of “opportunity exploitation” as “... taking action to gather and recombine the resources necessary to pursue an opportunity” (Eckhardt and Shane, 2010, p. 62). Observing and taking action, described as *alertness* to new opportunities by Koppl and Minniti, is a further central element in practicing entrepreneurship (as cited in van Weezel, 2009, p.44). Yet, alertness does not just mean

individual alertness, but viewed from the firm-level perspective of entrepreneurship it also means the processes – enacted by managers and organisational members – that enable and facilitate better observing of and acting on opportunities by the organisation as a collective. Both firm-level entrepreneurial conceptions are complementary with many similarities. For clarity, a short discussion of each will be useful, including a definition and presentation of the key elements for each.

Covin and Slevin (1991) define entrepreneurial behaviour, or more precisely, an *entrepreneurial posture*, as a “... strategic philosophy concerning how the firm should operate on particular behavioural dimensions” (p. 13). McMullen and Shepherd define entrepreneurial behaviour similarly, as “... a set of entrepreneurial actions by which individuals make judgmental decisions under uncertainty” (as cited in Acs and Audretsch, 2010, p. 146). In this view, the behavioural component is central to the entrepreneurial process, and since behaviour is manageable, individual managers and how they develop particular organizational strategies, structures, cultures and systems can affect the overall entrepreneurial effectiveness of firms (Covin and Slevin, 1991, p. 8-9). A second crucial component of entrepreneurial behaviour is willingness, meaning that an individual or organization needs to deliberately take responsibility and seize new opportunities with the goal of achieving creative change (Kuratko, 2010). Finally, it is crucial to mention the three key dimensions that entrepreneurial behaviour is based upon. These are innovativeness as a form of seeking creative solutions to problems or needs; risk-taking as a form of investment, strategic and resource decisions and commitments under uncertain conditions; and pro-activeness as a firm’s forward-looking disposition to competitively seize and complete opportunity exploitation (Kuratko, 2010; Covin and Slevin, 1991). Here, it becomes visible that the micro/individual level is clearly a part of the firm-level concept. Yet, it also becomes clear that the key dimensions can be analysed from a process perspective and, as such, can be connected to overall firm behaviour – representing a firm-level analysis.

Similar to the entrepreneurial posture conception by Covin and Slevin (1991), the *entrepreneurial orientation* concept is defined by Lumpkin and Dess (1996) as a strategic-choice perspective that “... refers to the processes, practices, and decision-making activities that lead to new entry” (p. 136). Three of the five main dimensions underlying an entrepreneurial orientation resemble those in the entrepreneurial posture concept, namely innovativeness, risk-taking and pro-activeness. In addition to these, Lumpkin and

Dess (1996) add autonomy as the will to be self-directed in the opportunity pursuit, and competitive aggressiveness as the firm's responsiveness towards competitors, trends and towards the demand in the marketplace as further crucial dimensions of an entrepreneurial orientation. The concept's goal – similar to the entrepreneurial posture conception – is to provide a basis for looking into performance implications of processes, decisions and actions taken by management (ibid, p. 151).

Both concepts present entrepreneurship and its effectiveness as a *firm-level phenomenon* as enacted by individuals. This is constructive because according to Carree and Turik (2010), firms provide essential vehicles for individuals to transform ambitions into actions (p. 586). The key components and dimensions of both concepts further underline that an entrepreneurial posture or orientation is a strategic choice, which is influenced by individuals and management's values and philosophies, but also by a firm's processes and developed competencies providing effective means for new opportunity implementation (Eckhardt and Shane, 2010; Covin and Slevin, 1991). This crucial understanding reveals that an entrepreneurial orientation does not directly and solely impact on firm performance, as found in many studies (Parkman et al., 2012; Newey and Zahra, 2009; van Weezel, 2009), but rather that organizational structures, capabilities and organizational learning processes – built and formed by management – are decisive enablers for an effective implementation of entrepreneurial processes and activities. For instance, Albarran, Chan-Olmsted and Wirth (2006) ascertained that a more entrepreneurial firm is more inclined to use and exploit resources than to own them, is more action-oriented, and promotes ideas and experimentation more through flat, informal networks (p. 254). Messeghem (2003), in addition, found in his research on “Strategic Entrepreneurship and Managerial Activities in SMEs” that firms with a strong entrepreneurial orientation possess more structuring of activities and also a more complex external information system for identifying new opportunities (p. 204-207).

Thus, an entrepreneurial orientation represents a form of strategic entrepreneurship², which is defined by van Weezel (2009) as “... the integration of entrepreneurial (i.e. opportunity-seeking behaviour) and strategic (i.e. advantage-

² Strategic Entrepreneurship in established organizations is also, next to corporate venturing, often defined as a form of corporate or intra-entrepreneurship. See chapter 6 by Kuratko (2010) for a detailed discussion on these concepts. In: Acs, Zoltan J. and David B. Audretsch (2010): *The Handbook of Entrepreneurship Research*. New York: Springer.

seeking behaviour) perspectives in developing and taking actions designed to create wealth” (p. 45). Entrepreneurship and strategic management are “both dynamic processes concerned with firm performance [implications]” (Kuratko and Hodgetts, 2004, p. 530) and how competitive advantage can be created through management processes, decisions and actions (Albarran et al., 2006; Lumpkin and Dess, 1996). That is why there is a growing research trend to connect the concepts to produce new insights about adaptation and the renewal abilities of firms in highly dynamic environments. As van Weezel (2009) highlights, “Managers are required to be responsive to the dynamic environment as they try to compete not only on the basis of available resources and capabilities, but also their own entrepreneurial behaviour” (p. 45). Accordingly, the entrepreneurial orientation concept provides a fruitful perspective for this research into management’s dynamic capabilities – a theory concerned with change in dynamic environments, and also based on strategic management concepts.

The environment is also a central factor with critical impact on every firm’s entrepreneurial effectiveness and performance. The context therefore plays a relevant framing role in this thesis. Environmental conditions such as dynamism and complexity, as well as the industry embeddedness and related industry characteristics, create both options and limits for a firm’s abilities to act entrepreneurially (Carree and Thurik, 2010; Küng, 2008; Lumpkin and Dess, 1996). Josef Schumpeter already highlighted three important sources for opportunities in the environment, namely technological changes, political and regulatory changes, and social and demographic changes (Shane, as cited in Hang, 2007, p. 29). Dynamic markets and rapid change – being the case today and especially in the television industry – however, also create uncertainty and barriers to an individual’s knowledge development because of shorter time frames for information and experience collection. This, in turn, creates barriers to organizational development. Picard (2011) concludes that such conditions, therefore, also increase the production of behaviours that limit innovation and entrepreneurial reactions (p. 12), both on individual and firm-level.

There are criticisms and limitations regarding the research theory of entrepreneurship in general, and the entrepreneurial orientation / posture conceptions for firms. Firstly, entrepreneurship theory in general is criticized for its lack of a common theoretical framework (Koppl and Minniti, 2010, p. 244), which is represented in the diversity of research approaches from different levels. This, in part, makes a comparison

of research results difficult. There is also much controversy about the strength of a positive relationship between entrepreneurial postures and firm performances (Covin and Slevin, 1991). The link is correlated, but the strength of causalities is not yet decisively proven.

A second limitation to these entrepreneurial concepts is the vital challenge for management to achieve a constant working balance between entrepreneurial and administrative actions under changing conditions (Watson, 2013; Kuratko and Hodgetts, 2004). Küng (2008) describes this duality as situations where seemingly contradictory priorities need to be balanced since they are in fact complementary (p. 216). For instance, a project-based company – such as a television company – needs projects to apply its existent skills and excellence to maintain its current business, but it also needs to obtain novel projects in order to facilitate ongoing development, since they are “exclusively a vehicle for learning” (Lundin, 2008, p. 207). In addition, an opportunistic entrepreneurial orientation in management can be critical because it tends to be a resource-intensive posture (Covin and Slevin, 1991, p. 15), the risk of failure is comparatively high and because change in firms still needs an underlying strategic logic (Bilton, 2007, p. 127).

Adaptive approaches – as the theoretical foundation of this thesis – see strategy as an evolutionary process performed by firms to initiate change progressively in response to the altering environment (Küng, 2008, p. 120). Entrepreneurial decision-making is viewed by researchers as a vital means and a continuing process (Casson, 2010) facilitating change through new approaches, and thus, facilitating strategic development. This is also supported by studies that argue that the integration of an entrepreneurial orientation in strategy is advantageous for firms in turbulent environments (Messeghem, 2003). Based on this argumentation, a clear advantage of analysing entrepreneurship through a process and capabilities approach is the possibility to look closer at specific activities and decisions that a firm’s entrepreneurial orientation is built on, with the potential to generate insights into mechanisms for continuous adaptation.

The understanding of entrepreneurship as firm-level processes provides an essential justification for the underlying strategy of this study: to look at the *interconnection of entrepreneurial and dynamic capability processes* (Woldesenbet, Ram and Jones, 2012; Newey and Zahra, 2009; Zahra, Sapienza, & Davidsson, 2006) in small to medium-sized enterprises to better explain change capabilities and improved

competitiveness in the independent television production industry. That is essential because of their small size and resource limitations. To provide a basis for this, the following subchapter connects the entrepreneurial perspective with media industries. As such, media entrepreneurship as a rising research field is introduced and its value for this study is discussed.

2.2 The Field of Media Entrepreneurship – Definition, Context and Value

The fast growing media management research area underlines how the peculiarities of media industries produce specific challenges for the management of media companies. Applying entrepreneurship research to the media industries is a fairly new development. The need for media entrepreneurship research and its value for generating new insights into media management practices are manifold.

The media industries – also called the creative industries – are concerned with “... the production of [information and entertainment] goods and services based on a substantial element of artistic, imaginative or intellectual effort” (Davel and Fachin, 2010, p. 2). The complexity of media products and services lies, therefore, in their production characteristics that are driven by non-economic criteria such as information, artistic and creative ideas and cultural factors. This complexity is further enhanced by the uncertainty of demand for such products, since they represent experience goods that depend on highly subjective consumer demands (Parkman et al., 2012; Picard, 2011). In addition, the business logics of media firms are nowadays constantly challenged by the accelerating velocity of diverse and simultaneous changes in the environment. Key drivers are consumer behaviour changes as well as technological changes that have lowered the entry barriers for content creation and distribution, and increased the interlacing of media sectors through digital technological platforms and channels. The result is increased competition for audience attention in the context of declining revenues (Küng, 2008, p. 82 and 90).

Regarding this increasingly complex dynamism in the media industries and the specific characteristics of media products, the necessity and value of entrepreneurial processes for media business renewal has been recognised by a growing number of media management and entrepreneurship researchers, especially since the 2000s

(Achtenhagen, 2008; McKelvie and Picard, 2008; Hang and van Weezel, 2007). This is also underlined by the insight from Kuratko and Hudgetts (2004) that “Doing old tasks more efficiently is not the answer to new challenges” (p. 57).

Media entrepreneurship is most comprehensively defined by Hoag and Seo (2005), who conceptualize the young research field as “... the creation and ownership of a small enterprise or organization whose activity adds at least one voice or innovation to the media marketplace” (p. 3). This definition does not solely focus on media entrepreneurship as new business creation, but also includes existing small firms which may not be constantly innovating, and both for-profit and non-commercial media enterprises as facets of media entrepreneurship (ibid.). As a specialization of entrepreneurship theory, media entrepreneurship therefore studies the search and exploitation of “media opportunity”, and in what ways entrepreneurial activities contribute to innovative change in the media organization and in the economy. Table 1 represents five important functions through which media entrepreneurs are taking the role of a change agent.

Media Entrepreneurs as Change Agents
1) Pursuing a mission to create and sustain artistic, cultural and/or societal value
2) Recognizing and relentlessly pursuing new opportunities for such missions
3) Engaging in processes of continuous innovation, adaptation and learning
4) Taking bold courses of action without being limited by resources currently at hand
5) Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created

Table 1: Media Entrepreneurs and their Functions. Based on Achtenhagen (2008).

Achtenhagen (2008) further demonstrates in her argumentation how media entrepreneurship functions in part as social entrepreneurship. The social dimension of media entrepreneurs is to innovatively use and combine resources not only for economically viable media products, but also to pursue opportunities with them in order to catalyse social change and/or address social needs (p. 127). This highlights a major challenge for media firms – whether they be new, old, big or small – and for media entrepreneurship: the combination and balance of commercial and non-commercial value creation (ibid, p. 139). The study of media entrepreneurship, thus, has the goal of clarifying how creative industry firms are aligning their entrepreneurial management, and their creative and firm capabilities for both exploiting new opportunities and being flexible, and for developing their current product and service offerings to boost

productivity (Parkman et al., 2012; Küng, 2008). Hang and van Weezel (2007) additionally justify the value of entrepreneurial processes for media organizations and their management, because the dimensions of entrepreneurial processes – innovation, autonomy, risk-taking, pro-activeness and competitive aggressiveness – are critical activities for producing novel media content and service products, and thus are vital for building media business success (p. 55).

The creation of sustainable change in media business innovation is, however, not achieved through the mere willingness for risk and experimentation. It ultimately depends on the capacity of the organization and its management to absorb and act upon opportunities which are the vital enablers of change (Bilton, 2007). For that reason, research on media entrepreneurship is particularly interested in why some entrepreneurs are better at discovering and exploiting opportunities than others, and how – with which underlying activities, capabilities and implemented processes – those opportunities are effectively exploited (Hang and van Weezel, 2007, p. 63). Kuratko (2010) suggests further reference points for analysing change through entrepreneurial processes, by comparing how much the firm is transforming itself in terms of product, market, internal process and capability changes relative to where it was before, and relative to industry conventions and standards (p. 134). These questions are crucial for this research problem looking at why one independent TV production company in Germany is more adaptable and sustainable in its success than so many others.

There are factors that researchers designate as influential and also as limiting to media entrepreneurship. Firstly, since creative businesses are quintessentially project businesses (DeFillippi, Grabher and Jones, 2007), they hold an organizational flexibility and ability to generate new knowledge through diverse projects, but also face the paradoxes and tensions that are existent in project work and that may inhibit innovative behaviour and diverse learning chances (ibid, p. 514). Moreover, researchers stress the determining influence of national media market structures and of specific industry characteristics on media entrepreneurship and organizational action regarding entrepreneurial opportunities in a specific context (Khajeheian, 2014; Küng, 2008; Hang and van Weezel, 2007). To some extent, this will become apparent from Chapter 4.1 on the German independent TV production industry which, in its current state, places several challenges to a firm's entrepreneurial intentions. In addition, the literature reveals factors that limit the innovative ability of smaller firms in particular, such as the high fixed costs

that innovative activity requires, and a higher risk for new products because of smaller economies of scale which offer a smaller profit potential from innovation (Acs and Audretsch, 2010, p. 280).

Nevertheless, “firm size does not translate automatically into firm performance” (Davis, 2009) which is why these arguments do not give answers to or insights into how small to medium-sized enterprises (SMEs) in the media industry handle the need for change and innovation in the context of their limited size and resources. Hence, the integration of media entrepreneurship theory in the study of SMEs’ change adaptability and success is particularly valuable. At first glance, the amount of technological advances is seemingly creating a large number of problems for media managers by interrupting the functioning business logics on which they built their firms. But the crucial insight is to understand “... that problems are to solutions what demand is to supply” (Kuratko and Hodgetts, 2004). This is what creates differences in entrepreneurial and change-oriented management actions and abilities, and consequently their application in building entrepreneurial firm processes (Davel and Fachin, 2010; Küng, 2008). By investigating how entrepreneurial activities and processes are related to and influence the development and use of dynamic firm-level change processes, critical insights into effective management behaviour of SMEs in the creative industries may be found. The argumentation of such a relationship between entrepreneurial and dynamic firm processes is further being outlined and discussed in Chapter 3.

In sum, this study researches internal firm dynamics in connection with entrepreneurial firm-level properties and processes with an interest on their impact on performance outcomes in the creative industry context. These issues, according to several academics, have to date not been covered sufficiently (Parkman et al., 2012; Küng 2008). Because the study is also interested in the capabilities of firms to adapt under dynamic conditions and its interrelatedness with entrepreneurial processes, these elements are explored next.

3 Dynamic Capabilities for Managerial Performance

3.1 Dynamic Capabilities Theory – Definition and Importance for SME Performance

“It is change – continuing change and inevitable change – that is the dominant factor in the business society today.”

The focus on change, accentuated in this quote by Hang (2007), is the central challenge and a determinant for long-term business success in our contemporary world. As the early neuroscientist John Lilly phrased it, “our only security is our ability to change”. The ultimate goal for media managers is to create a *unique competitive flexibility* through firm and managerial-specific processes that continuously reconfigure the companies’ operating routines and assets – activities that are at the heart of the dynamic capabilities theory (Teece; Pisano and Shuen, 1997).

There is a vast literature on dynamic capabilities theory, which reflects the rising interest of researchers from various management science fields (Ambrosini and Bowman, 2009; Teece, 2009; Zahra et al., 2006; Teece et al., 1997) over the last two decades. This also reveals the theory’s growing value for addressing current business challenges, especially and increasingly for identifying sources of competitive advantage as well as the entrepreneurial and renewal strengths of SMEs (Woldesenbet et al., 2012; Newey and Zahra, 2009; Davis, Vladica and Berkowitz, 2008; Borch and Madsen, 2007). The definitions and proposed typologies that explain dynamic capabilities are as versatile as the literature on entrepreneurial theory considered earlier, which means this theory also lacks a consolidated and coherent approach.

However, the majority of definitions are consistent with Teece, Pisano and Shuen’s (1997) seminal understanding of dynamic capabilities “... as the firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments” (p. 516). As such, they are seen as “meta-competences” and “high-level activities that link to management’s ability to sense and seize opportunities, navigate threats, and combine and reconfigure specialized and cospecialized assets ...” (Teece, 2009, p. 54). Additionally, there is consensus about dynamic capabilities not being resources or performance outputs, but rather processes and specific, identifiable “problem-defining and problem-solving routines” (Kuuluvainen, 2011; Bitar and Hafsi, 2007; Eisenhardt and Martin, 2000) that impact a firm’s resources and influence the

current and future performance (Teece, 2009). According to Teece (2009), as well as to Ambrosini and Bowman (2009), the underlying value of the dynamic capabilities approach is the explanation for how firms achieve sustainable competitive advantage and continuous value creation in a changing environment through persistent development and adaptation of their scarce resources into new combinations.

The theory of dynamic capabilities and its defining elements have their origins in multiple firm theories, especially the resource-based theory (RBV) in the field of strategic management, behavioural theory, evolutionary economics theory (Augier and Teece, 2009), and entrepreneurship theory. These theories are, in their essence, concerned with the identification of attributes and processes that account for differences in firm performances, and how these are influenced by management work. The RBV sees the firm as a collection of heterogeneous and unique resources that form the basis for its strategy and account for superior performance (Albarran et al., 2006, p. 164). The dynamic capabilities approach builds on this understanding, suggesting that unique, non-buyable resources are one crucial qualification for firm survival. It goes much further by emphasizing their unique composition and necessary development. Evolutionary theory sees the firm as a knowledge-creating entity, thus, Penrose (1959) emphasized that firms are a repository of capabilities, knowledge and experience that develop through learning (as cited in Augier and Teece, 2009, p. 415). The dynamic capabilities approach connects to this idea as it "... sees learning not as an opportunity, but as a necessity" (Teece, 2009, p. 119), which is the key to its core underlying ideas of achieving flexibility, adaptability, integration and reconfiguration (ibid. p. 108).

Penrose also recognized that value creation is not achieved through the mere possession of unique resources, but rather through their use (as cited in Ambrosini and Bowman, 2009, p. 31). Hence, Teece (2009) outlines how asset alignment and asset orchestration – critical processes within strategic management theory – are the core elements of the dynamic capabilities approach. Adding to this, the processes of opportunity recognition and exploitation from entrepreneurship theory are, in particular, mirrored in the micro-foundations of dynamic capabilities – namely in the capacities of management to 1) sense opportunities and threats, 2) to seize opportunities and, 3) to build sustainable competitiveness through creatively enhancing, combining, and reconfiguring the business' intangible and tangible assets (Helfat and Martin, 2015; Teece, 2009). As such, the dynamic capabilities approach combines and develops all these

understandings by putting the central focus on the analysis of the underlying high-level processes that drive change – understood as the organisations’ development of capabilities as well as their resource and performance renewal (Kuuluvainen, 2011, p. 45).

A capability is defined by Helfat and Martin (2015) as “... the capacity to perform a particular activity in a reliable and at least minimally satisfactory manner” (p. 5). In this sense, capabilities are based on the interaction of a range of organisational elements that include people, structures, systems and values (Oliver, 2014). Therefore, they represent complex bundles of skills and accumulated knowledge (Kuuluvainen, 2011) that enable reliability in repeated activities. Crucial for the dynamic capabilities approach is the distinction of an *operational / substantive capability*, which is the ability to solve a problem, and a *higher-order dynamic capability*, which is the ability to change the way a firm solves its problems (Zahra et al., 2006, p. 921). As such, a dynamic capability does not involve direct production processes of a marketable good or service, but rather builds on and involves processes that activate changes in such substantive capabilities (Woldesenbet et al., 2012).

Ambrosini and Bowman (2009) furthermore summarize a number of important characteristics of dynamic capabilities that researchers agree upon and need to be taken into account when identifying their specific underlying processes in a firm. These are presented in Table 2.

Dynamic Capabilities are ...
1) built rather than bought in the market place
2) path dependent
3) embedded in the firm
4) not an ad hoc problem-solving event or a spontaneous reaction
5) containing some patterned element, meaning they must be repeatable
6) used intentionally
7) specifically focused on one type of strategic change, namely the intentional change of the resource base

Table 2: Essential Characteristics of Dynamic Capabilities. Based on Ambrosini and Bowman (2009).

These aspects highlight a critical feature at the heart of this thesis, namely that *dynamic capabilities are entrepreneurially-oriented because they have to be built creatively and intentionally in a way that they do not exist in the market yet*. This is in line with Teece et al. (1997) who highlighted that these capabilities are distinctive because they cannot be bought and they are either difficult-to-replicate or difficult-to-imitate (p. 518). Without

learning (both managerial and organizational), which is driven by entrepreneurial willingness and by highly entrepreneurial actions focused on sensing and seizing new opportunities and challenges (Zahra et al., 2006, p. 945), the creation and development of long-term, firm-embedded dynamic capabilities is impossible. Ambrosini and Bowman (2009), thus, argue that dynamic capabilities encompass four main processes: reconfiguration, leveraging, learning and creative integration (p. 35) – all of which are also important characteristics of entrepreneurship. In line with this, Zollo and Winter (2002) suggest the use and development of learning mechanisms by management – including experience accumulation, knowledge articulation, and knowledge codification processes – as crucial for creating the dynamism needed for a firm’s operational capabilities and resource renewal (p. 339).

This line of argumentation reflects two major factors that impact and drive the development of dynamic firm capabilities, and thus, can function as enablers of firm change and renewal. The first factor is management – both individuals and groups within the firm – whose entrepreneurial cognition and decision-making ability, perceptions, capacities, specific knowledge, understanding of the customer and market, and possible errors (Zahra et al., 2006, p. 941) significantly influence the kind of dynamic capabilities that are created, or not created. Therefore, Teece (2009) also outlines the need for an entrepreneurial orientation, demonstrated by pro-active opportunity identification; creative search, selection and implementation activities; as well as knowledge-sharing and learning activities (p. 99). All of these are crucial for a management’s and firm’s dynamic capabilities. This supports not only Teece et al.’s (1997) early view of the concept of dynamic capabilities as “a coordinative management process” (p. 520), but also puts the focus on entrepreneurial abilities of management – alongside orchestration and integration abilities – as determinants of success. These determinants, according to researchers, cause great differences in the kinds of dynamic capabilities employed (Ambrosini and Bowman, 2009, p. 41) and in change and performance outcomes across similar firms (Helfat and Martin, 2015; Zahra et al., 2006; Teece et al., 1997).

The second major factor that affects the development and use of dynamic capabilities is a firm’s history with its path-dependent learning mechanisms. This is because dynamic capabilities are “... typically the outcome of experience and learning within the organisation” (Ambrosini and Bowman, 2009, p. 11). Thus, both the embeddedness of dynamic capabilities in an organization’s architecture and culture, as

well as their formation through firm-specific routines and knowledge acquired over time (Küng, 2008, p. 117), reflects their particular path dependency.

On the one hand, dynamic capabilities are built on a “path of competence development” (Teece et al., 1997, p. 515), because they are not ad-hoc solutions but rather incremental change processes created on the basis of a firm’s learning and operational processes in pursuit of its strategic goals. This is where an entrepreneurial orientation becomes so important, because it drives learning and change through opportunity exploration and exploitation. In addition, Ambrosini and Bowman (2009) highlight that the repeated use of a dynamic capability is crucial to improve its effectiveness by means of learning and incremental adaptation to the internal and external changes (p. 40-41). On the other hand, many studies also stress that the history, and existent learning and action paths of a firm can lead to dependencies and inertia (Ambrosini and Bowman, 2009; Newey and Zahra, 2009; Zahra et al., 2006). This is underlined, for instance, by Zahra et al. (2006) who argue that “... how and what firms learn and how they change depends in part on the length of their history and the development stage of their organizational routines” (p. 932). However, Zahra et al. (2006) also state that an early development of dynamic capabilities in a firm’s existence produces a higher tendency in that firm’s culture to continuously use and develop such capabilities (p. 947).

Besides this risk of cultivating a path dependency, there are several further limitations regarding the development and use of dynamic capabilities – some of which are highly important and more difficult to deal with for the management of SMEs. First, dynamic capabilities development in most cases needs long-term commitments of specialized resources and persistence in developing future competence paths. That makes them costly and dependent on long-term managerial and operational investments (Ambrosini and Bowman, 2009; Zahra et al., 2006; Teece et al., 1997). Financial resources are limited in SMEs, which is one reason that the development of dynamic capabilities in such firms depends strongly on a manager’s more entrepreneurial mind-set. The entrepreneur is more inclined to see the higher value of recombined resources to achieve new means-end solutions as opposed to exploiting them in their current form (Eckhardt and Shane, 2010, p. 51). Adding to this, Naldi, Wikström and Von Rimscha (2014) found that SMEs, in particular, need to “build a ‘critical mass’ of these capabilities to be able to reap their benefits and foster innovation” (p. 77), otherwise such investment will not pay off. On top of this, due to the reliance on mainly freelance labour in project-based

organisations that are predominant in the TV industry, the scale of required investment into sensing and seizing capabilities is substantial (ibid.). These insights make the continuous development of dynamic capabilities a challenging task for SME management, and they underline that the opportunities for and effectiveness of their use are dependent on the industry and its influencing market factors (i.e. the context).

A second criticism is that dynamic capabilities are often only connected to financial performance and growth. This is a very limited view regarding their possible positive effects for firms. As Bilton (2007) argues, organizational change – which is the goal behind building dynamic capabilities – is more development than business expansion, and though it includes growth it is not limited to it and growth does not always correlate to success (p. 118). Zahra et al. (2006) adds to this that dynamic capability development is not only a necessity in changing environments, but also important for addressing internal pressures towards change in less turbulent times. This view sees organizational change as development through “... process[es] of incremental adaptation to external changes and internal intentions” (Bilton, 2007, p. 118), and as such, contributing to sustained firm renewal. This is in line with the understanding of organizational change endorsed in this thesis. The approach is also essential, in particular, for investigating smaller businesses in the creative industries, because their success is usually measured through project acquisition records and a succession of peaks, rather than through a steady line of profit increases (ibid.).

Additionally, dynamic capabilities formation can be further limited, or even result in performance decline, through management errors in judgement under uncertainty (Zahra et al., 2006); through a lack of organizational and technological inputs to evaluate potential opportunities, especially in SMEs (Teece, 2012); and through the paradoxical effect of opportunity cost considerations, which tend to suppress learning when it is most needed (Zollo and Winter, 2002) and which can even foster risk-aversion. A last limitation to be mentioned here is the poor specification of dynamic capability processes³, often with missing micro-mechanisms explaining these processes (Ambrosini and Bowman, 2009, p.

³ Valuable dynamic capability processes suggested in the literature range from broadly defined processes such as coordination/integration, learning and reconfiguration (Teece et al., 1997) or dynamic management capabilities (Helfat and Martin, 2015) via more specifically defined activities underlying sensing and seizing capabilities (Naldi et al., 2014; Ellonen et al., 2009) through to more specific micro-processes as DC enablers termed, for instance, as learning capacity (Zollo and Winter, 2002) or absorptive capacity (Newey and Zahra, 2009).

37). So far, there are only a few studies that provide a more detailed and specific categorization of dynamic capabilities within a specific industry, including Borch and Madsen (2007), Davis et al. (2008) and Woldesenbet et al. (2012).

With these criticisms in mind, the aim of this thesis is to investigate the nature of an entrepreneurial orientation in an SME and to see how that enables or contributes to the development of dynamic capability processes. In this way, the study may be able to propose concrete entrepreneurially-linked micro-processes that underlie dynamic capabilities that are valuable, specifically, for managers in the TV production industry. This is important because today's changing environment indicates that resources cannot remain valuable if they are not adapted and modified (Ambrosini and Bowman, 2009, p. 46). Therefore, the dynamic capabilities approach is valuable because it holds "... the potential to promote ongoing [incremental] adaptation so that disruptive change becomes less necessary" (Helfat and Peteraf, 2009, p. 95). In the highly competitive TV production industry where all independent SMEs are challenged by a range of limitations to adapt in a sustainable manner, it has also been suggested (Ambrosini and Bowman, 2009) that a detailed description of the performance of dynamic capability routines in practice may display subtle but important differences between firms.

As Ambrosini and Bowman (2009) therefore emphasize, the dynamic capability theory can be described as "an efficiency approach to firm performance rather than a privileged market position approach" (p. 31). This view is particularly suitable for addressing a crucial strategic question regarding small to medium-sized firm competitiveness and management in the context of limited resource possession ability: "How to sustain a capabilities-based advantage in the context of environmental change?" (Helfat and Peteraf, 2009, p. 99). By addressing this question in this thesis, missing insights can be found regarding what these capability-building and -honing processes in SMEs look like, and in which ways they are interlinked to an entrepreneurial management orientation – a gap highlighted by many researchers (Rice, Liao, Galvin and Martin, 2015; Teece, 2012; Kuuluvainen, 2011; Zahra et al., 2006). A proposed linkage and propositions derived from that will form the basis for empirical fieldwork. Before describing the case for this fieldwork, the following subchapter will summarise how the two primary theories are integrated for this study.

3.2 “Dynamic Entrepreneurialism” as a Conceptual Framework – Connecting Entrepreneurial and Dynamic Capability-Building Processes

The argumentation above outlines two main aspects in the research question of this thesis “*Why are some small to medium-sized independent TV production companies more successful?*”. One aspect is the centrality and precedent-setting influence of management and its perceptions and decisions on a firm’s performance and development. Both entrepreneurship and dynamic capabilities theory stress this key role of management. This is, for instance, underlined by Zahra et al. (2006), who argue that managerial choice is at the centre, giving “... direction, substance and variety to the firm’s entrepreneurial activities” (p. 925). The other aspect is the specific challenge for creative media businesses – in this case independent SMEs in the TV production environment – to manage the exploration-exploitation dilemma so as not to lose the crucial ability to explore and innovate (and therefore adapt), when imbalanced industry cost conditions and high demand uncertainties constrain firms to pursue primarily exploitative, commodity type media projects (DeFillippi, 2009).

Based on these aspects, this thesis investigates the relationship between an SME’s entrepreneurial orientation and its managerial practices from the perspective of building and using dynamic capabilities for achieving a competitive advantage in the TV industry. The suggestion that entrepreneurial activities and capabilities in management are valuable and closely linked to dynamic capabilities development has received growing attention (especially by Teece, 2012; also see Woldesenbet et al., 2012; Teece, 2009; Zahra et al., 2006). Augier and Teece (2009) argue that in today’s economies “... the distinction between the functions of entrepreneurs and managers are fading” (p. 411) and that business success – including the development and employment of dynamic capabilities – is increasingly dependent on the integration of both roles into an active and intentional entrepreneurial management style. Teece (2012) clearly supports this proposed integration and calls this new hybrid “entrepreneurial managerial capitalism” (p. 1398). Winter also stated that managerial cognition and aspiration levels form a significant qualification to evaluate and act upon tangible resource commitments (as cited in Oliver, 2014, p. 62). Since an entrepreneurial orientation is reflected in proactive efforts to pursue opportunities with necessary resource commitments (Covin and Slevin, 1991),

there is reason to believe that entrepreneurial processes and activities are part of the development of dynamic capabilities.

How much this dynamic capability development is nurtured by certain entrepreneurial aspects becomes clearer from Zahra et al.'s (2006) understanding that "... the creation and subsequent use of dynamic capabilities correspond to the entrepreneur, the entrepreneurial team, or the firm's senior management's *perception* of opportunities to productively change existing routines or resource configurations, their *willingness* to undertake such change, and their *ability* to implement these changes" (p. 918). According to this line of argumentation, the first proposition offered by this study is:

P1: Both the development of an entrepreneurial orientation and of dynamic capabilities within a firm is based upon the enabling processes of sensing, seizing and reconfiguring performed by management.

Figure 2 below represents this crucial linkage between the two concepts.

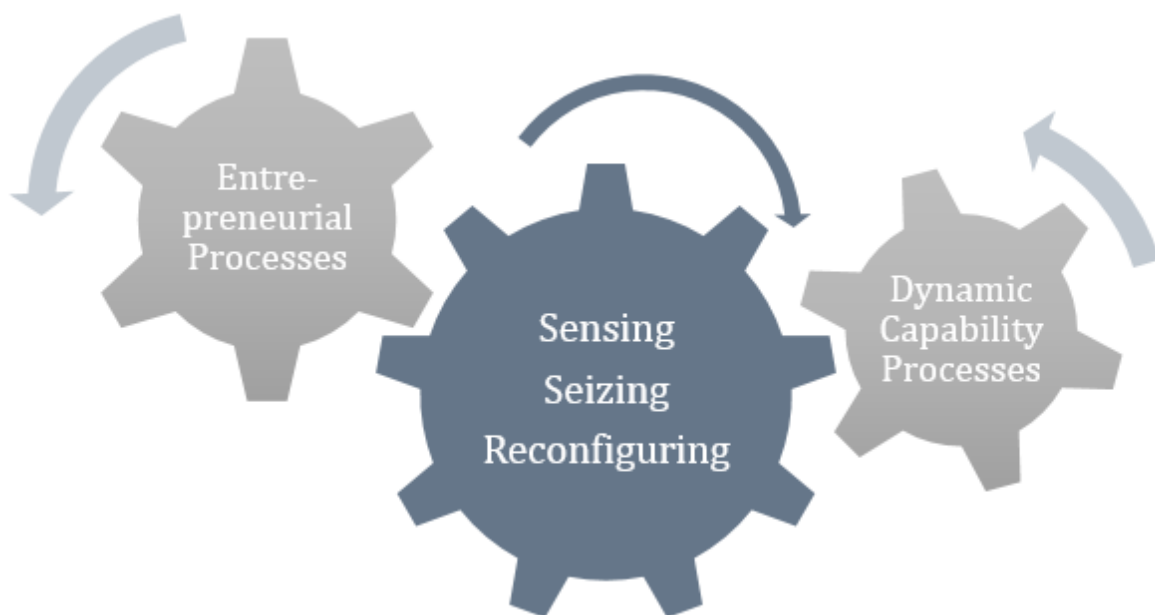


Figure 2: Enabling Processes for both an Entrepreneurial Orientation and Dynamic Capabilities Development. (Own representation)

This proposition that all three processes of sensing, seizing *and* reconfiguration are central enablers for *both* entrepreneurial and dynamic capability processes in a firm is supported by key researchers from each field. Acs and Audretsch (2010) highlight that entrepreneurship is the discovery (sensing) and exploitation (seizing) of opportunities based on the re-allocation (reconfiguration) of productive resources. Similarly, Teece

(2012) and Helfat and Martin (2015) highlight sensing and seizing of opportunities as well as the creative reconfiguration of a firm's resources and capabilities as micro-foundations for dynamic capability development.

The more specific research question arising from this is *"In what way is the success of independent SMEs in the German TV production industry related to the linkage between an entrepreneurial orientation and the development of dynamic capability processes in the firm?"* Success is, thus, not directly referring to high profits but rather to a continuous change and renewal ability of the firm, reflected in the ongoing attainment and/or creation of new production projects. The novel aspect in this thesis is the effort to address two gaps that are highlighted in the literature: 1) The gap of fine-grained case studies about SMEs that have sustained advantage over time in dynamic environments, including the identification of micro-processes that underlie dynamic capabilities in a specific industry (Ambrosini and Bowman, 2009). Gap number 2) is the need for a theoretical model that emphasises entrepreneurship at a management level linked to strategy in order to make the interaction evident between entrepreneurial strategies and specific dynamic capabilities for SMEs (Borch and Madsen, 2007).

Several reasons speak to the value of analysing this specific interconnection. Chanut-Guieu and Guieu (2014) identified a combination of strong entrepreneurial leadership, progressive development of management tools and a continuous awareness of the changing environment (both of the latter representing aspects of dynamic capability processes) as factors facilitating SME development (p. 624). In addition, Borch and Madsen (2007) highlight that the smaller size and simpler structure of SMEs can create an entrepreneurial advantage by increasing decision-making speed and reducing the costs of implementation and control (p. 111). The smaller size of SMEs was also found to be beneficial in terms of effective knowledge management (as cited in Rice et al., 2015, p. 232), which in turn is needed for developing dynamic capabilities that are fit to purpose. Accordingly, Davis, Vladica and Berkowitz (2008) found in their study – one of the few specific studies on dynamic capability development in the independent TV production industry – that the strength of their examined firms lies in their capabilities, which were "not primarily passively administrative, but entrepreneurial, strategic, and operational" (p. 4). Therefore, the second proposition is:

P2: An entrepreneurial orientation of the firm and its management can be seen as an augmenting facilitator for the development of dynamic capability processes, which in turn strengthen the entrepreneurial sensing and seizing capacities in small to medium-sized firms.

Subsequently, this study proposes a framework (Figure 3) that is based on the propositions and supported by the existent literature, which suggests a strong connection between an entrepreneurial orientation and the development and use of dynamic capabilities. This may enhance SMEs' change and renewal ability, in particular. The model does not claim causalities between these two processes, but rather suggests a reciprocal influence between entrepreneurial orientation and dynamic capability processes in a firm.

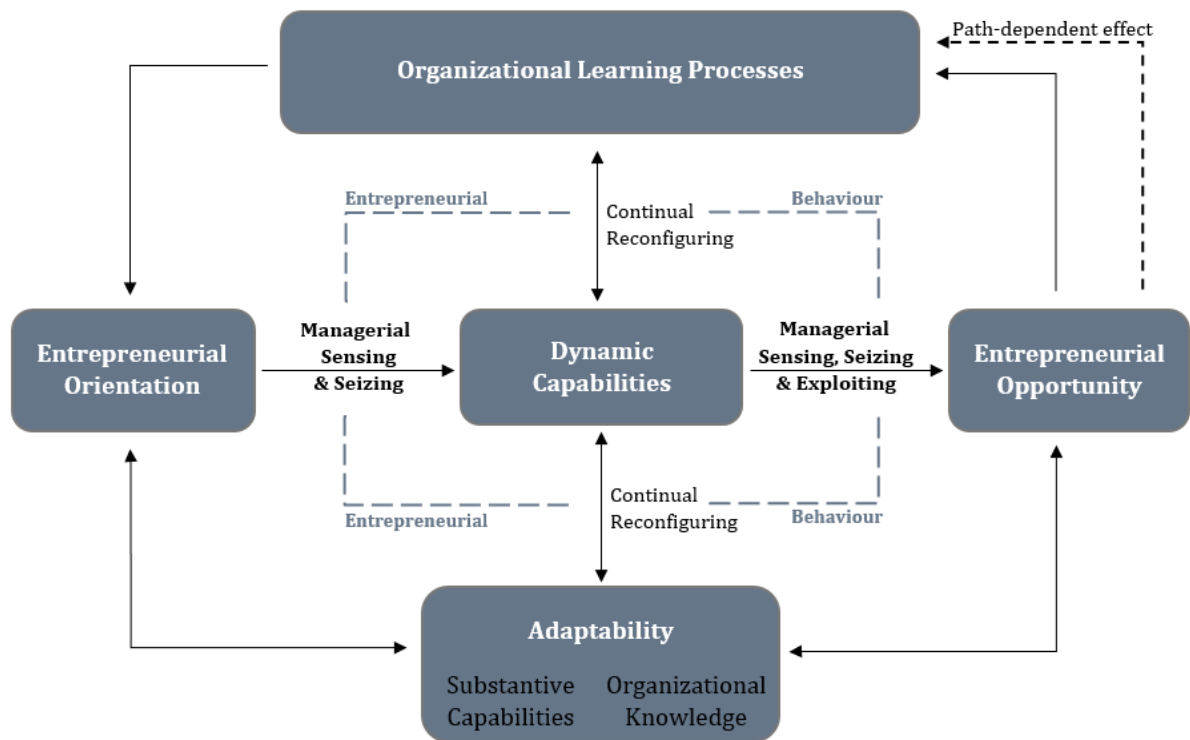


Figure 3: Conceptual Model suggesting a Reciprocal Influence between Entrepreneurial Orientation and Dynamic Capabilities in a Firm.

The model suggests that both an entrepreneurial orientation and dynamic capabilities are central processes that, in interaction with each other, enhance a firm's reconfiguration processes and adaptability and – in particular for project-related firms – improve their project renewal strength. An existing entrepreneurial orientation (EO) in the firm and its management implies the practice of sensing and seizing activities, which in turn are the core enablers or in the words of Danneels (2015) “antecedents”, for the development of

dynamic capabilities (DC) (this is represented by the left arrow moving from EO to DC). Thus, a stronger EO strengthens the capacity for dynamic capability development, which nurtures the reconfiguration of both a firm's substantive capabilities, organisational knowledge and organisational learning processes needed for staying adaptive to internal and environmental changes. Finally, the practice of sensing and seizing activities within DC development then again also shapes and nurtures the ability to exploit entrepreneurial opportunities (represented by the right arrow moving from DC to Entrepreneurial Opportunity).

Furthermore, the extra punctuated arrow highlights the influence of path dependency on organizational learning processes, which has a crucial impact both on the entrepreneurial orientation and the DC development. In addition to this, the entrepreneurial orientation is also path-dependently shaped by the adaptability as well as by the substantive capabilities and the organizational knowledge of a firm (represented by the lower left arrow going both ways). This influence was already highlighted by Penrose, who argued that the perceived need to change, the impulse for change and the managerial resource integration abilities are affecting the persistence of existing capabilities (as cited in Zahra et al., 2006, p. 929). For another thing, the seizing and exploiting of entrepreneurial opportunities also shapes the further adaptability of the firm in a crucial way (represented by the right lower arrow going both ways). Finally, all these mentioned actions and processes of sensing, seizing and reconfiguring reflect the entrepreneurial behaviour of the firm and its management (represented by the light blue dashed lines).

This suggested cyclic interlacement of entrepreneurial orientation in management and dynamic capability development is supported by, for instance, Woldensenbet et al. (2012) who describe in a similar way how entrepreneurial capability is laying the foundation for dynamic capabilities to develop, with the latter ultimately shaping the former (p. 506). To what extent the suggested interlacement can be found in small to medium-sized independent TV production firms and in what ways it enhances their abilities to deal with dynamism in the environment and adaptation in a competitive manner, this will be explored in the subsequent fieldwork. It will be examined through the perceptions, actions and specific processes formed by managers and producers in the following qualitative interview analyses. The results will also show if the suggested propositions are reflected in the case firm under study or if they need to be revised.

4 Research Background and Design

4.1 The German Independent TV Production Industry – Economic State, Features and SME Structure

The dynamism of the television industry – in particular triggered by technological discontinuities, vertical disintegration, deregulation and internationalisation – creates new challenges for media firms, and offers rich opportunities for research on media management. Accordingly, research in this context is valuable for clarifying lines of action to handle constant change by management. When reviewing the media management literature, a large number of studies on the television industry examine big media conglomerates and networks. But according to many researchers (Carree and Thurik, 2010; Davis, 2010; McKelvie and Picard, 2008), there is a clear lack of insights into business renewal, management practices and capabilities that underpin growth and economic viability as well as a limited understanding of the competitive dimensions of entrepreneurship in smaller firms within this industry.

That being the case, this study is based on investigating a small to medium-sized independent television production company in Germany to generate insights into how such firms deal with dynamism and adaptation pressures in a sustainable manner. Project-based TV production generates specific challenges for the management of smaller firms because work takes place in project networks that are “knowledge-distributed settings” and depend on a “collectivity of practice” from a large number of involved individuals and organizations (Manning, 2005; Sydow, Lindkvist and DeFillippi, 2004). The production of TV products, therefore, demands efficient processes inside the firms. It also requires managerial capabilities to effectively combine specific competencies across the firm’s boundaries and to build inter-personal relationships that can be sustained beyond particular projects (Bouncken, Lekse and Koch, 2008; Manning, 2005). In addition, Lundin and Norbäck (2009) describe the television production industry as one “... with a “short time span”, both in terms of employment, format trends, and order cycles, [which] are factors that impede strategic undertakings” (p. 116).

Germany is the largest and wealthiest TV market in Europe, with strong format licencing since the 1990s and long involvement in independent TV production (Moran, 2009). The German independent TV production industry started in the 1980s with the break-up of the public broadcasting monopoly and the introduction of a dualistic

broadcasting system (with private broadcasters). A first boost for the independent TV producers was then given by the European Directive “Television without Frontiers” (TWF) in 1989. This directive introduced a quota for all European broadcasters to reserve at least 10 percent of their transmission time or programme budget to works by independent producers (Besio et al., 2008). This caused major changes in TV production standards, namely the development from predominantly in-house productions towards outsourcing and sub-contracting (Apitzsch, 2010, para. 12). The implementation of TWF through national legislation in Germany does not dictate a certain percentage, but only specifies that a “significant portion” shall be outsourced by broadcasters. This is a crucial difference, for instance, compared to Great Britain where a fixed 25 percent quota is required, and that has had a major influence on the weaker development of the German versus the British independent TV production sector.

Independent television production firms are defined by Davis et al. (2008) as “small enterprises that produce television programs for customers, who are almost always broadcasters” (as cited in Nylund and Mildén, 2012, p. 90). These firms are called independent as long as broadcasters and other firms active in programming own less than a 25 percent stake of them (Castendyk and Goldhammer, 2012; Zabel, 2009). During the 1990s the independent TV production industry in Germany developed with good growth rates, but technological innovations, increased competition and concomitant rising cost pressures have stifled the volume of production orders since 2002 (Elbing and Voelzkow, 2006, p. 321). This has created many challenges for independent firms in an even more volatile and risky production sector today.

One major challenge is the power asymmetry that developed between the four major groups in the German TV industry. These groups include the public broadcasters, the private broadcasters, the dependent production companies connected to the broadcasters, and the independent production sector. This power asymmetry caused a structural imbalance with many independent production firms on one side and a few major broadcasters as the main customers, forming an oligopoly, on the other side (Fröhlich, 2010). The absence of regulating interventions such as quotas, “terms of trade” or “codes of practice” has meant that broadcasters are able to use their financial resources primarily for in-house productions or for their own dependent/subsidiary production firms (Elbing and Voelzkow, 2006, p. 323). On account of this, the public broadcasters and their network of dependent production companies – which according to the German

commission on broadcasters' financial requirements (KEF) includes up to 180 sister companies of ARD and ZDF – are rigorously criticised by the independent producer associations for their non-transparent and uneven commissioning practices (Butzek, 2012; Rafaela, 2012). Thus, despite legal independence, German independent production firms are nevertheless highly dependent on a few big TV broadcasters for new commissions and production opportunities.

A second aspect that contributes to the power asymmetry in the German TV industry, and creates corresponding management challenges, is the smallness of the companies in the independent production sector. These are mainly characterised by small to medium-sized enterprises (SMEs). The German Federal Office of Statistics defines SMEs – also termed the “Mittelstand” – as all enterprises “... which employ less than 250 persons and whose annual turnover does not exceed Euro 50 million” (Destatis, 2012b). SMEs can be further divided into micro-enterprises with less than 10 employees and an annual turnover or annual balance sheet total stating maximum 2 million euro; small enterprises with less than 50 employees and maximum 10 million annual turnovers; and into medium-sized enterprises that do not exceed the mentioned 250 employees and 50 million annual turnovers (European Commission, 2015, p. 11; Destatis, 2012b).

As mentioned by Elbing and Voelzkow (2006), there is an ongoing trend towards a decrease of the average firm size in this sector, with more small and micro-sized firms and less middle-sized companies (p. 323). This trend is reflected in the statistical report of the German information and communication sector from 2012, according to which the sector is composed of 85.4 % of micro-enterprises, 11.1 % of small enterprises and only 2.8 % of medium-sized enterprises (Destatis, 2012a).

On the one hand, the very characteristics of small firms, including a simple organisational structure, a prime role played by the owner-manager, a largely local market embeddedness, an implicit strategy, and less planning and control (Messeghem, 2003, p. 199), create more flexibility and advantages in the adaptive capacities of such firms. On the other hand, these characteristics also create a higher dependence on customers and suppliers, and a high need to actively build internal resources due to a limited financial capacity for buying resources on the market (Edwards and Sengupta, 2010; Borch and Madsen, 2007). These challenges are influencing the German independent TV production sector's development and account for the current situation.

There are only a few industry studies available for detailed insights into the present state of this media sector. The most comprehensive and recent studies are the “Produzentenstudie 2012” by Castendyk and Goldhammer, an updated review of the German film and TV production between 2011 and 2012 by Röper (2014) and the long-term studies on the film and television production of German production companies since 1998 by the FORMATT-Institut. In 2011, the German audio-visual production sector was comprised of 1700 firms, including 600 firms that were specialised in TV production (Castendyk and Goldhammer, 2012). In 2012, the German audio-visual production sector consisted of 848 active film and TV production companies, out of which 759 firms were independent film and TV producers (Röper, 2014). As such, a growing number of market players are competing for a shrinking commission market. This mirrors the detailed structure of the TV production sector, which had a total turnover of 1.82 billion euros in 2011 (Castendyk and Goldhammer, 2012, p. 4).

The industry is also highly regionally concentrated with three quarters of the companies being located in the four major production states: North Rhine-Westphalia (NRW), Berlin, Hamburg and Bavaria, of which NRW and Bavaria are the leading production centres (Röper, 2014, p. 556). In 2011, the volume of commissioned external productions by both private broadcasting groups – with 170,000 minutes by RTL/RTL2/Vox and 230,000 minutes by Sat.1/ProSieben/Kabel1 – was still significantly higher than that of the public broadcasters, ZDF and ARD/Das Erste (each roughly 100,000 minutes) (Castendyk and Goldhammer, 2012). However, the private broadcasters have also reduced their commission budgets since 2008. Although the total volume of the order production for German TV programmes stood relatively constant at 715.000 minutes in 2011 and 2012, an increase in orders was especially seen with the public channel ZDF and the private channels VOX and RTL2 (FORMATT-Institut, 2014, p. 3).

Adding to the power asymmetry and the decreasing commission budgets of the private broadcasters, another limiting factor for independent production firms is the still high proportion of in-house productions in the regional German PSB channels, which accounted for 84 % of all first-run originations in 2011 (Castendyk and Goldhammer, 2012, p. 8). Out of the remaining 12 % of external commissions, only 9 % were truly independent productions (*ibid.*). Thus, the price cuttings and the advantageous position of the dependent production firms created a steady decrease in the production volume

for all independent production firms (Röper, 2014, p. 557). In addition, the structural imbalance is strongly reflected in the six times higher than average annual output (3351 minutes) of dependent production firms in 2012, as compared to 575 minutes annually by independent producers (ibid, p. 559). This imbalance becomes even more evident when looking at the share of dependent production firms in the total production volume. While the dependent production firms only formed 11 percent of all active production firms in 2011 and 2012 in Germany, these few firms produced 41 percent out of the total annual production volume in 2012 – the highest share since 2002 (FORMATT-Institut, 2014, p. 24).

The specific structures of the German TV industry create cost and project-obtaining pressures that fuel the need for independent TV production companies to invest in ongoing innovative and cost- as well as risk-sensitive production methods (Windeler and Sydow, 2001, p. 1048). This justifies the decision to take such a company as an example for studying the underlying entrepreneurial and dynamic capabilities of firms, and their management processes that support innovation and renewal. However, according to Fröhlich (2010) and Thürbach (2011), the German independent TV production companies are still mainly characterised by a strong focus on order production and less for innovative and development efforts.

Three factors are central for this seemingly limited innovative and opportunistic propensity in the current independent production sector in Germany. These are, first, cost pressures created by constantly lowered prices for productions paid by the broadcasters, on which the producers have little negotiable influence (Thürbach, 2011, p. 69). Second, there is a trend for broadcasters to move away from a fully-financed external production model, meaning that productions and additional increases in costs are not anymore 100 % financially covered by the broadcasters who set the overhead rates (Castendyk and Goldhammer, 2012; Elbing and Voelzkow, 2006). This, in turn, created a trend towards higher advanced payments at the producers' expenses while, in addition to this, certain project costs such as for research and innovative format development also have to be carried by the producers (Fröhlich, 2010). A third crucial factor limiting the innovative capacities of independent production firms and the establishment of a secondary market for profits in the German TV production industry is the "total buy-out rule", according to which the broadcasters receive the complete intellectual property rights of the productions (Castendyk and Steinbrenner, 2015; Palmer, 2012).

In Germany, a few big buyers have therefore far more power than the many small sellers. Hence, this mirrors a justification for the claim here of a problem in power asymmetry in this sector. Independent TV production firms in Germany have currently no possibility for any additional value creation from their productions for broadcasters beyond the agreed runs, and the multiple cost pressures place challenging constraints on their managements' entrepreneurial intentions. Efforts for improvement are strongly pushed forward, especially by the German Producers Alliance for Film and Television, that demands new licensing models with a change in rights allocation and more influence for production companies in price negotiations (Castendyk and Steinbrenner, 2015; Thürbach, 2011).

Only recently in January 2016, the German Producers Alliance reached an agreement with the first public service broadcasting corporation, ARD, and its acquisition firm Degeto, which both signed a statement of self-commitment called "Eckpunkte 2.0" (Corner points 2.0) (German Producers Alliance, 2016). The statement's "corner points" – valid since 1st January 2016 with multiple regulations becoming effective in 2017 – improve the contracting conditions including cost calculations, propose a more just allocation of the exploitation rights and introduce a systematic reward of successes for the producers (ibid.). Although this is quite an achievement after years of negotiations, these improvements need to be applied in the future and they are not signed by the second broadcasting channel ZDF, or by the private broadcasters. Hence, independent companies and their management still need to find further innovative ways to continuously adapt through development of organizational and management capabilities.

Achieving this is highly challenging for the management of smaller firms, in particular, due to resource limitations. This thesis argues that dynamic capabilities theory, which is concerned with building adaptive and strategic firm capabilities by means of creative resource combinations and entrepreneurially driven intentions, is a meaningful approach to study the specifics of how such SMEs successfully sustain themselves under such volatile conditions. This is why the third chapter outlined the properties of the dynamic capability theory, and developed the argumentation about how dynamic capabilities are enabled and enhanced through entrepreneurial processes. For clarity, a theoretical framework has been proposed to represent the interrelatedness between entrepreneurial and dynamic capability development processes. The goal is to use this framework to analyse how this connection provides SMEs in the independent TV

industry with better change abilities and sustainability advantages. As such, the framework suggests aspects for the empirical investigation of this study's case company *Kimmig Entertainment GmbH* that will be described after a clarification of the applied methodology.

4.2 Methodology

This chapter describes the methodology applied in the study, the details of the conducted research process, and provides a justification for the chosen research strategy. Underlying the research process is the aim to identify entrepreneurial and dynamic capability processes existent in the case firm, *Kimmig Entertainment GmbH*, in order to investigate how these influence this firm's adaptability. The elements of the research process are presented in Figure 4.

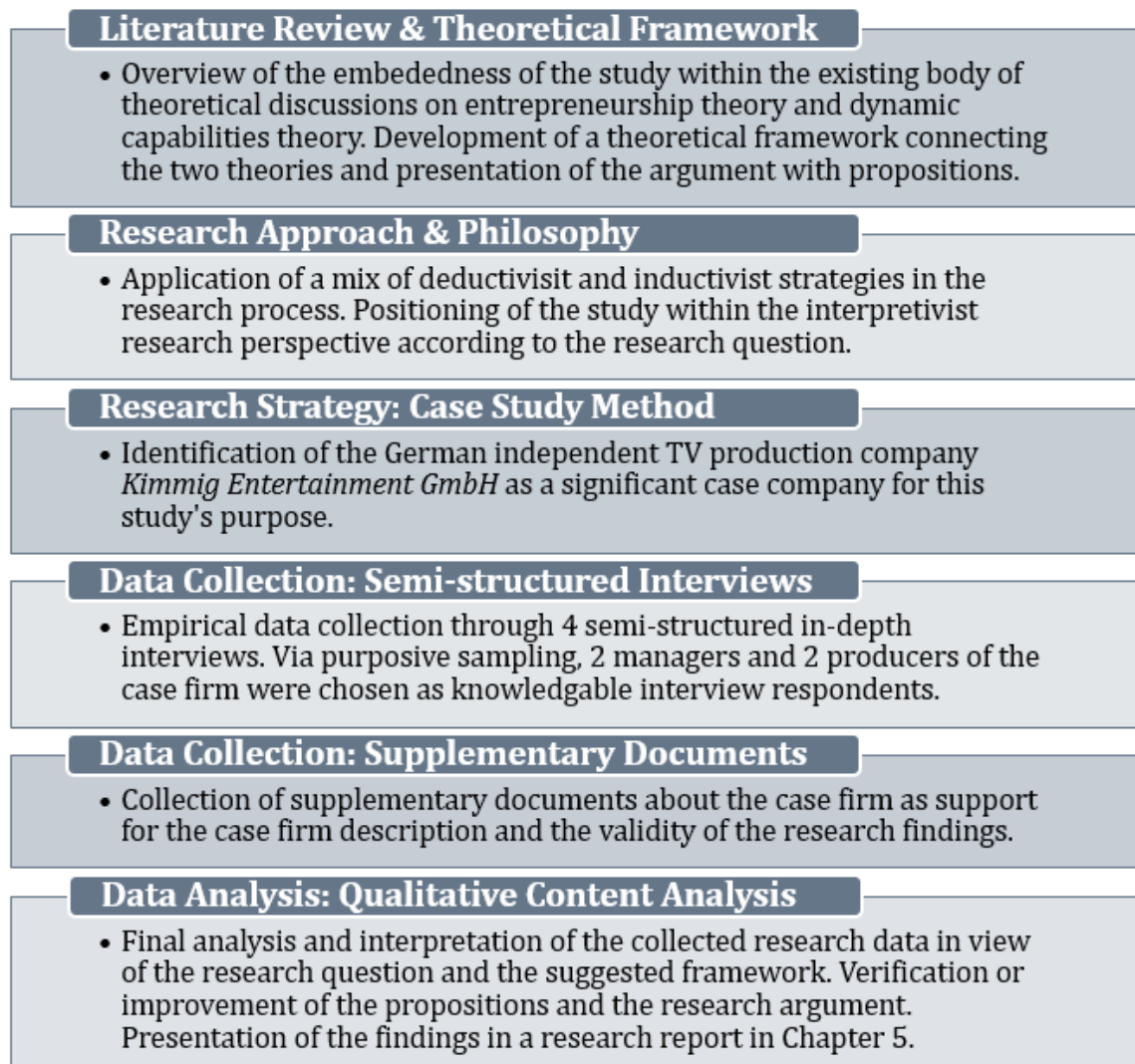


Figure 4: Elements of the Research Process.

4.2.1 Research Approach and Philosophy

This study is built on a mix of deductivist and inductivist theoretical thinking (Wengraf, 2001), rather than limited to one strand of theory-building tradition. Many studies either follow the inductivist model, also called grounded-theory tradition as established by Glaser and Strauss (1968), where theory emerges from the data; or they take the deductivist-model approach where research must start with a body of prior theory to generate hypotheses that are then tested (Charmaz, 2002; Wengraf, 2001). There are, however, also researchers – regardless of the chosen approach – who highlight the embeddedness of every study in some body of literature that provides tools in order to come up with a purpose statement and research questions (Merriam, 2014, p. 184). Adding to this, Wengraf (2001) further illustrates that both styles of research (inductivist and deductivist) might be used by the researcher at different levels during the research cycle (p. 4). Accordingly, this study uses a deductivist strategy when suggesting a theoretical framework with possible propositions while applying inductivist tactics during data collection, analysis and interpretation to integrate novel findings that emerge from the real-life data in order to advance existing theory.

This study is further build upon the interpretivist research epistemology, which is based on the subjectivist view of meaning creation. Interpretivist research philosophy perceives human beings as active interpreters and creators of meaning, and believes that phenomena and events are interpreted differently by each individual (Albarran et al., 2006, p. 575). Thus, meaning for interpretivists is created intersubjectively (Lee, 1991). Importantly for this study, the goal of subjectivist/interpretivist researchers, as stated by Holden and Lynch (2004), is the understanding and explanation of a problem or phenomenon in its contextual setting, rather than its measurement (p. 11). The research question of this study is directed at an improved understanding of how – with which organizational processes – and why a better firm adaptability and performance can be obtained by a small to medium-sized independent TV production company. As described earlier and further highlighted by Holden and Lynch (2004), “... societal structures evolve and change through human interaction” (p. 14). The interpretivist research approach is fruitful for detailed results needed to understand the creation, change and differences of organizational processes through the explanations, perspectives and interpretations of the organisation’s members and leaders.

4.2.2 Research Strategy – The Case Study Method

As shown, the focus of this study is on firm-level organizational processes and strategies. Processes with their underlying activities are created and enacted by individuals, and reflect a certain way of doing things in an organization (See Chapter 2.1). Therefore, this study uses a qualitative approach, namely the case study approach with qualitative semi-structured research interviews.

Qualitative research is suitable because it enables one to produce an in-depth understanding of the subject of study, provides insights into the *how* and *why* of decision making and human behaviour, and is particularly appropriate to the study of organizational-level phenomena (Glenn, 2010; Albarran et al., 2006). Morse and Richards (2002) also mention several reasons for selecting a qualitative research method: when the aim is to learn from the participants in a special setting, and how they interpret what they experience; when the aim is to construct a theory that reflects reality; and when the aim is to understand phenomena deeply and in their detailed complexity (p. 28). Those reasons are reflected in this study's underlying purpose.

Both the research question as well as the research context are justifications for choosing the case study method. As Kvale (1996) noted, the original Greek meaning of the word method is “a route that leads to the goal” (as cited in Gubrium, Jaber and Holstein, 2002, p. 7). In that sense, the case study method and its characteristics offer a very “scenic route” to gather insight into *how* an adaptability and success advantage is developed through *specific* organizational processes (entrepreneurial and dynamic) within the independent TV production industry that imposes *particular* challenges and structures – as presented in the previous chapter. Regarding this, Merriam (2014) argues that a case study has specific advantages for answering how and why questions and defines it as “... an intensive, holistic description and analysis of a single entity, phenomenon, or social unit” (p. 46).

Case studies seek particularization, not generalization, and therefore aim at the exploration and development of an understanding of process and contextual phenomena from the perspectives of those involved (Kuuluvainen, 2011; Morse and Richards, 2002; Gillham, 2000). The selected case firm *Kimmig Entertainment GmbH* in Germany reflects both the dependence on a specific context and its particularity by keeping the business in

a seemingly better position under the same pressures than most other independent German TV production companies.

Strengths of the case study include "... its ability to capture complex action, perception, and interpretation" (Merriam, 2014, p. 44). This is in line with Myers (2009) who notes that the complexities of decision-making and action-taking have multiple sources, including personal, professional and being based on rational business principles. These sources can be illuminated with the case study method because it is "close to action" (ibid.). This is particularly valuable for achieving an understanding of human activity and decision-making that develop and guide entrepreneurial and dynamic capability processes in the case firm. Further advantages of the case study method are that it is illustrative by providing a vivid, real-life, and concrete description; it is heuristic because it can illuminate understanding of experience, discover new meaning and communicate tacit knowledge; and it allows to both explore and/or test theories within the context of contemporary situations (Merriam, 2014; Myers, 2009; Wellington and Szczerbinski, 2008).

One of the most repeatedly mentioned limitations of the case study method is its lack of generalisability (Wellington and Szczerbinski, 2008). However, as Merriam (2014) emphasises, the usual aim of qualitative studies is to account for and include difference and, as such, they approach reality as "... multidimensional and ever-changing; not [as] a single, fixed, objective phenomenon ... to be measured" (p. 213). In line with this, many researchers also argue that the general lies in the particular and that cases are unique, but its lessons and insights still advance our learning and can be applied to similar situations (Merriam, 2014; Wellington and Szczerbinski, 2008). Limitations can also be posed by the researcher as the instrument of data collection in qualitative methods. Both the researcher's sensitivity and integrity as well as his or her biases influence the final product (Merriam, 2014, p. 52). Thus, a reflection on the research process is given during various stages in this study.

4.2.3 Data Collection – Semi-Structured Interviews

Case study research is not restricted to a particular data collection technique, but usually uses multiple methods. In this study, the semi-structured research interview is the primary technique applied, supported by the analysis of supplementary documents about the case firm and the German television production industry to strengthen the case

description and the findings. These documents include publications from the case firm's official web page, such as press releases, production reviews and company statements, as well as newspaper, magazine and trade press articles, latest industry study reports and publications from the German Producers Alliance.

According to Steinar Kvale, qualitative research interviews are a "construction site of knowledge" (as cited in Lewis-Beck, Bryman and Liao, 2004, p. 3). This construction of knowledge is done through a kind of guided conversation that "... encourage[s] the interviewee to share rich descriptions of phenomena while leaving the interpretation or analysis to the investigators" (DiCicco-Bloom and Crabtree, 2006, p. 314). More precisely, Gillham (2005) describes the semi-structured interview employed in this study as a method providing a balance between a strong element of discovery and a focused structure around key themes that allows later analysis in terms of commonalities (p. 72). Accordingly, McIntosh and Morse (2015) define its objective as to "...elicit and ascertain participants' perspectives to confirm, correct, or discover new knowledge pertaining to the focus of inquiry" (p. 8). In this way, the method allows a conversational interaction with the interviewees and provides significant advantages to the qualitative researcher.

One of these advantages of the semi-structured interview is its flexible and fluid structure organised around a set of open-ended questions that address key themes of the research, which allows the researcher to include emergent questions from the dialogue (DiCicco-Bloom and Crabtree, 2006; Lewis-Beck et al., 2004). This structure is, therefore, flexible both in terms of question order and wording, and in terms of whether and how key topics are developed with different interviewees (Lewis-Beck et al., 2004). As such, this interview technique views respondents as meaning makers and enables the interviewer to respond to the emerging worldview and to new ideas of the respondents in order to receive deeper understanding of their perspectives, perceptions, experiences, understandings, interpretations and interactions (Merriam, 2014; Lewis-Beck et al., 2004; Warren, 2002). When looking at the typology of semi-structured interviews by McIntosh and Morse (2015), the interview approach taken here followed the descriptive/interpretive contemporary type. This type acknowledges the theoretical frame as limited and sees the respondent as a "knower", whose subjective knowledge and world perceptions are critical for theoretical development (ibid., p. 4).

4.2.4 Interview Respondents and Interview Procedure

For this study, four semi-structured in-depth interviews were conducted. The four respondents from the case firm *Kimmig Entertainment GmbH* were chosen via purposive sampling. With this strategy, respondents are selected according to their knowledge about the area of research (Flick, 2014) and – in this case – according to their position in the firm, which also provides them with specific, information-rich perspectives on the research topic. The respondents for this study were selected from two different levels in the firm – two from the management level and two from the production level. For one thing, this choice is based on Gubrium, Holstein, Marvasti and McKinney's (2012) argumentation that multiple roles can provide a nuanced understanding of the problem and possibly offer a diverse range of meanings (p. 14-15). For another thing, choosing managers as key informants was crucial because both dynamic capabilities and entrepreneurial orientation are reflected in firm-level strategy, which is based on managers' decisions (Kuuluvainen, 2011). Adding key informants from the production level of the same firm was done in order to include understanding about how much both these dynamic capability and entrepreneurial processes – developed and encouraged by management – are enhancing the actual creative and production work in the firm. Thus, a comparison of insights from respondents of these two different firm levels is supposed to yield fruitful results.

The first interviewee from the management level was television producer Werner Kimmig, the founder and former chief executive of *Kimmig Entertainment GmbH*. He continues to hold a supervising role in the company and being involved in core event productions as well as acquisition tasks. As the founder-manager, Werner Kimmig is a key managerial respondent regarding insights into the company's entrepreneurial and strategic processes. The second interviewee from the management level was Matthias Alberti, one of *Kimmig Entertainment GmbH's* three current chief executives and its "foreign minister". In this position, he is primarily responsible for new project acquisitions and for the supervision of the whole production portfolio as well as of the content and format development. The third interviewee was Dr. Philipp Pröttel, who holds the position as executive producer in the company. As a respondent at the production level, he is particularly knowledgeable about central processes regarding idea and format development, and regarding a successful production implementation. The

fourth interviewee was leading production manager Petra Ullrich. She is responsible for the planning, organisation and financial cost-calculations of the production projects.

All interviews were conducted face-to-face and lasted between 45 minutes to one hour. They were audio-recorded with an iPhone 4 and the interview language was German. This choice was based on the fact that both the interviewer and the respondents are native German speakers, which provides a better foundation for a clear explanation as well as a correct understanding of the discussed themes from both sides. The English translations of the direct quotes integrated in this thesis were verified by a certified language professional.

For both respondents from the management and from the production level, the same interview guide was used to enable a comparison of the analysis results. A slight rewording of the questions was done for the respondents at the production level to better suit their production positions. However, content-wise the interview guide consistently addressed the same two main themes derived from the constructed theoretical framework. Finally, the interview transcripts were sent to the respondents for review and feedback. This respondent validation (Merriam, 2014) is an important strategy to increase the integrity of the findings and to create internal validity for the study.

4.2.5 Data Analysis – Qualitative Content Analysis

The qualitative interview data collected in this study was analysed according to the method of qualitative content analysis (Maxwell and Chmiel, 2014). This method further comprises categorizing and connecting strategies of analysis (ibid.). Glenn (2010) highlights that the coding and discerning of themes from the data has to be done in a consistent way with an underlying comprehensible reasoning. In line with this, the study applied the categorizing strategy of analysis, which was based on and guided by the theoretical concepts presented in the conceptual model (see Chapter 3.2).

The placement of the coded data into an explicit theoretical framework, either derived from prior theory as in this case or from an inductively developed theory, ensures further that the codes and themes have a conceptual purpose related to the primary research question (Albarran et al., 2006). This is crucial with regards to the discussion of the reliability of such qualitative methods, meaning to which extent their research findings can be replicated. Lincoln and Guba (1985) defined reliability in qualitative research as “dependability” and “consistency”, highlighting that the focus is not on exact

replicability of the results but on how consistent they are with the data collected (as cited in Merriam, 2014, p. 221).

In this data analysis, consistency is provided in that the codes and categories were derived from the two main themes suggested in this study’s research question and in the proposed theoretical framework. The first theme/category concerned the existence of an entrepreneurial orientation in the firm and its nature. Within this theme, the data was analysed according to Lumpkin and Dess’s (1996) suggested five dimensions of an entrepreneurial orientation and according to the existence of opportunity sensing and seizing activities that are crucial for opportunity discovery and innovation (Eckhardt and Shane, 2010; Kuratko and Hodgetts, 2004). The second theme/category related to the development and use of dynamic capabilities in the firm. In this theme, the empirical data was analysed according to Ambrosini and Bowman’s (2009) four main processes of dynamic capabilities. Table 3 provides an overview of the themes and codes applied in the analysis.

Themes	Existence and Nature of an Entrepreneurial Orientation in the Firm	Development and Use of Dynamic Capabilities
Codes	Autonomy	Learning Processes
	Risk-Taking	Reconfiguration Processes
	Pro-Activeness	Creative Integration Processes
	Competitive Aggressiveness	Leveraging Processes
	Innovativeness	
	Sensing Activities, Decisions & Processes	
	Seizing Activities, Decisions & Processes	

Table 3: Themes and Codes for Data Analysis.

In addition to the deductively derived themes from prior theory, the author also maintained the option to include new themes into the analysis that emerged during the interviews with the respondents. The findings for each theme are presented in combination with relevant data extracts from the interview respondents in the findings report (see Chapter 5).

The structure of the findings presentation is primarily guided by the themes and their codes. However, findings from different codes within one theme and across the two main themes were also linked according to Maxwell and Chmiel’s (2014) connecting strategy. This enabled the author to discover key relationships and connections among

the coded data segments from the two main themes in order to answer the research question. Thus, the findings from both the management and the production level are presented in an integrated manner according to the two main themes in the findings section.

4.2.6 Limitations of the Study

“Methods do not ensure knowing; they may only provide more or less useful tools for learning.” (Gubrium et al., 2002, p. 6). Accordingly, this research study also has several limitations that are mentioned in the following.

First of all, the nature of a qualitative case study like this one bears limitations regarding the generalisability of the results (see also Chapter 4.2.2). This study specifically investigates one small to medium-sized case firm within the specific context of the German independent TV production industry, and with a business focus on event and entertainment productions. As such, the findings – although rich in detail and possibly applicable to similar firms – are only indicative and are not representative for all other small to medium-sized independent TV production companies, for other German media sectors and for TV production industries in other countries than Germany. Hence, the purpose of this study was not generalisation, but contextualisation and the interpretation of the phenomenon of success and business renewal abilities of smaller independent TV production companies within this specific context.

Secondly, the qualitative and interpretive research and analysis methods applied in this study are limited by the sensitivity, integrity and bias of the researcher who represents the primary research instrument (Merriam, 2014; Roulston, 2012). Glenn (2010) further underlines this regarding theoretical constructions within qualitative, interpretive research: “Theory does not emerge independent of the person interpreting the data. Data do not develop theory; people do” (p. 102). That being said, this case study investigated an independent SME’s success and renewal abilities from the theoretical perspectives of entrepreneurship and dynamic capability theory. Thus, it is crucial to emphasise that the researcher’s interest and understanding further influences the kind of results obtained, and Roulston (2012) adds accordingly that the “... analysis of interview data is never really complete, since data may always be subject to analysis from a different theoretical perspective” (p. 22). However, several techniques such as the *selection of knowledgeable respondents from two different firm levels, the use of respondent validation,*

the *collection of supplementary documents* about the case firm (triangulation) and the *application of consistency rules within data analysis* were used in this study to reduce the influence of the researcher's bias and to provide reliability of the results within the study's context.

Thirdly, it needs to be highlighted that this case study is not a longitudinal study, but it is based on one-shot in-depth interviews with the selected respondents at a certain point in time. This decision was a result of both time and resource limitations. Hence, the results of the study as well as its context and frame are shaped by this and also by the interviewer's questions and interviewing style (Charmaz, 2002). The study does therefore not claim to be exhaustive, and depending on a different time frame, a different amount of interview respondents and case firms, the results within the same context and topic may differ. As such, this study provides a basis for future studies that can build upon, revise and/or advance both the here presented findings and theoretical contributions.

4.3 The Case Company – Kimmig Entertainment GmbH

Before discussing the research findings, this chapter introduces the study's case company. This is the German independent TV production firm, *Kimmig Entertainment GmbH*. Starting with a description of the company history, this section will then provide insight into the current internal structure as well as the business strategy and key production genre of the firm. This is followed by a discussion of the company's production performance over the years and its current market position in comparison to the average independent TV production firm in Germany. The key empirical findings from the collected data will be integrated and discussed in the subsequent chapter that follows (Chapter 5).

4.3.1 “Make the artist happy” – The Company History

“Everyone is talking about TV-Events. We are not. We produce them – preferably live.”

(Werner Kimmig, in MusikWoche, 2003).

This statement by *Kimmig Entertainment GmbH's* founder-entrepreneur Werner Kimmig in 2003 is describing the mission under which the company developed its TV-business from the beginning and – at a tremendous pace – obtained an above-average position within the German independent TV production industry, which it keeps until today. The

company, despite not being based in one of Germany's media production "hubs" but in provincial Oberkirch in the southern state of Baden-Württemberg, produces annually more than 130 programmes for both public and private broadcasters (Kimmig-entertainment.de, 2016a). The quote by Werner Kimmig above simultaneously mirrors *Kimmig Entertainment GmbH's* business focus on entertainment shows and awards event genres. Accordingly, the company has evolved into a key specialist for live productions of prime award, music and personality entertainment shows on German television.

The development of *Kimmig Entertainment GmbH* over time has been influenced by multiple entrepreneurially-driven decisions by its founder, Werner Kimmig, who did not expect to become a television producer. Werner Kimmig entered the television business through a lateral career move. His educational background includes career training as a media publisher at one of Germany's major publishing and media groups, Hubert Burda Media (short Burda) in Offenburg, and a diploma in advertising from the Scientific Institute for the Advertising Industry in Munich (Lietzberg, 2008, p. 76). Back at Burda in 1969, he quickly advanced from advertising assistant to advertising manager of the print magazine "Freizeit Revue" (ibid.).

In 1973 at the young age of 25, he founded his own company as a management and promotion agency under the name *Werner Kimmig GmbH*. His core business was focused on music management and public relations, complemented by the media and music information service "show-report" (nowadays called "Der medienreport-informationsdienst") that he started publishing the same year (Lietzberg, 2008, p. 80). Starting out with his first clients, the pop singers Paola Felix and Costa Cordalis, he soon took over the press management for the German roadshows of stars like Bruce Springsteen, Julio Iglesias, Jennifer Rush, Bob Dylan and The Rolling Stones (Kimmig-entertainment.de, 2016a). Both Werner Kimmig's work history with Burda and the contacts with the music show business that he formed during this time were crucial factors in the early and long-term success of his company as a TV production business. In an interview in 2016, he emphasised "Without the Burda family I would not be here. To this date Burda is still one of our most important clients" (Weidling, 2016, p. 12).

Werner Kimmig's move into the television business was the consequence of a coincidental meeting in 1981 with Swiss TV presenter Kurt Felix, the husband of singer Paola Felix whom Kimmig was managing. Kurt Felix was planning to bring the concept of

his hidden camera comedy show “Teleboy” – a success hit on Swiss television – to the German TV market. Werner Kimmig agreed in that meeting to produce the first hidden film clips at a high personal risk for the Southern German broadcaster, SDR (now SWR), by putting his house in pledge. How entrepreneurial his business decision was to agree to this production is reflected in his first reaction, which Kurt Felix described as such: “He said he did not know anything about television. I also sensed that Werner knew about television only as much as that it needs electricity” (Lietzberg, 2008, p. 90).

The German concept “Verstehen Sie Spaß?” was first running as a half-hour show from 1980-1981, with film clips mainly from outside Germany (Wikiwand, 2016a). In 1983 Kurt Felix developed the concept into a major Saturday night show and Kimmig started producing the film clips exclusively in Germany. On 19 November 1983 the first episode of “Verstehen Sie Spaß?” as a Saturday night show was broadcast by SDR and had a ratings success of 22.5 million viewers (ibid, p. 91). With these ratings “Verstehen Sie Spaß?” was the most successful evening entertainment programme during the 1980s and, although it had only mediocre success during the 1990s, it is continuously broadcast four times per year with good ratings. The last show of the year 2015 reached 4.32 million viewers with a market share of 14,5 percent for the channel “Das Erste” (Quotenmeter.de, 2015). The show also won the German Comedy Award in the category “Best Hidden Camera” in 2014 (Kimmig-entertainment.de, 2016d). With its 36 broadcasting years, it is the longest running programme that has ever been produced by an independent production company in Germany.

An established and highly successful artist manager by the early 80s, Kimmig systematically started utilising his interest in and knowledge of music and artist management to build his television activities into a core business strength in the following years. Simultaneously with “Verstehen Sie Spaß?”, he started producing a variety of music programmes with talk show elements staging famous folk and pop music artists that he knew through his managing network (Lietzberg, 2008, p. 93). A turning point for *Werner Kimmig GmbH* was the year 1989 when Kimmig started to produce major events, award and entertainment shows next to ongoing music programmes. These included the 110 minute live music event “Festival der Chöre” with 1000 contributors and Germany’s biggest media and television award “Bambi”, commissioned by Burda. The 1990s represented a period of swift development for Kimmig’s television business and resulted

in the company's establishment as a professional award show and entertainment producer.

In 1994, Kimmig took on the TV production of another major award show, Germany's biggest music award "ECHO", which reached almost 5 million viewers in its first broadcast (ibid, p. 113). Besides the continuous annual production of these award shows, *Werner Kimmig GmbH* started to rapidly enlarge both its annual list of television productions as well as the number of channels that broadcast them. By 1995, the company had produced programmes for a variety of major public and private channels including RTL, MDR, ZDF, SFB and BR. Another strategic move that year was the expansion of *Werner Kimmig GmbH's* production portfolio with documentary star portraits and specials, such as the "Vico-Torriani-Special" and the first two "Stefanie-Hertel-Specials" (ibid, p. 114). Many more of these documentary portraits added to the total number of 83 productions by Kimmig's company in 1996 – a number that increased to 137 programmes the following year and then almost doubled to 246 programmes in 1998 (ibid, p. 119-123).

Despite the decline of production orders since the late 1990s in the overall television production industry (Elbing and Voelzkow, 2006), *Werner Kimmig GmbH* strengthened its production expertise for big shows and events, in particular, during the years around the new millennium. One "newcomer" in the company's production portfolio in 1998 was the folk and pop music award show "Krone der Volksmusik" – an idea from Kimmig's friend, major media and music manager Hans R. Beierlein. Another "newcomer" in the same year was the acquisition of the weekly folk/pop summer music show "Immer wieder sonntags", which Kimmig started producing by order of the SWR for the channel "Das Erste" (Kimmig-entertainment.de, 2016a). With "Immer wieder sonntags" that continues to be broadcasted live over 15 weeks every summer, the company made a very strategic move for its future. Founder Werner Kimmig explains why:

"This is our summer project because there are no events. There are no events taking place during April, say Easter, and October. ... In that time, we also produce many "Verstehen Sie Spaß?" film clips. And luckily we have the programme "Immer wieder sonntags" in these 15 weeks ... It saves us, the team, throughout the summer." (Kimmig)

A further highlight of Kimmig’s acquisition successes during that time was the German television award show “Deutscher Fernsehpreis”, which he started producing from 1999 on. On top of all these acquisitions, Kimmig aimed for another entrepreneurial business move to refine his company’s status as *the* event show specialist in the German television production industry. In 2000, the *Werner Kimmig GmbH* produced the media award show “Bambi” for the 11th time with success ratings of 5.92 million viewers (Lietzberg, 2008, p. 136). The outstanding novelty of this production is that the first time ever a massive award show was broadcast *live* on German television. As such, the year 2000 was *Werner Kimmig GmbH*’s most successful production year since its establishment, with a total of 621 programmes on public and private broadcasters (ibid.). From that point on the company’s live production competence developed into a key business value for most of the future award shows and many entertainment productions.

Despite this success, Werner Kimmig continued to push the development of his company forward with multiple entrepreneurial endeavours during the 2000s. One highlight was reached on 30 November 2002 when four productions by the *Werner Kimmig GmbH* were on air the same day (Kimmig-entertainment.de, 2016b). In the following years, the company put a strong focus on content-related diversification within the entertainment and award show genre. For this, Kimmig considered not only the acquisition of promising programmes, but also recognised the business value of expanding the company’s own competences in format development. In addition to the continuous success of its major award shows in 2006 with highest market shares (Table 4), the *Werner Kimmig GmbH* further diversified its production portfolio by entering the game show genre. As such, the company introduced new shows for private broadcasters, including “Stars auf Eis” on Pro7 in 2006 and the innovative children-adult quiz show “Das weiß doch jedes Kind” on SAT.1 the following year (Lietzberg, 2008, p. 141). Both shows were modified adaptations of their American versions and were broadcast successfully over two years each.

The Most Successful Award Shows 2006			
Place	Title	MS (%)	Channel
1.	Krone der Volksmusik	19,9 %	ARD *
2.	Die Goldene Kamera	19,8 %	ZDF
3.	Echo 2006	19,6 %	RTL *

4.	Grammy Award 2006 – Die Highlights	8,4 %	Pro7 *
5.	Golden Globe Award 2006 – Die Highlights	6,5 %	Pro7 *
6.	Der Bayerische Filmpreis	1.0 %	Kabel 1
* Productions of the Werner Kimmig GmbH, Oberkirch			

Table 4: The Most Successful Award Shows 2006. Source: Lietzberg (2006, p. 7).

However, during those years the tightening competition within the independent TV production industry was also felt by the *Werner Kimmig GmbH*. In 2008, the company started producing another game show format, namely the German version of “Singing Bee”, for the private channel Pro7 (Kimmig-entertainment.de, 2008). Due to a drop in ratings, the show was stopped after just two months. In the same year, *Werner Kimmig GmbH* lost the production of its major music award event “ECHO” to its competitor Me, Myself & Eye Entertainment GmbH (MME). In the next possible pitch in 2012, though, Kimmig and his team developed a modernized show concept and won the production back (Brierer, 2013). This reflects both the company’s creative capacity as well as persistent efforts to keep up with the changing demands of their clients.

While documentary films about a wide variety of music artists had always been a main pillar of *Werner Kimmig GmbH*’s production portfolio, the company started to expand its productions especially with personality and tribute star shows from the year 2010 onwards (see a selection of the company’s production portfolio in Table 5). One of the most successful personality shows that the company developed in 2011, and keeps producing once per year until today, is the “Helene Fischer Show”. The first broadcast of the 180-minute show that combines music and performance elements by the pop singer-songwriter Helene Fischer was a major success with 5.05 million viewers and a market share of 15,6 % (Niemeier, 2011). With a top rating of 6.56 million viewers in 2014, the show represented the most successful personality show that year (Kimmig-entertainment.de, 2016d). In 2012, the company renamed itself as *Kimmig Entertainment GmbH*. Its expertise in music-related entertainment shows was then further mirrored in the success of the personality tribute show “Udo Jürgens – Mitten im Leben”, which was the second most successful personality show in 2014 (ibid.). On top of this, *Kimmig Entertainment GmbH* had one of its best months in January 2014 during which 19 of its productions were broadcast (ibid.).

Productions of Kimmig Entertainment GmbH in the 2000s – A Selection of Examples –			
Genre	Year(s)	Title	Channel
Music / Concert Shows	2003 - 2005	Deutschlands größte Hits	ARD
	2004 - 2005	Willkommen bei Carmen Nebel	ZDF
	2005	Die Superfans	SAT.1
	2008	Wiesn Hits	SAT.1
	2009	Helene Fischer – Zaubermond Live	MDR, HR, RBB, SWR, NDR
	2011	Helene Fischer – So wie ich bin	MDR, RBB, HR, WDR, SWR
	2011	Andrea Berg - Schwerelos	WDR
	2011	Die Flippers – Das letzte Konzert	MDR
	2011	Heino – Die Himmel rühmen	MDR
	2013	Helene Fischer: Farbenspiel 2013	ZDF
	2015	Santiano in Irland	ZDF
	Gala / Award Shows	since 1989	Bambi Award
since 1994 (except 2009-2011)		ECHO Award	ARD, RTL
since 1999		Deutscher Fernsehpreis	ARD, RTL,
2000, 2003, 2005, 2007, 2010 – 2011, 2014		Bayrischer Fernsehpreis	Pro7, Sat.1, RTL
since 2001*		Fundraising gala Tribute to Bambi	ARD, MDR
since 2004		Specials of the Academy Awards Ceremony (Oscars)	Pro7
2004 & 2006		Geniale Erfinder	Pro7
2006		Deutschland spielt auf	ARD
2009		Die große Show der kleinen Stars	SAT.1
2010 - 2014		Orden wider den tierischen Ernst	ARD
since 2012		Fundraising gala José Carreras Gala	ARD, Sky, Sat.1 Gold
2015		Deutscher Webvideopreis 2015	EinsPlus, SRF
Game Shows		2004	Lippe blöfft
	2006 - 2008	Stars auf Eis	Pro7
	2007 - 2008	Das weiß doch jedes Kind	SAT.1
	2008	Singing Bee	Pro7
	2008	Quiz Express	KiKa
	2009	Mister Perfect	SAT.1
	2004	Harald Juhnke: Ein Leben für die Show	ZDF

Documentaries / Personality / Tribute Shows	2010	Michael Jackson: Die Dokumentation	ZDF, ZDFneo
	2011	Roger Whittaker: Danke Deutschland	MDR, RBB, HR
	2011	Roland Kaiser Live	MDR
	since 2011	Helene Fischer Show	ARD, ZDF
	2014	Peter Maffay: Wenn das so ist	NDR
	2013	Andrea Berg – Die 20-Jahre- Show	ARD
	2013	Danke Kurt Felix!	SWR
	2014	Udo Jürgens – Mitten im Leben	ZDF, ORF, SRF
	2015	Semino Rossi: Mein Weg	MDR
	2016	Katarina Witt. Eine Reise zu Mir	ARD

* first time broadcast on TV in 2010

Table 5: Productions of the Kimmig Entertainment GmbH in the 2000s – A Selection of Examples. Based on Kimmig-entertainment.de (2016e).

This mixture of award, personality, entertaining tribute and music shows continues to be the strategy of *Kimmig Entertainment GmbH* for its current business success. Besides the ongoing production of major award shows like “ECHO”, “Bambi” and “Deutscher Fernsehpreis” in 2015, special highlights of that year also included the personality shows “Otto – Geboren um zu blödeln”, about the German comedian and musician Otto Waalkes, and the “Helene Fischer Show”, the 21st fundraising event “José Carreras Gala” which resulted in collected donations of more than 3 million Euros (Kimmig-entertainment.de, 2016c) and the first time televised award show “Deutscher Webvideopreis 2015” (German Web Video Award). Adding to this, the company further presented two new and unique music programmes, namely “Santiano in Irland” in October and the concert show “Weihnachten in Bethlehem” (Christmas in Bethlehem) in December 2015. Both of these new programmes reflect the constant development and reinvention of *Kimmig Entertainment GmbH* within the field of music entertainment. More details about the composition of *Kimmig Entertainment GmbH*'s business strategy and its internal structure will now be discussed.

4.3.2 Internal Structure and Business Expertise

“To not make any progress is to step backwards.”

(Werner Kimmig, in Lietzberg, 2008, p.27)

The history and swift development of *Kimmig Entertainment GmbH* up until today is clearly driven by this business philosophy of Werner Kimmig and his management team.

The company, which Kimmig founded as a micro business together with his wife in 1973, nowadays has two offices with a total of 32 employees. *Kimmig Entertainment GmbH's* main office, with 20 employees, is based in Oberkirch in Germany's most southwestern part of the state of Baden-Württemberg. In 2012, Baden-Württemberg had 37 active production firms – coequally with the state of Lower Saxony – and was the next biggest production area behind the four major production states of Berlin, NRW, Bayern and Hamburg (FORMATT-Institut, 2014, p. 21).

Although the remote location of the company's head office has not been an impediment to success, Kimmig recognised the need and value of organisational adaptation by adding a creative content department to the company in 2004 that is based in Southern Germany's media hub, Munich. Nowadays the Munich office has 12 employees. In line with this expansion, Kimmig further appointed Matthias Alberti – the former managing director of the German Free TV-Holding ProSiebenSat.1 – in February 2010 as one of *Kimmig Entertainment GmbH's* executive directors and the supervising head of the new creative department (Kimmig-entertainment.de, 2016a). The main goal behind this strategic move of organisational restructuring was the expansion of own format development activities to achieve greater content diversification and to strengthen the company's market position (Finanznachrichten.de, 2010).

Kimmig Entertainment GmbH's current executive board consists of executive directors Matthias Alberti, Stefan Maier and Ursula Kimmig. While Ursula Kimmig has been the company's financial manager since 1991, Matthias Alberti acts as the company's "foreign minister" and is responsible for the Munich office, as well as for format development and new acquisitions. Stefan Maier, who had worked in different positions in the company since 1994, was appointed to the executive board in 2011 when founder Werner Kimmig himself officially withdrew from work as an active manager (Kimmig-entertainment.de, 2016a). As the company's "home secretary", Stefan Maier is supervising the Oberkirch office. Werner Kimmig, however, continues to be executive manager of *Kimmig Entertainment GmbH's* sole shareholder, the Werner Kimmig GmbH & Co. KG.

As mentioned in the overview of the company's history, the main business focus and key expertise of *Kimmig Entertainment GmbH* lies in live event and music-related entertainment shows. The entertainment genre had a constant positive development in recent years. In 2012, the share of the entertainment genre in the total German TV production output reached a record high of 45 percent (FORMATT-Institut, 2014, p. 99).

Shows and music productions constitute, since 2003, the third biggest entertainment genre behind docusoaps and talk shows, and their share in the entertainment genre grew from 14 percent in 2011 to 16 percent in 2012 (ibid.). Whereas the annual production volume of the show genre was quite constant at about 40.000 minutes since 2007, and even dropped to 39.000 minutes in 2011, it showed a surprisingly rapid rise by almost one third up to 51.000 minutes in 2012 (ibid, p. 106). Reasons for this rise were the young programmes ZDF kultur and ZDFneo with new hybrid formats and also the pay TV provider Sky Germany (ibid.). In the industry study by the FORMATT-Institut (2010), the show category is defined as a programme that combines elements of the talk show, the game show, performances of artists and more into colourful sequences of events (p. 168).

A second business field of *Kimmig Entertainment GmbH* which adds to its financial resources for large TV productions is the production of music DVDs. For concert recordings and DVD productions of pop musicians, Helene Fischer, Andrea Berg and Peter Maffay for instance, the company received three double platinum and eight gold status awards (Gabric, 2013). The music DVD productions function both as a method for secondary exploitation and as promotional tools for the company's production competence within the music industry.

A third business area of *Kimmig Entertainment GmbH* is the production of jubilee, opening and festive events for major organisations and awards occasions off television. The first productions of that kind were the opening event of the Mercedes Museum in Stuttgart in 2006 and the 20th anniversary gala of Europe's largest independent financial services company AWD in 2008 (Kimmig-entertainment. de, 2016e; Lietzberg, 2008). More recent productions in this business field include the 2010 award gala "Deutscher Computerspielpreis" (German Computer Game Award), the 25th anniversary gala of the "Medienforum NRW" in 2013 and lately the "CDU Digitalisierungskongress" (the digitalisation conference of the Christian Democratic Union political party) in 2015 (Kimmig-entertainment. de, 2016e). The next section of this chapter takes a closer look at the company's production performance so far and compares its position with the average independent TV production firm in Germany.

4.3.3 Production Performance

"Whenever someone gets to the switching points of the German media world: Werner Kimmig is already there ... He is convinced of the organisability of success. This is what constitutes his success." (by Hans R. Beierlein, in Lietzberg, 2008, p. 133)

The German media manager Hans R. Beierlein underlines with this quote why *Kimmig Entertainment GmbH* has achieved an above-average production performance within the German industry of independent producers, and why the company continues to live up to this successful position.

Table 6 shows the annual production volumes of the *Kimmig Entertainment GmbH* in several years from 1996 on. In the three years from 1996 to 1998 the company almost tripled its output of programmes. While in the following years from 1998 to 2000, the total number of active production companies (dependent and independent ones together) grew from 453 to 717 firms, the average production volume per firm decreased by more than 250 minutes (FORMATT-Institut, 2010, p. 25). The production volume of *Kimmig Entertainment GmbH* in the same two years, however, showed a significantly positive development and increased strongly up to a record annual output of 36,527 minutes (621 programmes) in 2000. Even if half of that volume is assumed to be re-runs (although not every programme has a re-run), then first-run productions by *Kimmig Entertainment GmbH* would still have accounted for 18,263 minutes in 2000. With this record, the company produced almost 5 percent of the total of 386,600 minutes that were produced by all active independent production companies that year (FORMATT-Institut, 2010, p. 27).⁴ The company's role as a pioneer in that year with the first live production of a major award event on German television probably had a significant influence in reaching this record output.

Overview of the Production Performance – Kimmig Entertainment GmbH		
Year	Production Volume in Number of programmes (re-runs included)	Production Volume in Minutes (re-runs included)
1996	86	-
1997	137	-
1998	246	-
2000	621	36.527
2003	181	11.407
2014	240	18.500
2015	184	14.340

Table 6: Overview of the Production Performance – Kimmig Entertainment GmbH. Own representation based on Brierer (2015); Lietzberg (2008); MusikWoche (2003); Kimmig Entertainment GmbH (2016, Company Information).

⁴ The comparison of the annual production volume data from Kimmig Entertainment GmbH with the average data from industry studies bears some difficulties. First, the annual production volume in minutes by Kimmig Entertainment GmbH includes re-runs which are not included in the annual volume numbers from industry studies. Second, the numbers from the industry studies are also weighted averages.

According to Lietzberg (2008), *Kimmig Entertainment GmbH* continued to have a high production output in the years 2001 to 2006, which comprised a total of 851 programmes and thus, an annual average of 141 programmes (p. 137). Even though this latter number was somewhat below the annual production output from the end of the 1990s, it still represented a very stable and positive production performance for Kimmig and his company in the context of overall developments in the independent production industry during these years. From the year 2003 on, the number of active independent production companies in Germany constantly decreased towards the lowest point of only 478 active firms in 2008 (FORMATT-Institut, 2010, p. 27). This benefited the active independent companies in that the average annual production volume per firm increased from 529 minutes in 2001 to 657 minutes in 2003 and up to 1060 in 2008 (Röper, 2014, p. 559).

Regarding this, *Kimmig Entertainment GmbH* continued to obtain an above-average position in these years. According to a report by an industry portal in 2003, for instance, the company produced 181 programmes that comprised a total of 11,407 minutes that year (MusikWoche, 2003). In addition to that and as shown earlier in the company history (review Table 5), *Kimmig Entertainment GmbH's* biggest clients are the public service broadcasters. The numbers of the company's production output in 2003 also prove that: out of 181 produced programmes, 145 were produced for public channels and 36 of these for ARD (ibid.). Besides the sinking number of active production firms in these years, the company's good production output might have profited from the fact that especially the German public broadcasters expanded their entertainment supply in primetime from 2003 to 2006 (Siegert and von Rimscha, 2008, p. 12). In addition, Werner Kimmig himself received the ECHO award as "Media Man of the Year" in 2004 (Kimmig-entertainment.de, 2016b), which underlined the successful business performance of *Kimmig Entertainment GmbH* at that time.

According to the FORMATT-Institut (2010), the years 2007 and 2008 mark the strongest ones since the start of the 2000s for independent TV production firms, with an average annual volume of over 1000 minutes per firm. Especially the show genre – the predominant business genre of *Kimmig Entertainment GmbH* – saw an increase from an average of 34.500 minutes in the last 10 years up to a record high in 2007 and 2008 with a volume of around 40.000 produced minutes (ibid, p. 118). Regarding the long-term average production volume of the show genre (1999 to 2008), the "other states", among

which is the location of *Kimmig Entertainment GmbH*, had the second biggest share with 20.5 percent after the leading production state NRW with a share of 40 percent (ibid, p. 119). *Kimmig Entertainment GmbH*'s establishment of a strong position in the show genre next to major production groups, in particular, is highlighted by rankings of the leading show producers in 2008 and 2012 (Table 7). While in 2007, the company achieved an already strong 3rd position with 2,900 minutes behind Tresor TV Produktions GmbH (3,400 minutes) and Grundy Light Entertainment (3,300 minutes), it improved its performance and became the leading show producer in 2008 with a total of 4,200 minutes (FORMATT-Institut, 2010, p. 120).

Leading Production Companies in the Show Genre in 2008 and 2012				
Place	2008	Produced Volume (in Minutes)	2012	Produced Volume (in Minutes)
1.	Kimmig Entertainment GmbH	4,200	Grundy Light Entertainment	7,000
2.	Constantin Entertainment	3,600	Endemol	ca. 3,000
3.	Sony Pictures	2,900	Sony Pictures	ca. 3,000
4.	Endemol	2,700	I & U Information und Unterhaltung	ca. 3,000
5.	Eyeworks	2,400	Kimmig Entertainment GmbH	*
6.	Grundy Light Entertainment	2,200	Raab TV-Produktion	*
7.	Tresor TV Produktions GmbH	2,000	*	*
* Not specifically mentioned.				

Table 7: Leading Production Companies in the Show Genre in 2008 and 2012. Based on FORMATT-Institut (2010) and FORMATT-Institut (2014).

As such, *Kimmig Entertainment GmbH* took the leading position in 2008 out of a total of 61 firms that have been involved in show production and that had an average production volume of 660 minutes per firm (ibid, p. 121). In addition to this, the record output of 4,200 minutes in the show genre alone was four times as high as the average annual output of 1000 minutes per independent firm that year, which also highlights the above-average performance of *Kimmig*'s company in the German independent production industry in general.

According to the successive industry study by the FORMATT-Institut published in December 2014, *Kimmig Entertainment GmbH* once again achieved strong positions

among the 7 leading producers in the show genre in 2011 and 2012 (Table 7). In 2011, the company obtained 4th place as the only show producer from outside the leading production state NRW, and moved just one rank down to 5th place in 2012 (ibid, p. 107). Given that *Kimmig Entertainment GmbH* was the only independent TV production company in that year's ranking – next to I & U Information und Unterhaltung, the company of famous German presenter and journalist Günther Jauch – this can be viewed as quite a successful performance achievement. The main commissioners of shows in 2012 were the public broadcaster ZDF and its smaller specialist channels, who together ordered about one fourth (12.000 minutes) of the show genre volume, followed by ARD and Pro7 (ibid, p. 106). Kimmig's strong business relationship with these three broadcasters contributed considerably to his company's positive production performance over the years.

In 2011, Werner Kimmig stated that his company had a revenue between 15 and 20 million euros (Siebenhaar, 2011) and executive director Matthias Alberti further explained that 20 percent of the company's resources are used for own format development with the major goal to add at least one new weekly format to the production portfolio in the near future (Zarges, 2012). In 2014, the production output of *Kimmig Entertainment GmbH* reached another peak with 240 programmes (including re-runs) and 18.500 minutes for the German television (Brierer, 2015). The most successful productions of that year were the personality shows “Helene Fischer Show” and “Udo Jürgens – Mitten im Leben”. Besides that, in the same year the weekly summer pop music show “Immer wieder sonntags” had its 19 year anniversary and the length of the show got extended from 90 to 120 minutes (Kyburz, 2015), which added to the company's production volume.⁵ In July 2015, this pop music show reached for the first time more viewers than its competitor show “ZDF-Fernsehgarten” with a season record of 1.93 million viewers and a market share of 19,8 percent of the total audience (Mantel, 2015).

Performance of Programmes by Kimmig Entertainment GmbH in 2015				
Date *	Programme Title	Ratings (in million viewers)**	Market Share (in %)**	Channel
30.12.15	OTTO-Show – Geboren um zu Blödeln	4,72	15,7	ZDF
25.12.15	Helene-Fischer-Show	5,74	19,4	ZDF
24.12.15	Weihnachten in Bethlehem	-	-	ZDF

⁵ See Appendix 1 for a recent ratings graph of one “Immer wieder sonntags” show from 2015.

17.12.15	José Carreras Gala	0,36	1,4	Specialist channel Sat.1 Gold
03.12.15	Helene Fischer – Weihnachten (Christmas Show)	5,07	16,7	ARD
27.11.15	Cicero sings Sinatra	-	-	NDR
12.11.15	Bambi	3,58	12,7	ARD
25.10.15	Santiano in Irland	-	-	ZDF
24.10.15	Verstehen Sie Spaß?	4,32	14,5	ARD
13.06.15	Deutscher Webvideopreis 2015	-	-	Digital channel EinsPlus
31.05. – 13.09.15	Immer wieder sonntags (each Sunday)	1,74 ***	17,4 ***	ARD
18.04.15	35 Jahre “Verstehen Sie Spaß?”	5,17	17,7	ARD
26.03.15	ECHO	3,39	13,3	ARD
23.02.15	Oscar 2015	ca. 0,5 ****	18,7 ****	Pro7

* First broadcast in 2015 on a German TV channel.
** Out of the total audience from age 3.
*** Average rating out of all 14 episodes of the show in 2015.
**** Out of the audience group from age 14-49.

Table 8: Performance of Programmes by Kimmig Entertainment GmbH in 2015. Includes only productions that were broadcasted. Based on Kimmig-Entertainment.de (2016c), Kyburz (2015), Weis (2015) and Gabric (2015).

Although the company had a slightly lower production output in 2015, it continued to deliver a good performance with a total of 184 programmes (including all re-runs) and 14.340 broadcasting minutes (Kimmig Entertainment GmbH, 2016, Company Information). Out of this, 31 programmes amounting to 2.810 minutes by *Kimmig Entertainment GmbH* – one fifth of the total output that year – were broadcasted on German TV channels in December 2015 alone (ibid.). According to company information (2016), the personality shows “Helene Fischer Show” and the new “OTTO-Show” represented the company’s most successful shows in 2015. An overview of the company’s programme performances in 2015 is provided in Table 8.

The presented production performance of *Kimmig Entertainment GmbH* over the years stands in quite a strong contrast to the overall developments of the independent TV production industry in Germany. According to the latest industry study by Castendyk and Goldhammer (2012), 58 percent of the TV producers experienced a decrease in their net margins since 2002 while only 18 percent mentioned an actual increase during this time (p. 8). Most recent results of a 2015 autumn survey by the German Producers Alliance for

Film and Television further showed an almost threefold increase in the percentage of TV producers with deficits, from 8 percent in 2013 to 22 percent in 2014 (p. 5).

Besides some decreases in the ratings of the major award shows “Bambi” and “ECHO” in recent years, *Kimmig Entertainment GmbH*’s performance was more than stable with frequently leading shows in its production genres. A further positive development is the fact that the company keeps adding new formats to its production portfolio from year to year – both through acquisition wins and own format development efforts. As such, new programmes produced in 2015 included the renowned and innovative “German Web Video Award” and the personality show “OTTO-Show”. New programmes in 2016 are the productions of the music show “40 Jahre Charts” and of the major sports award gala “LAUREUS” (Kimmig Entertainment GmbH, 2016, Company Information).

The presentation of the case company provides several reasons for why it is a good choice for answering this study’s research question. First, the discussion above showed that *Kimmig Entertainment GmbH* demonstrates a production success that is clearly above-average and the diversity of its production portfolio also reflects strong entrepreneurial, innovative and adaptation efforts with regards to the clients’ changing demands. Second, its long-term business survival over decades of major industry changes as an independent firm is another factor that reflects a presumably good development and use of dynamic capabilities of the firm and its management. The firm, therefore, presents a good case for the study of both a firm-level entrepreneurial orientation and dynamic capability development within the context of business renewal competences. As such, the following discussion on the findings of this study is now going to address the factors behind *Kimmig Entertainment GmbH*’s above-average performance and success.

5 The Findings

This chapter presents the results from the qualitative interviews with respondents from the German case firm, *Kimmig Entertainment GmbH*. The empirical data was analysed in the context of the previously suggested propositions and theoretical framework with the aim of answering the study's research question: *How is the success of independent SMEs in the German TV production industry related to the linkage between an entrepreneurial orientation and the development of dynamic capability processes in the firm*. The presentation of findings is organised into sections according to the main themes in the research question. The first section discusses whether an entrepreneurial orientation is evident in the case firm, and which decision-making routines, organisational entrepreneurial methods and processes from both the management and production level constitute this orientation. The second section discusses findings regarding the development and use of specific dynamic capability processes and how these are facilitated by the firm's entrepreneurial orientation and activities. Finally, strategies for dynamic entrepreneurialism and the adaptability of SME's in the current TV industry are suggested, based on the findings.

5.1 Entrepreneurial Orientation in the Kimmig Entertainment GmbH

"We want to create the market changes. ... And we always have to ask the questions: What are they going to do in 10 years? Where are they heading? What do you sense, what do you hear and what do they really tell you? In which direction do you see the structures changing? And you have to sense if this client will remain, or if in that area there won't be a client anymore, or if this is going to become an important client." (Alberti)

Kimmig Entertainment GmbH's executive director, Matthias Alberti, depicts a pro-active and competitive tendency in management and an awareness of the need to see and exploit opportunities. These are aspects of having an entrepreneurial orientation. In line with this, the data analysis yields rich evidence for the existence of a strong entrepreneurial orientation in the *Kimmig Entertainment GmbH*. The empirical data was analysed according to Lumpkin and Dess's (1996) five dimensions of an entrepreneurial orientation, which include autonomy, risk-taking, pro-activeness, competitive aggressiveness and innovativeness, and according to the existence of opportunity sensing and seizing activities that are crucial for opportunity discovery and innovation (Eckhardt

and Shane, 2010; Kuratko and Hodgetts, 2004). As such, the following sections will analyse the data and discuss the specific entrepreneurial decision-making routines and entrepreneurial organisational processes and activities that were found on both the management and production levels that describe the nature of the case firm's entrepreneurial orientation.

Autonomy

The first dimension of a firm-level entrepreneurial orientation, ***autonomy***, is defined as “the ability and will to be self-directed in the pursuit of opportunities” (Lumpkin and Dess, 1996, p. 140). Above all, autonomy is reflected in the independent business status of *Kimmig Entertainment GmbH*, which is an achievement in today's television industry in Germany given the company's long existence and considerable success. Founder Werner Kimmig explains why:

“There are not even 5 independent producers of our size anymore. When we started, there were around 50. All of them are gone because they were bought by the big broadcasters. There have been a thousand attempts to buy us, as well. Of course.” (Kimmig)

How highly this independence and ability for self-direction is valued and how it is integrated into the structures of the *Kimmig Entertainment GmbH*, becomes evident in both the questioned managers and producers' responses. They provide several examples of situations and processes that clearly reflect autonomy and self-direction in their decision-making. Founder-manager Werner Kimmig illustrates the main advantage of his independence and how it influences his managerial decision-making, especially when it comes to project acquisitions:

“We have the advantage that I don't have to report to anyone. I have to explain to no one else but my wife what I am doing. But all our competitors have to report. ... usually we are allowed to calculate with 15 percent - 7.5 percent of so-called costs of action, this means our internal costs, and 7.5 percent of profit. But I don't have to calculate like this. If I am very keen on a project, I forgo the 7.5 percent of profit. My colleague is not allowed to do that ...” (Kimmig)

This “freedom” in decision-making provides *Kimmig Entertainment GmbH* with a greater flexibility and speed of action, both factors that have been found by researchers to facilitate entrepreneurial behaviour in a firm (Albarran et al., 2006; Brown et al., 2001).

Executive director Matthias Alberti further portrays self-direction in his actions regarding business development issues and how he addresses them:

“Now if there’s a call coming in and someone’s suggesting ‘What do you think about this, I’ve read that this internet company is working on that, wouldn’t it also be something for us?’, then we have to discuss such topics. And I usually avoid doing that with external advisers, but rather decide internally on the basis of the company’s history and know-how, or I test things myself.” (Alberti)

Autonomy as “... action taken free of stifling organizational constraints” (Lumpkin and Dess, 1996, p. 140) is also visible in the firm’s production processes. Executive producer Dr. Philipp Pröttel illustrates such self-directed entrepreneurial action by showing how important the service aspect is for every production, regardless of the resource availability or expected profit level:

“Even if we rebuild an award programme with a small budget, we still approach it with the same value as a big event like the ‘ECHO’. We have the freedom to do that because there’s no one above us saying ‘Put your focus on the stuff that yields the biggest profit’.” (Dr. Pröttel)

Besides this, autonomy in the case firm is further provided through a flat hierarchy and communication structure nurtured by the management to empower the staff and create organizational flexibility. This is evident in the following comment by production manager Petra Ullrich:

“In our company, we have quite a good communication and it is communication at eye level. I don’t have the feeling that there’s a boss sitting above me who gives downward orders like ‘It has to be like this or like that’. But rather it’s an exchange.” (Ullrich)

As Eckhardt and Shane (2010) highlighted, a flexible organizational infrastructure is a crucial aspect for the successful exploitation of often short-lived entrepreneurial opportunities. *Kimmig Entertainment GmbH*’s management is clearly aware of the value of a higher flexibility compared to that of their competition, which are larger, less flexible production firms. In order to create a process of organizational autonomy, Lumpkin and Dess (1996) emphasised that management needs to encourage its staff in the execution of independent decision-making. As such, production manager Petra Ullrich outlines her range of autonomy in production decisions that is supported by management:

“To a certain extent it’s our responsibility to estimate if it’s working with the planned scope or when we would need to get more people, more resources, and rearrange our team in order to get the work done. Regarding this, our company is really open as long as it’s not a huge financial issue and we’ll get it covered with the project. Then we are encouraged to make independent decisions and we receive good support for that.” (Ullrich)

She adds what advantages this flat hierarchy and the autonomy have for the production processes of the company:

“In my opinion, it makes us more flexible. I can decide to sign a contract, that’s okay. Whereas somewhere else I’d have to follow a bunch of steps to stick to the hierarchy. In our company, these kind of things are done with one phone call. It’s more work for the individual person, yes. But it also means faster work because you don’t have to adhere to multiple steps in between.” (Ullrich)

These two factors, flexibility and speed of action, are key factors that are repeatedly mentioned by all respondents as crucial structures for this small company’s survival within the vibrant television industry. These are further especially relevant for its reconfiguration capabilities (addressed further in the second section of the findings discussion on dynamic capabilities).

Risk-taking and Pro-activeness

As mentioned in the theoretical discussions, an entrepreneurial orientation is further reflected in proactive efforts to pursue opportunities with the necessary resource commitments (Lumpkin and Dess, 1996; Covin and Slevin, 1991). Risk-taking relates to the managers’ willingness to make large and risky resource commitments, and pro-activeness describes a forward-looking perspective driven by innovative action in anticipation of future problems and changes (Lumpkin and Dess, 1996, p. 140-146). With regard to this, the data provides evidence of ***risk-taking and pro-active organizational behaviour and activities*** in the case firm. Concerning the risk-taking dimension, the interviews yielded clear examples both about the management’s preferences for bold versus cautious acts and for the firm’s overall inclination to engage in risky projects (ibid., p. 146).

On the management level, founder-manager Werner Kimmig’s propensity for innovative decision-making and action-taking under uncertainty set the foundation for the company’s entry into the television business. He describes the range of risk that he

took, not only regarding entering a completely new business field, but also regarding the specific range of risk for the production of hidden camera film clips as his first TV production activity for Kurt Felix's programme idea "Verstehen Sie Spaß?":

"The Southern German Broadcasting Corporation (SDR) liked the idea, but had concerns regarding legal problems, because the idea of a hidden camera is a very fine line in Germany. You have to know exactly when you can observe someone, and when you can trick someone. You can never infringe on anybody's privacy. It is a very fine line, so the SDR was reluctant and told Felix: we will do it if you produce the film clips for us." (Kimmig,)

"And then we sat down and he (*Kurt Felix*) described his problem to me, that he had a concept for a programme but no producer. I remember that after the first bottle of wine I told him I'd do it. At this point, I did not know how to hold a camera. ... The SDR then said, 'Let him produce the first 5 films'. So I mortgaged my house because the bank wouldn't give me money since I was not a television producer." (Kimmig)

In addition, one advantage of the *Kimmig Entertainment GmbH* is that, early on, it built a strong position in the segment of big one-off shows within the television industry. While the competition in the general entertainment genre is dominated by a highly centralised international format market hardly accessible for middle-sized local television producers (Zarges, 2012), that segment is less profitable for larger media production groups. The strong position of the case company in this segment is the result of a pro-active leadership by founder Werner Kimmig. The following statement illustrates his pro-active push into the television industry by aiming at and seizing major productions from the beginning:

"At the end of the 80s, I tried to produce other programmes. Before that, I was not allowed because I had contractually agreed to work exclusively for the SDR. ... The first programme which I produced apart from 'Verstehen Sie Spaß?' was called 'The Festival of the Choirs'. The production had 1000 contributors. It was the first production that I produced completely myself. This was in 1989." (Kimmig)

Lumpkin and Dess (1996) define a pro-active firm as an entrepreneurial leader because it has the foresight and ability to seize initiative and act opportunistically with the goal of shaping the environment (p. 146-147). The last example is one of many representing how Kimmig set the foundation for his company to develop into a pro-active, entrepreneurially-driven firm. However, even in the event entertainment segment, the company faces critical competition from larger, resourceful dependent producers. Hence,

the management's ability to take risky and pro-active action is further needed for *Kimmig Entertainment GmbH's* daily business survival, and specifically for staying in the game of successful project acquisitions. Mr. Kimmig explains it as such:

"In a pitch nowadays, there's at least one competing company that belongs to RTL, or to Sat.1 or to the public broadcasters. ... Knowing that they will participate in the pitch, there's basically no point in going there at all. But if you permanently reject participating in pitches, they'll think that you are not good enough anymore. So you have to participate although you know you'll just throw away 40,000 euros." (Kimmig)

Regarding this, Mr. Kimmig underlines one main reason why his company is so successful despite more resourceful competitors, namely: "We compete with our expertise". This is supplemented by a recognised need in the management to continuously and pro-actively search for opportunities to strengthen the firm's central expertise. Executive director Mr. Alberti says:

"You have to ensure that you find your own segments. We are not in a position where it's enough to produce just two or three events, this wouldn't work out. We have to reach a certain number. And that's what we stand for." (Alberti)

Mr. Kimmig further describes a pro-active routine for setting up regular meetings with the broadcasters in order to address and push the search for possible, upcoming opportunities and ideas:

"My assistants know that I have to set a new appointment in three weeks although I do not yet have anything in mind. They arrange a meeting although they do not know if I have anything to present to this client. This puts me under the pressure to think of something before then." (Kimmig)

The entrepreneurial dimensions of risk-taking in terms of resource investments and pro-activeness are also reflected on the production level. Production manager Ms. Ullrich illustrates it with this example:

"We are, for example, preparing a pitch right now for a bigger project and I've already invested a lot of time into this. Just this week I flew last-minute for quite some money to Berlin in order to be on-site and to inspect something. And yet, we don't even know if we'll get the project. But if they ask us 'Can someone of you join us for this?' then I know we'll do that." (Ullrich)

Adding to this, executive producer Dr. Pröttel demonstrates the company's pro-active, entrepreneurial orientation and its reasoning behind riskier investments with the example of the recent production "Christmas in Bethlehem" in December 2015:

"At the end of last year, for example, we produced a music show from Bethlehem which no one else has done so far. A big international company wouldn't have regarded this as profitable, both in terms of the total programme volume and of the risk behind it. And in the end, it'll have probably cost us as much as we earn for it. But there's an entrepreneurial intention here, driven by our independence, to create special projects. I think this is definitely acknowledged. So from time to time we realise these small 'lighthouses', something not necessarily big but outstanding, this makes perfect sense." (Dr. Pröttel)

Both this production example as well as the move into the television business with the hidden camera show "Verstehen Sie Spaß?" represent an entrepreneurial mind-set of *Kimmig Entertainment GmbH's* management and staff. Kuratko (2010) defined such an entrepreneurial mind-set as one that sees opportunities where others see barriers and limits, and as such it is the key strategic orientation that drives the case firm's development. The example above also clearly reflects a certain competitive aggressiveness and a vigorous pursuit for innovation in the firm, which are two further dimensions of an entrepreneurial orientation to be discussed next.

Competitive Aggressiveness

Lumpkin and Dess (1996) describe ***competitive aggressiveness*** as a firm's leaning to directly challenge its competitors, also with unconventional tactics, and as a way a firm responds to demand and trends in the market (p. 147-149). This dimension is especially reflected by the management level of *Kimmig Entertainment GmbH* and by its diverse, yet strategically and expertise-based project acquisitions. In his following statement, founder-manager Werner Kimmig portrays a forward-looking, competitive mindset towards the daily business challenges regarding project pitches:

"In January we always had the award show 'Orden wider den tierischen Ernst', we lost it last year (2014). We will probably get it back next year (2016). There are pitches from time to time, you might lose one and then in the next pitch you approach it anew." (Kimmig)

Actions and decisions that represent competitive aggressiveness, such as reducing prices and sacrificing profits (Lumpkin and Dess, 1996), were also found in the case company.

Production manager Ms. Ullrich describes such decisions and actions taken by the management to win projects and to build trust with the clients for future opportunities:

“So the independent manager can always say, ‘Okay to prevent a failure of the project, I’ll accommodate your wishes and take a much bigger risk to offer you something good. So that you see how good it is and next time we can cooperate on a different level together.’ This is a freedom which you have in small, independent companies. And this is supplemented with the service idea, meaning to satisfy even the 10th special request without saying ‘No, cannot be done, you’re too late.’” (Ullrich)

The firm’s competitive aggressiveness is further mirrored in the composition of its overall production portfolio. It becomes visible in executive director Matthias Alberti’s statement highlighting the company’s ability to challenge its competitors both through the acquisition of popular productions and through the ability to see valuable, new opportunities in diverse fields:

“It’s important that we’ve acquired many programmes and that we’ve done new things. We got the ‘(José) Carreras’ (Gala). We retrieved the ‘ECHO’, which another company did at that time. Now we have the Web Video Award, which is an important format for the younger section. ... The position of this company nowadays is due to the fact that we have acquired international projects and also gradually employed the right people that maintain the communication.” (Alberti)

This statement illustrates how well *Kimmig Entertainment GmbH*’s management can adapt its business strategy – which connects the expertise of live production with the expertise of realising large and long one-off shows and events – to the most diverse content areas ranging from fundraising, award and music shows to company anniversaries and tribute celebrations to the design of new media-related award events and political conferences. This diversity of productions does not only depict the case firm’s competitive aggressiveness. It also depicts its adaptive capabilities – nurtured by pro-active, risk-taking, opportunistic organisational behaviour – to provide innovative production concepts to diverse content demands within the event sphere. Mr. Alberti gives another very recent example for his firm’s entrepreneurial orientation and competitive aggressiveness:

“Right now I am working on a huge pitch for the LAUREUS award show. It’s one of the biggest formats world-wide. Although LAUREUS is an award for athletes, it has more viewers than the Oscars, world-wide. This is due to the Asian market.” (Alberti)

This was the situation in November 2015 at the time when the interviews with the management level were conducted. Recently the company announced the successful acquisition of this major sports award format. Accordingly, the premiere of the “LAUREUS” production in Germany was then realised by *Kimmig Entertainment GmbH* on the 18th of April 2016 and was broadcast in more than 160 countries (Badenonline.de, 2016). This major award production underlines the case firm’s business strength despite its smaller size, resource limitations and less central location, and it proves an earlier research finding regarding SMEs, namely that “firm size does not translate automatically into firm performance” (Davis, 2009). This example further indicates that entrepreneurial opportunity seeking is not just one of many business objectives of the case firm, but that *Kimmig Entertainment GmbH’s* management understands this orientation as a central strategic choice that guides its managerial and organisational activities and processes. This is one crucial sign that a firm-level entrepreneurial posture is existent and functioning as a leading business value in the case firm.

The fact that the kind of project acquisitions of the *Kimmig Entertainment GmbH* are diverse, yet usually allocated within the firm’s expertise of single event and show productions underlines that the actions and decisions taken by its managers are strategic, and not merely bold and out of context. A comment of founder Werner Kimmig from 2008 further underlines this strategic aspect when he said, “I have always operated my business according to economical and commercially sound principles. Not according to show business methods” (Lietzberg, 2008, p. 23). This is in line with opinions by Bilton (2007) and Covin and Slevin (1991) that entrepreneurial actions need an underlying strategic logic, and that the success of new ideas and opportunities depends on the firm’s competencies to locate those into organisational and market realities. With regards to this, founder Werner Kimmig illustrates his company’s business focus that provides the underlying strategic frame for its entrepreneurial orientation:

“We produce programmes that have majority appeal. We don’t produce programmes for target groups. ... We aim at the audience from age three onwards. This is the basis for each of our projects.” (Kimmig)

This shows that the success of the *Kimmig Entertainment GmbH* is built on an entrepreneurial strategic business logic within a well-defined core of production expertise. As such, crucial factors that nurture the case firm’s success are constant

searching and seizing activities for innovative production opportunities within this sphere. The following discussion on the case firm's innovative actions and opportunity sensing and seizing processes underlines its goal to gradually develop instead of seizing radical innovations outside the firm's competencies or overexploiting existing formats for short-term profits.

Sensing & Seizing Processes and Innovativeness

The company goals (mentioned above) are first and foremost reflected in executive director Matthias Alberti's definition of success for the *Kimmig Entertainment GmbH*:

“Success for the company means being able to pay and keep our staff, to grow gradually and to have a small development budget for the launch of a few innovations apart from our existing productions. (Alberti)

The management's awareness of the need of exploration and innovativeness next to their ongoing business is also expressed by Mr. Alberti:

“It's always a matter of having a supporting leg and a free leg. So we have to be really fast. We should not and we must not miss a trend. We always have to discuss about it and be concerned about what is happening.” (Alberti)

According to this, the interview data from both the respondents on the management and the production level illustrates in multiple ways how innovativeness is integrated into the case firm's strategy, and pursued and nurtured through organisational routines, structures and activities. The fifth dimension of an entrepreneurial orientation, ***innovativeness***, is defined by Lumpkin and Dess (1996) as “... a firm's tendency to engage in and support new ideas, novelty, experimentation, and creative processes” (p. 142). Since entrepreneurship researchers (Compaine and Hoag, 2012; Parkman et al., 2012; Acs and Audretsch, 2010; Zahra et al., 2006; Kuratko and Hodgetts, 2004) highlight sensing and seizing activities and processes as a fundamental requirement for innovative actions and opportunity outcomes, ***the findings regarding innovativeness in the case firm are presented in combination with specific sensing and seizing processes*** described by the respondents.

One reason for the *Kimmig Entertainment GmbH* to be innovative, as reflected in Mr. Alberti's statements above, is the awareness that flexibility and an individually-tailored service are central competitive factors facilitating the business survival and

competitive advantage of small TV production businesses within a structurally imbalanced industry in Germany. Mr. Alberti further explains how a constant search for opportunities and tailor-made productions are central to present *Kimmig Entertainment GmbH*'s diversity in competences and innovative adaptability to its clients. This is crucial because it enhances their chances to stand out and be considered as a valuable production partner – despite the smaller size and resources as compared to competitors:

“Our backbones are innovative authors, ideas, thoughts and concepts. You have to be flexible.” (Alberti)

This strategy of adaptation and innovative, tailor-made services is not a recent firm development in the *Kimmig Entertainment GmbH*, and it is not only a managerial goal. It is a long-lived principle from the very beginning that is followed by each staff member and built into a key expertise on all organizational levels. This is perceived as such by the respondents from the production level:

“The commitment to good service is very important and I think that this is something that has a top priority in the company. Werner Kimmig has practiced this service philosophy for more than 35 years now. So he always says ‘I am providing the best service, no matter who is the client’. This is something that’s clearly a part of this company’s expertise. And I also think that this is the reason why we are in the business for so long already.” (Ullrich)

“As I said, it’s reliability. So the security, so to say, that everything will work out with us. I’d also say that the artists feel in good hands with us. We get a lot of positive responses regarding this. And one advantage of a small company is that we’re classical service providers who can absolutely adapt to the individual clients and their needs. A multinational company can only do that to a certain degree.” (Dr. Pröttel)

In addition to this, entrepreneurship researchers Brown et al. (2001) and Albarran et al. (2006) both highlight that an entrepreneurial orientation of firms, including their intensity of innovativeness, is also influenced by certain business contexts and environmental factors. The findings from the data illustrate that accordingly. For one thing, the change of the business structures and the imbalanced competitor conditions in the German TV industry demand a higher level of innovativeness for the business survival of especially SMEs. For another thing, the logics of project work and the explicit logics of one-off live event productions demand an even higher level of innovativeness and a

continuous search for next opportunities. This becomes apparent in the explanations by both managers of the case firm:

“The kind of business form with which we started, meaning as a traditional production business that only handled the production whereas the content was developed by the broadcasters, that doesn’t exist anymore.” (Kimmig)

“A major disadvantage is the predominant marketing of global ideas, meaning that German broadcasters mostly go for those ideas that prove to have a performance value from abroad. We’re talking about series and quiz-shows. These projects are barely accessible anymore due to the accelerating consolidation of the major global companies in the last 4 years. ... In this respect, we are quite dependent on working with talents especially from Germany, Austria and Switzerland, because they want to work with us.” (Alberti)

This uneven industry situation is visible in industry studies. In 2012, dependent television producers only represented 10.5 percent of all active German television producers, however, they reached a prime market share of 41 percent of the total production volume (FORMATT-Institut, 2014, p. 24). Regarding the industry situation, Mr. Kimmig adds why his firm’s main business focus is on event productions:

“We are ultimately specialised in event production. In other words, we are realising those projects that no one else wants to do really. Well, they would like to do them, but it is not possible due to these projects’ specific structure.” (Kimmig)

In order to stay competitive and recognisable within this production field, the case firm’s management nurtures innovativeness with two central sensing and seizing processes that are at the heart of *Kimmig Entertainment GmbH*’s success:

“These are the two paths that I try to follow: always in the search of new talents and always in the search of business fields where the client could profit from our expertise.” (Alberti)

In line with this, production manager Ms. Ullrich illustrates why success in the field of one-off productions is highly dependent on innovative and entrepreneurial abilities in the case firm:

“Yes, we constantly have to be extremely flexible. This is the key feature. Every client or potential client needs something different from us. Some want traditional television, others want all the features from the Youtube world for their project, and yet others want an event which the world has not seen before. Innovation is in every project because everyone wants something else from us. Even though we regularly do events or a music

show, there's still a unique and different tenor in every project which we have to discover and work with." (Ullrich)

Because of its pioneering role in live event TV productions and the perfected execution of a highly complex production cycle over decades within the limits of middle-sized organisational resources, the company has created a production portfolio that provides a unique set of expertise among independent producers. This portfolio of expertise is further continuously renewed by a constant striving at *Kimmig Entertainment GmbH* for innovation through talent and business field search – visible in the continuous growth and diversification of its production portfolio. The interview data from both management and production levels evidence this drive for innovation and the awareness of its strategic value. The data further indicates that this innovative drive is clearly a result of multiple sensing and seizing activities and processes – some more strategic, some more experimental – and is also boosted by the other entrepreneurial dimensions described above.

The respondents described **communication as the foundational sensing and seizing process** within a television production business for both *network building and reconfiguration*, as well as for *efficient opportunity exploration and exploitation* through the created network. This is especially visible on the management level, as founder Werner Kimmig and executive director Matthias Alberti explain:

"You have to meet people. And you have to talk to people. If you don't talk to people, nothing will come of it. Not even if you live in Hamburg. ... My favourite proverb is: Connections only hurt those who don't have them." (Kimmig)

"That means, if you're not good with people, then you're in the wrong place here. In every aspect. This also refers to finding ideas and to innovative strength. You have to know the people who have the ideas." (Kimmig)

"We have a large pool of authors that like to work with us. People know each other in this industry. They know us and say 'Those guys won't rip me off, so I can tell them my idea'. This is one advantage." (Alberti)

These comments by the managers illustrate that communication is the basis for building a central network of decision-makers, key creative actors and artists, and that further communication within this network is needed for innovative idea exploration and entrepreneurial opportunity exploitation (see Figure 5 below).

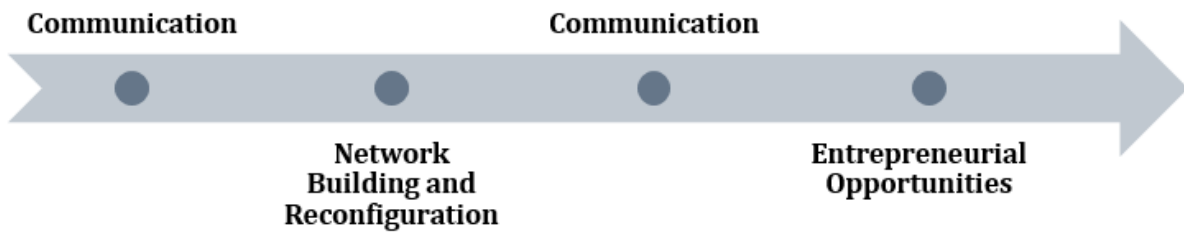


Figure 5: Continuous Process of Entrepreneurial Opportunity Sensing and Seizing through Communication and Network Building & Reconfiguration. (Own representation)

The findings from the case firm further show that **a network of strong ties with the key decision makers and broadcasting clients** is vital for the visibility and business survival of smaller companies, in contrast to larger competitors. This is represented in the following comments by the managers:

“I am simply closer to the people in my network. And this is the art. If you don’t get close enough, then a company like ours won’t have any chance in the near future.” (Kimmig)

“The advantage is that I know most of the key decision makers through all my former activities at the different broadcasters. ... Being wired like that is beneficial for a smaller company.” (Alberti)

Since there is a strong power asymmetry in the German television industry (see Chapter 4.1), strong ties to the few key decision-makers in the broadcasting corporations are basically the only way to get access to production opportunities from these major clients. As such, managers in the television business – a “people’s business” – need to have very good communication and network building abilities which they incorporate as managerial work routines into their firm’s organisational structure. Mr. Kimmig underlines this with his explanation of how pitches for productions are usually organised:

“You are invited to a pitch. Usually you cannot apply for it. But you can ensure that you are going to be invited by maintaining your network. If you don’t maintain it, you won’t be invited.” (Kimmig)

Regarding the communication process, all respondents further highlight the need for **both pro-active communication and listening activities** as the basis for innovative sensing and seizing actions through the company’s network. On the one hand, **fast pro-active communication** is highly crucial for the formation and reconfiguration of a close network of decision-makers, clients and creative sources (often called talents) within the

television industry. Both managers describe in what ways they are pro-actively communicative:

“Yes, I visit the broadcaster every week. Every week I visit one of the broadcasters. ... Nowadays I don’t visit private broadcasters anymore, Mr. Alberti is handling that part. We have divided the job between us.” (Kimmig)

“You need speed of action. And you need a lot of communication. ... I am constantly out on business. That’s the same for Werner, and the same for Stefan. Because we need to be on the spot. Werner has a good saying for this: If you want to live in this region, you have to get up one hour earlier and go home one hour later. There are two things. This and the other rule: Every day one new contact.” (Alberti)

Adding to this, Mr. Alberti illustrates how pro-active communication with the creative talents, the authors, is crucial for innovative idea and talent exploration and exploitation:

“We organise creative meetings with the authors. We lock ourselves into a room for three days and brainstorm about the things that are happening and the author who had the initial idea will then be a part of the next project. We always try to treat everyone in a very decent and fair way.” (Alberti)

This key sensing and seizing strategy of pro-active communication is not only practiced on the management level of the *Kimmig Entertainment GmbH*, but it is equally represented as such on the production level. Production manager Ms. Ullrich explains how pro-active communication (both with external actors and internal colleagues) is central in finding the right information for her work to develop suitable and competitive production calculation offers:

“I basically need two components. One is the event location and the other is the content that’s going to take place there. ... So in the beginning I need facts and I need three contact persons. One from the client, one from the editorial team and one maybe from the location, or one from the set design who can give their estimation about technical and design-related factors.” (Ullrich)

“My colleague in Oberkirch, Jutta Wemlinger, and me, we always know about each other’s projects, with what team the other one is working and where are the difficulties and possible synergy effects. ... And when I have a project and I know she has been working with this location or that one, then of course I call and ask: What should I be mindful of? How would you calculate this here? How should I handle this?” (Ullrich)

In addition to this, Ms. Ullrich further outlines how a pro-active communication tailored to the individual client is crucial for successfully seizing agreements on project cost calculations with different clients:

“With ZDF, for example, it’s a very knowledgeable, fact-bound discussion, number by number. That person functions like me. He knows the same as I do. ... Then again there are clients that normally don’t have much to do with television... They have to be convinced of why we charge that amount of money. ... So you have to adapt to every client individually. Every client needs to understand that we won’t overcharge them and they have to accept where I cannot reduce the price anymore. You have to explain that to them in diverse ways.” (Ullrich)

As a basis and foundation for the creation of innovative productions, collecting market and industry data through pro-active communication and the maintenance of strong network ties to central market information services is also mentioned as important sensing activities in the case firm. The most critical sensing activities for the *Kimmig Entertainment GmbH* include attending TV industry events and trade fairs, and observing the German and international music business developments through close contacts to the information services “media control” and “GFK”:

“I go to trade fairs on a regular basis, although we also get the information sent to our company. So yes, we already know what was highly contested on the trade fair, which foreign format. So we already know which new programmes RTL is going to launch next year. ... And therefore we also know that ARD and ZDF are focusing this direction, as well.” (Kimmig)

“So we follow the music numbers and ratings and see what is happening there. We also produce the “ECHO” award show. So we are really close to the music business. ... That is why we work very closely with media control. We receive their information every week. ... I certainly have good contacts to media control, because I know I have to maintain it. I certainly have good contacts to GFK because we get all the other data from them. We read all the media information services.” (Kimmig)

On the other hand, founder Werner Kimmig points out that next to pro-active communication, **listening** is an equally important sensing activity in order to discover the right information for the creation of ideas that work within the market realities.

“The skill of a television producer is to listen well. In fact, on both sides. You have to listen to the clients, then you know what they want. Because what’s the use of your idea, if the

client doesn't have a time slot, nor the money and if you think along completely different lines. Then you can suggest the best concept, but you won't have a chance. ... Then, on the other side, you go to your authors, the so-called creatives." (Kimmig)

Executive producer Dr. Pröttel further explains in line with Mr. Kimmig's argumentation why the company has not yet established a separate development unit – besides possible cost reasons – and why no successful innovations could be formed out of mere market information provided through industry services:

"So it's important to search for many contacts to potential clients. This is done by every business in a specific way. That's why it is probably also good to not have an own development unit which does its own, separate stuff. On the contrary, it's crucial to continuously meet people and listen to what they really demand." (Dr. Pröttel)

"The market knowledge is, of course, theoretically important, too. ... I get this knowledge because I am very much involved in the production process. As a result of this, I am close to the people and the market because I am constantly in contact with artists and decision-makers. I speak with them and a new idea is then suddenly the result of some of these conversations." (Dr. Pröttel)

As such, the fact of not having an institutionalised development unit keeps the *Kimmig Entertainment GmbH* constantly close to the actual market and clients, which in turn facilitates innovative ideas that are primarily based on the clients' actual demand and secondarily on market numbers rather than vice versa. As an example for these sensing and seizing activities, Mr. Kimmig describes how both pro-active communication and listening led to the recent production of the new music programme "Santiano in Ireland" that was highly successful in 2015:

"I was at ZDF half a year ago. They told me that they have one free time slot for a Sunday from 11 am to 13.15 pm. Normally a programme called "Fernsehgarten" runs on that slot. ... Music is a strong element for this time slot and there is a specific budget. I left with this information ..." (Kimmig)

"The conversation with ZDF was last year in December (2014). After that I had a meeting with Santiano (*the band*), which was sometime in January/February. This was the crucial conversation; we first had to find out if they were available and if we could get them. ... We had an idea in mind. ... And then I said 'How about a show with Santiano in Ireland?' The guys (*from Santiano*) really liked the idea. Then I went to my authors and said 'We have a time slot at ZDF. This is the date. Try to think of something'. We then went to ZDF with two

concepts for ‘Santiano in Ireland’. I had Santiano, which was vital. Without Santiano we would not have succeeded with our concept.” (Kimmig)

Regarding this, several strategic aspects of innovative thinking and actions by *Kimmig Entertainment GmbH* become visible. The first aspect is the early insight of founder Werner Kimmig that his artist pool – which he had started forming during his time as a music manager – is a key strategic element and brand for his television productions that creates new value for the artist and for his own company simultaneously. Lietzberg (2008) highlighted that at the core of each of the company’s productions are major artists and stars, as award winners, as presenters, as guests or as show acts in the programme (p. 154). Executive producer Dr. Pröttel illustrates how crucial the artist is, both as a strategic element and as a core resource for the case firm’s strength in obtaining further broadcasting time slots and for its overall success:

“We can only convince with a brand and in the majority of the cases, the brand is the artist. We have to put our focus on the artist because we don’t have a format that works with whosoever as a presenter. ... We are totally dependent on the artist and on a good cooperation with each one of them. This is also our credo. We don’t just aim at financial and ratings success. Our success is the satisfaction of the artist and him leaving the production happily. ... It is our capital, that the people trust us and that they feel like their wishes and image are appreciated and represented in the right way.” (Dr. Pröttel)

Second, the case company recognised that it can create a competitive advantage out of its higher autonomy and flexibility – which is facilitated by the smallness and the firm’s independence – by focusing on the service aspect and providing highly individually-tailored productions for their clients. As such, *Kimmig Entertainment GmbH* used these insights to create a specific entrepreneurial strategy over the years: building innovative new combinations of show, music and performance elements in own event/show formats around a popular artist. Accordingly, the mentioned key sensing and seizing activities are especially crucial for the company to constantly build and renew a close network with key popular artists, and along with this tailored innovativeness is needed to create the right concept for each specific artist.

A major example reflecting *Kimmig Entertainment GmbH*’s innovativeness with this entrepreneurial strategy as well as its pro-active sensing and seizing activities is the recent production of the personality tribute show, “Udo Jürgens – Mitten im Leben” (2014) about the successful Austrian-Swiss composer and pop music singer Udo Jürgens:

“We created a new broadcasting format that we produced last year with Udo Jürgens, the ‘Udo Jürgens Gala’ ... The concept is simple: we take a successful, senior musician and we celebrate him. How do we celebrate him? We bring together young, contemporary musicians and let them sing his songs. That is the concept, really simple. ... We went to ZDF with this concept already one and a half years ago, because I knew that Udo was about to turn 80 and Udo was also one of my companions. I desperately wanted to do this project with him.” (Kimmig)

“In this case the content was specifically created for this programme, because other artists did interpret songs from Udo Jürgens. So we had to create a variety of adaptations so that Helene Fischer could sing ‘Merci Cherie’, for example. All of this had to be newly arranged.” (Ullrich)

This production reflects crucial principles of innovation outlined by the entrepreneurship researchers Kuratko and Hodgetts (2004): being action-oriented by constantly looking for new ideas and sources of innovation, creating innovations that are simple and easily understandable and positioning the customer-focus at the centre of the innovation. In addition to this, the following statements by executive director Mr. Alberti and founder Werner Kimmig further reflect the entrepreneurial and innovative leaning of the case firm’s management by pro-actively and quickly seizing new production opportunities that arise from the success of their earlier productions:

“At the moment the broadcasters really value and want tribute shows because we have had such success with Udo Jürgens. We have already produced a show with Otto Waalkes (*well-known German comedian*). And there will be more in the future, because now many artists are like ‘Hey, I liked that. I also want something like this.’ ... Now they have seen that this concept can have an additional value for them. These are the opportunities we work with and with which we analyse our possible current and future USP. No one else is doing these kind of shows right now.” (Alberti)

“The programme with Santiano was really successful. So now we will produce another one with Santiano next year. I don’t know yet where we will realise it, maybe again in Ireland. But we will definitely do another one.” (Kimmig)

These reactions emphasise the management’s pro-active entrepreneurial moves and speed of action in opportunity seizing as critical factors with which the company competes with larger competitors within the event production business. It becomes further evident from this empirical data that the strategic entrepreneurial actions by

Kimmig Entertainment GmbH's management clearly resemble the suggested enactment process of the opportunity creation theory (as cited in Alvarez, Barney and Young, 2010) where the entrepreneur creates new knowledge about previously non-existent opportunities through acting, observing the market's reaction, learning and acting again (p. 30-31). In line with this, the case firm's management had the idea of celebrating a famous singer, acted accordingly and created a format through own creative reconfiguration, observed the response from the viewers and the broadcasting clients, and acted or is anticipating to act again to produce more of these programme concepts. Alvarez et al. (2010) highlight that since the knowledge of enacted opportunities is partly tacit and specific to the entrepreneur who enacted them, then the knowledge to exploit such opportunities "is more likely to be a source of sustained competitive advantage than exploiting opportunities formed by competitive imperfections to pre-existing industries or markets" (p. 31). Hence, the entrepreneurial orientation of the case firm, as presented by its different dimensions so far, in combination with opportunity creation activities through innovative change and reconfiguration can be an explanation for the constant production success of the *Kimmig Entertainment GmbH*.

There is awareness in the case firm that innovation and opportunity creation only functions in combination with constant flexible renewal through sensing and seizing, and through adaptive moves both within the industry field and within the firm's processes and resources. This is further illustrated by founder Werner Kimmig:

"... the market is growing, but that is not to say that there is necessarily more profit to make. ... Neither can you say that the time of the big shows is over. The production of 'Bambi' is not cheaper nowadays, but costs more than 20 years ago. And 'Helene Fischer Show' is also more expensive than the first one that we produced 6 years ago. ... The broadcasters have less money, meaning they'll produce fewer big shows. So you as a producer have to be flexible and produce more small projects." (Kimmig)

On the production level, both Ms. Ullrich and Mr. Dr. Pröttel similarly reflect in their statements the awareness and willingness to adapt and innovate according to the needs of each production. They explain how this adaptation and innovation is dependent on both pro-active communication and listening processes in order to retrieve new production and creative talents:

“... We would say ‘Okay in this case we’d need to get involved with someone new, so let’s get him because he is most suitable’. That way, we need to build new relationships with new people. This needs more meetings and more preparation, but we adjust ourselves to that.” (Ullrich)

“You become aware of a person and then you start a cooperation. ... It might also be the case, for instance, that a director says ‘Hey look, I got to know that person, wouldn’t he be perfect for you?’ There’s no talent scouting for these freelancers, but it works by hearsay.” (Dr. Pröttel)

One good example for how the case firm’s flexibility and innovativeness in creative reconfiguration leads to new opportunities and clients, even off television, is mentioned by Mr. Alberti:

“For example, I was open-minded and produced the digitalisation conference for the CDU 4 weeks ago. Why? Because they were sitting in the audience during our ‘ECHO’ event and saw how creatively we utilised stage, decorations and light.” (Alberti)

These “off-TV event” productions are not a recent or very new strategy of the *Kimmig Entertainment GmbH*, but the company has done such projects regularly since 2006. This reflects one of Mr. Alberti’s managerial goal mentioned earlier, to constantly search for new business fields where the clients benefit from the company’s expertise and in turn, *Kimmig Entertainment GmbH* achieves further diversification of its production portfolio. Accordingly, Mr. Alberti outlines the key competence factors of the *Kimmig Entertainment GmbH* that combine strategic professionalism and a focus on service with an entrepreneurial strive for innovative highlights and surprises:

“We provide reliability in cost calculations. This means our clients see that the numbers which we state are correct and reliable. We provide a high level of professionalism. The things we promise to do are being done and realised on stage. We are also known for having surprises in store that are more innovative than people expect from Oberkirch. ... And we have a really low fluctuation in personnel and people know that they’ll have a stable contact person.” (Alberti)

It becomes apparent from the empirical data that the case company possesses actions and processes on management and production levels that reflect all five dimensions of an entrepreneurial orientation. The central findings that describe the specific nature of the case firm’s entrepreneurial orientation discussed in this chapter are presented in Figure 6 below.

Firm-level Entrepreneurial Orientation in the Kimmig Entertainment GmbH

- **Autonomy** is facilitated through the company's independence and flat hierarchy.
- **Autonomy** provides high flexibility and speed of action for the company.
- **Risk-Taking** with large one-off live event and show productions as the company's key expertise.
- **Risk-Taking and Innovativeness** with "lighthouse productions": ongoing resource investments in smaller, unique projects as innovative highlights.
- **Pro-Activeness and Innovativeness** reflected in the focus on individually-tailored services for each production.
- **Pro-Activeness and Competitive Aggressiveness** reflected in entrepreneurial opportunity seeking as a central strategic managerial choice.
- **Innovativeness and Competitive Aggressiveness** reflected in the company's strategy: innovation within underlying focus on programmes with majority appeal.
- **Innovativeness** reflected in the diversity of the production portfolio in terms of diverse own innovative formats, diverse event forms and diverse event areas.

- **Key Sensing and Seizing Activities:**
 - Communication: Pro-active Communication and Listening
 - Network Building & Reconfiguration
 - Opportunity Creation (Enactment Process)
 - Creative Reconfiguration of Production Resources & Processes
- **Key Sensing and Seizing Focus:**
 - New Talents
 - New Business Fields
 - Market Information

Figure 6: Key Features of the Firm-Level Entrepreneurial Orientation of the Kimmig Entertainment GmbH.

Two crucial insights can be further drawn from the findings on *Kimmig Entertainment GmbH's* entrepreneurial orientation. First, the discussion showed that regarding the dimension of autonomy, the case firm is highly autonomous in decision-making on both management and production levels in terms of opportunity exploration, production implementation and organisational processes. However, this does not mean that the firm is truly independent, or autonomous, from the power asymmetry in the TV production industry and from the major broadcasters as the key sources for production acquisitions. As similar firms, the discussion showed that *Kimmig Entertainment GmbH* is also dependent on maintaining a functional, close network to key decision-makers in the broadcasters, and a strong network to its artists as the central elements of its formats. Having said this, both the entrepreneurial orientation and the independent firm status are found to be facilitating factors for *Kimmig Entertainment GmbH's* organisational

flexibility, speed of action, and sensing and seizing competences that, in turn, facilitate the maintenance of these crucial business networks.

Second, the findings in this section also indicate that a firm-level entrepreneurial orientation and its effect on a firm's innovative and adaptive abilities – as discussed in the theory Chapter 2.1 – is to a large extent influenced and advanced by a strong leadership in management. Most statements from all the respondents of *Kimmig Entertainment GmbH* demonstrate that the firm's founder and managers are highly knowledgeable leaders with a pro-active drive for innovative action and constant development efforts. Their ability to balance administrative and entrepreneurial actions (as highlighted in Watson, 2013) and their efforts to provide organisational flexibility for innovative actions are key factors that shape the case firm's entrepreneurial orientation and business renewal abilities.

The statements of the respondents further partly showed that the basis for the **innovative strength of the *Kimmig Entertainment GmbH* is a combination of pro-active, flexible, autonomous and competitive firm behaviour – a firm-level entrepreneurial orientation – and the ability to innovatively change and reconfigure both the organisational processes and resources according to the individual production needs.** Thus, the next section will discuss the findings of specific dynamic capability processes developed and used by the case firm and how these are facilitated by the entrepreneurial orientation, on the one hand, but also how they nurture further entrepreneurial actions, on the other hand.

5.2 Dynamic Capabilities and Dynamic Entrepreneurialism in the Kimmig Entertainment GmbH

The findings further present some evidence to this thesis' proposal that there is a link between an entrepreneurial orientation and the development of dynamic capability processes that strengthens the adaptive abilities of smaller firms in the television production industry.

Dynamic capabilities are guided by a pro-active entrepreneurial logic (Woldesenbet et al., 2012; Newey and Zahra, 2009). This becomes particularly apparent in Acs and Audretsch's (2010) definition of the role of the entrepreneur, which

encompasses the discovery and seizing of market opportunities through the re-allocation of productive resources. On the one hand, this shows that entrepreneurial activities are central to creating and engaging in new situations, innovative challenges and emerging opportunities. According to Zahra et al. (2006), this is the basis for organizational learning and dynamic capability development. On the other hand, Acs and Audretsch (2010) also stress that opportunity exploitation is done through activities related to gathering and recombining resources, which are central activities in the exercise of dynamic capabilities. This inter-linkage of entrepreneurial activities as facilitators of dynamic capability development, and of the usage of dynamic capabilities as facilitators of entrepreneurial opportunity exploitation, becomes visible in the statements by the case firm's respondents. For example:

"I believe the ability of swift response is a strength in this fast-paced world. Not because you are well established in terms of the staff number, but in terms of a wide range of produced projects that you own. ... you can simply draw on elements from former projects and smartly reconfigure those." (Ullrich)

Kimmig Entertainment GmbH's production manager, Ms. Ullrich, reflects crucial abilities for smaller firms in the television industry, which resemble central activities of dynamic capability development and usage in a firm: learning on the basis of former experience and diverse projects, leveraging elements from former projects, as well as reconfiguring and creatively integrating them for new projects. The empirical data was analysed according to Ambrosini and Bowman's (2009) idea of four main processes of dynamic capabilities: learning, reconfiguration, leveraging and creative integration (p. 35). As such, different dynamic capabilities facilitate the renewal of a firm's functional competences and resources in different ways. Therefore, the specific dynamic capabilities and their underlying activities identified in the case firm *Kimmig Entertainment GmbH* are important to understand. They give insight into how the case firm modifies and changes its organisational processes, and thus how it learns, adapts and renews itself successfully.

Learning Capability – Entrepreneurial Absorptive and Response Capability

The findings so far showed that *Kimmig Entertainment GmbH's* managers are "entrepreneurial knowledge leaders" (Lumpkin and Dess, 1996), as is evident in their awareness of emerging technologies, market changes and possibilities. As "entrepreneur/manager[s]" (Augier and Teece, 2009, p. 418) they lead their organisation

forward to seize and learn from opportunities and projects. This entrepreneurial management mindset and awareness of the need to stay adaptive to the market and client needs is represented in Mr. Alberti's statement:

"They need to know these are people who have achieved a lot and did a range of good projects, and who always provide a new approach. May it be for the production of the long-running 'Bambi' award for a target group that is female and plus 67, or for the production of the web video award mainly targeting a male age group of 14-21 year olds. These are two very different worlds, but they reflect our ability to adjust to different demands and to different creative authors, and it also reflects the ability to adapt styles of the studio, stage, and everything else according to each production. The goal behind this is to always create a tailor-made production and not just a template." (Alberti)

Founder Mr. Kimmig similarly illustrates his knowledge and awareness of market developments combined with a forward-looking, adaptive business thinking:

"Of course, the ratings decrease slowly and when they do, you can extrapolate. Based on that, you know exactly that the programme will continue for maybe 4 more years and by then you'll have to have something else. It's happening gradually. ... No successful format plummets from one day to the next. Mostly it's the opposite. Usually it is difficult to initiate a format of good quality." (Kimmig)

The *Kimmig Entertainment GmbH* therefore builds and constantly applies an **entrepreneurial absorptive and response capability** through a firm-level entrepreneurial orientation with a management as knowledge leaders. The findings further show that this dynamic capability functions as a critical learning capability in the firm. Both the learning activities of experience accumulation, knowledge articulation and knowledge codification (Zollo and Winter, 2002), and the learning mindset within the *Kimmig Entertainment GmbH*, are driven by the firm's entrepreneurial orientation and by its key sensing and seizing processes, which are communication and network building and reconfiguration. Mr. Alberti gives an example of how his managerial learning about market activities and trends is driven by searching for entrepreneurial opportunity:

"I am engaged in virtual reality in order to understand what Google and Oculus Rift are doing with all the tools. Where would I see an opportunity as a content provider..." (Alberti)

When it comes to learning processes, both experience accumulation and learning through each project are highlighted by all respondents from the case firm as the key to organisational knowledge competence and a competing factor for the firm's business survival. Mr. Kimmig describes it as such:

"We compete with our expertise. Next week, we will produce the 'Bambi' in the 26th year. We'll also produce the 'ECHO' next year for the 25th time. We lost the 'ECHO' only once. ... We never lost the 'Bambi'." (Kimmig)

In line with this, both respondents from the case firm's production level, Ms. Ullrich and Dr. Pröttel, illustrate why experience accumulation and learning through each project are vital for the successful realisation of the specific structures of one-off events, in contrast to longer running format productions:

"From the organisational perspective it is crucial to know how a red carpet works, or what kind of attention VIP guests need. At a gala production, the backstage organisation is very different from that of a TV movie production. Everything is more hyped. So if you don't know your way around in this area, you can quickly hit the wall." (Ullrich)

On the other hand, our experience also nurtures the trust from the clients towards us. Such a single event is like a firework. Once you ignite it, it's gone. This means it needs to work exactly at the moment when it's supposed to. In that moment you cannot say 'Oh, the fuse went out'. This is different with classic recordings. There you can edit multiple times or add one more shooting day in the end. There you have more possibilities to "save" the production. But what we do is live entertainment and this has to be accurate to the point. For that every detail has to be exactly planned ahead." (Dr. Pröttel)

This reflects the awareness of all the case firm's respondents for the value of organisational learning, which, according to Teece (2009), is a crucial facilitator for dynamic capability development. The statements further support Napier and Nilsson's (2006) argument that evolutionary learning processes develop knowledge and action patterns with which the organisation can codify its experiences and innovate.

The value of the case firm's accumulated experience knowledge as a competing factor, however, depends also on constant renewal through new knowledge integration from entrepreneurial, innovative and collaborative project experiences, as illustrated by production manager Ms. Ullrich:

“As a result of all the different shows and diverse award events that we’ve done over a long time now, we’ve got a lot of experience. ... I believe this wealth of experience is priceless. And also because you always have to add new elements and try to integrate new ideas into the existing frameworks. Because you cannot always do the same.” (Ullrich)

In addition, both Teece et al. (1997) and Napier and Nilsson (2006) underline that different types of collaborations and new interactions are a vehicle for organisational learning, and especially for pressuring the organisation to question established truths and processes. The case firm’s findings show that new knowledge integration is done by the *Kimmig Entertainment GmbH* through different types of collaborations and partnerships in realising new productions. This is facilitated by the company’s entrepreneurial orientation and strong sensing and seizing activities for network building and reconfiguration. Mr. Alberti gives an example for new knowledge integration and exploitation through diverse collaborations:

“We have just finished a 3D movie for the new German Soccer Museum. That’s a 12-minute film and it’s also new ground for us. In this case, we cooperated with two talents from a small company. ... The necessary requirement was that we knew what was possible to do with the 3D technology. Anybody is able to record something in 3D. But the knowledge of what is going to look awesome and what really works for it, depends on experience. Then you have to store this experience and apply it in a new way.” (Alberti)

In line with this, Mr. Kimmig added how the firm recently renewed its production schedule layout based on learning from its staff and professional collaborations, using every new input as a possible source for improvement. Regarding knowledge integration, he therefore highlights: “... As I said, if you walk around with closed eyes, you won’t get anywhere”.

This shows how the company built and keeps building its difficult-to-replicate production expertise and organisational knowledge both through **evolutionary, path-dependent learning and through entrepreneurial knowledge integration from innovative, new project collaborations outside and within the company** (Teece, 2009).

The findings further show how collective learning is nurtured by *Kimmig Entertainment GmbH*’s management through diverse knowledge articulation, sharing and codification activities. The importance of an organisational structure that facilitates

collective learning is not a new insight, but has been a central understanding of the case firm's founder and leader. Mr. Kimmig demonstrated this in an earlier interview: "You have to create an atmosphere in the firm within which objection is allowed and even wanted for achieving incentives" (Lietzberg, 2008, p. 45). Accordingly, respondents in this case study show that, to a certain extent, **collective learning through internal knowledge sharing and feedback communication activities** is driven by the management and facilitated by the company's flat hierarchy and communication structures:

"In our company, we criticise and we praise each other. And I talk with each of my employees every day. I don't just arrive in the morning, lock myself into the office and won't leave it anymore. There's no employee who doesn't see me every day. Except for the days that I am not here, of course." (Kimmig)

"I'd say that there's a very open and close communication with each of our bosses and you are aware of a lot of things. There's no closed doors where only production orders get passed it. On the contrary, you get to know which difficulties are existent or which obstacles need to be overcome until the project is up and running. You are engaged to contribute and I just have to say, it's a trustful teamwork." (Ullrich)

With regards to this, respondents from the management and production level both mention a very low fluctuation of the core permanent staff as a key factor that increases trustful communication and knowledge sharing within the company and across the company:

"We have never laid off anyone. Some left on their own account, but we've never fired anyone. Honestly. All of our staff has been working for us for over 20 years." (Kimmig)

"If the company was comprised of new people every three years, then this would be quite difficult for the bosses to build the kind of trust in order to communicate the really important facts that are the key factors for the client broadcasters." (Ullrich)

In that sense, **a stable core of permanent staff is presented as important for sharing high-value organisational and strategic information**, although the risk of less flexibility was also mentioned. However, this risk is counteracted in the case firm both through the entrepreneurial management and through constant new project work collaborations – as presented above – that create ongoing learning incentives for the core permanent staff. Additionally, the respondents mentioned a good awareness of the risk of

falling into less flexible work routines, and a good awareness to constantly balance the use of efficient production routines with an openness for change and adaptation.

Because of the firm's smallness and flat hierarchy, **direct knowledge sharing and an entrepreneurial learning-by-doing on the job with senior staff** is the prevalent technique for sharing the specific expertise with new staff:

"What we do in the ideal case is we have new producers, new editorial staff working together with us and only after the first half or full year do they get their own individual projects. That way we're able to pass on some knowhow. ... But this is not a deliberate strategy. It is resultant from our company's size and, also, from our very flat hierarchy."
(Dr. Pröttel)

In order to stay innovative and competitive within the TV production industry, a crucial focus of collective organisational learning is on technology development, as highlighted by executive director Mr. Alberti:

"So we have to be aware which technology we will use next and if this technology provides us with the chance to create something special for the viewer. ... So there is a change, an innovation capacity in technology because the viewer should not see certain things – this refers to lamps, smaller speakers that we need nowadays – there's a lot of change. You have to learn from that and you have to know the tools so that you can adapt your content to it and that you can assess the feasibility of your content." (Alberti)

Regarding this, it is important to highlight that collective learning does not necessarily mean that every staff member learns exactly the same in a firm or that everything is learned from each other. This is similarly expressed by production manager Ms. Ullrich, who adds one disadvantage of a small company when it comes to more formal collective learning opportunities:

"We have to be aware that we keep up with the ravages of time. Because new stuff comes up permanently. We are connected to the German Producers Alliance in Berlin. They also send us interesting news and from time to time there's a seminar offered. I have not attended one, yet. This is the disadvantage; we are really tightly constructed." (Ullrich)

However, a regular provision of learning opportunities and access to crucial production trends by the management are central factors on the basis of which each staff member receives incentives to advance his/her individual expertise – thus, advancing the collective organisational knowledge. Regarding this, executive director Mr. Alberti

illustrates more deliberate knowledge sharing and codification processes that he as a manager and “knowledge leader” uses to enhance both the technical and creative knowledge and abilities of the company staff and authors:

“I demonstrate it. ... I also told them that I’d pay them the trip to the location where it is installed, so they could have a look at it. I also passed around the movie and I post updates. I do not just write a newsletter on the first Monday of each month. But when it’s needed, I create a newsletter, bring the people together and send the demos so that it is understood. ... You have to push the idea of innovation constantly.” (Alberti)

“I like to do creative workshops with our authors. ... “You need to take time, you have to talk and show stuff, of course. You also have to show what’s out there, which trend is coming and what is new from abroad in order to create a discussion on trends.” (Alberti)

Based on these statements, **deliberate knowledge sharing routines and codification activities are considered crucial by the management.**

It becomes apparent that the management’s and firm’s entrepreneurial absorptive and response capability is an engine and foundation for *Kimmig Entertainment GmbH*’s learning processes, which reflect a certain regularity but also a flexibility and spontaneity to “catch” and integrate upcoming market trends and sudden changes. Being entrepreneurially-oriented in learning activities through its entrepreneurial absorptive and response capability therefore seems to be a success factor for the adaptability performance of the *Kimmig Entertainment GmbH* over decades of business activity in the turbulent television industry.

Reconfiguration and Creative Integration – Puzzle-Solving Capability for Product Customisation

According to Ambrosini and Bowman (2009), dynamic capabilities refer to the drive and enthusiasm of a firm in its renewal of resources and processes. In view of this, the empirical data yield quite a few examples that reflect the case firm’s constant drive for renewal of their resources and competences, especially through reconfiguration and creative integration processes.

Reconfiguration relates to the transformation and recombination of resources and competences, while creative integration relates to new resource and competence formation through inclusion of existing resources and new assets (Ambrosini and

Bowman, 2009, p. 35). The findings represent reconfiguration and creative integration activities and processes that address both change and renewal in *Kimmig Entertainment GmbH's* organisational structures and processes. A central reconfiguration in the company's structure that was crucial to its business survival is described by founder Mr. Kimmig:

“The most important organisational change was that we opened an office in Munich. I never wanted that. Because as a traditional production company we were able to do everything from here. But we had problems to get the creative people to join us here. As a result, there was a constant change of creative workers. ... Then we opened an office in Munich and now we have 12 employees there. The complete content department is in Munich, here we have none. ... Without this modification, we would have ‘died of starvation’.” (Kimmig)

This change through expansion and structural adaptation was done in 2004, at a time when the number of active independent production companies in Germany saw a constant decrease (FORMATT-Institut, 2010, p. 27). Despite his reluctance and after trial-and-error experiences in bringing creative staff to the company's headquarters, the founder – based on his entrepreneurial disposition – sensed and seized organisational change as a necessity in order to stay competitive. Executive Director Mr. Alberti illustrates another crucial example of the firm's constant organisational reconfiguration activities and flexibility to be able to integrate the younger, more mobile freelance staff into the firm:

“We have to compensate our locational distance from central media hubs. The idea to bring everyone to Oberkirch doesn't work, but the idea that they are here temporarily and that they support us via email, Skype and other communication channels, this works very well. ... There are many individual factors to consider.” (Alberti)

Both these strategic reconfiguration activities reflect the constant awareness of *Kimmig Entertainment GmbH's* entrepreneurial leaders for crucial changes within the TV industry, and the importance of ongoing organisational adaptation and rejuvenation within the know-how for business survival. Both statements also reflect a forward-looking perspective towards change developments – based on active sensing and seizing of market trends and fresh talents – in order to not fall behind competitors. As such, Mr. Kimmig explains how facilitating entrepreneurial sensing and seizing activities in management are for his company's change abilities:

“It is me rushing around and trying to sense changes early enough. Every change happens gradually over time. I mean, in our business all changes happen rather gradually.”
(Kimmig)

This also highlights an interesting insight, namely that changes only seem rapid if they are not “followed” actively, but if sensing and seizing are continuous, integrated processes performed by a firm’s management and staff members, then gradual adaptation to most changes is highly possible. These findings underline another crucial earlier statement of Mr. Kimmig from 2008: “With anxiety about the future, one cannot lead a company” (Lietzberg, p. 36).

The case company further applies internal reconfiguration processes in order to creatively and effectively compensate for its limited resource availability – a factor that can more easily impede organisational development and competitiveness in smaller firms. Two reasons were mentioned why internal organisational reconfiguration is strongly pursued in the case company. First, filling capacities with internal resources by realigning them is less cost-intensive than adding external ones, if not absolute necessary. Second, the unique production structure needed for the implementation of *Kimmig Entertainment GmbH*’s large and live one-off events demands specific knowledge – some of it added and creatively integrated through professional collaborations. Therefore, constant internal readjustments are needed for the realisation of the company’s key award events, as Mr. Alberti illustrates:

“There are projects that I assign completely to an executive producer or an assistant producer and it’s working fine. In those cases, I get only contacted if there’s a special problem that needs to be solved. Then there are other projects that need to be managed more intensively from the beginning on. In those cases, I need to sit in the cockpit and give the direction.” (Alberti)

This supports Borch and Madsen’s (2007) finding that organisational flexibility in a SME is provided through its smallness and few organisational boundaries, as well as through the close link of managers to daily operations. Both these aspects increase an SME’s opportunities to use dynamic capabilities and identify new appropriate resource combinations within the firm (p. 114). Thus, the case firm’s independence and entrepreneurial orientation are main facilitators for its reconfiguration abilities, providing the necessary flexibility and pro-active, innovative pursuit for change respectively.

The unique production structures required for the realisation of the case firm’s large one-off events and shows further led to the creation of distinctive production routines in the *Kimmig Entertainment GmbH*, which are adjusted to the considerable number of collaborations with diverse artists and their managements over each year. This reflects how the case firm adapted its internal structures to make an ongoing and fast retention of artists and talents more effective. As such, this structural and procedural specialisation facilitates a more central collection of the artists’ availability information, which enhances the speed of action and spontaneous seizing abilities of the *Kimmig Entertainment GmbH* – thus, its entrepreneurial exploitation ability.

Further findings illustrate how *Kimmig Entertainment GmbH*’s reconfiguration and creative integration activities and processes follow a **puzzle strategy**. As such, this dynamic capability can be called **puzzle-solving capability** (see Figure 7). On the basis of this capability, the company gradually adds or changes pieces of its organisational structures and processes, but as with a puzzle each new piece connects in some way to the company’s key production expertise and competencies. As a result, adding new “puzzle pieces” (productions) gradually changes and renews the whole “puzzle picture” (production portfolio), which keeps it interesting and up-to-date.

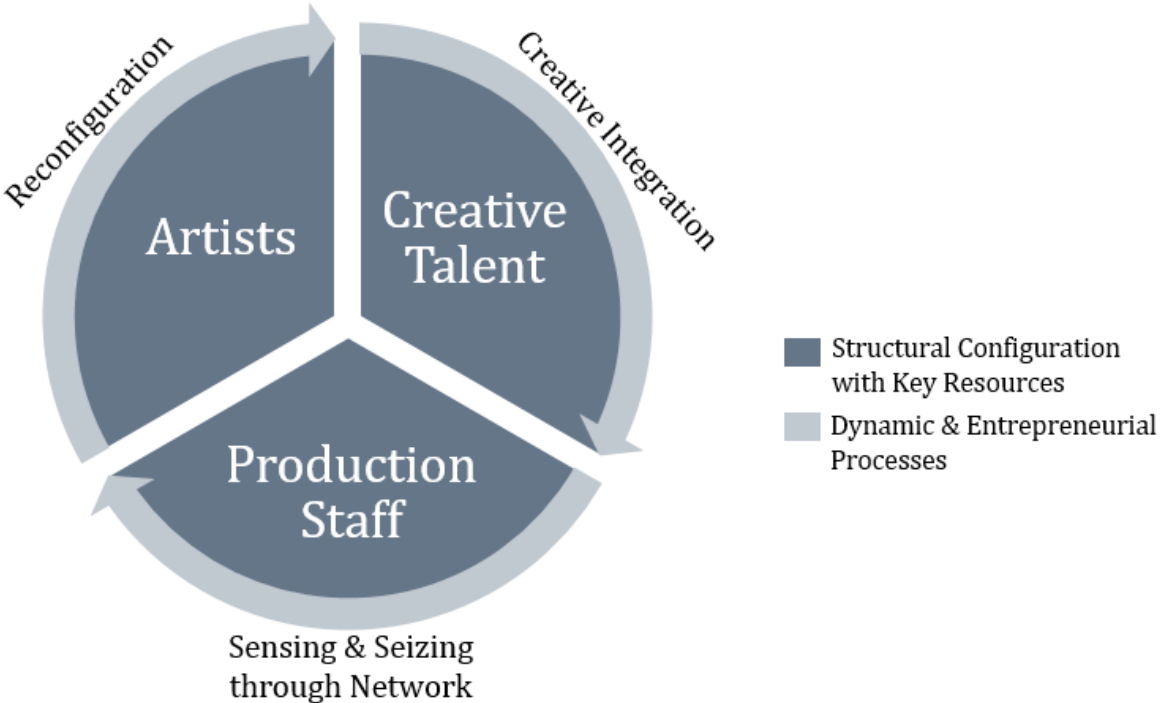


Figure 7: Puzzle-Solving Capability for the Innovative Customisation of each Television Production. (Own representation)

The crucial driver behind the change activities in the case company is the aim to create customised products – out of the need to meet the requirements of each cooperating artist and out of the company’s entrepreneurial orientation to constantly create unique experiences with its productions. Ms. Ullrich explains this:

“Of course, the clients receive a complete package. So they don’t just get good content, but also everything else. Often times they also get more than they’ve paid for. And many of them appreciate that. I think we are quite good when it comes to support service and handling the product skilfully. ... The point is that if an artist is delighted to come, he will more likely agree to join events, which again benefits the project. So then we can be more certain to get specific people for a programme. ... And I think the clients are aware of that they receive an entity from us, both personnel-wise and content-wise. Maybe this is innovative and it’s important to us, a complete package.” (Ullrich)

Providing “complete packages” to every client needs creativity, flexibility and adaptability of the case firm’s resources and processes. How the ***puzzle-solving capability guides the reconfiguration and creative integration processes*** becomes especially visible through the changes in the case firm’s production processes, through changes in the composition of the production contributors (creative and production talent) in each project and through changes of innovative elements for new format concept developments. Production manager Ms. Ullrich highlights this puzzle strategy in how she configures and integrates every production based on the company’s business focus and key competences:

“For me it’s always like a puzzle. Every production is a piece of a puzzle and some fit better to the border, others are the central pieces. But every piece connects with the other parts and together everything adds up to an entity.” (Ullrich)

Similarly, when asked about a programme format that best describes the competences and strategy of the *Kimmig Entertainment GmbH*, each format choice from all four respondents clearly reflects the case firm as a colourful puzzle that is creatively formed on the basis of the firm’s key expertise elements (entertainment, music, talk, artist celebration), which are continuously reconfigured and renewed through innovative new elements:

“It has to be something that is running for quite some time already, that is entertaining but also has a quality. It has to be long, let’s say between 90 to 120 minutes, and has to renew itself constantly. ... I’d choose the ‘Promi – Wer wird Millionär’ (*Celebrity – Who wants to be a Millionaire*). Because we work with many celebrities, because we represent a lot of

know-how but we also integrate the lightness of entertainment into everything we do and we also live it here in the company.” (Alberti)

“I’d choose the ‘year in review’ format. Because we are very colourful. We’ve got everything in our portfolio, starting from the hit music format ‘Immer wieder sonntags’ to innovative projects such as the ‘Web Video Award’ or ‘Christmas in Bethlehem’ (classical music with informational films). So our scope is very broad and always reflects topicality. That’s my opinion. Because such a ‘year in review’ format always contains the different genres ranging from entertainment to news to boulevard. And that’s similar to what we do.” (Dr. Pröttel)

Adding to this, Mr. Kimmig chose the company’s longest-lasting format “Verstehen Sie Spaß?”, which also reflects a combination of talk, music and entertainment elements and renewal throughout its existence for over three decades. Ms. Ullrich chose the tribute personality show “Udo Jürgens Gala”, which was composed of talk, music and film clip elements within an innovative new format concept. As such, these answers represent an overall understanding of all respondents that the case company’s strength lies in its innovation and change abilities of its colourful key elements within the strategic range of event productions and a focus on artists.

Both Mr. Kimmig from the management level and Ms. Ullrich from the production level further indicate the awareness that the success of television production projects critically depends on linking the right people inside and outside the organisation – which means connecting the right puzzle pieces to create clarity:

“Production is nothing but classic organising work. As a television producer, you have to make sure that the right people with the same goal get together. And you have to be reasonably good at calculating.” (Kimmig)

“I think the essentials are the employees. And in my opinion it is crucial to lead your staff well and to connect them effectively with each other. I think that’s crucial in order to be able to really utilise the resources of each person.” (Ullrich)

These statements underline that, as highlighted by Fröhlich (2010), TV programmes are the result of complex coordination processes in the work performances of a multitude of people (p. 76). To create something new for each event and show production, and adapt to the different event fields and sizes – which can reach up to 1000 contributing people for one production – performing constant strategic resource change through

reconfiguration and creative integration seems to be the most important competitive strength for a television production company. On the production level, Dr. Pröttel describes how the case company creatively reconfigured its teams in order to fit the right “puzzle pieces” together – meaning the staff abilities with the specific production tasks needed for all productions:

“We try to build our teams in a way that everyone is doing what he’s best at in each single project. As a result, everyone learns also a lot from the others’ expertise. For example, one is really good at acquisitions of film rights. So then nowadays he’s doing that for all our present projects and the next one does the talent acquisition for all projects. So that’s kind of an umbrella approach to project work.” (Dr. Pröttel)

In addition to this, Mr. Kimmig also illustrates a performance improvement achieved through internal reconfiguration and creative integration:

“For example, we probably wouldn’t have regained the ‘ECHO’ if we hadn’t exchanged the whole team. We did not fire anyone. But we took the people that worked on the ‘Bambi’ and put them on the ‘ECHO’ production, and we put those from the ‘ECHO’ to work on the ‘Bambi’ production. It has benefited both productions. But it is no solution for eternity. If we are to continue the ‘Bambi’ next year, then we need to change something once more.” (Kimmig)

Regarding this, one confirmation for the company’s adaptability and innovativeness was the honour with the Eyes & Eyes Award in the category “Best Broadcasting Design Concept” for its 2012 “ECHO” production in cooperation with Creative Solutions/P7S1 (Diersch, 2012). This was the year that the company had just won back the production of the “ECHO” award show after a three-year break. It therefore represents the company’s success “in the production game” through innovative continuous change and reinvention of their organisational and creative work structures. Mr. Kimmig’s statement above also reflects how *Kimmig Entertainment GmbH*’s entrepreneurial orientation and the firm’s learning on the basis of the entrepreneurial absorptive and response capability drive and enable future reconfigurations.

Executive producer Dr. Pröttel further illustrates how the ability to create tailor-made and innovative productions – earlier mentioned by executive director Mr. Alberti as a crucial company mission – is also based on the puzzle-solving capability used for the creative integration of diverse and fitting freelance talent from outside the company:

“So we’ve got a producer who’s from us. For the creative part we’ve got one like me on top and almost everything else is staffed individually. Another company does the film clips. Who’s doing the writing? For that we get another two to three authors. One who we know and maybe two new ones from that specific area. I assemble the people according to the needs of the format. ... So the crucial thing is to find the right people.” (Dr. Pröttel)

Two crucial factors for the ability to constantly reconfigure and creatively integrate existing and new people according to the case firm’s production needs is *organisational flexibility and the availability of a wide network*. Dr. Pröttel and Ms. Ullrich both underline these aspects and how they nurture the company’s adaptation ability:

“And throughout the year, we anyway work repeatedly in diverse constellations with our freelancers. ... But we’re always cross-linked in some way with each other. And we know whom we can ask for good advice and this makes it a lot easier. Larger companies might be less flexible with their staff department. We can react very spontaneously because we only commit to certain people for the time of one project.” (Ullrich)

“You need personal contacts and you need the trust of the clients AND of the artists. I believe these are the two crucial aspects.” (Dr. Pröttel)

This was discussed in the first findings section that organisational flexibility, network building and reconfiguration were found to be crucial antecedents for entrepreneurial activities. Accordingly, the statements in this section further underline that these aspects are also crucial antecedents for *Kimmig Entertainment GmbH’s* ongoing adaptation through the usage and development of its dynamic capabilities – i.e. entrepreneurial absorptive and response capability, and the puzzle-solving capability. Hence, the findings represent a close linkage between an entrepreneurial orientation and firm structure as facilitators for the development of dynamic change processes (dynamic capabilities). How this enhances the case company’s ability for new project realisations alongside existing productions is further supported by Ms. Ullrich’s statement:

“We have the flexibility, which is an advantage of a small company. As such, we are able to just independently search those people that cover exactly the skills we need for that new product and then we employ them for the time needed. ... Basically this is standard business for us. There can be something new in every production. And then we quickly have to organise the right people for it. This is easier for us as a small company, because we anyway need many people from outside the company to get our work done. Such big productions are not doable with just us permanent employees.” (Ullrich)

Regarding this, Ms. Ullrich adds a central difficulty when it comes to resource integration decisions in smaller firms:

“For a smaller company it is sometimes difficult to accurately assess when to upgrade the resources and to what extent one can work with what one has.” (Ullrich)

As highlighted by both Woldesenbet et al. (2012) and Bayer and Gann (2007), entrepreneurial capabilities and learning from past projects strongly influences the resource alignment for future opportunities and projects. As such, *Kimmig Entertainment GmbH*'s ability to deal with its resources adequately – reflected by its ongoing success – can be explained both by its entrepreneurial orientation that facilitates ad-hoc problem solving, as well as by its dynamic capability development – a trade-off suggested by Protogerou et al. (2008).

Further findings from the production and management levels illustrate the value of both *sensing and seizing through communication within the network* and *a high ability of the case firm to use its flexibility* for creatively integrating people to achieve innovative productions:

“Regarding an award show, it’s an ideal situation if you can bring in a young innovative person to work and discuss the concept. For example, one and a half years ago I’ve worked with Klaas Heufer-Umlauf on the ‘Deutscher Fernsehpreis’ (*German Television Award*). He was one of the three presenters. We agreed that he would bring people from his editorial department into the project. These are ideal constructs. ... I believe this resulted in the best product in the end. It’s a result of the combination of innovative people and years of experience.” (Dr. Pröttel)

“The concept for our recent production of the Udo Jürgens Gala was ours, developed by Philipp Pröttel. ... But we then brought someone in who produced the film clips for the show.” (Kimmig)

People are the central resource for every television production enterprise. Thus, a wide network needs to be constantly maintained through entrepreneurial abilities in sensing and seizing, as well as through dynamic reconfiguration and creative integration abilities. This is even more *critical for smaller firms to compete on the basis of innovativeness and speed of action* against larger, more resourceful competitors.

Reconfiguration and creative integration abilities were not only evident in organisational and process restructurings, but also the puzzle-solving capability is

applied for the creation of innovative new format concepts. Dr. Pröttel, who incorporates the roles of executive producer and format developer, explains this:

“But really new elements ... it happens maybe every three, four years that you say ‘Wow great idea, how did they get to it?’ But otherwise I think it’s more about new constellations formed out of known elements which you know and with which you have worked before. They become something new by combining them in a new way or by giving them a new optical design.” (Dr. Pröttel)

He further illustrates the puzzle-solving capability of the *Kimmig Entertainment GmbH* on the example of the Web Video Award production (2015), and how the innovation principles – a new approach, simplicity and customer-centrality – and this capability facilitated the development of an innovative set design for this production:

“The point is to find a new form for successful fundamental entertainment principals. So regarding the set design (*at the Web Video Award*), they wanted to have everything as innovative as possible. But fundamentally, I need projections on which I can portray something. So then I said, let’s recreate the screens according to the design of today’s mobile phone / tablet screens. We then worked with these formats, also with portrait formats. For the nominations we used the scroll mechanism from Apple to shift things on the screens. But the basic structure is the same, meaning that three nominees have to be presented. What we do is we wrap it into different formats and use different screens with scrolls. So it’s repackaged, it gets an appealing look, but the essence is not completely new.” (Dr. Pröttel)

In addition to this, the findings on the management level further reflect the awareness of the case firm’s leaders for continuous entrepreneurial activity and gradual reconfiguration and adaptation, especially for the company’s business survival outside major German media hubs:

“You can say that it’s a great differentiating characteristic that we’re the only TV production company within a distance of 50 km. But you also have the need to go to Cologne, to Munich, to Hamburg or to Berlin. Because in our surroundings you only find the Baden-Baden broadcaster SWR, but no other client.” (Alberti)

Accordingly, Mr. Alberti’s following statement illustrates clearly that ongoing sensing and seizing through networking and communication, as well as reconfiguration activities, play a crucial part in future development goals for the company:

“We don’t have a continuous operation of production studios. ... I’m aiming at establishing a weekly format in order to launch a continuous production mode. Our production mode is activated at individual points of time, and it’s only continuously running during the summer for the show ‘Immer wieder sonntags.’” (Alberti)

All these findings represent ***the development and use of the puzzle-solving capability as a distinctive dynamic capability of the Kimmig Entertainment GmbH*** based on its extensive reconfiguration and creative integration activities. In addition to this, the findings also highlight that a facilitating effect of a firm-level entrepreneurial orientation for better dynamic change processes and learning abilities is visible in the case firm.

Leveraging – Variation Capability for Incremental Firm Development

Regarding dynamic capabilities in the case firm, the findings also reflect the use of leveraging activities and processes for a gradual adaptation of the company to new business fields and for enhancing the diversity of its production portfolio. According to Ambrosini and Bowman (2009), leveraging “... involves replicating a process or system that is operating in one business unit into another, or extending a resource by deploying it into a new domain ...” (p. 35).

Accordingly, the case company’s management illustrates the use of a ***variation capability*** by applying leveraging activities that enhance the dynamic, incremental change and development of both the company’s production portfolio and its business field. One example of such activities that enhanced new project development in the *Kimmig Entertainment GmbH* is the leveraging of talents from one project to another. Mr. Alberti uses the example of the Web Video Award production:

“This project gave us the chance to get to know new people that benefit our development – in the field of authors as well as in the field of talents. For example, we integrated Marti Fischer – a professional in the Youtube sphere – into our personality show “Otto Show”, which we produced for ZDF. This means regarding entrepreneurial activities, our strength and focus lies in discovering new talents.” (Alberti)

This statement highlights how leveraging processes are driven by the firm’s entrepreneurial orientation and its sensing and seizing activities for new opportunities. Another example of the creation of a new production opportunity through leveraging processes is the recent production of the music concert, “Christmas in Bethlehem”, that

was broadcast in December 2015. Mr. Kimmig explains how he leveraged his charity network to create connections for the realisation of this innovative programme:

“We have been working for a while now on a project in the ‘Church of the Nativity’ in Bethlehem. ... We were planning to do the concert next year (2016). So we have already built the connections there ... We got our first connection through the Caritas, more precisely through the children hospital in Bethlehem ... So we were prepared to produce the concert. And now we are going to produce it on the 4th of December (2015), quite last-minute.” (Kimmig)

These findings support an insight by Ellonen et al. (2009) who found that innovative firms with a strong and versatile portfolio of dynamic capabilities produced innovations that leveraged their existing capabilities (p. 759), rather than radical innovations. Both the discussed findings and *Kimmig Entertainment GmbH*'s production portfolio reflect how every innovative production is built upon existing capabilities. A third example of how the case company uses leveraging processes to develop is given by executive director Mr. Alberti. He outlines how the company replicates and extends its key expertise in television production by adapting it to new areas, just as with the production of the “CDU Digitalisation Conference” within the politics field:

“We try to move with our own conceptions and methods from television into new business areas. Normally, trade fairs and political conventions are done by people, by companies that think in five-minute steps. ... Television companies think in seconds, because we produce live programmes. There is no way to say ‘Well, we’ll continue in one minute’.” (Alberti)

Regarding the company’s leveraging aims, there is, however, also a clear understanding on the management level of what is doable and where the limits are for a company of this size. Mr. Alberti explains this with an example:

“We can realise the concept of hidden camera films for only one broadcaster. We cannot do it for two or three with our knowhow. Then the others would feel that they are misled in terms of who gets the better idea. ... We produce ‘Verstehen Sie Spaß?’ for the SWR and stay out of all other attempts of the private channels Pro7 or Sat1 because otherwise we would have lost within two years.” (Alberti)

Finally, the findings from the case firm reflect how the variation capability – encompassing leveraging activities and processes – together with the puzzle-solving

capability both rest upon and nurture the case firm's entrepreneurial absorptive and response capability, and ultimately also its ability for entrepreneurial opportunity exploitation. All these factors clearly drive *Kimmig Entertainment GmbH's* ability to continuously adapt. Both management respondents highlight this need for ongoing change and opportunity exploitation explicitly as a standard activity for business survival of smaller companies within the competitive and dynamic German TV production industry:

"You have to change constantly. We have an ongoing shift in our stage designers, in the light designers and the media technicians. That is for sure." (Kimmig)

"This means the keyword is curiosity. If the curiosity ceases, then such a small company will be gone at some point. It's our job to obtain projects. In my position, 80 percent is acquisition and 20 percent is execution." (Alberti)

6 Discussion and Implications

6.1 Discussion of the Results

This study aimed at answering the research question *Why are some small to medium-sized TV production companies more successful?* by investigating more precisely the sub-question: *In what way is the success of independent SMEs in the German TV production industry related to the linkage between an entrepreneurial orientation and the development of dynamic capability processes in the firm?* The German television industry is characterised by a strong power asymmetry that caused considerable structural imbalance between a few major broadcasters as clients and many micro- to medium-sized independent production companies, as well as some larger dependent producers, as suppliers. The independent producers not only have to compete against the larger, dependent production companies and international media groups, but must also compete within the changed production standards with broadcasters who demand more internally developed content along with production expertise. This suggests that smaller independent production companies – since they have limited tangible resources – need to compete on the basis of a higher level of innovativeness, flexibility and firm-specific competencies in order to “stand out” and “outdo” larger competitors.

To find answers to the research question, a case study with the small to medium-sized German independent TV production company *Kimmig Entertainment GmbH* was conducted. Three main factors, which the company represents, led to this choice: 1) its long existence for 43 years, out of which it is an active TV production business for 35 years, 2) its independent status and 3) its continuous success as an SME within the competitive event and entertainment TV production section.

A total of four in-depth semi-structured interviews with two respondents each from the management and the production levels of the case firm formed the basis of this study’s empirical investigation. As such, the case study investigated **1)** if a firm-level entrepreneurial orientation is existent in the case firm *Kimmig Entertainment GmbH* and on which entrepreneurial activities and processes it is built – especially which sensing and seizing processes are deployed, and **2)** if the case firm developed and uses specific dynamic capabilities to adapt and change according to the dynamic TV industry and market trend needs.

The findings demonstrate that **1) a strong firm-level entrepreneurial orientation is crucial to the success and sustainability of the case firm, *Kimmig Entertainment GmbH***. This entrepreneurial orientation is created and incorporated into the firm's organisational structures by the firm's managers as active entrepreneurial knowledge leaders, on the one hand, and by strong sensing and seizing activities at management and production levels, on the other hand. The examples showed that the case firm's innovative strength regarding new project retentions and format developments is clearly reinforced by a combination of pro-active, venturous, flexible, autonomous and forward-looking competitive processes and activities in the firm. On this basis, the case firm competes against larger dependent production competitors with its unique expertise and by gradually adding experience to its diverse production portfolio. The firm's production portfolio is clearly build on entrepreneurial strategic business logics, yet within the scope of a well-defined core expertise area of one-off live event and show productions.

For one thing, *Kimmig Entertainment GmbH's* independence, smaller size, flat organizational hierarchy and low fluctuation in the core permanent staff were found to be crucial factors in providing high flexibility and speed of action. For another, continuous sensing and seizing routines and activities are a central, integrated part in both the management's acquisition and the production implementation work of the case firm. Key sensing and seizing activities and processes found in the *Kimmig Entertainment GmbH* include pro-active communication *and* listening, network building and reconfiguration, and opportunity creation through enactment.

Regarding the firms' professional network, the findings highlighted a network core of strong ties with the key decision makers and broadcasting clients as vital for the visibility and business survival of especially smaller production companies. Both the sensing and seizing routines within a continually maintained network of decision makers, artists and creative talents – constituting the most critical resources for TV production – and the firm's high flexibility and speed of action were found to enhance *Kimmig Entertainment GmbH's* competence for the exploitation of short-lived entrepreneurial opportunities.

The findings further demonstrate that **2) the development and use of dynamic capabilities (change processes) is an essential feature of *Kimmig Entertainment***

GmbH's processes and activities. The case firm certainly lived through all the very different stages of the German TV production industry during almost four decades of development in the industry environment. The findings provide several examples of crucial change processes employed by the company, without which it would have probably gone out of business at several points in time. The following specific dynamic capabilities – based on learning, reconfiguration, creative integration and leveraging processes as well as sensing and seizing processes – were highlighted:

- **Entrepreneurial Absorptive and Response Capability** as the key learning driver.
- **Puzzle-Solving Capability** based on diverse reconfiguration and creative integration activities applied to the organisation's structures, to production processes and key resources (artists, creative talents, internal production staff) for innovative, tailor-made customisations of each production.
- **Variation Capability** based on leveraging activities as well as the puzzle-solving capability for incremental firm development into adjacent business fields.

With regard to the study's case firm, many statements indicated that most entrepreneurial actions, as well as dynamic capability processes, were enabled by the firm's strong sensing, seizing and reconfiguring activities, especially through its constant pro-active communication and listening activities within the firm's networks. As such, the study's first proposition is supported. Yet, it can also be refined. The findings further indicate that a well-defined business focus is needed as a basis for giving direction to the processes of sensing, seizing and reconfiguring. This, in turn, enables the development of firm-specific and difficult-to-replicate entrepreneurial orientation and dynamic capabilities:

*Both the development of a **firm-level** entrepreneurial orientation and of **firm-specific** dynamic capabilities is based upon the enabling processes of sensing, seizing and reconfiguring performed by management, **which are led by a well-defined business focus of the firm.***

The findings from the *Kimmig Entertainment GmbH* further indicated that there is a reciprocal interlacement between entrepreneurial orientation and the capacity for dynamic capabilities development in the firm: it can be called **Dynamic**

Entrepreneurialism. As presented in the findings, the respondents mentioned multiple times that *the firm’s experience accumulation* through new project retention as well as *the diversity of those projects* – driven by the entrepreneurial orientation – are *key factors for the firm’s agility, innovativeness and abilities to create new reconfigurations*. The organisational restructurings (such as the opening of an office in Munich, or the reconfiguration of the production teams according to an umbrella approach) and creative restructurings and integration activities (such as it was done for the development of the “Udo Jürgens Gala” or the “Web Video Award” concepts), clearly facilitated *Kimmig Entertainment GmbH’s* ability to adapt to new project demands and to act even faster in project acquisitions. The second proposition can also be supported in this case:

An entrepreneurial orientation of the firm and its management can be an augmenting facilitator for the development of dynamic capability processes, which in turn strengthen the entrepreneurial sensing, seizing and reconfiguration capacities for further opportunity exploitation and enactment in small to medium-sized firms.

The refined elements (marked in bold) of **Dynamic Entrepreneurialism** are represented in Figure 8 below.

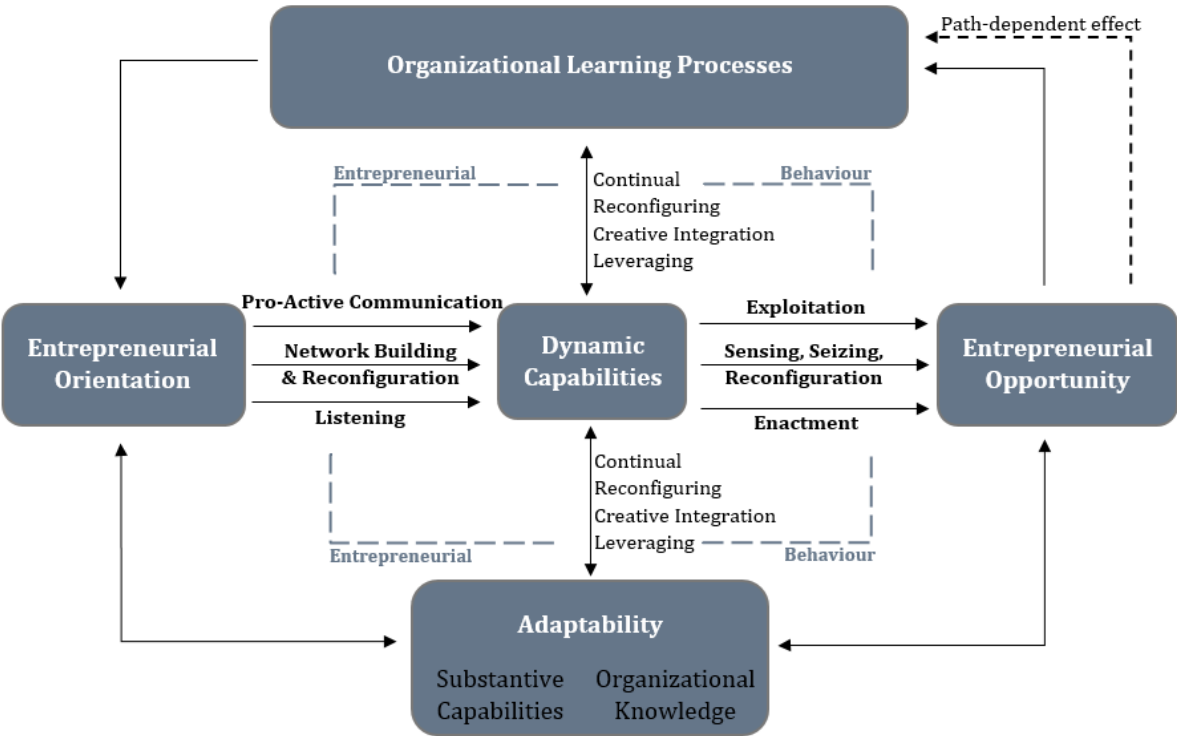


Figure 8: Dynamic Entrepreneurialism Model representing a Reciprocal Influence between Entrepreneurial Orientation and Dynamic Capabilities Development and Usage in a Firm.

6.2 Contributions and Implications for Scholars

This study investigated entrepreneurialism and dynamic capabilities in the context of a specific small to medium-sized case firm within a dynamic media industry, namely the German independent TV production industry. As such, the study provides several contributions to the work of media entrepreneurship, dynamic capabilities and SME scholars.

First, this study helps to reduce the lack of in-depth case studies into SMEs that have sustained competitive advantage over time, identifying their firm-specific capabilities and factors of competitiveness and renewal within volatile, dynamic and creative contexts. This gap is mentioned by many researchers in the entrepreneurship, strategic management, dynamic capabilities and media management fields (Parkman et al., 2012; Ambrosini and Bowman, 2009; Küng, 2008; Borch and Madsen, 2007; Hang and van Weezel, 2007). This study on the German independent TV production firm *Kimmig Entertainment GmbH* offers fine-grained insights into entrepreneurial firm-behaviour, into internal renewal processes and firm-dynamics, and into the management's role in small firm success within a specific volatile media industry – the German TV industry. As such, it also contributes to very young field of media entrepreneurship by outlining crucial factors for achieving an entrepreneurial management strategy in creative media firms.

Second, this study further complements and supports the entrepreneurship and dynamic capabilities research fields, especially the argumentation by Zahra et al. (2006), Teece (2009 and 2012), Woldesenbet et al. (2012) and Kuratko and Hodgetts (2004), that entrepreneurial processes – both on the management and lower firm levels – and dynamic capabilities development are subtly intertwined processes that can explain and nurture higher adaptability competences in firms.

The study provides insight into the specific dynamic capability processes of a successful SME media firm. Especially the puzzle-solving capability is crucial and might be more widely useful for firms in the TV production industry and beyond, since it provides insight into handling the dynamism of the most centrally needed resources of TV projects – people.

This study also contributes to theory development at the junctures between the entrepreneurship and dynamic capability theories. A refined theoretical model named

“Dynamic Entrepreneurialism” suggests concrete key sensing and seizing processes, and outlines the elements of an indicated reciprocal influence between entrepreneurial orientation and dynamic capabilities development and usage in a media firm. Based on the empirical data, the study suggests that prioritising Dynamic Entrepreneurialism can enhance especially small to medium-sized firm’s innovative strength, adaptability to change, and opportunity exploitation abilities based on firm experience, change capabilities and flexibility, rather than on resource ownership. In addition, the study found indications that dynamic capability development in project-based businesses does not necessarily demand separate high investments because the crucial enabling processes of sensing, seizing and reconfiguration are more a standard routine for continuous project retention.

Thirdly, the findings corroborate Augier and Teece’s (2009) “entrepreneur/manager function”, which highlights both the need for Schumpeterian management and firm behaviour – the manager/entrepreneur introduces novelty and seeks new combinations – and the need for evolutionary management and firm behaviour – the manager/entrepreneur endeavours to promote and shape learning. Both management respondents from the case firm highlighted constant learning from each project, awareness of technological/market trends, and a constant search for new talents, business fields and productions as central managerial tasks that enable the firm’s sustainability and competitive strength. Both interviewed managers are “knowledge leaders” with a high speed of action, with entrepreneurial values, and with a good understanding of the external environment. As such, the findings support the significance of individual managers, their decisions, knowledge, perceptions, speed of action and values on the firm’s entrepreneurial potential and capability transformation effectiveness (Randle and Dodourova, 2010; Augier and Teece, 2009; Covin and Slevin, 1991).

Fourthly, this study’s results reinforce both Manning’s (2005) findings regarding project network management and Bouncken, Lekse and Koch’s (2008) findings regarding the value of capability exchanges and complementation through collaborations. On the one hand, Manning (2005) found the most stable network ties in TV project networks between producers and channel editors. The findings of this case study affirm that strong network ties to the key decision-makers in broadcasting companies are a central factor for ongoing project retention. Multiple statements by the case firm’s managers highlighted this. The findings also underlined the case firm’s strategy of complementing

missing capabilities through collaborations with other firms, such as in the production of a 3D movie for the new German football museum (2015) or the modernised “ECHO” award in 2012.

6.3 Implications for Media Managers

This research provides several valuable implications for media managers of smaller creative firms with regard to innovative strength and business adaptability and renewal.

It is clear that a firm’s track record is one central success factor, and especially the *diversity* of its production portfolio because this provides the company with a rich basis of diverse knowledge and competence elements that can be applied in new ways for future projects, thus enhancing its innovative strength. Although the case firm is also exploiting more stable, ongoing projects such as the long-running hidden camera show “Verstehen Sie Spaß?” or the weekly summer hit music show “Immer wieder sonntags”, it compensates the smallness and adds to its production competence through the production of innovative “lighthouse” projects from time to time. These investments – not highly profitable in terms of money – enhance a firm’s visibility among broadcasting clients and larger competitors.

Therefore, one implication for media managers of project-based firms (especially of smaller firms) is to pursue portfolio entrepreneurship. A certain level of portfolio entrepreneurship can be highly valuable to draw higher attention from clients – to “stand out from the large mass of production firms” – and to reflect the firm’s flexibility and adaptability competences. For these reasons, gradual investment in portfolio entrepreneurship can create a higher long-term value for business survival than a sole focus on projects with the highest returns.

A second implication for media managers addresses the development of their ability to first-and-foremost act as “context builders” and “web-weavers” rather than as plan-and-control managers (Simon, 2006). The two managers from this study both highlight that their main value for the firm lies in their abilities to communicate, to constantly make new contacts, to bring the right people together, to find new talents and creatively integrate them, as well as to constantly restructure the internal team to achieve the best fit of skills according to the needs of each production. Production planning and implementation

tasks, on the contrary, are for the most part the responsibilities of the production team in the case firm.

A third implication for media managers is that incremental innovations in a firm's core competence field and based on organisational knowledge nurture fruitful competitiveness because those are more difficult-to-replicate – especially in smaller firms. Organisational knowledge and the staff's actions are more tacit than in larger, standardised companies. Additionally, this study showed *the value of low fluctuation within a firm's core staff* for higher speed of action, and for incremental, firm-knowledge-based innovations. Both the deeper knowledge of the firm's strengths and weaknesses and the trust built towards the managers over a longer time in the firm, facilitate innovative and creative input by the staff. Therefore, media managers should keep in mind that “an adaptive firm increases opportunity for its employees, initiates change, and installs a desire to be innovative” (Kuratko and Hodgetts, 2004, p. 550-51), and that this is nurtured by a trustful, stable manager-employee relationship.

7 Future Research Recommendations

This case study about one SME's success in the German independent TV production industry indicates need for more research into questions about competitiveness, long-term business survival, media business renewal and change abilities of smaller media firms.

This is a single-case study. As such, one suggestion for further investigations is to replicate the study, firstly, with similar independent firms in Germany and elsewhere to compare findings and to validate, refine and/or enhance the findings of this study. Secondly, the application of this research framework to smaller, micro-firms in this sector could further yield insightful results regarding the question of how much a higher flexibility because of smallness facilitates entrepreneurial and dynamic change processes, even without the availability of many financial resources.

Since dynamic capability theory addresses long-term change abilities and processes of firms, there is need for future studies to tackle this study's research question through longitudinal investigations into similar firms over a longer time span. This could give enhanced insights and clearer evidence for the suggested "Dynamic Entrepreneurialism" model of this study.

Future research might also address and refine the discovered "puzzle-solving capability" concept, and assess its value for firms in the context of project-based creative industries. Another result that could be of interest for future investigations is the value of a more stable core staff in small firms regarding the innovativeness and speed of action which nurture firm renewal. Outsourcing and freelance labour are increasingly popular, but may not be as conducive to long-term sustainability. Comparative studies of firms with a more stable core staff and of firms with a regularly shifting core staff comprised of freelancers, and the respective effect of these structural compositions on the firms' entrepreneurial and dynamic change abilities, could provide new insights into enablers of entrepreneurship and dynamic capabilities.

Finally, this study has found indications that a certain level of diversity in the production portfolio (portfolio entrepreneurship) of a TV production firm provides that firm with a rich basis of knowledge and production elements that facilitate future reconfiguration and creative integration activities for new productions. As such, focusing

on portfolio entrepreneurship in SMEs within the project-based creative industries as a possible enabling firm process for innovative, dynamic change capabilities would be a valuable issue for future research. This could advance understandings of SMEs' innovative competitiveness and business adaptability. It might also provide further insights into valuable junctures between the entrepreneurship and dynamic capability theory.

References

- Achtenhagen, L. (2008). Understanding Entrepreneurship in Traditional Media. *Journal of Media Business Studies*, 5(1), 123–142.
- Acs, Z. J., & Audretsch, D. B. (Eds.). (2010). *Handbook of Entrepreneurship Research*. New York, NY: Springer New York.
- Albarran, A. B., Chan-Olmsted, S. M., & Wirth, M. O. (Eds.). (2006). *Handbook of media management and economics*. Mahwah, N.J: L. Erlbaum Associates.
- Aldrich, H. E., & Ruef, M. (2006). *Organizations evolving* (2. ed., repr). London: SAGE.
- Alvarez, S. A.; Barney, J. B. & Young, S. L. (2010). *Debates in Entrepreneurship: Opportunity Formation and Implications for the Field of Entrepreneurship*. In: Acs, Z. J., & Audretsch, D. B. (Eds.). *Handbook of Entrepreneurship Research*. New York, NY: Springer New York. pp. 23-45.
- Ambrosini, V., & Bowman, C. (2009). What are dynamic capabilities and are they a useful construct in strategic management? *International Journal of Management Reviews*, 11(1), 29–49.
- Apitzsch, B. (2010). Informal Networks and Risk Coping Strategies in Temporary Organizations: The Case of Media Production in Germany [57 paragraphs]. *Forum Qualitative Sozialforschung / Forum: Qualitative Social Research*, 11(1), Art. 4, Accessed March 15, 2016, at <http://nbn-resolving.de/urn:nbn:de:0114-fqs100145>
- Augier, M., & Teece, D. J. (2009). Dynamic Capabilities and the Role of Managers in Business Strategy and Economic Performance. *Organization Science*, 20(2), 410–421.
- Badenonline.de (2016, April 12). *Sportlergala "Laureus Award" wird von Kimmig produziert*. Accessed May 22, 2016, at <http://www.bo.de/lokales/achern-oberkirch/sportlergala-laureus-award-wird-von-kimmig-produziert>
- Bayer, S., & Gann, D. (2007). Innovation and the dynamics of capability accumulation in project-based firms. *Innovation: Management, Policy & Practice*, 9(3–4), 217–234.
- Besio, C., Hungerbuhler, R., Morici, L., & Prario, B. (2008). The Implementation of the Quota Requirements of the Directive 'Television Without Frontiers': The Broadcasters' Perspective. *International Communication Gazette*, 70(2), 175–191.
- Bilton, C. (2007). *Management and creativity: from creative industries to creative management*. Malden, MA: Blackwell Pub.
- Bitar, J., & Hafsi, T. (2007). Strategizing through the capability lens: sources and outcomes of integration. *Management Decision*, 45(3), 403–419.
- Borch, O. J., & Madsen, E. L. (2007). Dynamic capabilities facilitating innovative strategies in SMEs. *International Journal of Technoentrepreneurship*, 1(1), 109–125.
- Bouncken, R. B., Lekse, W. J., & Koch, M. (2008). Project Management Capabilities in the New Media Industry. *Journal of Media Business Studies*, 5(1), 67–93.

- Brierer, F. (2015, March 5). *Kimmig Entertainment: »Der Erfolg gibt uns recht«*. baden online. Retrieved March 5, 2016, from <http://www.bo.de/lokales/achern-oberkirch/kimmig-entertainment-der-erfolg-gibt-uns-recht>
- Brierer, F. (2013, March 2). *Kimmig bleibt in Erfolgsspur*. baden online. Retrieved March 5, 2016, from <http://www.bo.de/lokales/achern-oberkirch/kimmig-bleibt-in-erfolgsspur>
- Brown, T. E., Davidsson, P., & Wiklund, J. (2001). An operationalization of Stevenson's conceptualization of entrepreneurship as opportunity-based firm behavior. *Strategic Management Journal*, 22(10), 953–968.
- Butzek, E. (2012, May). *Intransparenz im Produzentenmarkt*. Mebucom. Accessed July 15, 2015, at <http://mebucom.de/news-detail/items/intransparenz-im-produzentenmarkt-.html>
- Carree, M. A. & Turik, A. R. (2010). *The Impact of Entrepreneurship on Economic Growth*. In: Acs, Z. J., & Audretsch, D. B. (Eds.). *Handbook of Entrepreneurship Research*. New York, NY: Springer New York. pp. 557-594.
- Casson, M. (2010). *Entrepreneurship, Business Culture and the Theory of the Firm*. In: Acs, Z. J., & Audretsch, D. B. (Eds.). *Handbook of Entrepreneurship Research*. New York, NY: Springer New York. pp. 249-271.
- Castendyk, O. and Goldhammer, K. (2012). *Produzentenstudie 2012: Key facts on the German film and television production sector - Summary*, Berlin: Vistas. Retrieved July 14, 2015 from http://www.produzentenallianz.de/index.php?eID=tx_nawsecuredl&u=0&file=fileadmin/data/dokumente/Foko/Produzentenstudie_Summary.pdf&t=1436958645&hash=176ee5f89ddee4bcdbdb240f076a67984de1202
- Castendyk, O. and Steinbrenner, J. (2015, May). *Produzentenallianz-Magazin Nr. 18. Magazin der Allianz Deutscher Produzenten – Film und Fernsehen* (Magazine of the German Producers Alliance – Film & Television). Retrieved July 31, 2015, from http://www.produzentenallianz.de/index.php?eID=tx_nawsecuredl&u=0&file=fileadmin/data/dokumente/Newsletter/Produzentenallianz-Magazin-18_Online-Fassung.pdf&t=1438425223&hash=078087c0dc1a0b823d1ea0b551c64743d553d14f
- Chanut-Guieu, C., & C. Guieu, G. (2014). High growth trajectories in small and medium sized enterprises: a comparative study. *Journal of Small Business and Enterprise Development*, 21(4), 623–637.
- Charmaz, K. (2002). *Qualitative Interviewing and Grounded Theory Analysis*. In: Gubrium, J. F., & Holstein, J. A. (Eds.). *Handbook of interview research: context & method*. Thousand Oaks, Calif: Sage Publications. pp. 675-694.
- Compaine, B., & Hoag, A. (2012). Factors Supporting and Hindering New Entry in Media Markets: A Study of Media Entrepreneurs. *International Journal on Media Management*, 14(1), 27–49.

- Covin, J. G., & Slevin, D. P. (1991). A conceptual model of entrepreneurship as firm behavior. *Entrepreneurship Theory & Practice*, 16, 7-25.
- Danneels, E. (2015). Survey measures of first- and second-order competences: Survey Measures of First- and Second-Order Competences. *Strategic Management Journal*, n/a-n/a.
- Davel, E. and Fachin, F. (2010). *Research on Entrepreneurship within the Creative Industries: Debates and Trends*, VI Encontro de Estudos Organizacionais da ANPAD, May 23-25 2010. Retrieved November 26, 2015, from http://www.anpad.org.br/diversos/trabalhos/EnEO/eneo_2010/2010_ENEO129.pdf
- Davis, C. H. (2009). *New or Small Firms in the Screen-based Media Industry: Startups, Self-employment, and Standing Reserve*. In: M. Deuze, ed. (2010). *Managing Media Work*. Thousand Oaks: Sage.
- Davis, C. H., Vladica, F., & Berkowitz, I. (2008). Business capabilities of small entrepreneurial media firms: Independent production of children's television in Canada. *Journal of Media Business Studies*, 5(1), 9–39.
- DeFillippi, R. (2009). Dilemmas of Project-Based Media Work: Contexts and Choices. *Journal of Media Business Studies*, 6(4), 5–30.
- DeFillippi, R., Grabher, G., & Jones, C. (2007). Introduction to paradoxes of creativity: managerial and organizational challenges in the cultural economy. *Journal of Organizational Behavior*, 28(5), 511–521.
- Destatis – Statistisches Bundesamt (2012a). *Shares of small and medium-sized enterprises in selected variables, 2012* Information and communication. Accessed July 31, 2015, at <https://www.destatis.de/DE/ZahlenFakten/GesamtwirtschaftUmwelt/UnternehmenHandwerk/KleineMittlereUnternehmenMittelstand/Tabellen/InformationKommunikation.html>
- Destatis – Statistisches Bundesamt (2012b). *Small and medium-sized enterprises (SME)*. Accessed July 31, 2015, at <https://www.destatis.de/EN/FactsFigures/NationalEconomyEnvironment/EnterprisesCrafts/SmallMediumSizedEnterprises/ExplanatorySME.html>
- DiCicco-Bloom, B., & Crabtree, B. F. (2006). The qualitative research interview. *Medical Education*, 40(4), 314–321.
- Diersch, V. (2012, October 30). *Kimmig Entertainment für Echo-2012-Design geehrt*. Musikmarkt.de. Accessed May 22, 2016, at <http://www.musikmarkt.de/Aktuell/News/Kimmig-Entertainment-fuer-Echo-2012-Design-geehrt>
- Drucker, P. F. (2011). *The essential Drucker: selections from the management works* (Rev. ed). London: Routledge.

- Eckhardt, J. T. & Shane, S. (2010). *An Update to the Individual-Opportunity Nexus*. In: Acs, Z. J., & Audretsch, D. B. (Eds.). *Handbook of Entrepreneurship Research*. New York, NY: Springer New York. pp. 47-76.
- Edwards, P., Sengupta, S., & Tsai, C.-J. (2010). The context-dependent nature of small firms' relations with support agencies: A three-sector study in the UK. *International Small Business Journal*, 28(6), 543–565.
- Eisenhardt, K. M., & Martin, J. A. (2000). Dynamic capabilities: what are they? *Strategic Management Journal*, 21(10–11), 1105–1121.
- Elbing, S., & Voelzkow, H. (2006). Marktkonstitution und Regulierung der unabhängigen Film- und Fernsehproduktion—Staat, Verbände und Gewerkschaften im deutsch-britischen Vergleich. *Industrielle Beziehungen/The German Journal of Industrial Relations*, 314–339.
- Ellonen, H.-K., Wikström, P., & Jantunen, A. (2009). Linking dynamic-capability portfolios and innovation outcomes. *Technovation*, 29(11), 753–762.
- Felin, T., & Foss, N. J. (2005). Strategic organization: A field in search of micro-foundations. *Strategic Organization*, 3(4), 441.
- Finanznachrichten.de (2010, January 10). *Ex-Sat.1-Chef Alberti feiert Comeback*. Finanznachrichten. Accessed March 8, 2016 at <http://www.finanznachrichten.de/nachrichten-2010-01/15856428-ex-sat-1-chef-alberti-feiert-comeback-007.htm>
- Flick, U. (Ed.). (2014). *The SAGE handbook of qualitative data analysis*. Los Angeles: SAGE.
- FORMATT-Institut (2010). *Zehn Jahre Film- und Fernsehproduktion in Deutschland. Eine Langzeitstudie über die Produktionsjahre 1999 bis 2008*. Im Auftrag von der Staatskanzlei Nordrhein-Westfalen. Retrieved March 25, 2016, from https://mbem.nrw/sites/default/files/asset/document/formatt-langzeitstudie_1999-2008.pdf
- FORMATT-Institut (2014). *Film- und Fernsehproduktion in Nordrhein-Westfalen im Vergleich zu anderen Bundesländern 2011 und 2012*. Im Auftrag von der Ministerin für Bundesangelegenheiten, Europa und Medien des Landes Nordrhein-Westfalen. Retrieved March 25, 2016, from https://mbem.nrw/sites/default/files/asset/document/formatt_endbericht_2011_-_2012.pdf
- Fröhlich, K. (2010). *Innovationssysteme der TV-Unterhaltungsproduktion: komparative Analyse Deutschlands und Grossbritanniens* (1. Auflage). Wiesbaden: VS Verlag für Sozialwissenschaften.
- Gabric, M. (2013, March 15). *Kimmig produziert weiterhin Bambi-Verleihung*. Musikmarkt. Retrieved March 5, 2016, from <http://www.musikmarkt.de/Aktuell/News/Kimmig-produziert-weiterhin-Bambi-Verleihung>

- Garvin, D. (1998, July 15). The Processes of Organization and Management. *MIT Sloan Management Review*. Retrieved November 26, 2015, from <http://sloanreview.mit.edu/article/the-processes-of-organization-and-management/>
- German Producers Alliance (2016, January 28). *ARD und Produzentenallianz stellen Eckpunkte 2.0 für ausgewogene Vertragsbedingungen und eine faire Aufteilung der Verwertungsrechte vor*. Accessed May 22, 2016, at <http://www.produzentenallianz.de/pressemitteilungen/pressemitteilungen/inhalte-pressemitteilungen/ard-eckpunkte-20-fuer-ausgewogene-vertragsbedingungen-und-eine-faire-aufteilung-der-verwertungsrechte.html>
- German Producers Alliance (2015, December 1). *Produzentenallianz-Herbstumfrage 2015. Immer mehr Produzenten machen Verluste*. Accessed May 22, 2016, at <http://www.produzentenallianz.de/pressemitteilungen/pressemitteilungen/inhalte-pressemitteilungen/produzentenallianz-herbstumfrage-2015-immer-mehr-produzenten-machen-verluste.html>
- Gillham, B. (2000). *Case study research methods*. London: Continuum.
- Gillham, B. (2005). *Research interviewing: the range of techniques*. Maidenhead; New York: Open University Press.
- Glenn, J. C. (2010). *Handbook of research methods*. Jaipur, India: Oxford Book Co.
- Gubrium, J. F., & Holstein, J. A. (Eds.). (2002). *Handbook of interview research: context & method*. Thousand Oaks, Calif: Sage Publications.
- Gubrium, J. F., Holstein, J. A., Marvasti, A. B., & McKinney, K. D. (Eds.). (2012). *The SAGE handbook of interview research: The complexity of the craft* (2nd ed.). Thousand Oaks, CA: Sage.
- Hang, M. (2007). *Media business venturing: a study on the choice of organizational mode*. Jönköping: Jönköping International Business School.
- Hang, M., & van Weezel, A. (2007). Media and Entrepreneurship: What Do We Know and Where Should We Go? *Journal of Media Business Studies*, 4(1), 51–70.
- Helfat, C. E., & Martin, J. A. (2015). Dynamic Managerial Capabilities Review and Assessment of Managerial Impact on Strategic Change. *Journal of Management*, 41(5), 1281-1312.
- Helfat, C. E., & Peteraf, M. A. (2009). Understanding dynamic capabilities: progress along a developmental path. *Strategic Organization*, 7(1), 91–102.
- Henrekson, M. & Stenkula, M. (2010). *Entrepreneurship and Public Policy*. In: Acs, Z. J., & Audretsch, D. B. (Eds.). *Handbook of Entrepreneurship Research*. New York, NY: Springer New York. pp. 595-637.
- Holden, M. T., & Lynch, P. (2004). Choosing the appropriate methodology: understanding research philosophy. *The Marketing Review*, 4(4), 397–409.
- Hoag, A. and Seo, S. (2005, April 2): *Media Entrepreneurship: Definition, Theory and Context*. Paper presented at the NCTA Academic Seminar, San Francisco. Retrieved March

19, 2015, from

<http://www.smeal.psu.edu/fcfe/research/fcfe/more/white/mediaentre.pdf/>

Khajeheian, D. (2014). A Perspective on Media Entrepreneurship Policy: Globalization of Knowledge and the Opportunities for Developing Economies. *Journal of Globalization Studies*, 5(2), 3-16.

Kimmig-entertainment.de (2016a, March 4). *Unternehmen: Profil. Kimmig Entertainment GmbH in Oberkirch (Company: Profile. Kimmig Entertainment GmbH in Oberkirch)*. Retrieved March 4, 2016, from <http://www.kimmig-entertainment.de/unternehmen/profil.html>

Kimmig-entertainment.de (2016b, March 4). *Unternehmen: Portrait. Werner Kimmig (Company: Portrait. Werner Kimmig)*. Retrieved March 4, 2016, from <http://www.kimmig-entertainment.de/unternehmen/portrait-werner-kimmig.html>

Kimmig-entertainment.de (2016c, March 4). *Produktion: Rückblick. (Productions: Retrospect)*. Retrieved March 4, 2016, from <http://www.kimmig-entertainment.de/unternehmen/portrait-werner-kimmig.html>

Kimmig-entertainment.de (2016d, March 4). *Pressespiegel: Wir über uns. (Press review: We about us)*. Retrieved March 4, 2016, from <http://www.kimmig-entertainment.de/pressespiegel/wir-ueber-uns.html>

Kimmig-entertainment.de (2016e): *Produktion: Archiv. (Productions: Archive)*. Retrieved March 4, 2016, from <http://www.kimmig-entertainment.de/produktion/archiv/2014/helene-fischer-show-2014.html>

Kimmig-entertainment.de (2008): *Archiv 2008 – Singing Bee*. Accessed May 22, 2016 at <http://www.kimmig-entertainment.de/produktion/archiv-alternative/2008/singing-bee.html>

Koppl R. & Minniti, M. (2010). *Market Processes and Entrepreneurial Studies*. In: Acs, Z. J., & Audretsch, D. B. (Eds.). *Handbook of Entrepreneurship Research*. New York, NY: Springer New York. pp. 217-248.

Küng, L. (2008). *Strategic management in the media: from theory to practice*. London; Thousand Oaks, Calif: SAGE.

Kuratko, D. F. (2010). *Corporate Entrepreneurship: An Introduction and Research Review*. In: Acs, Z. J., & Audretsch, D. B. (Eds.). *Handbook of Entrepreneurship Research*. New York, NY: Springer New York. pp. 129-163.

Kuratko, D. F., & Hodgetts, R. M. (2004). *Entrepreneurship: theory, process, practice* (6th ed). Mason, Ohio: Thomson/South-Western.

Kuuluvainen, A. (2011). *Dynamic Capabilities in the International Growth of Small and Medium-Sized Firms (Doctoral dissertation)*, Turku School of Economics. Retrieved May 18, 2015 from http://doria32-kk.lib.helsinki.fi/bitstream/handle/10024/78693/Ae4_2011.pdf?sequence=1 (Sarja/Series A-4:2011).

- Kyburz, K. (2015, September 18). *Quotencheck: «Immer wieder sonntags»*. Ouotenmeter.de. Accessed May 22, 2016, at <http://www.quotenmeter.de/n/80870/quotencheck-immer-wieder-sonntags%20quoten%C3%BCberblick%202015>
- Lee, A. S. (1991). Integrating Positivist and Interpretive Approaches to Organizational Research. *Organization Science*, 2(4), 342–365.
- Lewis-Beck, M. S., Bryman, A., & Liao, T. F. (Eds.). (2004). *The Sage encyclopedia of social science research methods*. Thousand Oaks, Calif: Sage.
- Lietzberg, H. (2008). *Werner Kimmig: "Weil's Spaß macht!"* Salzhausen: Ed. Lietzberg.
- Lietzberg, H. (2006, March 24). *In der ersten Liga*. Der medienreport-informationsdienst, 1/2/3, p. 7. Retrieved March 13, 2016 from http://www.kurt-paola-felix.ch/images/dokumente/20060324_report.pdf
- Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1), 135–172.
- Lundin, R. A. (2008). The beauty and the beast – on the creativity/project management encounter. *International Journal of Managing Projects in Business*, 1(2), 206–215.
- Lundin, R. A., & Norbäck, M. (2009). Managing projects in the TV production industry: The case of Sweden. *Journal of Media Business Studies*, 6(4), 103–121.
- Manning, S. (2005). Managing project networks as dynamic organizational forms: Learning from the TV movie industry. *International Journal of Project Management*, 23(5), 410–414.
- Mantel, Uwe (2015, July 27). *"Immer wieder sonntags" überholt "Fernsehgarten"*. DWDL.de. Accessed May 22, 2016, at http://www.dwdl.de/zahlenzentrale/51923/immer_wieder_sonntags_ueberholt_fernsehgarten/
- Maxwell, J., & Chmiel, M. (2014). *Notes toward a theory of qualitative data analysis*. In U. Flick (Ed.), *The SAGE handbook of qualitative data analysis*. London: SAGE Publications Ltd. pp. 21-35.
- McIntosh, M. J., & Morse, J. M. (2015). Situating and Constructing Diversity in Semi-Structured Interviews. *Global Qualitative Nursing Research*, 2, 1-12.
- McKelvie, A., & Picard, R. G. (2008). The Growth and Development Of New and Young Media Firms. *Journal of Media Business Studies*, 5(1), 1–8.
- Merriam, S. B. (2014). *Qualitative research: a guide to design and implementation* (3rd ed). San Francisco: Jossey-Bass.
- Messeghem, K. (2003). Strategic entrepreneurship and managerial activities in SMEs. *International Small Business Journal*, 21(2), 197–212.
- Miller, K. (2012). *Organizational communication approaches and processes* (6th ed). Australia; Boston, MA: Cengage.

- Moran, A. (2009). *New flows in global TV*. Bristol: Intellect.
- Morse, J. M., & Richards, L. (2002). *Readme first for a user's guide to qualitative methods*. Thousand Oaks, Calif: Sage.
- MusikWoche (2003, January 8). *Werner Kimmig zieht positive Jahresbilanz*. Accessed May 22, 2016, at <http://www.mediabiz.de/musik/news/werner-kimmig-zieht-positive-jahresbilanz/126501/24008?printScreen=1>
- Myers, M. D. (2009). *Qualitative research in business and management*. Los Angeles: SAGE.
- Naldi, L., & Picard, R. G. (2012). "Let's Start An Online News Site": Opportunities, Resources, Strategy, and Formational Myopia in Startups. *Journal of Media Business Studies*, 9(4), 69–97.
- Naldi, L., Wikström, P., & Von Rimscha, M. B. (2014). Dynamic Capabilities and Performance: An Empirical Study of Audiovisual Producers in Europe. *International Studies of Management and Organization*, 44(4), 63–82.
- Napier, N. K., & Nilsson, M. (2006). The Development of Creative Capabilities in and out of Creative Organizations: Three Case Studies. *Creativity and Innovation Management*, 15(3), 268–278.
- Newey, L. R., & Zahra, S. A. (2009). The Evolving Firm: How Dynamic and Operating Capabilities Interact to Enable Entrepreneurship. *British Journal of Management*, 20, 81–100.
- Niemeier, T. (2011, December 26). *Primetime-Check: Sonntag, 25. Dezember 2011*. Quotenmeter.de. Accessed May 22, 2016 at <http://www.quotenmeter.de/n/54002/primetime-check-sonntag-25-dezember-2011>
- Nylund, M., & Mildén, P. (2012). New Strategies in Finnish Independent Television Production. *Journal of Media Business Studies*, 9(1), 85–99.
- Oliver, J. (2014). Dynamic Capabilities and Superior Firm Performance in the Uk Media Industry. *Journal of Media Business Studies*, 11(2), 57–78.
- Parkman, I. D., Holloway, S. S., & Sebastiao, H. (2012). Creative industries: aligning entrepreneurial orientation and innovation capacity. *Journal of Research in Marketing and Entrepreneurship*, 14(1), 95–114.
- Picard, R. G. (2011). *The economics and financing of media companies* (2nd ed). New York: Fordham University Press.
- Protogerou, A., Caloghirou, Y., & Lioukas, S. (2008). *Entrepreneurship and Innovation - Organizations, Institutions, Systems and Regions*. DRUID Working Paper No. 08-11. Retrieved from http://www2.druid.dk/conferences/working_papers/66fd8736f4e50257baa4e5b2bb91.pdf
- Palmer, C. E. (2012). Garant der Kulturvielfalt. Film- und Fernsehproduktion als Herausforderung der deutschen Medienpolitik, *Die Politische Meinung – Zeitschrift für*

- Politik, Gesellschaft, Religion und Kultur, July/August (512/513)*, 60-64. Retrieved July 31, 2015, from http://www.produzentenallianz.de/index.php?eID=tx_nawsecuredl&u=0&file=fileadmin/data/dokumente/Resolutionen_Stellungnahmen_Offene_Briefe/512_513_060-064_Palmer.pdf&t=1438426133&hash=8c134909a354ff32aaa470f5162ea2a2c40ccfbf
- Quotenmeter.de (2015). *Verstehen Sie Spaß?*. Accessed May 22, 2016 at <http://www.quotenmeter.de/tag/Verstehen+sie+Spa%DF%3F>
- Rafaela, W. (2012, October 22). *Auftragsvergabe bei ARD und ZDF: Produzentenverbände fordern Verhaltenskodex*. Accessed July 15, 2015, at <https://www.wbs-law.de/medienrecht/auftragsvergabe-bei-ard-und-zdf-produzentenverbände-fordern-verhaltenskodex-30318/>
- Randle, K., & Dodourova, M. (2010). Linking Digital Technologies and Dynamic Capabilities: A Case Study of Small Firms in the UK Audio Visual Sector,“. *Journal of Global Strategic Management*, 7, 39.
- Rice, J., Liao, T.-S., Galvin, P., & Martin, N. (2015). A configuration-based approach to integrating dynamic capabilities and market transformation in small and medium-sized enterprises to achieve firm performance. *International Small Business Journal*, 33(3), 231–253.
- Röper, H. (2014). Fernseh- und Filmproduktion 2011 und 2012. *Media Perspektiven*, 11, 556–572.
- Roulston, K. (2012). *The Pedagogy of Interviewing*. In: J. Gubrium, J. Holstein, A. Marvasti, & K. McKinney (Eds.), *The SAGE Handbook of Interview Research: The Complexity of the Craft*. Thousand Oaks California: SAGE Publications, Inc. pp. 61–74.
- Siebenhaar, Hans-Peter (2011, November 10). *Werner Kimmig - Vater der Gold-Kitze*. Handelsblatt. Retrieved March 5, 2016, from http://www.handelsblatt.com/unternehmen/management/bambi-verleihung-werner-kimmig-vater-der-gold-kitze/v_detail_tab_print/5823008.html
- Siegert, G., & Rimscha, B. von (Eds.). (2008). *Zur Ökonomie der Unterhaltungsproduktion*. Köln: Von Halem.
- Simon, L. (2006). Managing creative projects: An empirical synthesis of activities. *International Journal of Project Management*, 24(2), 116–126.
- Śledzik, K. (2013). Schumpeter's View on Innovation and Entrepreneurship. *SSRN Electronic Journal*. <http://doi.org/10.2139/ssrn.2257783>
- Stacey, R. (2003). Learning as an activity of interdependent people. *The Learning Organization*, 10(6), 325–331.
- Sydow, J., Lindkvist, L., & DeFillippi, R. (2004). Project-Based Organizations, Embeddedness and Repositories of Knowledge: Editorial. *Organization Studies*, 25(9), 1475–1489.

- Teece, D. J. (2009). *Dynamic capabilities and strategic management: organizing for innovation and growth*. Oxford; New York: Oxford University Press.
- Teece, D. J. (2012). Dynamic Capabilities: Routines versus Entrepreneurial Action: Routines versus Entrepreneurial Action. *Journal of Management Studies*, 49(8), 1395–1401.
- Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic Capabilities and Strategic Management. *Strategic Management Journal*, 18(1), 509–533.
- Thornton, P. H. (1999). THE SOCIOLOGY OF ENTREPRENEURSHIP. *Annual Review of Sociology*, 25(1), 19–46.
- Thürbach, K. (2011). *Die Unternehmensmarke in den Geschäftsbeziehungen von Medienunternehmen Eine Untersuchung am Beispiel von Film- und Fernsehproduktionsunternehmen*. Wiesbaden: Gabler Verlag / Springer Fachmedien Wiesbaden GmbH, Wiesbaden.
- Warren, C. A. B. (2002). *Qualitative Interviewing*. In: Gubrium, J. F., & Holstein, J. A. (Eds.). *Handbook of interview research: context & method*. Thousand Oaks, Calif: Sage Publications. pp. 83-101.
- Watson, T. J. (2013). Entrepreneurship in action: bringing together the individual, organizational and institutional dimensions of entrepreneurial action. *Entrepreneurship & Regional Development*, 25(5–6), 404–422.
- Weezel, A. van. (2009). *Entrepreneurial strategy-making mode and performance: a study of the newspaper industry*. Jönköping: International Business School.
- Weidling, Elisabeth (2016): Auf Du und Du mit den Stars. Werner Kimmig: TV-Produzent, Manager und Förderer. *Wirtschaft im Südwesten*, 3, 12-13.
- Weis, Manuel (2015, November 13): *Der «Bambi» lässt gewaltig Federn*. Quotenmeter.de. Accessed May 22, 2016, at <http://www.quotenmeter.de/n/81977/der-bambi-laesst-gewaltig-federn>
- Wellington, J. J., & Szczerbiński, M. (2008). *Research methods for the social sciences*. London; New York: Continuum International Pub. Group.
- Wengraf, T. (2001). *Qualitative research interviewing: biographic narrative and semi-structured methods*. London; Thousand Oaks, Calif: SAGE.
- Wikiwand (2016a): *Verstehen Sie Spaß?*. Accessed May 22, 2016 at http://www.wikiwand.com/de/Verstehen_Sie_Spa%C3%9F%3F
- Windeler, A., & Sydow, J. (2001). Project Networks and Changing Industry Practices Collaborative Content Production in the German Television Industry. *Organization Studies*, 22(6), 1035–1060.
- Woldesenbet, K., Ram, M., & Jones, T. (2012). Supplying large firms: The role of entrepreneurial and dynamic capabilities in small businesses. *International Small Business Journal*, 30(5), 493–512.

Zabel, C., & SpringerLink (Online service). (2009). *Wettbewerb im deutschen TV-Produktionssektor Produktionsprozesse, Innovationsmanagement und Timing-Strategien*. VS Verlag für Sozialwissenschaften / GWV Fachverlage GmbH, Wiesbaden.

Zahra, S. A., Sapienza, H. J., & Davidsson, P. (2006). Entrepreneurship and dynamic capabilities: a review, model and research agenda. *Journal of Management Studies*, 43(4), 917–955.

Zampetakis, L. A., Vekini, M., & Moustakis, V. (2011). Entrepreneurial orientation, access to financial resources, and product performance in the Greek commercial TV industry. *The Service Industries Journal*, 31(6), 897–910.

Zarges, T. (2012, March 16). *Kimmig-Chef Matthias Alberti im kress-Interview: "Mein Ziel ist ein neues wöchentliches Format"*. kress.de. Accessed May 22, 2016, at <https://kress.de/news/detail/beitrag/115156-kimmig-chef-matthias-alberti-im-kress-interview-mein-ziel-ist-ein-neues-woechentliches-format.html>

Zollo, M., & Winter, S. G. (2002). Deliberate learning and the evolution of dynamic capabilities. *Organization Science*, 13(3), 339–351.

Appendix

Appendix 1: Ratings Graph of one episode of the hit music show “Immer wieder sonntags” in 2015.

