EXPLORING THE IMPACT OF BESPOKE BUSINESS STRATEGIES ON MANAGING RISKS IN PAKISTANI SMES WITHIN SPORTS GOODS INDUSTRY

A thesis submitted in partial fulfilment of the requirements of Abertay University for the degree of Doctor of Philosophy

by

Shah Khalid

DUNDEE BUSINESS SCHOOL

ABERTAY UNIVERSITY

October 2020

DECLARATION

Candidate's Declaration:

I, Shah Khalid, hereby certify that this thesis submitted in partial fulfilment of the requirements for the award of Doctor of Philosophy (PhD), Abertay University, is wholly my own work unless otherwise referenced or acknowledged. This work has not been submitted for any other qualification at any other academic institution.

Signed [redacted]……………………….

Date………20 October 2020……………

Supervisor's Declaration:

I, Dr Alex Avramenko hereby certify that the candidate has fulfilled the conditions of the Resolution and Regulations appropriate for the degree of Doctor of Philosophy (PhD) in Abertay University and that the candidate is qualified to submit this thesis in application for that degree.

Signed …Dr Alex Avramenko………………...

Date………05 September 2019…………..

Certificate of Approval

I certify that this is a true and accurate version of the thesis approved by the examiners, and that all relevant ordinance regulations have been fulfilled.

Supervisor…… Dr Alex Avramenko …………

Date…………05 September 2019………

ACKNOWLEDGEMENTS

I wish to thank my committee members who were more than generous with their expertise and precious time. A special thanks to Dr Alex Avramenko, my principal supervisor for his countless hours of reflecting, reading, encouraging, and most of all, patience throughout the entire process.

I would like to acknowledge and thank the graduate school for allowing me to conduct my research and providing any assistance requested. Special thanks to Prof Mohamed Branine Head of the Dundee Business School and to the members of staff who have supported me in this entire process.

Finally, I would like to thank the beginning teachers, mentor-teachers and administrators in graduate school that assisted me with this research. Their excitement and willingness to provide feedback made the completion of this research an enjoyable experience.

DEDICATION

I dedicate my dissertation work to my family and friends. A special feeling of gratitude to my loving mother, Sari Jehan, for keeping her prayers and hope alive and to my late father, Muhammad Afzal, whose departing words gave me the desire and commitment to seek knowledge. My brothers Nazir Ahmad and Muhammad Sher have never left my side and are very special. This thesis is dedicated to my wife, Hafsa Khalid and my sisters, for their support and valuable prayers.

I also dedicate this dissertation to my friends who have supported me throughout this journey of research. I will always appreciate all they have done, especially Noor Ul Ahad Mian for providing support and friendship that I needed.

“ABSTRACT”

The main purpose of the research is the exploration of the current state of risk management practice, and its influences within the sports goods industry in Sialkot, Pakistan. The research also evaluates the most common risks mitigating approaches within SMEs. The final most important aspect of this study is the exploration of the connection between risk management and business strategies within sports goods SMEs in Pakistan.

Based on the nature of the research objectives, which required more qualitative method than quantitative the researcher adopted qualitative method to collect the data. Therefore, instead of other methodologies design (Filed and Morse, 1985), the qualitative method has been utilised in order to get insights as well as improve the credibility of the results. Twenty semi-structured interviews with SMEs owners/managers are the primary data source in this research. The study is based on the interviews with owners and decision-makers of sports goods SMEs in Sialkot, Pakistan.

According to Boyatzis (1998), thematic analysis is used to identify, analyse and report the patterns(themes) within the data. Therefore, thematic analysis has been adopted as the method for analysing interviews data. Thematic analysis is best for qualitative research because of its flexible nature (Braun & Clarke, 2006). The semi-structured interviews contain pre-set questions that need to be answered because of these similar characteristics; the current research will adopt thematic analysis. Thematic analytical approach has been adopted in the previous research based on SMEs for example Hudson, Smart and Bourne (2001) and Bell, Crick and Young (2004).

The findings indicate that the main obstacle in improving risk management practices in small businesses is a disconnect of this practice from the company's business strategy. The current research finds out that while adopting the business strategy, SMEs face various risks such as "financial risk, reputational risk, strategic risk and price risk.".

The study confirmed the lack of knowledge about business strategy and the risk management within Pakistani sports goods industry. Therefore, it is highly recommended to focus the level of knowledge. This study also suggests that smaller firms can strengthen their internal processes, including the implementation of competitive strategies and risk mitigation approaches to achieve higher levels of profitability.

This research formulates recommendations for risk management strategies in the Pakistani sports goods industry. The value of this research is in its potential to improve competitive situations of Pakistani SMEs within the sports goods industry. As identified in this research, there is a lack of awareness among the SMEs regarding risks in their companies. Organization will help to find out the factors that need to make better the risk management practice.

Results obtained from the current study highlighted the need for a framework within which to explore the connection between risk management and business strategies in the participating companies. The framework will enable us to establish, with empirical evidence, that risk management has notable relationships with business strategy. This research work confirmed that managing price risk, reputational risk, and strategic risk are important predictors of the selected bespoke business strategies.

At the time when this study was conceived in 2015, there was limited understanding of risk management in SMEs within the sports industry. The aim was to gain an in-depth understanding and provide a complete picture of the "current state of risk management" practices within SMEs in the sports goods industry of Pakistan. Therefore, a small sample of SMEs was interviewed. Now, this approach can be expanded by utilising a large-scale survey and including a representative sample of Pakistani SMEs in the sports goods industry. This will ensure an approach, more grounded in the factual situation, to preventive risk management via the anticipatory and pacifying effect of business strategies.

The Punjab Skills Development Fund (PDF) database (2016) has used for a sample of sports goods SMEs in Sialkot, Pakistan. The database updated every after three years; therefore, the basic data, i.e. employees, turnover may not reflect the current state.

The study aimed to cover all range of SMEs in term of size, turnover Etc but micro-firms consist of a large number of SMEs in Pakistan. Accepting a sample bias, the study should, therefore represent the majority of the micro firms.

“Contents”

List of Figures

List of Tables

Appendices

CHAPTER 1: "INTRODUCTION"

1.1 Introduction to the chapter

This chapter explain the background and context of the research. The chapter also mention background of the study, research problem, and then provide justification of the rationale for exploring the risks associated with business strategies in Pakistani SMEs. The following sections mentioned the aim, the objectives and scope of the research, contribution of the research, research methodology.

1.2 Research Background

To achieve the competitive advantages in these dynamic markets, the companies use many ways and resources to get the benefit from the competition and become superior among their competitors (Evans & Bosua, 2017; Hartcher, Hodgson & Holmes, 2003). Due to limited resources and financial hardship, small and medium enterprises always face difficulties (Anwar, 2018; Brustbauer, 2016; Kotey, Slade & Gadenee, 2000). Therefore, to survive in the market, the SMEs adopt various types of strategies and policies and try to make a permanent position in the market (Evans & Bosua, 2017; Mazzarol, Clark & Reboud, 2014). In a dynamic business situation, risk management is used to implement the firm's strategy successfully. The previous researchers oversee the role of risk management in the success of the business strategy (Brustbauer, 2016; Soltanizadeh, Abdul Rasid, Mottaghi Golshan, & Wan Ismail, 2016).

The current research concentrates on best possible risk management strategies to manage risks in small and medium enterprises located in Sialkot, Pakistan. This research is important because majority of the SMEs are facing different types of risks, and to some extent they are unable to deal with some of the risks (Green, 2011). SMEs are more vulnerable to manage the risks (Ivantsov, 2014). Pakistani SMEs are facing the same problem and not excluded from this. Many Pakistani SMEs have been un-prepared to manage risks in their adopted business strategies. Therefore, it can be deduced that risks can occur to SMEs through their adopted business strategies, therefore in this research we will identify which can reduce the impact of risks on companies.

1.3 Problem statement

SMEs in Pakistan try to reduce the unwanted risks to keep their place in the business market and run the business smoothly (Yang, Ishtiaq & Anwar, 2018). The owners/managers of small and medium enterprises in Pakistan do not have enough knowledge to assess the risk factors which affect their company's business strategy. The management of SMEs in Pakistan do not adequately prioritise the risks according to their likelihood and probability. If any of these risks materialise, these companies may be affected with very negative consequences. This current situation, in fact, reflects in the high failure rates of Pakistani trading SMEs in the sports goods industry (Hyder and Lussier, 2016).

There is no existing written and approach to structured risk management for Pakistani SMEs in the sports goods industry. This adversely impacts the risk efficiency of the industry. Risk management in SMEs is an under-researched area, especially from the aspect of risk management and its association with business strategy.

Pakistan, as a developing economical country is still to form an efficient risk management strategy. For this purpose, this research tries to find the basic components of efficient risk management strategies globally, then evaluate an apply successfully and ways to mitigate their impact within SME organisations in Pakistan. The current research provided the combination of risk management strategies ground of competitive strategies and based on the capacity to minimise the risks associated with business strategies, these risk management strategies could be doable throughout the adoption of business strategies. Similarly, risk management prepare the best plan for managing risks. The purpose of this study is to identify the research gaps and eliminates them, also contribution to the existing literature.

1.4 Need of effective risk management in Pakistani SMEs

Small and medium enterprises in Pakistan account for a significant proportion in the manufacturing, services, exports and employment industry, and hence are major contributors to the Pakistani GDP. Considering the growth of the SME sector in Pakistan, the Pakistani government implemented a lot of policies and established an organization (SMEDA) to help improve the situation for SMEs. But at the same time SMEs are prone to various business risks due to which they fall sick or sometimes closed due to heavy losses. So, for continuous business growth and risk prevention, it is very important for the businesses to know about the various risks involved as well as have plans to mitigate them.

Several studies revealed that the performance of SMEs in Pakistan is badly affected by insufficient managerial skills, especially in small firms (Aftab and Rahim, 1986). In fact, starting an SME business is risky, but performing efficient risk management can make it a successful business (Pearce and Byars, 2000). The level of managerial expertise available to a company plays an important role for the success or failure of an SME. As Murphy (1996) points out, there are many hinder to the successes of businesses, including; poor bookkeeping, lack of technical knowledge, risk management skills, poor planning skills, and market research.

MacRae (1991) found that the level of education, training and experience of senior managers are the major difference between SME firms with high growth and low growth. Jennings (1995) has argued that small businesses fail almost consistently due to poor managerial competency. Baldwin (1997) reports that almost half Canadian firms go to bankruptcy due to their internal deficiencies rather than external obstacles. It is common that, managers of bankrupt firms do not have the experience, knowledge or vision to run their businesses successfully. As far as Pakistani SME firms are concerned, the majority of the owners of the firms are not well educated.

SMEs in Pakistan also have training related issues. In most cases, the employees' risk management training is informal, because formal training is costly and financially out of reach for the SME sector. The bigger problem within the SMEs sector is formal training because smaller firms less likely to provide external training due to minimum budget, to all grades of workers (Hendry, 1991) (Johnson, 1999). In Assessment Report (2002) it is noted that due to limited resources, SME managers rely more on informal training for their employees, because they feel this type of training is more cost effective and a more appropriate solution for SMEs. But other researchers also point out the informal training is not very effective for the development of SME managers. These informal sessions of training are included on the job, job rotation and informal seminar to the employees of the SMEs firm. In Pakistan, the SMEDA organisation is responsible for providing SMEs with relevant training. Well educated and trained employees reduce the conflict between employees due to all knowledge economy workers. Despite the subject being of utmost importance, this field of study has received little attention in past literature (Reid and Adams, 2001).

Small and medium enterprises (SMEs) need the up-to-date strategies to minimise various risks which are linked with the process, operation and growth. According to Bui & De Villiers (2017), The best risk management practice needs top-level support from management, along with efficient business strategies. This research finds out foremost risks and their areas in the business strategies and what action needs to take to reduce the negative impact in the firm.

1.5 Importance of sports goods SMEs in Pakistan

The sports goods industry in Pakistan plays a vital role in the international trade of sports goods. The sports goods industry in Pakistan, is now exporting its products to various countries across the globe. These products are manufactured, with the intention to export, and are according to the quality requirements of internationally targeted markets. Because of this high quality, Pakistan's sports products have gained international fame. High quality sports goods are a result of a well-designed production process which starting from purchasing the raw materials to deliver to the customers. This process involves; the best selection of raw materials, designing of marketable goods, the actual production, and a timely delivery to the customer. Pakistan exports a large portion of its sports goods from Sialkot to internationally famous brands; like Adidas, Nike, Puma, Lotto, Umbro, Mitre, Micassa, Diador, Wilson and Decathlon.
The major exports of Pakistan's sports goods are to Europe. Sialkot, situated in the Punjab province of Pakistan, is considered an expert in producing and exporting sports goods and accessories all over the world for over 100 years. History shows that Sialkot city was always the hub for the production of sports goods ever since Pakistan gained its independence. In fact, back in 1883, Sardar Ganda Singh and Bahadur Singh bring forth their factory to manufacture sports goods for the British army in the northern subcontinent. At the time, they produced cricket bats, polo sticks and hockey sticks. Later, they expanded into sportswear manufacturing industry too. Today, sports goods as well as the sportswear sector of Sialkot are at its peak (Elahi, 2013).

1.6 Aim & Objectives

The main aim of this study is to explore the current state of risk management practices and its influences on the sports goods industry in the city of Sialkot, Pakistan.

The Objectives of this research are:

i) To identify the current state of risk management practices in the participating companies.

ii) To evaluate the most common risk mitigating approaches in the participating companies.

iii) To explore the difficulties influencing the implementation of risk management strategies in SMEs in the Pakistani sports goods industry.

iv) To explore the connection between risk management and business strategies in the participating companies.

1.7 Research Question

i) To what extent the chosen competitive business strategy would enable a firm to have a better fit with the business environment in the context of risk management?

1.8 Research methodology and limitations

This research has many theoretical contributions and practical implications but still, this research has some limitations that can be addressed in future by researchers. This study examined three types of business strategies instead of reviewing all the business strategies adopted by SMEs. It is essential to explore how risk management practices can facilitate business strategies to build an effective risk management framework. The "current state of risk management" in other types of SMEs can be different and may need further research on them.

Moreover, this research did not test all types of risks and further studies may find the linkage between each risk against the business strategy. Thus, future researchers are encouraged to consider more business strategies during examining the mediating role of risk management. Hence, the current research is conducted based on SMEs operating in the developing market of Pakistan; therefore the current research can be extended to conduct comparison between developed and developing countries.

Afterall, more relevant variables can be included to find the mediating role of risk management.

1.9 Contribution to the knowledge

The current research contributes to the previous literature in the field of small and medium enterprises, their adopted strategies and risk management practices. Hence, this research explored the mediating role of risk management practices between the competitiveness of SMEs and their business strategy; this has been ignored in the previous studies. This study provides a piece of new knowledge in the field of SMEs, business strategy and risk management.

Porter's strategy is heavily mentioned in the discussions on risk management practices and performance of the firm, but Porter's strategy is also now very old for current dynamic businesses. This research discusses that, finding the current situation through empirical data presents a new framework of risk management in three business strategies such as retrenchment, innovation and new product development strategy. There are more studies on the connection between risk management and performance of the firm (e.g. Aghapour et al., 2017; Callahan & Soileau, 2017; Yang et al., 2018), but there is no research on small and medium enterprises within a developing country.

The failure ratio among SMEs and start-ups in emerging economies is high compared to developed countries (Anwar, Shah, & Khan, 2018). The current study will provide help to the top-level management to put together the internal practices within the company for minimising the risks. Compare to large companies, small and medium enterprises face more hurdle. Therefore, small companies can increase their strength by adopting strategy and risk management approaches within their company.

Furthermore, the research explains that risk management practices can influence business strategies in sports goods SMEs in Pakistan. Findings of the current research can be implemented in other developing economies such as Bangladesh and India etc. Moreover, this research is based on new and empirical data which can improve the survival of newly established SMEs and start-ups.

1.10 Structure of the thesis

To achieve the purpose and examine carefully this thesis is structured to get the purpose of the study. Six chapters in this thesis, the connections and concentration of chapters are shown in Figure 1.1

Figure 1 Structure of the thesis

1.11 Chapter Summary

In general, the current research contributes to the field of risk management. However, it more specifically contributes towards improving business strategies in Pakistani SMEs to help cope and deal with various risks. "This chapter has provided an insight into a rarely studied phenomenon in the country, but more importantly, has provided context for this study area and justification for conducting this research."

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction to the Chapter

This chapter reviews the previous literature based on the risk, risk management, strategic risk management and business strategies with their theories and concepts and practices. It considers the risks and their impacts on business strategies in SMEs, and the mitigation strategies that could be adopted to mitigate the negative effects of risks. Researching past literature works on these components, the connection between business strategies, risk management and the potential difficulties faced by SMEs to implement risk management strategies, the answer to this study's question can be found.

2.2 Risk & Uncertainty Concepts

Despite the multitude of studies in the areas of risk and risk management, there is still no clear definition and shared concept of risk (Holton, 2004). The concept of risk in business management is known as "performance variance" that explains an unpredictable deviation of consequence (Miller, 1992). Review of management studies reveal that the term 'risk' is mainly perceived as an undesirable and unfavourable event, for example; late delivery time, budget being exceeded, or financial damage (March and Shapira, 1987). Such a definition conveys two misleading concepts; the negative nature of risk and the dependency on events that have not yet happened. However, in principle, the term 'risk' includes quantifiable or measurable uncertainty which can result in either positive or negative outcomes (Ward and Chapman, 2003). 'Risk' also contains the concept of exposure and could be described as exposure to uncertainty, the same uncertainty directly connected to the conditions of business in future.

In businesses, there are many risks factors which depend on a variety of events or actions. In addition, progress and development of activities within the business can alter the conditions of risks from favourable to unfavourable or vice versa and turn weak risks to potential threats or opportunities (Klemetti, 2006). Risks do not have an 'on-and-of' nature and do not either happen or not happen (Turner, 1999). Therefore, due to the dynamic character of risk, the future conditions that business activities create is hard to predict. Both studies of Turner (1999) and Ward & Chapman (2003) suggest that, the term risk needs to be changed to uncertainty, as it is a neutral word that contains present and future events with a variety of possible outcomes. The term uncertainty is well adept to describe the involved ambiguity and variability within the concept of risk.

Raftery (1999) and Green (2001) explain that uncertainty of an event has been logically embedded within the term risk. However, Raftery (1999) highlights that the nature of the term uncertainty and risk are different, and that uncertainty does not follow the risk formula. Uncertainty cannot be attached to probability, i.e. to the likelihood of occurrence of an event. The main difference is that, uncertainty deals with both present and future events and describes uncertain situations, whereas risk deals only with future events that cannot be predicted. In general, uncertainty is an immeasurable element that cannot be foreseen, or in other words, the likelihood of its occurrence cannot be estimated (Merrett and Sykes, 1973; Bussey, 1978). This does not mean, however, that uncertainty cannot be managed.

The terms uncertainty and risk are not comparable because of their intrinsic differences in characteristics. Thus, there is no need to replace risk management with uncertainty management. To conduct the current research, risk will be considered as the possibility that something bad or good, or in other words unpleasant or pleasant, (such as a loss or a gain) would happen. Following in table 1 is the summary of the definitions of business risk, adopted from Hopkin (2012).

Organizations	**Definition of Risk**
ISO31000 (2018)	According to ISO 31000, the risk is the "effect of uncertainty on objectives." This effect could be a positive or negative deviation from what the business expected.
Araujo, Lima, Crema & Verbano (2019)	Those risks which the company face in order to achieve its strategic goals are "strategic risks".
Institute of Risk Management (2002)	The combination of the probability of an occurrence and its output is called risk. These risks can be either positive or negative risks.
HM Treasure (2020)	The uncertainty exposure of an outcome arises from the combination of its impact and probability.

Ward (2000)	The total effect of uncertainty could be either a positive or negative impact on the organization.

Table 1 Definitions of risks from (Hopkin, 2012)

2.3 Crisis VS Risk Management

The future event or any other activity that may take place in an organisation with either a positive or negative impact on the organisation known as a risk; It can affect the market status, financial position, annual turnover, competitive position of the said organisation. However, in opposite the crisis management is dealing with unexpected incidents that could only negatively affect the organisation.

In the risk management process, all the steps involved carried out by the organisation to identify the potential risks, and the action to mitigate those risks in order to minimise the impact of those future risks. (Carla, Fabian, Anotonio and Adele, 2007). The current study will focus on risk management to integrate it with the business strategies instead of crisis management.

2.4 Risk Management

Initially, in 1980 the financial department established financial risk management by interlinking risk and financial matters. During the year 1980 and 1990, the risk management tools were provided; furthermore, it is extended to various other risks such as reputational risk, currency risk, price risk, strategic risk inside the financial organisation Etc.

With a passage of time, the businesses faced so many other uncertainties which were not able to ensure, therefore, to avoid such losses; the organisations started integration of risk management practices in their businesses. According to Pritchard (1978) "the method of approaching a problem of how to deal with pure threats which threaten an organisation." With time the risk management approach is changed from only insurance or security to protect the business in full. (Vaughan, 2002).

The next advance phase of the risk management was to consider the potential risks with either negative or positive outcomes for the organisation (Ward & Chapman, 2003). The way of risk management changed, and it was not limited to mitigate the harmful risks as risks contain both the negative and positive impact on the organisation. In 1990 the focus of risk management was changed to traditional risk management. The traditional risk management was covering risks such as competitors, legal, business strategies, accountability, accounting, performance, technology and data (Stroh, 2005).

In the current business world, there are many types of risk management which depend on the nature of the organisations. We already mentioned some definitions of risk management in the following table. Risk management is a way to manage different types of uncertainties, which affect the main organisation objectives. From day one, the purpose of risk management remained the same.

Risk management manages the uncertainty and make possible the smooth operation of an organisation as well as dealing with the potential risks which affect the strategy of the company. These different definitions are all for risk management. No matter how we define risk management, but the importance of risk management is unavoidable.   Due to the different procedures and tools used in risk management, the name for the risk management changed at different times.

We can say for example; contemporary risk management is called traditional risk management. Similarly, we have more names for risk management which are supply chain risk management, strategic risk management Etc.

Organizations	**Definitions of the Risk Management**
Institute of Risk Management (IRM) (2014)	The process which help the company in order to identify, assess and mitigate all or some of their risks for the improvement of success probability of the company and try to reduce the possibility of damage.
International Standard Organization (ISO) 31000 (2018)	The bunch of various activities which provide a direction to a company in order to manage their risks.
Hopkins (2012)	Several activities in the company which are adopted in order to get a positive result as well as to minimise the up and down of the same result.

H.M Treasury (2004)	Risk management is a process where the risk can be identified, make an assessment of those risks, assign them to the relevant party, mitigating or minimising and finally monitor and review them.
Cavers (1985)	The practice to concentrate on identification and to control the activities which create an adverse change in an organization objective.

Table 2 Risk management definitions Adapted from (Hopkin, 2012)

2.5 Risk Management Streams

In the previous literature, risk management has mainly divided into nine main streams according to their relevant field. Those nine types of risk management are clinical risk management, financial risk management, supply chain risk management, insurance risk management, engineering risk management, enterprise risk management, project risk management, disaster risk management and finally strategic risk management (Venturini & Verbano, 2011).

Clinical risk management: Clinical risk management aims to advance the quality and the safety within the healthcare industry by identifying various current and potential risks faced by the doctors, nurses, other staff members and patients, after the identification the process then take a move to mitigate or minimise those risks (Walshe, 2001; Walshe & Dineen, 1998).

Disaster risk management: Disaster risks come from natural events, i.e. fire, earthquake, epidemics, terrorism Etc. Primarily disaster risk management mostly based on hazards. Although it is impossible to cope with the natural disaster through risk management, the risks can be minimised to some extent (Ahrens & Rudolph, 2006; Wedawatta & Ingirige, 2016).

Engineering risk management: Engineering risk management is the most complex risk management stream. It ensures to run the engineering system smoothly, continuously and without any major incidents. Application of engineering risk management into a system can minimise the incidence in operations and management as well (Baron & Cornell, 1999; Verbano & Ventuini, 2013).

Financial RM: Financial risk management manages various types of financial risks faced by an organization. Financial risk management is not only limited to financial companies, but it also manages the financial risks in non-financial companies. Managing finance is the needs of every company either they are financial or non-financial. (Belas, Kljucnikov, Vojtovic & Majkova, 2015)

Insurance risk management: Insurance risk management manages those risks which are unmanageable or unaffordable for the company. In that case, the company manage those risks by transferring those risks to thirty parties, such as insurance companies or contractors. This stream of risk management finds out how the third party can benefit the company by managing their risks and also save the company from the extra company (Dionne, 2013; Kwon, 2003).

Project risk management: While implementing a new or managing the existing project within the company, the overall life of the project need to plan, identify all current and potential risks in the entire project, those risks could be environmental, political, operations, labours and technical Etc. In order to complete the project within the expected duration, it needs to run smoothly, on time and safe; therefore, the identification of risks and their mitigation is crucial in any project. Project manager and risk manager, both work on all the risks, to manage, avoid or transfer Etc (Badri, 2015; Michael,2015).

Strategic Risk management: The overall success of the company is on strategic risk management because it manages those risks which minimize the chances of the company to achieve its goals. Strategic risk management provides a suitable strategy for the company, through which the company reach its target (Frigo & Anderson, 2011). Strategic risk management is integrated into the business strategy. It is a continuous process to identify, assess and manage the risks through the whole life of an organization (Chatterjee et al., 2003)

Supply Chain risk management: Supply chain risk management is the combine process of all parties involved in the supply chain. Every included party must need to follow the process of supply chain risk management in order to get on-time delivery of goods and services. The parties include the supplier, the drivers, the labours, buyers Etc. The risks need to identify throughout the whole chain and assign them to the relevant person or responsible party. This type of risk can manage through the practice of software where every stakeholder can get access (Faisal et al., 2007; Ho, 2015).

Enterprise risk management: Enterprise risk management is the most innovative stream among all nine streams. It is also known as Holistic risk management. This risk management is extended from financial risk management to non-financial risks. The steam aims to identify the risks and provide a feasible solution to the whole enterprise in order to get their objectives. This stream applies to the whole enterprise (COSO, 2017; DeLoach, 2000).

2.6 Strategic Risk Management

In today's turbulent times, to strengthen an organisation's resilience and agility, risk management needs a more strategic approach. In order to formulate a strategy, this research presents strategic risk management as the ability of the company to mitigate the risks and uncertainty.

The previous researches supported a connection between risk management and strategy formulation (Beasley & Frigo, 2010; Frigo & Anderson, 2011). The current research attempt to present a framework to achieve the integration between risk management and formulated strategy.

Strategic risk management mentioned in the current study is obtained from the qualitative data conducted at Sports goods trading and manufacturing SMEs within Sialkot Pakistan.

Strategic risk management is a combination of the improvement of people, process and practice. The improvement of these three variables provides better assessment and response to risks associated with the strategy formulation or formulated strategy.

The purpose of better strategic risk management is to increase the value of shareholders (Frigo & Anderson, 2011).

Strategic risk management manages those risks which purely concerned about the implementation and successful running of the organisation strategy rather than managing only compliance risks. The business strategy of the company contains both threat and opportunities; therefore, risks associated with business strategy could be negative, positive or combination of both types of risk.

It is mentioned in the previous research that those companies who manage better strategic risks are more successful compared to their competitors in term of value creation (Girotra & Netessine, 2011). Organisations or companies which cost less on managing its strategic risks or try to stay in the budget may face more price volatility risk and therefore produce minimum value for the company. Compare to a defensive approach, another type of companies focus on the upsides and downsides risks holistically and create value for its company (Ittner & Kehsch, 2917).

Strategic risk management not only deal with the output of the risk assessment, but the company also interact organisationally during the strategic risk management process. Due to the risk discussion, strategic risk management provides risk understanding and maximise the realisation of risks and uncertainty in an organisation's strategy (Regine & Bart, 2018).

2.6.1 Strategic vs traditional risk management

Strategic risk management contains the ability of people, process and practice within the company. These three variables play a critical role to identify, assess and mitigate the risks to increase the organisation's value. Strategic risk management differs from traditional risk management due to the following six factors.

1. Content: Traditional risk management mainly deals with known risks such as operational risk, compliance risk, strategy-related and market risks while strategic risk management manages the connection between strategy execution and risk management (Teece et al., 2016).

Due to the fluctuation of the market, most of the SMEs face uncertainties as in the current dynamic business market, SMEs expanded their business into the international market. The association to global market makes the SMEs more vulnerable towards the currency rate and some other risks related to the international market. In the same time, the uncertainty also opens the new opportunities for the expansion of the business. In this case, the SMEs needs a proper strategy to increase its market while coping with associated risks. Strategic risk management manages to direct these types of external risks associated with such business dynamic.

2. Strategic orientation: As earlier discussed that traditional risk management is more related to strategy execution while strategic risk management endeavours a connection among risk and strategy through connecting risk management with a process of strategy building (Beasley & Frigo, 2010).

For example, the top-level management of the company develops a risk-based business strategy by considering potential risks into the strategic plan. The strategic plan then approved by the board of director (Regine & Bart, 2018).

3. Process: The risk-based strategic plan prepares with the help of strategic risk management within the company. The process involved different departments of the company, top-level management and even the external and third-party partners, while traditional risk management applied a top-down approach to risk management. Mostly organisation invite the young talented employees in the top-level meeting to get their ideas about potential strategic risks (Regine & Bart, 2018).

4. Sequencing: Compare to traditional risk management; the strategic risk management is more resilient in term of deadline and calendars Etc. Traditional risk management is a calendar-driven stressful process. Strategic risk management mostly based on future business, stress testing, market test Etc. The traditional risk management is an ongoing process within the current business and already established strategies.

In their research, Regine & Bart (2018) found that most of the companies practice strategic risk management, most of the companies conduct strategic risk management once in a year to formulate their strategy yearly, while some do it only when needed.

5. Time perspective: Traditional risk management is "reactive" towards risks that affect the goals of the strategic objectives of the company mentioned in its strategic plan.

While strategic risk management is more "proactive." The potential strategic risks caused by a strategic plan made by the contribution of strategic risk management.

Most of the companies adopt a "proactive" approach among strategy functions and risk management throughout the year; this approach tests the "stress-tests", "strategic risks" and mitigation strategies considered (Regine & Bart, 2018).

6. Risk leadership: In traditional risk management mainly, the universal approach used to manage the risks, the risks also managed by the "unit leaders" on their own. There is a very minimum discussion with other employees of the company; other potential risks also consider a very minimum level while managing the current risks (Frigo & Anderson, 2011).

Opposed to traditional, strategic risk management holds the "interactive" approach towards various strategic risks. The company balance the risks within its feasible appetite (Regine & Bart, 2018)

2.6.2 Integrating risk management with business strategies

According to Kaplan & Mikes (2012) during strategic planning, the process needs to be included by strategic risks and external risks such as price risk, currency risks, supply chain risks Etc. Strategic risk management is a combination of strategy formulation and risk management. When practising SRM; people, processes, and practices, these three mechanisms that distinguish and help the organisation integrate risk and strategy.

Processes: The concept of two variables, such as "content integration" and "timing integration" in strategic risk management is based on the work of previous researchers (Regine & Bart, 2018). The amount of risk-based "content integration" is integrated into the formulation of the strategy. When the company's management formulate the strategy of the company, they considered the level of contents during that process and to find out the potential risks.

Alternatively, If the company's management does not consider the potential risks or newly emerged risks during the strategy formulation stage, then It is possible to keep the "core content" of the risk management apart from the formulated business strategy. While not considering the potential risks during the strategy formulation, the only risk management will downside operational risks, i.e. accidents in transport. The upside future opportunities of increase in supply-demand could lose the strategic opportunities to expand the business.

The strategy's formulation based on the risk management process contains time-wise; this process included the "timing integration" in it. It is possible to connect the strategy formulation and risk management process within the sequence. It could be a wise decision by the management to keep the two process in sequence in order to direct each other. Risk management and business strategy can provide better result together at the same time if the company operates the risk management according to business strategy timing (Regine & Bart, 2018)

People: In some companies, the action of taking strategics' risk management discussion is only the role of the corporation, while some companies consider this decision as a shared responsibility. They discuss them among the risk management department and strategy formation people; both parties provide their analysis and reports. Sometimes the risk part works separately from the team of strategy planning, while some companies include the risk management team within its strategic team (Regine & Bart, 2018) If the business leaders get the full support of corporation, they can take the full authority of strategic risk management along with the strategy department.

The primary aim of any company is to focus on the faultless execution to make sure and run the business model successfully. The management also tries to make sure that the business strategy performs successfully and try to keep it safe from the risks of execution and compliance. The risk managers improve their strategy related skill just to the operational assets; risk managers are usually not getting into the adverse effect of the strategic decision.

Practices: Well-developed practices are adopted by companies for achieving integration between risk and strategy, such as formal incentive system, process interactions, targeted reporting, and key performance indicators (KPIs).
Strategic threats and opportunities sometimes only emerge in the long-term. The regulation-driven risk reports are formally exchanged and integrated between the risk, strategy, and business functions in the organisation are used by most of the companies (Regine & Bart, 2018). To achieve the desired level of integration between risk and strategy, the important mechanism for firms is to engage in rich risk dialogues while conducting strategic risk exercises such as wargaming and scenario planning.

2.7 Risk Management Process

A systematic process of orderly mitigation activities to reduce the probability of events with adverse effects and increase the opportunity for positive events is known as the risk management process (Falkner & H.W. Hiebl 2015). Risk management process is mainly designed to respond to the technical risks that can make businesses fail.

According to Mbuyiselo, Boitshoko, Ezeonwuka & Anthony (2017) risk management process is the best possible solution to mitigate human errors and attaining occupational safety. Risk management is regularly defined as an individual stand-alone process in enterprise management methodologies; however, the risk management process should always be tied to other management processes. Thomas (2003) defined risk management as a tool that assists the management team to identify and assess risks, and in other words sources of uncertainty. The risk management process provides a consistent environment for businesses to implement all their activities based on well-grounded and fair decisions (ICE, 2011). Risk management needs to be implemented at an early stage of any business (Hayes et al., 1986). Moreover, Godfrey (1996) stated that the conditions of highest ambiguity and uncertainty usually occur at the earliest stages of implementation of a new business strategy within a business. Hence, if a company at least sets up a quick basic risk management process at the starting point of each phase, obvious problems can be avoided, and the management team would have the possibility to change the scope of their plan earlier rather than later (Chapman, 1997). A comprehensive risk management process supports organisations to:

- Identification, analysis and prioritising the risks
- Concentration on the efficient risks
- To take correct decisions for the provisions of adversity.
- To minimise threats impacts and increase opportunities for the better performance of the business.

Risk management methodologies and professional bodies (Thomas, 2003; Chapman and Ward, 2003; APM, 2005; PMI, 2008) all embrace the same four core processes, which are; risk identification, analysis, response and control. These definitions are not only limited to specific events like the implementation of new business strategies, they need to be better understand within the whole business environment identify, analyse, respond and control the associated risk. These 4 core processes are show in following figure.

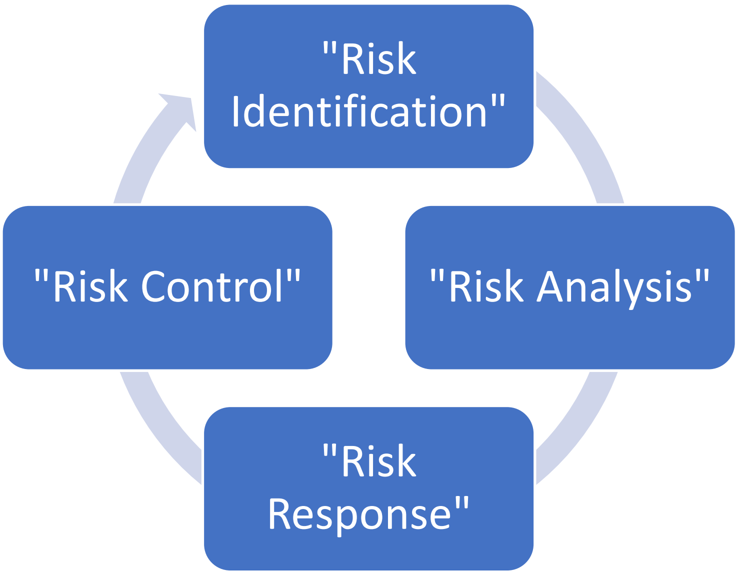


Figure 2: "Risk management process" adapted from ISO 31000 (2018)

Risk Identification

Identifying risk is the first step in the risk management process. Risk identification is playing a prominent role in the formation of a risk management framework as it gathers the risk information. (Chapman, 1998; Turner, 1999; Ward & Chapman, 2003). The complete process of risk management can be useless if the framework unable to identify the risks, so, therefore, it also affects the company's resources. Bajaj (1997) finds out that the remaining all three steps such as risk analysis, risk response and risk control depend on the collected data during risk identification. Risk identification a vital role in the entire process of risk management (Tchankova, 2002).

Risk identification needs to contain all kinds of risks if it is negative or positive; risk identification also should be made broadly (Dickson & Hastings, 1989). Risk identification can be done before or/and after the business strategy formulation. The identification of risks should consider all the activities that could possibly occur before or after the adoption of a new business strategy (Tchankova, 2002).

Different techniques and tools can be used to assess different types of risks and their sources. As the risk management process grows, various tools made for the risk identification, some of the tools are; "information gathering, Delphi technique, Interviewing, Brainstorming, Root cause analysis, Checklist analysis, SWOT analysis, Output and identify risks, risk register, probability and impact matrix."

Risk Analysis

Risk assessment is the second step in the risk management process after the risk identification. The risk could be asses on the likelihood and their effect. Risk assessment could be done based on the company's resources and its limitation. Companies with a lack of resources such as financial, human resources may avoid considering all types of risks within their companies (Baccarini & Archer, 2001). Therefore, it is essential to make a list which prioritises the risks which need to be addressed in this first instance.

There is a strong link between top-level management and the risk assessment, i.e. risk register (Al-Babar & Crandall, 1990). These researchers defined the risk analysis as; "a process which quantitatively incorporates uncertainty, using probability theory, to evaluate the potential impact of risk." Risk analysis is an integral part of the risk management process, and it should not be seen as an option (Jaafari, 2001)

Risk analysis can be done by two methods; quantitative and qualitative (BS 31000,2018). Qualitative analysis can help risk managers to focus on priority risks. The qualitative method can assess the identified negative and positive risks through likelihood and their impact (BS 31000, 2018). This method helps to assess the risks independently with no connection to other risks (Hillson, 2003).

The drawback of this method is that the relationships of two or more low risks can cause significant damage due to not correctly assess and managed (Chapman, 2003). Because of this above deficiency, the quantitive method of analysis is also required to help managers in the proper evaluation of risks to avoid the negative impact of two or more low risks.

Quantitative analysis uses a numerical calculation of cost, schedule and the risk management plan. This method of analysis can assess qualitative data from the risk register to prioritise them numerically. There are very few variables involved in quantitative risk analysis. These variables are "likelihood, variability and characteristics" (Lowe, 2009).

Risk Response

Risk response is the third step in the risk management process which follows the risk analysis. Risk response developed the tools and techniques to respond to threats and mitigate the harmful risks as well as avail the opportunities from the positive risks (Chapman & Ward, 2003; Thomas, 2003; Hillson, 2003). For risk response, the company needs to find the level of the risks, the costs of responding, the source and the owner/s of the risk. Risk response contains the strategies used to mitigate, minimise or transfer the risks (PMI, 2018). These strategies should be able to deal with both positive and negative risks. These strategies include:

- Avoid, Transfer, Reduction and Accept in cases of threats, and
- Exploit, Share, Enhance and Ignore in cases of opportunities.

All these strategies for risk response are discussed in further detail below.

Avoid: This strategy is all about avoiding accepting a risk in the first place, and applies to the high ranked risks which can have serious negative consequences. All activities in this strategy involve reconsideration and changes in the business management plan to eliminate the adverse effects completely. Chapman and Ward (2002) stated that through reappraisal or redesign of a business plan the risks could be avoided completely or reduced sufficiently.

Transfer: This strategy is a way to mitigate risk and its impact on the entire organisation by shifting risks to a third right party. Risk transfer safeguards businesses against threats and simply assigns responsibility to another party. The risk transfer strategy is mostly popular in project-based organisations. Example of these is, "transfer of risk from client contractor; from contractor to the subcontractor; sub-contractor to the insurer." (Perry & Hayes, 1985).

Reduction: Risk mitigation explains this process as, the reduction of probability of threats. This processing strategy uses reduction instead of avoidance or treatment and can be done in several methods, such as; staff training that supports the reduction of threats by increasing the risk awareness, using previous experience or sharing some actions that mitigate adverse effects, the prediction of required resources to reduce common threats.

Accept: This strategy assists the risk management team to deal with the remaining threats after the risk reduction and transfer processes have failed to mitigate risks sufficiently. Adoption of this strategy facilitates risk management when there is no possibility of changing the business strategy or if no suitable response options were found. The most appropriate strategy at this stage is to establish a contingency plan that allows and prepares for extra amounts of reserve resource requirements (time, money and other resources) (Turner, 1999).

Exploit: This particular strategy in risk response helps a business to take any opportunity to save some of the organisations' resources and reduce the planned cost and time. Hillson (2001) states that the exploit strategy strives to create and prepare for opportunity by eliminating the uncertainty. The exploit strategy works completely opposite that of the avoid strategy, since the intent of the exploit strategy is to increase the probability of the risk. Of course, in this case we are talking about a risk that has positive consequences.

Share: To take the most benefit and maximise the likelihood of occurrence of an opportunity, the business needs to identify and allocate the best-related person or party. This strategy works similarly as that of the transfer strategy by assigning the risk's ownership to assure the risk response plan happens. However, in this case we are talking about a risk with positive opportunities, rather than negative ones.

Enhance: With this strategy the practitioner tries to enhance the impact and probability of positive risks by recognising the key risk drivers. The enhance procedure is practised when the exploit and share strategies cannot handle the opportunities sufficiently. In general, the enhance strategy, applies to increasing 'the size of the risks to make it more beneficial' (Hillson, 2001).

Ignore: This strategy applies to the risks that pose minor impact on the organisation. In this stage, the organisation decides to do nothing about the risks other than to monitor and control them in the next stages.

Risk Control

The risk control phase is the final stage of the risk management process, it includes the processes in order to implement the risk response plan. The elements of risk control are; track the risks remaining, identification of newly emerged risks, monitoring or ignored, and assess the effectiveness of risk management process within the firm. Activities of risk control is to assess the risks and the management process iteratively to keep the data of any new, changed or ignored risks updated. The main goals of this process (as per BS, 31000:2018) are to ensure:

- The business expectations are still effective through the current adopted business plan
- The assessed threats have been changed or controlled
- Following risk management procedure
- The defined business plan is workable with the risk assessment

2.8 Risk Management Models

Many researchers and associations mentioned that risk management established many frameworks to manage risks. Still, there is a lack of risk management framework for the SMEs; all previous frameworks are being made for large companies or enterprises and especially for their financial and supply chain (Berard & Teyssier, 2017; Verbano & Venturini, 2013). All the definitions and terms are based on risk management in large firms.

According to previous studies, the severance of risks based on each different sector (Aureli & Salvatori, 2013; Henschel, 2010). Some researchers believe that risk management is not purely based on the industry. In contrast, it is related to the nature of the business owners, their experience and the risk understanding as well as attitudes of the entrepreneurs (Jayathilake, 2012; Sparrow & Bentley, 2000).

According to researchers (Poba-Nzaou & Raymond, 2011; Sunjka & Ewmanu, 2015; Verbano & Venturini, 2013), there are minimal studies based on risk management. in SMEs, the topic newly emerges. The previous research is not uniform in term of risk management implementation as well as the overall understanding. There is a broad debate ongoing on the implementation and maintaining of risk management within small and medium enterprises, specifically the enterprise risk management.
There is no standard approach to define risk and risk management in small and medium enterprises (Crema, 2017; Trobmann & Baumeister, 2004).

There are many different ways to implement the risk management process depend on the size of the companies (Henschel, 2010; Jayathilake, 2012; CINEAS, 2015; Rostami et al., 2015). Depend on the nature and the size of SMEs; risk management can be symmetrically formed; in case the company is large and have more experience, the approach of risk management is different to those come under the micro category due to resources and size.

According to Crema (2017), many companies reports, and research offered the practical experiences of risk management within small and medium enterprises. The well-organised approach and knowledge towards risk management in SMEs is more complicated. The literature review only provides the past research on risk management process, tools, techniques and types of risks managed in SMEs (Verbano & Venturini, 2013).

2.9 Risk Management Framework (ISO 31000)

The definition is given by ISO 31000 (20018) of the risk management framework, as, “a set of components that provide the foundations and organisational arrangements for monitoring, designing, implementing, reviewing, and continually improving risk management throughout the organisation". Other official definitions of risk management are by; (COSO, 2004; CAS, 2003; ISO 31000, 2018). They all strive to provide standard guidelines and principles to make risk management effective.

International standards are used by larger companies such as (COSO, 2004; CAS, 2003; ISO 31000, 2018), as the foundation of the risk management process. However, the way to implement risk management process of each company may be different taking into account their varying needs with their specific context, objectives, strategies, structure, services, products, functions, assets and specific practices used within the company (ISO 31000, 2018). According to Short reed (2010); the management must make sure that they understand internal and external business situation attempting to design their risk management framework. Realising that the context is critical; the related risks should be determined by firm, assist in the preparation and assigning of resources, confirm the benefits of risk management, and emphasise the need for specific components within the risk management framework and risk management processes.

There were various risk management models available before the announcement of ISO 31000 standard, they all are mentioned in the above page. ISO 31000 (2018) provide a unified approach to a risk management framework for all the sectors. It is suitable for almost all sectors. There are seven main steps involved in this framework.

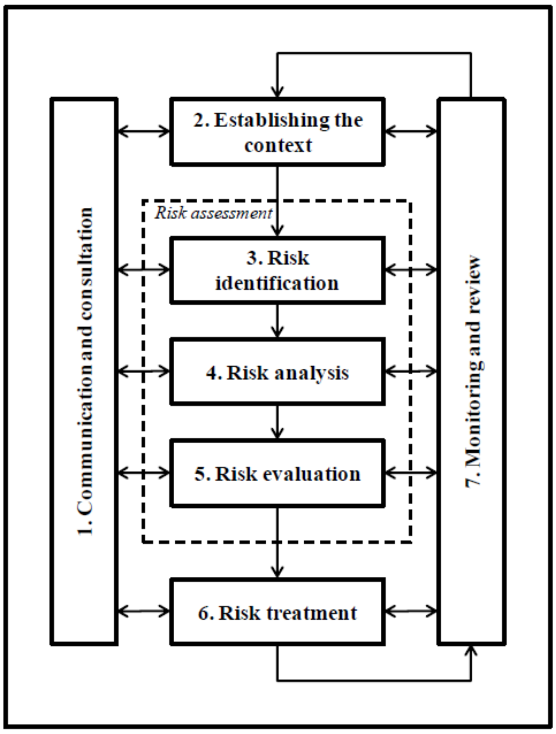


Figure 3: ISO 31000 Risk management Process Source: (de Oliveira et al., 2017)

3. Communication/consultation: Communication plays a vital role in the risk management process; all stakeholders and parties who involved in the business need to communicate with each effectively; they need to share to the risk reports.
The information should share throughout the entire process of risk management. The focus of the communication could be scope, objectives and context, consequences, resources and risk identification, analysis, evaluation and mitigation.

2. Establishing the context: The scope and objectives for the risk management process lie in the establishment of their context. In this step, internal, external risk factors, role in the company, risk management process and criteria for evaluation can be considered.

3. Risk Identification: Risk identification is to identify the sources of different risks, vulnerability, future events and their results. In this phase of risk management, the risk manager creates the complete list of risks involved in the current and future events; it also finds out the impact of those risks on the company's goals.

4. Risk Analysis: The identified risks can then be analysed to create a comprehensive approach to those risks. Risk analysis develops the information for the next step of risk management, i.e. risk evaluation.

5. Risk evaluation: Once the information arranged by risk analysis, then the decisions are taking place to decide which risks need to manage first. It is a cruel step in the risk management process. This phase prioritizes the risks on their severity. The choice of risk to address first is decided during the business strategy formulation.

6. Risk Treatment: After the process of evaluating the risk managers then treat each risk based on their nature. Some of the risks need to transfer to third parties, such as insurance companies Etc, some risks can be minimised and some wholly removed.

7**. Monitoring and Review:** The final phase of this risk management framework is to monitor the identified, unattended, mitigated risks. I continue the process to be dealt.

2.10 Business Strategies

The field of business strategy has evolved considerably in the past forty years. Firms have expert to analyse their competitive environment, define their position, develop competitive and corporate advantages, and understand threats in order to maintain their benefits over the challenges and treats posed by competition. Some different approaches include; industrial organization, the resource-based view, dynamic capabilities, and game theory. All these approaches help academicians, consultants and practitioners in the risk management field to understand the dynamics of competition and develop recommendations on how firms should define their competitive and corporate strategies.
Business strategies is the science of making the right decisions about the future and is strictly linked to the competition. (Drucker, 1993)

Finally, According to Grant (2005), a business strategy means to design a process in order to enable companies to reach their objectives.

2.11 Characteristics of Business Strategies

Generally, business strategies that may lead a company towards success have some common characteristics. These are:

- **Continuing and transparent purpose:** A business strategy needs a simple and clear goals that are constant.
- Considering the competitive environment: Considering the business environment for an enterprise to be able to successfully and timely identify opportunities and threats, in the form of market trends and the strategic behaviours of their competitors.
- Resource assessment: In order to formulate a business strategy to go forward the business must need to conduct their SWOT analysis, find their strength to cash them and weakness to make them better.
- Implementation of Action: Business strategy indicate to take actions for the purpose of successes of the business.

2.12 Porter generic competitive strategies

The close link of competitiveness to the knowledge of the external environment and its mechanisms make the market imperfect. The competitor would have no faults and information, and the product would be homogeneously distributed and available to the customers in an efficient and non-imperfect market. Having a perfect market competition would not have a real competitive advantage. A company must have factual knowledge of its resources, skills, its operation industry, sources of competitive advantage to achieve this advantage. A company must implement a mechanism of isolation (barrier), ensure that its resources can be limited, and develop dynamic capabilities to maintain a competitive edge. Although a good strategy plays a vital role in the company's success, no perfect and generalized strategy could fit all companies. As a response to different firms, goals, and competitive environments, different strategies are developed.

According to Porter's theory (1980), a business strategy can assist an enterprise to gain a competitive advantage and higher profits in two principal ways. Focalization also is known as specialization is the third way to combine the two strategies by targeting the product for a specific market segment.

DIFFERENTIATION	COST LEADERSHIP
FOCUS	

Table 3 Porters generic competitive strategies

Cost Advantage

Traditionally, cost efficiency is primary source to obtain a competitive-advantage by the theory of strategic business analysis. Competitive advantage depends on cost efficiency level that the firm develops and maintains over its competitors when based on price leverage.

Keeping only the core activities as an in-house process, reconfiguring production processes, outsourcing less central activities, and reorganizing the administrative structure and its procedures are all parts of this step. Hence, both the level of enterprises' organizational architecture as well as the enterprises' production process is impacted.

In larger scale economies, competitive advantage should be obtained easily by decreasing unit production costs, which would increase the turnaround.

The level of specialization and standardization which a firm is capable of reaching by producing more massive amounts of volume.

Introducing the new technology could very well allow specific firms to reduce their cost on the production as well to maintain the exact same volume of products. This brand-new technology could very well involve new plants, chemical formulas, equipment, or machinery; all of this probably will enhance the production capacity of a firm. Another possibility for cost-efficiency could be by changing the design of a product which will make the production process very much simple and ensure cost savings. This happens because of new technology getting introduced into a firm. Making the bargaining power of the company over its suppliers (for example, a larger company which purchases in bulks has way more bargaining power when dealing with a lot of raw material suppliers).

Differentiation

By offering a very good service the company can get a unique place among their competitors, this approach can differentiate the company from others. However, identifying such variables of differentiation may lead the firm to adopt a double perspective, which is having demand analysis and setting of the offering.

Moving on to the demand side, the analysis has to begin with an understanding of the reasons why most customers are willing to choose a product or service and the expectations they require the product to have, as well expect the same for the producer. Due to limited resources the differentiation strategy can lead the company towards many types of risks.

Focalization

Focalization is the strategy where the company focus on a specific area of market with having cost leadership or differentiation strategy. Basically, focalization strategies which are used in small enterprises can be a win-win for both large and small enterprises.

Risks due to using focalization strategy are not fully absent; that’s for sure. The niche target sustainable and economically strong. Compare to other markets the niche is smaller in nature, therefore the risks are more. There is possibility that niche get expire completely, which can result in other types of requirements which aren’t easily met by small enterprises.

2.13 Retrenchment Strategy

In a time of recession or any other high competition in the market, the small and medium enterprises try to become more adaptable. The company try different business strategies to make their place in the market (uh & Menguc, 2005; Hausman & Johnston, 2014).The inventive approach always not work for SMEs (Wong, 2004) therefore, in the case of irregular cash flow, the SMEs decide to adopt retrenchment strategies in various ways (Rollins et al., 2014).

In the time of recession, many financial and non-financial businesses adopted retrenchment strategies (Mann and Byun, 2017). Among other sectors, the retail business is highly sensitive due to its business life cycle (Berman & Pfleeger, 1997).

The firms could cut down their expenses by adopting retrenchment strategies during their financially lousy time (Kitching, Blackburn, Smallbone, & Dixon, 2009).

According to Brunk & Blümelhuber (2011); Gulati et al., (2010) further research required to find out how the small and medium enterprises manage risks generated because of retrenchment strategy. Along with two other business strategies, the current research will examine the retrenchment strategy to understand how this strategy impacts the risk management process due to absence in the literature.

2.14 Innovation Strategy

Adding something new and unique to organisation or company is an innovation, for example, providing new products, services to market, installing new machinery, advancing the structure of the company and replacing the management (Hult, Hurley & Knight, 2004; Tseng, 2014).

One of the examples in innovation within SMEs is that it installs new technology and produce more stock. Due to limited resources SMEs hardly go towards innovation. However, if somehow, they manage to innovate their firm, the firm can last longer and create a valuable place in the market (Ramayah, 2005).

Researchers recommend that those SMEs and Start-ups who are about to fail can try the innovation for their survival in developing countries (Yusuf, 2011; Makhbul & Hasun, 2011, Oyeku, Oduyoye, Asikhia, Kabuoh & Elemo, 20; Iorun, 2014).
Innovation always associated with different types of risks, the company need to identify the potential risks before going towards innovations. Some of the companies used innovation as a risk mitigation tool.

2.15 Expansion Strategy

One of the most important ways for firms to grow is cross-border expansion. Barringer and Greening (1998) argue that geographic expansion is crucial for SMEs' growth strategy because the small business scope is usually geographically restricted.

“SMEs can enjoy several benefits by entering into new markets including broadening their customer base, capitalising on market imperfections to achieve higher returns, and leveraging core competencies across a broader range of markets.” (Zahra et al., 2000; Lu and Beamish, 2001). However, according to Lu and Beamish (2001), while geographic expansion presents significant opportunities for SMEs value creation and growth, several difficulties and challenges may erode the purported benefits of internationalisation. Prominent among the factors that can pose a challenge for SMEs expanding abroad are liabilities of foreignness (Hymer, 1976) and behavioural and environmental uncertainties (Brouthers and Nakos, 2004).

“Behavioural uncertainties are as a result of the inability of a company to predict the behaviour of individuals in a foreign country, leading to opportunistic behaviour such as distorting information, cheating, and other types of dishonest behaviour.” (Williamson, 1985; Anderson and Gatignon, 1986). The inability of an organisation to predict future events is called environmental uncertainty (Milliken, 1987), it often results from the volatility of environmental conditions in the host country (Hill and Kim, 1988). According to Williamson (1985), Hennart (1989) and Williamson and Ouchi (1981), the two main costs are created by above uncertainties; control costs and market transaction costs. From Norway’s context, it is argued that environmental and behavioural uncertainties may be specifically critical, as most investments occur in high-technology and natural resources sectors, and these sectors require the use of proprietary technology, having high transaction and control costs (Nisar et al., 2012).

According to Oviatt and McDougall (1997a,b) because of these uncertainties, differentiation between how we do business in international markets and domestic markets is required. As SMEs relies on the managerial abilities of one or two entrepreneurs and have less well-developed management teams, (Oviatt and McDougall, 1997a,b; Okręglicka et al., 2015), it is argued that SMEs may lack the ability of establishment of a competent managerial control structure in another country. Even if the SMEs are willing to establish and increase control in a foreign country, establishing a foreign presence involves committing additional resources, which may increase SMEs’ exposure to external environmental risks (Erramilli and Rao, 1993;

Klein et al., 1990). Due to the limited resources and the small nature of most SMEs, the issue of expanding abroad may become even acute. The choice of entry mode can reduce the risks associated with SMEs' geographical expansion. For instance, in countries characterised by high environmental uncertainty.

Outward direct investment by SMEs in diversified locations enables them to obtain various location-based advantages besides the benefits gained from the internalisation of proprietary asset exchanges across an international border (Kogut, 1985), like access to critical resources (Deeds and Hill, 1998) to develop new capabilities and knowledge that enhance their global competitiveness and, consequently, their performance. To the impact of firm characteristics and other contextual factors influencing SMEs' performance has been paid very little attention relatively. To Brouthers and Nakos (2004) and Laufs and Schwens (2014), the impact of entry mode choice on performance remains less clear, and this research attempts to fill that void.

2.16 Gaps in the Literature

Gap in Literature	Source of Gap	Implications for this study
The relationship between risk management and firm performance has been investigated without considering the mediating effect of business strategy.	Aghapour et al., 2017; Callahan & Soileau, 2017; Yang et al., 2018	Mediating role of three business strategies, i.e. retrenchment, innovation and expansion on the risk management will be explored through semi-structured interviews with owners/managers of SMES.
It is needed to extend suggested risk categories depending on the purpose for which the risk classification is created.	Anna Bera, 2009	The most common risk categories in SMES such as financial, reputational, price and strategic risk would be investigated in this research.
The previous study does not mentioned the positive result of	Howard S. Rasheed 2002	The current research will investigate the effects of

the implementation of an expansion strategy in terms of financial risks.		financial risk management on the bespoke business strategies of SMEs.
Additional empirical research on risk identification, risk analysis, strategy implementation and control in the SME risk management process is needed.	Eva Maria Falkner Martin R.W. Hiebl 2014	Questions will be asked to owners/managers about the methods their companies use for risk identification, risk analysis and different strategies implementation.
There is a lack of newly emerged factors affecting the adoption of a risk management tool to promote risk management culture.	H Jordaan1 and B Grové2 2008	In this new study, open-ended questions will be asked to explore new and unique factors which affect the risk management process in SMES.
The current approaches to risk and innovation are not fully developed in this study. Due to dependence on technological only innovation make this study incomplete.	Louise Brown and Stephen P. Osborne 2013 Davidsson et al., 2006; Park and Luo, 2001; Zhou et al., 2007	The current study will explore the risks associated with innovation strategy and propose a framework of risk management impact on innovation strategy within SMES. Moreover, the study will discuss more ways to innovate the SMES.
The negative impact of the international expansion strategy within SMES has been ignored. The empirical study is limited to traditional manufacturing. The research also needs to extend to developing countries.	Noémie Dominguez, Ulrike Mayrhofer 2017 Welch and Welch (2009)	The current research will find out the negative impact of expansion strategy adopted by SMES. The questions will be asked from owners' managers of Pakistani SMES.
The study provides a comprehensive overview of	Manveer Manna, Sang-Eun Byunb 2017	The research will investigate the effect of retrenchment

various investment and retrenchment strategies adopted by the US retail industry.		strategies during the recession and in the recovery period. It will give us the insight to find out which strategies are more likely to succeed in turbulent economies.
The study examined risk management as a whole, without considering specific strategies such as retrenchment, innovation and expansion.	(Bagheria, Mitchelmorea, Vassiliki & Bamiatzib, 2019)	Due to limited resources, SMEs tend to adopt more easy and doable strategies. In this research, it would be of particular importance on how risk management affects specific strategies and to see how it modified according to different countries.

Table 4: Research Gaps by Author

2.17 Contribution to the knowledge

This research contributes to the existing literature in the field of SMEs, strategy and risk management. For instance, this study examines the facilitating role of business strategy in risk management and SMEs competitiveness that has been ignored in prior studies. As referred to earlier in the chapter, the role of Porter's strategy is heavily weighted in the discussions on risk management practices and company performance, but Porter's strategy has now become very old and does not reflect the current dynamics of today's businesses environment. Moreover, a number of studies, (e.g. Aghapour et al., 2017; Callahan & Soileau, 2017; Yang et al., 2018) have tested the relationship between risk management and firm performance, however they have done so only in a general context and without considering the mediating effect of business strategy on SMEs in newly emerging economies, i.e. Pakistan. Hence, this study provides a new perspective towards addressing this gap.

This study can serve as an eye-opener for SME management about the importance of configuring the internal practices of their companies in order to attenuate the fear of failure caused by risk. It is well acknowledged that small firms face more problems in resource acquisition when compared to larger firms. Thus, small firms should strengthen their internal processes through risk mitigation approaches, and including the implementation of competitive strategies, to achieve higher levels of profitability. Moreover, this research argues that business strategy can have a significant influence on risk management and the competitiveness of SMEs operating in the developing economy of Pakistan. The findings of this study would be applicable to other emerging and/or developed markets similar in characteristics to the county of Pakistan.

CHAPTER 3: METHODOLOGY

The aim of this chapter is to explain the research methods and the procedures used to conduct the empirical study of this research. This chapter covers research philosophy, choice of methodologies, data collection method, sampling, data analysis methods and the ethics followed in this study.

3.1 Research Philosophies

Within any research study it is important to consider the implications of philosophical thinking. The need of understanding research philosophy is of utmost importance in order to perform effective management research (Easterby-Smith et al. 2008). It has been argued that the focal aim of science is the development of objective knowledge (Smith, 1998), nonetheless, the assumption on what actually qualifies as objective knowledge and how to generate it, will influence how research is collected (the methodology) and how research is interpreted (the analysis).

Creswell (2003) and According to Easterby-Smith et al. (2008) that, the results of research are influenced by philosophical ideals and must therefore be identified. As Easterby-Smith et al. (2004) claim, this perception is crucial to understand and important to define, since it affects the way we do our research and how we design it. For example, what we know is in this world and how we know it are two different key questions, and one can elaborate further in research philosophy debates.

Easterby-Smith et al. (2004, p.24) provide a clear reason behind the important effects of philosophical assumptions within management research. According to them, research philosophy can make research design much clearer. Research philosophy should enable the researcher to avoid delving into subjects that lead to nowhere and should also make evident the limitations of approaches. It also suggest ways to adapt research designs that are in accordance with the constraints of different subjective or knowledge structures.

According to Burrel and Morgan (1979), all theories of organisations are based on an underlying philosophy. Organisation theorists make implicit ontological assumptions on the nature of reality they are researching and implicit epistemological assumptions about how we can know with a level of certainty regarding that reality. Both a subjective and objective approach are defined by core assumptions relating to ontology (reality), epistemology (knowledge), human nature (pre-determined or not) and methodology.

The process of research design within the field of social science is part of an even bigger discussion on the philosophy of science (Easterby-Smith et al. 2004). Whilst this may not be critically essential to perform management research, developing a basic understanding of the main debate surrounding philosophy will help the researcher to obtain an understanding of knowledge and how this knowledge is to be reported and developed in the context of the researcher's subject area.

Creswell (2009) suggests that ontological and epistemological assumptions are often outlined through two contrasting philosophical paradigms, positivism and interpretivism. In line with this, Malhotra and Birks (2003) suggest that the two dominant research paradigms used for research within the social science field are positivism and interpretivism. While positivism and interpretivism are not the only existing research paradigm choices, both appear to be the preferred traditional philosophical stances (Easterby-Smith et al. 2008). While the terms positivism and interpretivism are widely used in the literature each of these paradigms can be referred to under different names, which can make defining each paradigm somewhat tricky (Creswell, 2009).

3.2 Proposed Research Philosophy for this Study

According to Blaikie (2001), Interpretivism is believed to have its roots in hermeneutics and phenomenology. Interpretivism is often used interchangeably with various other terms in literature, these include; constructivism, constructivist, phenomenology, anti-naturalist and anti-positivist (Giddens, 1979; Easterby-Smith et al., 2004). The principal belief of interpretivism is that there is an intrinsic difference between the subject matters of natural science and social science. A natural scientist makes choices about what is relevant to the problem under investigation.' On the other hand, interpretivism suggests that, to be able to explore and research the field of social phenomena, the researcher needs an understanding of the social world that people have created and currently live in. As a result, the researcher needs to be part of, and be intrinsically involved within the research. Blaikie (2007) comments that, people continually interpret and reinterpret the world they live in, through social situations, the actions of others, the actions they themselves create and through manmade as well as naturally created objects. It is within human nature, that people attach meanings to activities and actions done by others or themselves. The social world has existed much before social scientists come along, so it cannot be ignored.

Winch (1958, p.72) suggests that it is a mistake to base social science on natural science (the positivist approach), since understanding society is both conceptually and logically different from understanding natural science. Mill (1947) claims that the difference between social science and natural science is that society is more difficult to understand than natural science.

As a result, interpretivists believe that, reality is subjective and it is impossible to separate the effect a researcher has on the knowledge and facts that are produced within his research (Creswell, 2003). Naturally, researchers are part of the process in interpreting the findings of the research (Creswell, 2003). The interpretivist's stance acknowledges that reality is part of us as humans; as a result, the subjective state of the researcher has an influence over the research. The interpretivist approach to research is much more focused on observations rather than measurement. The Interpretivist researcher therefore sees reality as a holistic process that is created over time and social context. Saunders et al. (2003) points out, that the social aspect of social science research is too complex to conform to a fixed set of laws in the same way as natural science does.

It can therefore be seen that interpretivists take an inductive approach to research, where theory is developed through the analysis of gathered data. As a result, this philosophical approach allows researchers to develop new theory, whilst also allowing them to expand what is known within a specific field of research (Saunders et al., 2003). From this the researcher can establish patterns that are repeated in similar circumstances and can develop theory from it (Creswell, 2003).

Based on the above benefits, the Interpretivism philosophical stance fits the approach and context, as well as the philosophical assumptions of this research study. After the comparison of various philosophical stances, researcher believes that Interpretivism should be the adopted research philosophy in order to appropriately answer the research objectives.

3.3 Methodologies

Flynn et al. (1990) describes that there are various types of methodologies developed in the social sciences, which may be used as a framework for empirical research. These may lean more towards one paradigm or another, but some research designs could be based on a positivist or phenomenological paradigm. The following sections examine some of the different types of research methodologies that could be used to conduct and collect empirical data.

Despite this, due to the philosophical paradigms and the different types of research conducted, there is no set research methodology. Different research studies require different methodologies, and in some cases multiple methods, to answer the research question (Creswell, 2003). For the researcher it is necessary to adopts the methods that can investigate the phenomena being studied.

3.3.1 The Qualitative Method

According to Van Maanen (1983, p.9) Qualitative techniques is as, “an array of interpretive techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain naturally occurring phenomenon in the social world”.

Qualitative research methods help researchers to gain valid insights, develop theory and aid efficient decision making (Goulding, 2005). Malhorta (2000) also states that, it is not always possible or desirable to use quantitative methods to obtain information from respondents, as people may be unwilling or unable to answer certain questions, and might not give truthful answers to questions that embarrass them, invade their privacy, or have a negative impact on their status or ego.

The qualitative method will be adopted based on the nature of the research objectives which required more in-depth understanding due to no prior research in the locality and SMEs managers have limited knowledge about risk and risk management. Therefore, instead of mixed-method design (Filed and Morse, 1985), the qualitative method has been utilising to improve the credibility of results. The main data collection method is semi-structured interviews.

3.3.2 The Quantitative Method

According to Tilal et al., (2002) Quantitative research based on methodology, procedure and statistical measures of validation to resolve relationships between various sets of data, to produce quantifiable conclusions. Quantitative research places human behaviour out of the context, which make this method weak in social sciences. (Bell, 2005).

3.3.3 Mixed-Methods

Combining deductive and inductive approaches is a method mostly proposed for behaviour-oriented studies (Kamath et al., 1987; Bell and Young, 1998) and prevents the research from becoming restricted and method-bound. The mixed methods evens out any inherent weakness in each approach, creating a balanced and complementary feedback. It provides better insight from different perspectives on the phenomena being investigated, which results in more robust and reliable findings. In turn, this may lead to more valid and reliable generalizations. (Easterby-Smith, Lowe and Thorpe 2004) state that it is perfectly possible, and possibly advantageous, to combine deduction and induction within the same piece of research. Social science researchers address problems of great complexity, and the use of either quantitative or qualitative approaches individually is inadequate to address this complexity (Creswell, 2009). The mixed-methods approach helps provide a more complete picture of the investigated phenomenon by combining different research strategies (Erzberger and Prein, 1997). Onwuegbuzie and Leech (2005) suggest that the use of mixed methodologies within the same study assists the researcher to delve deeply into a dataset in order to understand its meaning, and to verify the findings from one method with the aid of another method.

However, Tashakkori and Teddlie (2003) adopt a negative stance towards the idea of using mixed methods. They argue that mixed methods may lack the required depth as resources would have to be thinly spread between two methodologies instead of one, and the researcher may end up not doing well in both. Polft and Hungler (1999) also draw attention to other possible challenges of integrated data analysis when using mixed methods. Laws (2003) cautioned that when collecting accounts from different perspectives, the data may not match tidily and mismatches or even conflicts may occur between them, hence the researcher may struggle to critically examine the meaning of any mismatches and make sense of them. Bryman (2006) argues that although using the mixed-method approach has become a fad, it is only acceptable if it is relevant to the research objectives in which one is interested. Creswell (2007) further notes that mixed methods may pose some challenges for the inquirer. of research.

3.4 Validity and Reliability

The connection between the methods selected for data collection, research questions and analysis. As Abernethy et al. (1999, p. 8) note, the three maxims of scientific method every research project must obey and observe; internal validity, construct validity, and external validity.

Construct validity: "Construct validity is broadly defined as the extent to which the constructs of theoretical interest are successfully operationalised in the research. Both the criteria; the extent to which the constructs are reliably measured and whether the measures dealt with capture the construct of interest are covered in this definition (Abernethy et al., 1999, p. 8). Construct validity aims to ensure that the appropriate tools and techniques are applied to investigate the research questions effectively."

Internal validity: "Internal validity (credibility) refers to the extent to which the research design permits to reach causal conclusions about the effect of the independent variable on the dependent variable (Abernethy et at., 1999, p. 8). The extent to which causal relationships can be established is internal validity."

External validity: External validity (generalizability) requires the researcher's establishment on whether the results can be generalised from the research sample and the possibility of setting to the broader population, settings or times.

Reliability: This term refers to consistency. In terms of a measurement instrument, the degree of reliability will be determined by the consistency of the results with specific reference to the stability, equivalence and internal consistency of the tool (Cooper & Emory, 1995:153). The questions posed in assessing the reliability of a measuring instrument may be as following (Easterby-Smith et al., 1991:41116 cited by Saunders et al., 2000:100):

1. Will the same results be produced by measurement indicator on different occasions?
2. If the researcher and the occasion differ, will similar observations be researched?

The assessment of the selected research methods is made under the points of view In the following Table.

Research Objectives	**Interview Questions**	**Selected research methods**	**Evaluation criteria of construct validity, internal and external validity**
RO4: To explore the connection between risk management and business strategies in participating companies.	Q6. Is your RMP realigned with business strategy? (Habib & Hassan, 2016)	Semi-structured research interviews	"The semi-structured interview method exercised here is rich in heuristic potential, but is subject always to the intrusive effects of interviewer bias, both during the interview and in the analysis of transcripts (Lillis, 1999, p. 84; Easterby Smith et al., 2002, p.93)"
	Q7. What kind of risk management procedures are in place in order to deal with the risk management process? (Verbano & Venrurini 2013)	Semi-structured research interviews	
RO1: To Identify the current state of risk management practices in the participating companies.	Q5. How risk management is organized in your company? (Myskova & Doupalova 2015)	Semi-structured research interviews	"The semi-structured interview method exercised here is rich in heuristic potential, but is subject always to the intrusive effects of interviewer bias, both during the interview and in the analysis of transcripts (Lillis, 1999, p. 84; Easterby Smith et al., 2002, p.93)"
	Q13. What strategies did you use to manage the risk from the observed price volatility? (Assefaa, Meuwissenb, & Lansinkb 2017)	Semi-structured research interviews	
	Q14. What strategies did you use to manage financial risks? (Kagwathi, Kamau, Njau & Maina, 2014)	Semi-structured research interviews	
	Q15. What strategies did you use to manage reputational risks? (Callahan & Soileau 2017) (Gjerald & Lyngstad, 2014)	Semi-structured research interviews	

	Q16. What strategies did you use to manage strategic risks? (Fiegenbaum & Thomas, 2004)	Semi-structured research interviews	
RO3: To explore the difficulties influencing the implementation of risk management strategies in SMEs in the Pakistani sports goods industry.	Q18. What are the main difficulties in implementing risk management in your company? (Keci & Mustafaraj, 2013), (Prioteasa & Ciocoiu 2017)	Semi-structured research interviews	The semi-structured interview method exercised here is rich in heuristic potential, but is subject always to the intrusive effects of interviewer bias, both during the interview and in the analysis of transcripts (Lillis, 1999, p. 84; Easterby Smith et al., 2002, p.93)
	Q19. Why do you have these difficulties? (Keci & Mustafaraj, 2013)		
	Q20. Can you minimise these difficulties? If yes, why has not it been done by now? (Keci & Mustafaraj, 2013)	Semi-structured research interviews	
	Q12. Who creates the plan? How implementation is organized? (Myskova & Doupalova 2015) (Wu, Olson & Dolgui, 2015)	Semi-structured research interviews	
	Q17. Who monitor the risk management process? ((Myskova & Doupalova 2015)	Semi-structured research interviews	
RO4: To explore the connection between risk management and business strategies in participating companies.	Q4. Do you have a business strategy formulated for your company? What kind of BS is being followed by your company? (Bui & Villiers 2016)	Semi-structured research interviews	The semi-structured interview method exercised here is rich in heuristic potential, but is subject always to the intrusive effects of interviewer bias, both during the interview and in the analysis of transcripts (Lillis, 1999, p. 84; Easterby Smith et al., 2002, p.93)
	Q8. What are the most important risks are being identified in your company operations? (Belinskaja & Velickiene, 2015)	Semi-structured research interviews	
	Q9. How do you prioritise these risks? What are the criteria for prioritising the risks? (Gwangwava, Manuere,	Semi-structured research interviews	

	Kudakwashe, Tough & Rangarirai, 2014)		
	Q10. How do you measure or assess the impact of each risk group? (Gwangwava, Manuere, Kudakwashe, Tough & Rangarirai, 2014)	Semi-structured research interviews	
RO2: To evaluate the most common risk mitigating approaches in the participating companies.	Q21. What do you think is required improving in your existing risk management practice? (Falkner & Hiebl, 2015)	Semi-structured research interviews	The semi-structured interview method exercised here is rich in heuristic potential, but is subject always to the intrusive effects of interviewer bias, both during the interview and in the analysis of transcripts (Lillis, 1999, p. 84; Easterby Smith et al., 2002, p.93)
	Q22. Why have not initiated these improvements yet? (Falkner & Hiebl, 2015)	Semi-structured research interviews	
	Q11. What are your current risk mitigation procedures? (Gaudenz, Zsidisin, Hartley & Kaufmannd, 2017)	Semi-structured research interviews	

Table 5: Validity and Reliability of Research by Author

3.5 Data Collection Methods

Sampling

The author of this study will employ the non-probability purposive sampling method to obtain a reliable sample of trading and manufacturing SMEs within the sports goods industry in Sialkot, Pakistan. The purposive sampling method is used when the researcher wishes to select cases that are particularly informative and when the work only allows for very small samples to be studied. (Neuman, 2000.) According to Parahoo (2006) purposive sampling as a weak method with a low credibility on the resulting findings, since participants are self-selected and may be atypical of the population. Furthermore, those who agree to take part in a study may be people of a certain character that have different attitudes and beliefs on the subject being investigated from those who refuse to take part, and this may affect the validity of the results (Parahoo, 2006). Nonetheless, a purposive sampling method has been adopted for the current research in order to effectively answer the research question by obtaining relevant information that meets the research objectives (Saunders, Lewis

and Thornhill, 2007). Another reason to choose the purposive sampling was the researcher's need to get information from both trading and manufacturing SMEs.
Webb (2000) states that due to research constraints, the choice of the size of the sample is a matter of compromise. Given the nature of the enquiry and considering resource limitations, a small sample size will be used. As is the case with this study, the researcher will need to obtain a deep understanding of what is happening within the social group he is studying and discover why it is happening. Therefore, this research will study a small sample of subjects rather than a large number. Accordingly, twenty SMEs from the manufacturing and trading sector, will be selected from a sampling frame obtained from the Sialkot Chamber of Commerce that lists the names and contact details of more than 7,000 trading and manufacturing SMEs. Sample size of 20 for this study was judged as adequate, considering previous research sample sizes.

Semi-Structured Interviews

According to Easterby-Smith, Thorpe and Law (2000) the main factors in international business are essentially socially constructed; therefore, due to it it is necessary to use the research methods that are derived from the qualitative perspective. Furthermore the semi-structured interviews help to get an individuals' views on a specific problem with flexibility (McCormick and Hill, 1997). In this method, the interviewer can help the interviewee through describing the questions and purpose of the study (Oppenheim, 1992).

The semi-structured interview technique was adopted as data collection tool within this study. The semi structured interviews are conducted to gather the data that is analysed qualitatively and is used not only to reveal and understand the what and how, but also to place weight on exploring the why. (Saunders, Lewis and Thornhill, 2007 p.313).

Semi-structured or unstructured interviews are found to be greatly effective when collecting data from owner managers of small enterprises (Curran and Blackburn, 1994) and provide an opportunity to track responses and to obtain explanation (Creswell, 2009). These types of interviews provide the opportunity for an interaction with the people, and the activity enables effective probing for more understanding (Easterby-Smith, Thorpe and Lowe, 2000). “key themes and sub-questions in advance lie in giving the researcher a sense of order from which to draw questions from unplanned encounters” (Sutton and David, 2004). By collecting data through the semi-structured interview technique in this study, furthermore, ensures that fairly consistent questions will be asked across the manufacturing and trading SMEs within the sports goods industry.

Inexperience interviewers may not probe into a situation sufficiently (Kajornboon, 2004). To cope with this issue, I attended various workshops at Abertay Graduate School and become able to conduct successful interviews. Semi-structured interviews are furthermore time consuming and resource intensive. The author of this research identified and catered for such potential weaknesses by organising a training session at Abertay Graduate School to further developing qualitative interviewing and probing techniques with the help of his supervisor.

Interview appointments have been requested and obtained from the target owners and manager through email conversation which stated the purpose, nature, content and duration of the planned interviews as well as assured of the confidentiality and anonymity, and the also mentioned them about the interview recordings. Interview questions were targeted at SME owners or line managers as key informants, although contributions have been allowed by other management staff that are active in the company’s risk related issues and were present during the interviews. Kvale (1996), Kent (1999) and Saunders, Lewis and Thornhill (2007), suggest that not all interviews are one-to-one. Whilst executive interviewing will sometimes be with more than one executive, semi structured or in-depth interviews can be conducted on a group basis where the researcher meets with a small group of respondents to explore an aspect of the research. The recording of interviews makes it easy to analyse the verbatim responses of respondents (Zikmund, 2003) as well allows for coding, noting the comments of interest without spending energy to write them down during interview (Bell 2005). Each interview would be last between half an hour to one hour. The interviewer will express appreciation to the interviewees for their time and input at the end of each interview.

Twenty SMEs have been targeted in this study, Smith and Fletcher (2003) argue that small samples can provide a robust indicator in qualitative studies.

3.6 Analysis of Qualitative Data

The thematic analysis will be adopted as the main method for analysing qualitative data. Thematic analysis is a method for identifying, analysing, and reporting patterns (also known as, themes) within data (Boyatzis, 1998). According to Howitt and Crammer (2008) Thematic analysis of textual material, with the aim to indicate major themes or to identify a limited number of themes which adequately reflect the textual data. The flexibility is one of the benefits of thematic analysis. (Braun and Clarke, 2006). Due to its theoretical freedom, thematic analysis is a flexible and useful research tool, that can provide a rich and detailed data. According to Howitt (2010) thematic analysis has many procedures that are common with other qualitative data analysis methods; one case in point is grounded theory.

3.7 Stages of Thematic Analysis

Before commenting on the analysis, the recorded interviews will be transcribed. The transcribed data will then be prepared into easily available sections. The rest of this section describes how the author will follow the protocols of thematic analysis according to the Braun and Clark (2006) model.

Stage 1: Data Familiarization

Data familiarization will be started while the interviews are being conducted and intensified during the process of transcription. This stage will involve re-reading the transcripts carefully, thinking about what was happening in the data to formulate patterns which cohere (Beazley, 2009) and listening to the tapes to develop familiarization with the data before the formal analysis began.

Stage 2: Initial Coding Generation

A theory-led approach was used to generate the initial coding. In this case, the key elements of the theory applied by the researcher in his study were used to formulate the structure for initial coding. The researcher starts out with a few themes derived from the literature review and then add more themes and sub themes. As a result of the literature review, the author knows the themes to be employed beforehand, and nodes on the relevant themes were created.

Stage 3: Based on the initial coding finding

The author has grouped together all the text that had been associated with some thematic idea. In this way all the texts pertaining to the same theme could be examined together, and different cases compared. Thematic ideas were then posted into nodes that had been created.

Stage 4: Review of the themes

The second stage of coding involved working inductively by using an approach led by data. The research will allow new codes to emerge in the current studies during this step of the data analysis process (Seidel, 1998). The best possible themes to the selected excerpts and to the entire data set will be carefully patterned.

Stage 5: Theme definition and labelling

In this stage the research will develop sub themes. The researcher will revisit the literature and the data to be satisfied that themes have defined and well labelled. Queries and searches will try to the well-defined data patterns and data relationships emerged.

Stage 6: Report Writing

Based on the thematic analysis the relevant protocol will be followed on the qualitative findings. If there is such words, sentences or phrases respond by the interviewee, that were particularly revealing an critical point will be part of this research as verbatim.

CHAPTER 4: FINDINGS

This section of the research provides the findings of the semi-structured interviews. It analyses the data provided by the respondents that bring into line the specific themes and focus of this study. There are four main sections of this chapter, Each section addressed the four objectives of the research, the relevant themes included in each section under the heading of the research objective.

Research Objectives	**Research Themes**
RO1	Theme 1: Current state of risk management practices
RO2	Theme 3: Risk mitigation strategies
RO3	Theme 4: Difficulties in implementation of risk management Theme 5: Improvement of risk management practice
RO4	Theme 2: Impact of business strategies on risk management

Table 6: Research Themes by Author

4.1 Current state of "risk management practices"

This section provides the "current state of risk management practices" within the interviewed firms. Approx. (78.9%) respondents mentioned that they do not carry out any formal risk management. Furthermore, it is found that − particularly in smaller companies − the owners perform good risk management, but mainly in their heads. Mostly the management does not communicate the risk related matters with their employees; the management only collects the data from them without involving them in the process. This approach keeps the employees unaware of risk management, especially the implementation, which leads to the unsuccessful risk management process, and the company face the problems. The respondents have quite a clear idea of what risk is and what types of risk can affect their business growth. However, based on the responses from the owners, the main risk they are concerned with is safety risk alone. When asked about risk, one company owner's response was: ***"We have a first aid box here to attend to wounds quickly and if it is beyond us the person is taken to the hospital"***. This clearly shows that they view risk solely as a safety issue.

Business planning

This part of the theme identifies the connection between risk management and business planning within the participating companies. Due to limited resources and the nature of the SMEs we do not find a connection between RM and their business plans.

F1/1: The consequences of each identified risk need to be determined. An the understanding the nature of the risk and its potential affect needs to be developed, which will then lead the company to make changes in the business strategies it implements. Managing all risks, such as financial risks, strategic risks, reputational risks and price risks, is significant for the success of any business. This is reactor strategy/structure performance management.

According to Respondent R14, ***"If I want to increase my product line, I need to do a market survey to find out if I can sell that specific product in the market"***. If the success of the company is based on the successful introduction of new product lines, then managing the market risk is vital. The respondent further said, ***"If I need to install a new plant or unit, I survey the area and check viability of the new setup in the area before establishing it"***. These are common risks to analyse before expanding the business. If the risk analysis is done appropriately, then the chances of success are much greater.

Risk management process

F1/2: Identifying the current or potential risks is very important. Otherwise a company will not be able to deal with them. Not knowing the risks in advance can lead the company into a bad situation.

Respondent R15 said, ***"We keep an eye on past risk-related events and try not to face the same risk again".*** Here, the respondent is practising the initial step in the risk management process. The respondent further added, ***"We continually check the old and new emerging risks from time to time".*** This means that the company owner also expects new risks to arise, which have not been faced by the company in the past. The respondent went on, ***"For example, if we get any problem in outsourcing, we change the vendor because we can lose customers due to low quality of the products".*** The company does not want to compromise on the quality of its products, but apparently only mitigates its reputational risks.

Respondent R8 does not have the setup to identify the risks before they happen. According to him, ***"We do not have advanced setup for identifying risks; we do***

not know if the risk is severe before it happens". So, the company does not know how to mitigate the risks before they actually happen. If the company had an advanced risk identification plan, then it would face no damage, or if damage occurred, it would do so to a lesser extent.

F1/3: Networking and news are a significant source of potential risk identification; it is mostly SMEs that used this source to identify the risks in advance.

According to Respondent R13, ***"We check the surrounding news and do networking to predict the future of the business according to that information"***. The respondent here gave a concrete example: that of the 9/11 attacks, which caused Pakistan to lose most of its market after the attacks, and directly affected his own market negatively. He mentioned that ***"The image of Pakistan affects our business either if it is in a good way or a bad way"***. If the country of Pakistan faces problems in import and export, it directly affects the local markets in the country, which causes the business to face various risks.

F1/4: Risk evaluation comes as a third step in the risk management process; it is a critical part of dealing appropriately with the risks. After the identification and analysis, it is essential to determine the risks' importance. Based on this evaluation, the company will try to mitigate the risks.

In response to the question about risk evaluation, Respondent R10 explained, ***"We try to mitigate the risks which are related to the customers".*** Respondents R1 and R10 mentioned that they give priority to customers, and that their companies take seriously any risks related to the customers. Furthermore, Respondent R10 said that the company tries to mitigate customer-related risks. Respondent R10 added that, secondly, ***"We prioritize to manage the risks related to our competitors"***. Due to high competition, the company should not avoid considering those risks which damage the company business strategy vis-à-vis its competitors.

Respondent R4 mentioned that ***"We give priority to mitigate the reputational risk because we try not to lose our customers"***. When the reputation of the company is damaged, the first thing the company loses is its customers; therefore, Respondent R4 also paid great attention to reputational risks as a priority. Respondent R4 further explained, ***"In the case of price risk, we will lose our profit margin, but we can manage our loss in the next contract with the same customer"***. This risk analysis approach indicates that the company wants to preserve a long-term business relation with its customers by maintaining its good reputation.

Respondent R15 gave a similar answer; namely, ***"Quality control is our priority. By providing bad quality products, we can damage our reputation"***. The company focused on the risks related to its customers and its reputation. The respondent added that ***"In the case of any problem, we happily refund or change the purchased products"***. Through this attitude the companies seek to build their buyers' trust for the sake of future contracts.

F1/5: According to Respondent R16, they ***"sort out those risks, which first affect the business most"***. All companies do their utmost to achieve their business goals, and when faced with any risks, they will change their business strategy to make sure of achieving these goals. The company first tries to mitigate those risks. It is a common practice in most companies to sort out the most potentially damaging risks first.

F1/6: Uniquely, Respondent R6 responded that his company considers the root causes of risks and tries to minimize the risks from the roots upwards. He says, ***"We always try to give priority to labour risks"***. According to the respondent, if they do not assign importance to this factor, they cannot produce quality products, a situation leading to many risks such as quality risks and reputational risks. The company can survive all other risks, but labour risks can be more severe than others. Respondent R6 added an example of Saga Sports in Sialkot, a company famous for providing branded products for Nike. Saga Sports was ranked number 28th on Nike's list of suppliers. The company introduced the strategy of investing in their workers. It invested in programs to enable their labourers to learn new skills, and gradually Saga Sports climbed to the top of Nike's suppliers list! According to the same Respondent R6, ***"When you train the labourers, they can manage to mitigate almost half of the risks of the business"***. The respondent is very focused on investing in labourers. The reason is that it is mostly ordinary unskilled workers who are involved in the production of the goods. He therefore insists that, by giving them new training and skills, he can reduce numerous risks to the company.

F1/7: Respondent R2 says, ***"Our company tries to sort out the most frequent risks"***. The company is always vulnerable to those recurring risks which affect it from time to time and disrupt the business routine. Even if a recurring risk is insignificant, the company may decide that such risks need to be reduced first, because otherwise the company often ends up spending most of its time, energy and resources on undoing their effects. On the other hand, if there are any unknown greater risks that only emerge occasionally, the company may decide not to give these risks priority over the smaller ones, because solving them once they occur does not require that much energy and time.

Risk management is a process, not a project that can be "finished" and then forgotten. The business, its environment, and its risks are continually changing. So, the process should be consistently and continually monitored. When respondents were asked whether they revisited risks that had arisen in the past, almost 50% answered yes; while the remaining 50% said that they did not need to, or that they did not have the time to monitor the risks constantly.

F1/8: According to Respondent R10, ***"We do not have proper monitoring for the previous mitigated risks but keep an eye out for the future risks"***. This is the case with most of the companies. They forget about the risks which happened in the past but try to transform these past risks into opportunities. Furthermore, Respondent 10 claimed that his company keeps an eye out for future risks; but they did not have any set of procedures for that.

F1/9: Apparently, from the answers of the respondents, we cannot establish whether they had any set of procedures for risk monitoring; however, the majority of them answered "yes": they did monitor the risks thoroughly.

According to Respondent R4, ***"We do monitor the risks; risk management is a continuous process. Therefore, we cannot avoid monitoring"***. The respondent was unable to explain further how that company monitors the risk management process. Respondents R13 and R14 also said that they practised a simple process of monitoring, but that they did not have any tools for monitoring the risks. According to Respondent R14, ***"We monitor the past and future risks daily. We try not to repeat the same mistake which causes any significant risks"***. Respondent 14 is the owner of the company. He said that he monitors the risks, but he was unable to explain the monitoring process further.

Performance measurement

F1/10: Respondent R16 said, ***"We take an average of our sale and then calculate the income every month, then compare with previous months"***. This company basically analyses its total sales and then compares its income and losses. If the company’s progress is not adequate, it finds out the root cause of the risks to the business and tries to mitigate those risks for future security.

Risk management organization

F1/11: Similarly, Respondent R3 mentioned that ***“We do not monitor the risks that happened in the past”***. The respondent could not explain his answer further, but from his words it is crystal clear that the company does not practise any system of steps for monitoring its risk management process. Respondent R6 proudly claimed that even though he does not monitor the risks, ***“I have been in the business for years. I keep an eye on the events that happened in the past and the current situations of the risks”***. Keeping an eye open is thus his form of monitoring, but he claims that he does not do monitoring according to any fixed schedule.

4.2 Impact of business strategies on risk management

This important theme emerged during my research when the respondents were asked questions about their company business strategy and the associated risks they faced because of their adopted strategy. The follow-up questions were about the type of risks they experienced as a result of following a specific business strategy.

F2/1: The majority of the respondents indicated that their companies had specific business strategies and that they recognized various risks, for example reputational risk, financial risk similarly the risk attributed to price volatility stemming from the nature of their businesses.

Respondent R1 mentioned that his company ***“faces financial risks due to their adopted business strategy, such as providing a large number of varieties of goods”***. With limited resources, the company produces a wide variety of items, this being the only way for it to maintain its share in the market. Should it choose to provide a smaller variety, this would lead to another type of risk, namely, that of losing customers. Because of adopting this “wide variety” strategy, the company needs greater financial strength in the form of working capital, since there is a higher probability of something going wrong with a larger number of products. However, it is not always possible to attain this financial strength due to the highly competitive current market that drives potential profits to a very low level. With lower profits, and a higher variety of products, the level of risk becomes quite high. This financial difficulty limits the business options available to the company and its business strategy.

F2/2: Respondents R2 and R8 indicated that their companies face different types of risks, such as strategic risks and price risks, during the implementation phase of any new business strategy. Respondent R2 indicated with certainty that his ***"company faces financial risks during the implementation phase of each new business strategy"***. Implementation of a new business strategy always comes with uncertainty, and to make matters worse, the success of a new business strategy is dictated by the current market and the competition, both of which can vary. A new business strategy can create unexpected costs leading to financial risks, as a result of which the company may face financial hardship.

Participant R8 proudly commented that his ***"company always tries to identify the potential risks before the implementation of a new business strategy"***. However, he was not willing to discuss his methodology. He concluded, ***"If we can mitigate the risks, then we try to mitigate. But if the risk appears to be not manageable, then we adopt another business strategy"***. Once the risks during the implementation stage of a new strategy have been identified, the company first attempts to mitigate these risks. If it becomes clear that mitigation of risks related to a newly proposed business strategy is impossible, or too costly, then the company will seek to adopt a completely different business strategy. This means that the company cannot

F2/3: Two respondents, Respondents R4 and R8, were unaware of the importance of risk management practice for their businesses; therefore, they paid less attention to risk management and considered it a one-off practice to adopt when launching a new product line.

Respondent R8 is confident about managing risks in his business. He claims that ***"We do not need to follow the risks thoroughly"***, as they would engage with proven-to-be-safe businesses only. The respondent had confidence in his experience either for implementing new business ideas or running the existing business strategy smoothly.

Respondent R4 mentioned that ***"We always adopt short-term business strategy as we only work seasonally"***. Similarly, during interviews, it became evident that most of the small sports manufacturing companies in Sialkot work only during or prior to the season of the relevant sports. Therefore, due to seasonality, the companies minimize their efforts spent on risk management procedures.

F2/4: In response to the question about the interconnection of risk management and business strategy, Respondent R7 said that his ***"company is always ready to amend***

or completely change direction of the current business strategy". The respondent clarified that if his company is struggling to manage the risks produced by the business strategy, then they abandon the current business focus by amending the strategy or creating another one. Respondent R7 added that ***"We always keep an eye on the potential risks"***. In the scenario of amending and adopting a new business strategy, the company always try to alert and to keep an eye on future events emerging from competitive situations, in order to identify potential forthcoming risks. According to Respondent R7, ***"Our company sometimes faces financial risks due to the immediate change in the business strategy",*** because the company, as a small business, has limited financial resources. In other words, it is financially difficult for the company to amend its business strategy in a short time.

F2/5: The small companies with limited financial resources are always vulnerable to price fluctuations. According to Respondent R9, his company ***"can only compete with other companies by offering lower prices"***. In addition, the company aims to purchase its stock when the currency exchange rate is stable, to avoid losses due to changes in the financial market. To survive, Respondent R9 indicated that the company ***"tries to find a unique market niche and target the potential buyers directly instead"***.

F2/6: Most often, large sports goods manufacturing companies do not provide customized products in small quantities. Respondent R6 revealed that with bigger companies in the market, ***"We offer our customers customized products according to their needs in any quantity"***. He added that, since they accept small orders, ***"Due to the initial cost of production, such as the design phase, and set up for sublimation printing machines"*** This is a clear example of how an adopted business strategy − in this case, the market-driven strategy of accepting smaller customized orders − can cause financial difficulties and therefore higher financial risks.

F2/7: Respondent R10 revealed that due to short-term financial difficulties, their company may resort to less ethical ways of surviving. In response to the questions on business strategy and risk management, the company owner (Respondent 10) shared the information that ***"If requested to, we sometimes fulfil the demand of our customers and provide them with replica branded products"***. The company adopts this method in order to manage its financial problems. Furthermore, Respondent R10 mentioned that ***"The production of replicas of branded products***

is not our intention, but we follow our customers' demand". It is found that both sellers and buyers may adopt unethical means of running their businesses. This can lead to a dangerous situation in which the local authorities can close down the business as well as imposing heavy fines.

4.3 Strategies for responding to risks

Strategies for Responding to Financial Risks

F3/1: Financial risks are the most common risks faced by SMEs in Sialkot. Every company responds differently to the need to manage financial risks. According to Respondent R10, ***"We do not expand our business until we are satisfied with our last financial year; we try to keep the company expansion in the limit"***. This is a very defensive strategy for managing financial risks. In this case, the company needs highly aggressive planning in order to expand its business. With this strategy, the company avoids financial risks by keeping the company's business at a low level, which is very limiting. Respondent R16 exercises the same strategy, explaining that ***"In the case of low sales, we do not invest more money in the business but rather invest the money somewhere else"***. The company is only willing to invest money if the business is going well. In other words, it does not take the risk of investing more money in the same business. Both these companies are defensive towards financial risks, avoiding financial risks rather than mitigating them.

F3/2: The company owner Respondent R1 mentions another strategy for responding to risks. He says, ***"I try to reduce the extra workers and try to keep the minimum credit with customers"***. Firstly, the company tries to reduce the number of extra workers, since each worker is seen as a liability who may generate risks to the company in the future. Secondly, the company keeps customer credit to a minimum to avoid financial risks. However, this can sometimes lead to other risks, such as competitive risks. If the company does not extend credit to customers, they may be attracted to other companies that do allow purchase of stock and products on credit. Respondent R2 holds the same belief, stating that ***"We can better capture the customers through cash business, while also avoiding financial risks"***. The respondent claimed that they prefer to deal with customers through cash transactions rather than credit. This reduces the financial risk of bad debts. He explained further that the company offers a reduced minimum price compared to the market price, as an incentive for the customer to purchase its products in cash rather than on credit. This is challenging for the company, which will earn less income but will also avoid the financial risks inherent in credit transactions.

Another company, that of Respondent R6, adopts a somewhat similar strategy to that of Respondent R1 regarding workers. According to Respondent R6, ***"We prefer to hire permanent workers instead of temporary workers"***. The primary reason is that the wages of temporary workers cost more than the wage of a full-time permanent worker. In addition, permanent workers can contribute by working overtime during busy periods. Permanent workers are more loyal to their jobs and do not let the company down. They are also more knowledgeable about the demands of the company's customers and can offer better help in solving customer relations problems. In this way the company avoids financial risks through reliance on the help provided by permanent workers.

F3/4: At times when the company is facing financial hardship, Respondents R8 and R13 avoid financial risk by offering new deals to their existing customers. According to Respondent R8, his company tries ***"to get in contact with the existing customers and offer them the products at a discounted price"***. Through offering a discounted sale price on their products, the company entices the customer to make a new purchase and can thus convert its stocked goods into needed cash flow. In this way, the company can survive in the short term; however, offering low prices regularly can cause it to lose its extra margin. In addition, the customers can demand the lower prices in the future, when it may not be possible for the company to offer them.

F3/5: Due to the local business customs in Sialkot, people try to get financial help from their friends and family in the event of financial crisis. According to Respondent R14, ***"In the time of financial crisis to the company I approach my family and friends for the help"***. In this way, the businesses avoid taking loans with high interest rates from the bank. Taking financial help from family and friends is a good strategy but is not available to every businessman.

Strategies for Responding to Price Volatility Risks

F3/6: SMEs are particularly vulnerable to price volatility risks because of their limited financial position. The majority of companies purchase their stock while the currency rate is stable; otherwise they would have to increase their products' prices. According to Respondent R10, ***"We buy the stock after the sale is confirmed to reduce the***

chances of price volatility”. Once the company has finalized the deal with its customers, it tries to purchase the raw materials immediately, without wasting time. By this strategy, the company can avoid price volatility risks. However, there is always a chance that, by acting in a rush, the company will purchase low-quality products by mistake, or will have to knowingly compromise on quality. This situation can lead the company into product quality risks which are more harmful to the company than price volatility risks, since bad quality products can cause the loss of loyal customers. According to Respondent R16, ***“We stock the raw materials one year in advance; we quote to our customers according to our purchase price”***. This company adopts one of the best strategies for dealing with price volatility risks, but to adopt such a strategy the company needs to be strong financially. In addition, there is always the risk of the current stock prices going down, so that the company must struggle to compete with rivals that have used raw materials bought at the currently lower prices. Similarly to the previous respondent, Respondent R12 mentioned that ***“We keep stock in low quantities, but we always keep an eye on the market and buy the stock in advance if we see some changes in the market with low prices”***. In adopting this strategy, the company needs to be alert at all times so as to get the right price on its purchase.

Sometimes, companies work with only one or two customers, starting another project as soon as that contract is finished. Respondent R6’s company is among these; according to him, ***“Our orders are never in huge quantities, we get orders for approximately five to seven thousand pairs”***. The company then tries to finish the order and deliver it to the customer immediately. The risk of price volatility can be reduced in this way, but the company cannot expand due to the nature of its business strategy. Respondents R2 and R4 avoid price volatility risk with the help of networking. Here, the company takes decisions based on the information spread available in the media about the current market. According to Respondent R4, ***“Imported goods play an important role in our business. Therefore, we keep an eye on the global market”***. The company deals by the dollar with foreign companies to purchase their raw materials. Based on the information circulating on the market, the company takes its decision. Again, the company needs to be alert at all times when implementing this type of strategy.

Respondent R4 further confirmed the reality of this risk with an example from previous experience. The company had won a contract from a German company; the exchange rate of the euro was 116 at the time the contract was awarded. The company had quoted a price to the customer based on this current rate. Then the company got busy with other projects and did not deliver the products immediately. Due to currency fluctuation, the euro exchange rate increased to 142, but the company could not charge their customer an extra amount to compensate for the fluctuation. They had an agreed contract price and the company feared losing the customer if they asked for currency fluctuation compensation, so they carried the burden and lost a substantial amount of money on that order.

F3/7: Another strategy adopted by companies is to agree with their customers to review the contractual prices periodically and increase them as necessary. Respondent R14 represents one of those companies, saying, ***"We increase the price to our customers. We do not think it is a risk because we explain to them about the price volatility, and most customers understand that. The price cannot be the same all the time; there must be ups and downs in the price"***. The respondent is confident that the change in the contract cannot have an effect on the company's reputation. Respondents R3 and R8 adopt the same strategy and update the customers with their price changes. According to Respondent R8, ***"I try to revise the contract with the customers and try to convince them to revise the contract"***. The companies do not want to lose income, but this revision in their contracts can expose them to the risk of losing their customers in future.

F3/8: Surprisingly one of the company owners, Respondent R16, mentioned that ***"I do not increase the sales price of our items if something comes up in the shape of price volatility"***. The owner thinks that, to ensure a long-term business relationship with its customers, the company should not revise contracts. The company may be affected for the time being but can benefit in the coming time.

Strategies for Responding to Reputational Risks

F3/9: Reputational risk, often called reputation risk, is a risk of loss of revenue resulting from damage to a firm's reputation. The majority of the companies face this type of risk, and company owners understand it and the reasons behind it very well. Every company thinks about its reputation in its own way. Respondents R1, R10 and R13 think that they can address their reputational risks through negotiation with their customers. According to Respondent R10, ***"In case of customers that are unsure of our reputation, we provide them with free samples so they can see the quality of our products".*** The company owner thinks that reputation can only be damaged by low-quality products. Therefore, the company only considers the quality of its products as a means of avoiding reputation risks.

Respondents R2, R8, R13 and R14 manage their reputational risks through price adjustments. Similarly, Respondent R16 mentioned that ***"If the customers are not happy with the quality, we try to adjust the prices"***. This respondent adopts the same strategy as R2, R8, R13 and R14, but will also offer a partial refund if the customer is not happy with the delivered product quality. The respondent will also try to provide good quality products in the future. However, this strategy can only be used a certain number of times, because if the company keeps on repeating the same performance, it will lose its reputation and finally its customers. According to Respondent R16, ***"The customers can accept the low-quality error once, but they cannot accept it repeatedly"***; therefore, the company tries not to repeat the error.

Most of the respondents only consider the quality of the products as a source of reputational risk. Therefore, they only think about product quality rather than of all the possible sources of loss of reputation. According to Respondent R13, ***"The customers always request samples from many suppliers. Therefore, our focus is always on high-quality products"***. The respondent thinks that the company can even lose customers before a deal is made, because the customers always try to check samples from a few other companies before ordering.

Sometimes a reputational risk may be caused by the customers themselves. An example of this is when they ask for replica products, which is ethically not acceptable. According to Respondent R13, ***"We provide a replica of the branded products on the customer's demand"***. To meet the demand, the company produces a replica of the branded products. In this case, the company does not face any risks from the customer's side, but they continuously face the risks of legal action by the concerned authorities.

Strategies for Responding to Strategic Risks

F3/10: Strategic risk is the risk of a failed business decision, or lack thereof, that may harm a company in any way. The majority of SMEs in Sialkot fail due to weak decisions taken with limited information regarding the risks they could face as a result of, or even during implementation of, such a business decision. The companies manage this type of risk with different strategies. According to Respondent R10, ***"We try to do local networking before trying a new business strategy"***. The company believes that it can avoid strategic risks with better networking. However, the company also thinks that sometimes this strategy can fail due to the involvement of competitors.

F3/11: The company takes a proactive stance and also reviews its whole business plan while implementing any new business strategy. According to Respondent R14, ***"We review our business plan and act accordingly"***. The company always acts according to its business plans, and when implementing a new strategy it will always take steps that are in line with the plan. However, whenever it feels that the new strategy cannot adapt to the original business plan, then the company will review the business plan to see if it needs modification.

F3/12: Respondents R1, R2 and R8 do their research through the internet and consultants who are experts in their business field. According to Respondent R1, ***"I always try to do some research before any new strategy"***. Research into the company's business field is very important. In this way the company can be aware of any new trends and markets and act accordingly. Those companies which do research before implementation of a new business strategy do very well and face few challenges while implementing and running new strategies.

F3/13: Some companies do a pilot test before fully implementing a new business strategy. When they decide to launch new products on the market, they first try to share the samples with a few clients. According to Respondent R16, ***"We start selling the new products with fewer sales"***. The company only produces the new products in small amounts, so they can avoid the substantial financial loss they could face if the sale of the newly produced products did not go according to their expectations. The company will later increase production when it has confirmation of a high demand for the new products.

4.4 "Difficulties in implementation of RM"

During the interviews, the subject of key difficulties to implement the risk management system was raised in a general context. The seven difficulties which mostly influenced the implementation of a risk management practice in organizations were obtained from the responses of the interviews. These difficulties include both organizational and environmental factors. These key issues are listed and discussed in further detail in the paragraphs below.

Financial Limitation

F4/1: The majority of the respondents think that the primary reason for the difficulty of implementing risk management in their companies is the financial limitation.

According to Respondent R10, ***"Their company keeps the expenses to a minimum level due to limited financial resources".*** The company cannot bear the cost of implementing a risk management practice; therefore, it avoids such practices.

Respondent R14 knows the importance of employing a risk management expert within the company. In fact, he says, ***"We need a risk management expert who can manage all these risks within the company"***. Here, the company fully understands that how risk management is important but due to unstable financial conditions the firm cannot hire a risk management team.

Respondent R15 understands that to avoid quality risk, his company needs to invest in machinery. According to Respondent R15, ***"We need machinery to check the quality of the handmade products and reduce the quality risk"***. The company's owner thinks that investing money in advanced machinery, to assure and check the quality of the leather and durability of the hand stitching, can reduce the quality risk. The company realizes that it needs such machinery for quality checks, but due to a limited budget it is unable to invest in this advanced machinery.

Lack of Employees' Interest

F4/2: A lack of employees' interest in acquiring new knowledge is another reason for the difficulties in the implementation of risk management practices within companies. Almost 1/3 of the respondents think that their employees are not willing to adopt a new practice. According to Respondent R8, ***"Workers are not interested in getting involved in management level work"***. The company owner thinks that risk management is only limited to top management, or worse, only to the owners of the company. According to him, ***"The workers are only interested to keep to their assigned job"***. In such cases, the company should instruct the workers, during their induction into the company, that they should consider other tasks as well which are mandatory for the benefit of the company.

Another company owner, Respondent R2, said that ***"Employees are not interested in learning new skills because of the time"***. The company usually asks the employees to learn new skills after their duty time, which is unpaid. In such cases, the company should pay their employees for their extra time during training, or else train them during working hours.

Respondent R15 added, ***"Either the company owner does not accept the changes, or the employees are not happy with the new changes"***. The respondent believes that a company owner who does not understand the importance of risk management will, as a result of this unawareness, be unwilling to accept the changes. The respondent added that sometimes the workers do not want to spend more hours at work to receive training. In this case, the company owners should understand that risk management can save them more money than they would invest in risk management practices. As regards the employees, the company should introduce extra benefits and certificates for those workers who are willing to be trained and to adopt these new changes.

Lack of Government Support

F4/3: Most of the SMEs are vulnerable because of their limited resources, be they financial or organizational. Due to their vulnerability, these companies always need support from the government or other stable associations. Almost half of the respondents mentioned that, due to the lack of government support, it is difficult for SMEs with limited resources to implement risk management practices and overcome even the most basic risks. According to Respondent R14, ***"We do not have the relevant knowledge and resources to implement a risk management practice"***. The owner of the company thinks that with the relevant knowledge and resources they would be able to implement such a practice. He further said that to do this they would need training and financial help from the government. Respondent R8 stressed that ***"The government should convince and raise awareness about the importance of the risk management practice"***. Respondents R1, R2 and R8 thought that some of the companies could cover the cost of the risk management practice, but that due to unawareness of its importance within the country, they did not bother to implement risk management. The government should introduce workshops and training courses to make company owners aware of the importance of such practices. Once company owners realize the importance of risk management practices, then they might start to consider introducing these practices within their companies.

Another valid point was raised by some of the interviewees. It is felt that other stable organizations in Sialkot can help to fill this vacuum in awareness. Respondent R12 indicated that the Sialkot Chamber of Commerce is already doing well at helping SMEs with other issues, and so, if they could expand their help to awareness of and training in risk management practice, it would increase awareness surrounding risk management among SMEs in the country. According to him, ***"If the chamber of commerce also focuses on SMEs just as they do on large businesses, then SMEs can get benefits from it"***. The respondent shows his concern that Sialkot Chamber of Commerce is already helping large companies, but more needs to be done with SMEs. This help could allow SMEs to invest in new learning, such as education in risk management practice.

Another participant, Respondent R13, suggested that, while the government could help SMEs to implement risk management practices, it should first help SMEs with more basic things that are putting their businesses at risk. This respondent describes the electricity shortage problem in Pakistan and demands that the government help to reduce the hardship this imposes on SMEs. According to him, ***"Electricity is the primary cause of the downfall of the textile industry in Pakistan; the same downfall can also be faced by the sports goods industry soon"***. Electricity power outages are still a constant problem in Pakistan. With every power shortage, companies suffer great losses, both financial and reputational. To mitigate this problem, companies resort to using diesel or petrol-powered generators to assure a constant supply of electricity and keep production ongoing. But producing electricity with petrol and diesel fuel is much more expensive than producing it with mains electricity, and not all SMEs can afford it. The respondent thinks that if the government helps out SMEs by subsidizing fuel, such as petrol and diesel, then the companies will easily be able to bear the extra costs of electricity shortages. With such subsidies, the financial burden due to power shortages will be alleviated and will allow the companies to focus their investment on implementing better risk management practices.

Lack of Trust

F4/4: Due to the nature of the business, most of the sports goods SMEs in Sialkot are family-based enterprises. The owner, or else a group of family members, does most of the management level work. In most of these family-run businesses, skilled and manual labourers are only hired to produce the actual goods. In these cases, the company's ownership is not willing to involve any of the employees in management matters. According to Respondent R16, who is also the company owner, ***"A risk manager could not be as loyal to the company as I would be with my business"***. It is evident here that the company owner has trust issues and does not want to hire a risk manager because he thinks that the manager may not be loyal to the company. Due to this lack of trust in any employees, the company cannot sustain growth and will always remain the same. Respondent R16 further explained, giving the example of a purchasing manager position, that ***"If we need to purchase some products for the company, we as the owners will negotiate the best price with the supplier. But when a purchase manager does this for the company, they do not care about the price; they only fulfil their duty without any negotiation"***. The respondent said that he feels he will get a better deal if he negotiates with the supplier directly; while, if the company hires a purchasing manager, the latter may not bother to negotiate the best price and the company will lose money.

Another participant, Respondent R1, said that, as a company owner, ***"We are better at dealing with the risks as we are involved in every process of the business"***. The SMEs' owners normally managed most of the important company tasks. Therefore, the respondent believes that he can manage the risks better as he knows everything that happens in relation to risks within the company, including risks that arose in the past. Respondent R1 also mentioned that, as a business owner, ***"I am responsible for serving better my customers. If there is any complaint the customers directly contact us rather than the employees of the company"***.

Respondent R6 does not think that a small company with 20 to 25 workers needs a risk management practice. The company is a family-run business and top management levels are managed by his brother and father. According to him, ***"Due to being a family business we cannot implement risk management practice"***. The company takes decisions based on mutual understanding among the family members, without any pre-planned procedures for risk management.

Respondent R13 claimed, on the basis of his company's 35 years' experience, that he had gained the experience from his father, who had started the business. The respondent said that he runs the business with no hassle, and added, ***"There is sometimes up and down in the business, but one can learn with experience"***. The owner accepts that businesses do not always run smoothly, but says that he learns from each experience and moves on. In this case, the company takes a decision based on its previous experience of managing risks in different departments.

Limited Staff

F4/5: Due to limited financial resources SMEs cannot employ more staff. The owner does all the managerial work including internal tasks, such as dealing with workers, operations and HSE, and external tasks, such as dealing with suppliers, customers and governmental entities. Respondent R14 said, ***"One person cannot manage everything in business but we have limited finances"***. Respondent R14 believes that if he has someone who can focus on identifying current and future risks and come up with a solution to mitigate them, it would save the company from risks and increase its business.

Respondent R12 knows the importance of hiring skilled employees. He said, ***"If the business is good, then I can hire more skilled employees"***. The respondent thinks that once the business is going well and is earning more money, he can hire skilled employees to manage risk and implement a risk management plan. In this way the business can sustain its growth. In this case, the owner is not willing to invest in a risk management practice before the company is in a stable financial position. Similarly, Respondent R2 indicated that the low-level knowledge of the company's employees was one of the reasons for the difficulties in implementing risk management.

Unknown Risks

F4/6: Surprisingly, Respondent R4 said, ***"I do not think risk management practice is essential for small businesses"***. The owner of this company deals with risks in his own way; he does not think a proper risk management plan is a requisite of SMEs. The respondent explained that, as a small company owner, ***"I face a different type of risk"***. He also mentioned that his company faces different types of unknown risks in its day-to-day life. It is almost impossible for him to identify the risks and create a plan for mitigating them. He further observed that large companies work throughout the year, as a result of which they might need a risk management plan, but that his company is just a one-person show and works only seasonally.

4.5 Improvement of risk management practice

According to the answers of most of the respondents, it has been established that sports goods SMEs in Sialkot know the importance of risk management. However, they manage the risks in their own way. The owners and managers of the companies gave us their opinions during the interviews when asked whether they had any suggestions on how to improve the practice of risk management. The respondents came up with suggestions for three main fields of focus: company responsibilities, technology, and training and awareness.

Company Responsibilities

F5/1: Respondent R6 openly expressed his opinion that even the established SMEs hesitate to pay income tax. He further said that ***"If the companies pay the tax with honesty, the government can contribute in return"***. He suggested that if the companies paid their taxes, the government could then invest that money to help SMEs improve their position. If there is zero tax return from the various SMEs, the government does not take an interest in their welfare. In this case, the respondent blames his community of SMEs rather than blaming the government.

Technology

F5/2: Technology plays an important role in business environment these days. The majority of the respondents expressed in their answers the view that better technology can provide safe and fast business environment to implement the risk management plan. With every day that passes, technology becomes more accessible and can now provide plenty of opportunities for small businesses. A prominent example of the importance of technology is that SMEs with few resources can now get access to the international market with the help of affordable advanced technology. A while ago this was impossible for small businesses.

According to Respondent R4, ***"As a small company, we mostly get custom orders, which means that we deal with customer-to-customer for sales and supplier-to-supplier for purchase"***. Small companies mostly get custom orders from all over the world. To provide the necessary flexibility they must make use of technology, including, for example, advanced computerized machines for fast delivery of small customized orders, and internet connectivity to give access to their customers and suppliers worldwide. In addition, through good online access, the companies can reach their customers in no time and mitigate various risks such as price risks and reputational risks.

Respondent R4 further explained that ***"Risk management strategies should be shared with employees of the companies through software"***. The owner of the company mentioned the importance of computer software for sharing risk management strategies among employees. Software usage is also handy if the company has few employees or is even run solely by the owner. For example, software can play a vital role in keeping inventory records. With such inventory management software, the remaining stock can be viewed easily at any time, and the company can order new stock more efficiently when the inventory runs low. The respondent further said that employees and employers alike should have access to the software, and that they can communicate with each other through this technology.

Respondents R2 and R15 also considered implementing their risk management practice by means of risk management software. Respondent R15 said, ***"I am planning to introduce a software, and to keep the records of unaddressed risks"***. The company can also use the software to identify risks, keep a record of risks that arose in the past, and serve as a register of current risks. In addition, the software can help increase the working hours available for risk management, since the company owner or manager can work on it from home or on the go. Respondent R6 also mentioned that ***"Web access is the best solution to check everything; from currency rate to market demand"***. As the owner of the company, Respondent R6 is happy to use the internet to check the currency rate and purchase the raw materials accordingly. He also checks the demand for specific products through online market research, by checking the new trends.

Training and Awareness

F5/3: No doubt, learning new skills through training and becoming more aware of risks and their mitigation strategies are important factors. The majority of the respondents answered the relevant questions by saying that training and awareness needed to implement a risk management setup within the company. If the company management and employees know about the importance of risk management, then they will be keen to learn more to promote the success of their business. Respondent R10 said that ***"Proper guidance and resources can improve the existing risk management practice"***. Every company being interviewed practises some form of risk management in its own way. However, without proper guidance and resources these ways may not be failsafe. Most respondents feel that with proper guidance they can improve their risk management practice. Respondent R14 said, ***"We need someone expert who can instruct us and then we can follow his instructions for successful risk***

management implementation". The answer from Respondents R14 and R10 shows that they are willing to implement the risk management practice in their company but cannot do so due to the unavailability of guidance.

Surprisingly, Respondent R3 thinks that ***"We do not need any training as we have an expert team; we try to manage risks within our company"***. The respondent is confident about the way he manages the risks. However, there are times when overconfidence and unwillingness to apply new knowledge can bring a company to a losing situation. On the other hand, Respondent R12 is known the importance of risk management practice and indicated that ***"Even though the company is doing well, we still need to implement a risk management plan"***. He understands that, if the company does not keep an eye on risks and maintain a plan to mitigate them, then some bad event can easily take place and cause the company to suddenly collapse.

CHAPTER 5: DISCUSSION

5.1 Introduction to the Chapter

The main aim of this chapter is discussion of the research results. The sections in this chapter will focus on the results for each theme and evaluating their implications for the conduct of this research. The findings of the data are discussed in this chapter with reference to the literature review chapters to establish the validity of the results section, to identify unique findings that can contribute to knowledge, and to emphasize the rationale for conducting this research. The following sections outline, assess and discuss the development of a set of guidelines proposed as the recommendations for Small and medium enterprises in Pakistan, which may help to improve their readiness and capability for dealing with risks.

5.2 Discussion of Results

The previous chapter has provided the quality data which have been collected through semi-structured interviews with small and medium enterprises in Sialkot Pakistan. The findings from the primary sources are important in formative the outcomes of this research. The aim of this research is to explore the current state of risk management practice and its influences on operations in the sports goods industry in the city of Sialkot, Pakistan. It has been achieved through four main objectives. Every chapter in this thesis has been dedicated to a specific aspect of this research that addresses a component of the research aim and objectives. Despite the challenges experienced, the research has reached clear and useful outcomes that enable the researcher to determine the status of risk management practice in Sialkot, Pakistan, the risk management strategies adopted by SMEs in Sialkot, Pakistan, the difficulties faced by SMEs while implementing the risk management strategies, and the link between business strategy and risk management. Therefore, the research themes discuss the details of each objective and the outcomes reached through primary and secondary data collected and analysed using thematic analysis. This chapter answers the research question: To what extent would the chosen business strategy enable the firm to have a better fit with the business environment in the term of risk management?

To Answer this research question more substantially, the following business strategies will be discussed: retrenchment, innovation, and expansion to the new markets. This approach will provide a better illustration of the intersection of business strategy with the objectives of risk management and will link the discussion to the practical outcomes relevant to the needs of SMEs.

5.2.1 Retrenchment strategy

Retrenchment strategy is defined as “the reduction in assets and costs, especially through reduction in finished goods and inventory and reduction in the number of employees” (David, 2013; Hofer, 1980; Robbins and Pearce, 1992; Morrow, Johnson and Busenitz, 2004).

The current study found in the interview results that in a situation of financial difficulties companies try to reduce the workforce to save cash resources, which may have negative consequences, e.g. a decline in productivity and motivation amongst the remaining workers. Moreover, the remaining workers must carry an extra workload in order to keep up with production targets.

These findings of the current research are in line with numerous studies on employee motivation and performance. Downsizing causes lower identification with the employer, which in turn relates to lower performance of employees (van Dick, Drzensky and Heinz, 2016).

The possible outcome in this scenario is double-edged. On the one hand, companies can achieve cost savings and subsequent enhanced profitability. On the other, *workforce morale* and potential *productivity* may suffer, resulting in lower performance and high turnover of employees seeking more stable employment. Altogether, the result may be an increase in Reputational risk for companies, although, if they are aware of the consequences of this specific business strategy, such awareness could act as risk mitigation.

This study found that in a situation of financial hardship, companies try to keep the early purchase of raw materials and inventory to a minimum in order to save cash resources and also to lower storage costs. However, in the event of the company receiving a huge order, the purchase price might be more than the actual price, which may have a direct effect on the sale price, in turn posing a possible price fluctuation risk to the companies.

These findings of the current study are in line with numerous studies on asset retrenchment which show that in declined industries the cost retrenchment is positively related to improved performance, and asset retrenchment has a negative effect on the firm performance (Morrow, Johnson and Busenitz, 2004).

The possible outcome in this scenario is that the sale price of products increases, which can either damage the company's reputation by breaching the contract with existing customers or lose potential customers due to price competition in the market. The businesses may become dependent on the supplier in term of prices, leading the companies into increased Price risk. The companies can overcome the consequences of such a strategy through targeting niche products, so that, with less competition in the market, they can adjust the sale price according to the purchase price.

The result of this study shows that when faced with continued losses and declining sales, the companies suspend further investment in the unsuccessful market and products. Shrinking the business can have a negative impact on it, but with tactics such as closing unprofitable manufacturing units and cancelling plans to open new units, the company can manage to overcome it and avoid further loss.

The companies adopt retrenchment strategy because of sustained losses and/or decline in sales due to changes in consumer behaviours or emergence of new competitors. By adopting this strategy, the company may face an increase of strategic risk. Identifying and then mitigating the strategic risks in a preventive manner will enable the company to cut costs and thereby lower prices to stay competitive.

But the current research supports the findings of previous studies by indicating that the business owner/manager should decide on retrenchment when resource availability is high but financial performance is low.

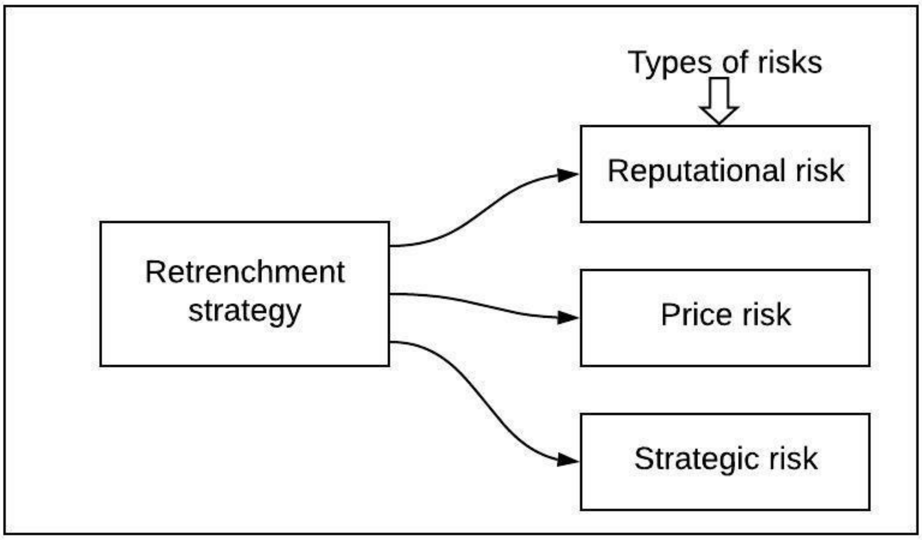


Figure 3 associated risks with retrenchment strategy- by author

5.2.2 Innovation strategy

Innovation strategy is an aggregate name for various long-term approaches considering innovation as an integral element of forthcoming changes. According to Pisano (2015), the key aspect of such a strategy is the reliance on a pipeline of innovation in a business rather than aiming at one specific innovation.

According to Ericson and Pakes (1989) that in reasonably efficient markets “superior” organizations have a more chance of surviving and growing. While innovativeness is a central criterion of “superiority” in firms, it is also a risky practice due to the uncertainties inherent in the market’s acceptance of innovations.

It has been found in this research that due to manual stitching or other hand working, most of the companies cannot provide a large quantity of products in a short time. This may trigger higher financial and reputational risks, since to compete effectively and provide a larger quantity of products of sufficient quality in less time, small companies need to install new, often computerized, machinery which can increase their productivity.

To install new automation, the companies need to invest more in their manufacturing setup, which puts them under significant financial pressure. Mitigating this kind of financial risk is usually possible via the sale of unnecessary assets or a loan from the bank, which, however, puts a strain on the amount of small firms' working capital.

It has been noted that sufficient automation can generate good quality in large batches of a product, especially in the case of new, innovative products, but this study found that most of the sports good's users prefer handmade products. Similarly, in the Canadian 1993 survey of innovation and advanced technology, advanced technology users identified a wide range of benefits such as improvements in productivity, product quality and working conditions; but surprisingly, the users voiced a preference for handmade products. This attitude may neutralize the benefits of lower production costs stemming from such factors as lower labour requirements and inventory, reduced material and energy consumption, increased equipment utilization, and reduced product rejection (Baldwin et al., 1996).

It has been also found in this study that, due to outsourcing, product quality and on-time delivery represent serious problems. When companies cannot establish a flexible in-house setup for manufacturing different types of products, to fulfil the customers' demands they may outsource some parts of larger orders. Consequently, involvement of third-party providers may delay product delivery besides resulting in lower quality goods.

These findings are in line with various research on employee's motivation and performance. The firms that possess superior learning capability are willing to question their operational processes and routines and make adjustments following feedback obtained from customers and channels, thereby enhancing their abilities to develop more new products and deliver products more quickly to the customers (Sok and O'Cass, 2011).

Through innovation in the company setup, including installation of advanced machinery and hire of skilled workers, the companies can produce high-quality products in house and possibly avoid the Reputational risk faced by the firms due to outsourcing to third parties.

It has been found in this research that firms fail to introduce new products to the market due to limited skills and competences of their workers, as a result of which the company cannot compete effectively, and may face an increase in financial and reputational risks. Work-related training does have a positive impact on earnings (Feinstein, Galindo-Rueda and Vignoles, 2004). The present research expands these views by indicating that training could possibly work better while the employees are on the job.

The reason is that unskilled labour can be characterized by limited willingness to acquire skills in working with advanced machinery or producing state-of-the-art products. If the company mitigates this strategic risk by incentivizing workers financially, it can overcome this obstacle.

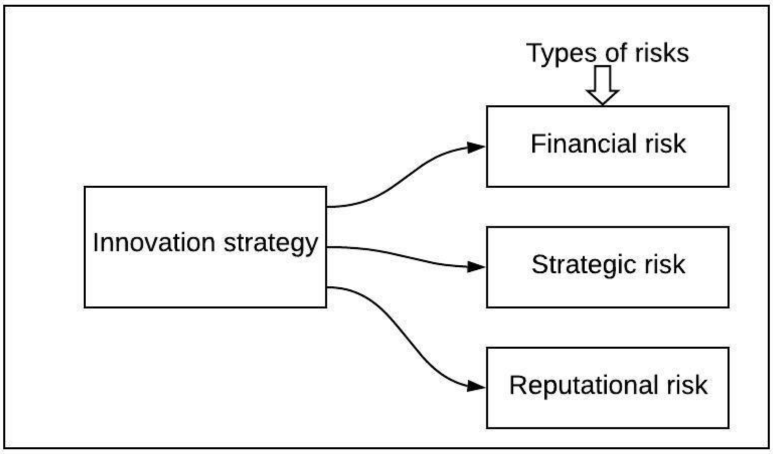


Figure 4 associated risks with innovation strategy- by author

5.2.3 Expansion to the new market

Expansion to the new markets as a strategy is associated with growth strategies and often relies on the foundational work of Ansoff (1957; 1993). The first phase of this strategy emphasizes Market Development as a way of entering new markets using existing products.

The current study found that in situations of price fluctuation, the company can quickly change its business strategy and target a unique business strategy such as selling niche products and meeting the demand globally in small quantities at better prices.

These findings of the present study are in line with numerous studies on adopting niche markets or products. Parrish, Cassill and Oxenham (2006) suggested that targeting consumers is important factor to understand when embarking on the sale of niche products. They added that marketing plays an important role by communicating product attributes to the niche market audience.

However, adopting the strategy of expanding marketing operations in the current market by offering unique products can lead to unknown risks. By identifying and mitigating these risks the company can avoid an increased Price risk and implement the new strategy successfully. The current research further found that by identifying the unknown risks and then mitigating them it is possible to implement a more successful strategy involving niche products.

It has been found in this research that the companies need to conduct market research prior to expansion of their operations to the new potential market. If the success of the company is based on successful entry into the new market, then managing the market's strategic risk is vital.

Alliances with partners and local knowledge hubs can be an effective strategy for overcoming the deficiencies SMEs face in respect of resources and capabilities when they plan to expand into international markets (Jan and Paul, 2001). If the company conducts an in-depth study of the new market, it can proactively find the relevant risks, mitigate them, or at least be ready to face them. Hence, by managing strategic risk proactively, the company can successfully expand its operations to the new market. This research amplifies these views by indicating that companies can adopt a defensive strategy of entering new markets with minimum investment, and if unsuccessful can cut their losses and close their operations.

It has been found in this research that due to unknown risks, the majority of SMEs in Pakistan have been unsuccessful in expanding their products into the new markets. Offering current products to a new market always comes with uncertainty, and to make matters worse, the success of a chosen strategy while expanding into a new market is affected by the new market's conditions and competition and varies from market to market. A new expansion strategy can lead to unexpected costs, often resulting in financial risks and even financial hardship. Similarly, Altman and Sabato (2010) mentioned that, because of the smaller in size, SMEs lack adequate financial resources to accommodate their growth in the form of expansion of current products into new markets.

Therefore, the answer to the posed research question can be summarized as follows: the chosen business strategy would enable an organizations to have a better fit within the environment of business in the context of risk management to quite a high extent. This would enable SMEs to be more competitive. Smaller firms can strengthen their internal processes, including the implementation of competitive strategies and risk mitigation approaches, to achieve higher levels of profitability.

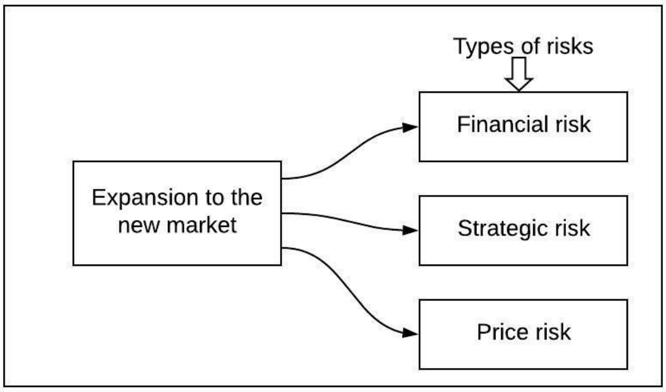


Figure 5 associated risks with expansion to the new market strategy- by author

5.3 Impact of the current study

Business strategy and risk management in SMEs are missing and there was very little reference to these two terms during the collection of primary data.

Results obtained from the current study highlighted the need for a framework within which to investigate the connection between business strategies and risk management in the participating companies. This framework enables us to establish, with empirical evidence, that risk management has notable relationships with business strategy. This research work confirms that management of price risk, reputational risk, and strategic risk are important predictors of the selected bespoke business strategies. This research finds that risk management in SMEs plays a critical role in meeting their goals through business strategies.

The main findings presented above also tries to find the specific areas in which this research has contributed to the body of knowledge. It also investigates other areas that needs improvement, which could be achieved by these recommendations; as well as areas that can influence further research in this field of study or similar ones. In light of this discovery and these findings, the next section discusses the recommendations emerging from this research.

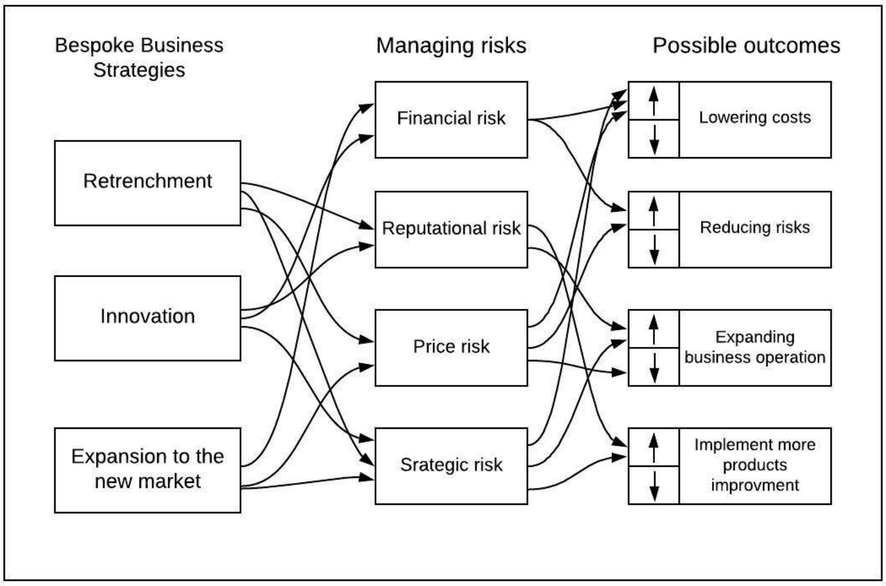


Figure 6: Risk management framework by author

To make the practice better and the capacity to deal with risks in Pakistan SMEs in the sports industry, especially in relation to bespoke business strategy development, it is significant to organize forums that work on providing education to business people and increasing awareness of the risks among them and the likely impacts on businesses when they occur. As identified in this research, there is a lack of awareness among the SMEs regarding risks in their companies, thus emphasizing the importance of joint efforts and a responsive approach. Such an organization will help to find out the factors that need to be improved within risk management practice. It is certainly important to increase knowledge and awareness of risks to fill the gaps identified and achieve the projected outcome of research objectives.

CHAPTER 6: CONCLUSION

The purpose of this research was to explore the current state of "risk management practices" within the sports goods industry in Sialkot Pakistan.

Objective 1: “To identify the current state of risk management practices in the participating companies.”

Objective 1 aims to investigate to find out what are the main aspects that should be looked into while establishing a risk management setup; it is also found out that which tools and techniques are used in practice.

The findings have proved that SMEs have significant shortfalls of risk management. The interviews with owners/managers of the companies have confirmed that the lack of risk management presents in every size of SMEs. In micro businesses, the owner of the business takes his/her own decision within his mind regarding risk.

Objective 2: To evaluate the most common risk mitigating approaches in the participating companies.

The second objective mainly produced the finding that there is a need for more effective mitigating strategies to four type of risks: financial risk, price risk, reputational risk and strategic risk. The findings of this objective proved that in Pakistani SMEs, the current mitigation strategies are based on "tangible and intangible" factors.

Nevertheless, mitigating approaches in Pakistani SMEs are not sufficient to deal with the risks, which are discussed in the literature review. Hence, the above findings confirm the importance of risk management improvement.

Objective 3: To explore the difficulties influencing the implementation of risk management strategies in SMEs in the Pakistani sports goods industry.

The third objective provides key findings about the many factors that affect the implementation and as well as the practice of risk management within sports goods SMEs in Pakistan. The outcomes of the study indicated that the need to adopt an appropriate risk management process that will meet the SMEs' requirements presents the first important difficulty. This process is necessary due to the inability to understand the extent to which risk management needs to be conducted using dedicated resources in order to achieve business goals through a bespoke business strategy.

The link between risk management and business strategy found in Pakistani SMEs is almost none. Hence, it is strongly recommended to focus on the improvement of the level of knowledge.

Objective 4: To explore the connection between risk management and business strategies in the participating companies.

The fourth objective of this study helped to establish that chosen business strategy would enable firms to have a better fit with the business environment in the context of risk management to a significantly high extent. This would enable SMEs to be more competitive. Smaller firms can strengthen their internal processes, including the implementation of competitive strategies and risk mitigation approaches to achieve higher levels of profitability.

6.1 Practice and theory contributions

SMEs, along with other stakeholders such as government organisations also has practice implications of research findings. If there is no connection between business strategies and risk analysis, this behaves weaken or useless the risk management process. Hence, the current unsystematic risk management is not according to standard procedure.

The research also direct and to guide us about the different types of risks. The current study can help firms to identify the risks correctly, and according to their needs, even they are newly emerged as well as to mitigate those risks. Using the findings of this research, the companies can standardise risk categories during strategies development level and provide structure approach in risk mitigation.

In the last risk, managers can be benefited from the establishment of risk categories; the proposed risk model can help them to embed the risk management in the company business strategies according to regulation and compliance. The critical practice implications are mentioned below.

• To ensure comprehensive and transparent risk evaluation, adopt risk management framework.

• Understanding, managing and identifying the newly emerged risks by a single point

Risk Identification and mitigation is a scientific process but can also be seen as an art due to the nature of steps in it. Therefore, this research can be expanded to other industries theoretically and in practice.

This research contributes to the current literature in SMEs field, strategy and risk management. The study investigates a facilitating part of business strategy in risk management and business competitiveness; The previous research oversight the facilitating role of business strategies and risk management in the competitiveness of the business. In the Literature review chapter, it has discussed that the work of Porter's generic strategy played an essential role in the firm's performance and to discuss risk management. But Porter's work on strategy does not help the current dynamics of businesses nowadays, as it is outdated.

Furthermore, (Asghapour et., 2017; Callahan & Soileau, 2017; Yang et al., 2018)have worked on the connection between organizational performance and risk management, but all of the above researchers do not mention or consider the mediating role of business strategy in the whole context within the developing economies such as Pakistan.

Additionally, it has been figured in studies that amongst newly established businesses in developing countries, the failure ratio is high (Anwar, Shah, & Khan, 2018). This study can serve as an eye-opener for SME management about the importance of configuring the internal practices of their companies to cope with the fear of failure. Compared to larger firms, smaller firms face more problems. Thus, through risk mitigation approaches, and the implementation of competitive strategies to achieve higher levels of profitability, smaller firms should strengthen their internal processes. Moreover, according to this research business can affect the business strategy and risk management in the developing Pakistani economy. The application of the findings of this study would be on the emerging and developed markets similar in characteristics to Pakistan.

6.2 Limitations of this study

In Pakistan, there is a lack of empirical research on SMEs; one of the reasons is the source of data. The researcher conducted many enquiries with the officials and responsible people but could not get any necessary data about SMEs. Finally, the Punjab Skills Development Fund (PSDF) provided the 2016 database of sports goods SMEs in Sialkot Pakistan. The said database updated every three years. Therefore, the necessary data may not reflect the current state of risk management within the SMEs.

Secondly, SMEs in Pakistan has a heterogeneous structure in term of their sizes, employees Etc. The study was aimed to cover all sizes of SMEs, but because of the majority number of SMEs are micro; therefore, the research dealt with micro firms in large number with accepting the fact of sample bias.

The semi-structured interviews were conducted through Skype. Using Skype, therefore It was not possible to conduct face to face interview and share the space with respondents; this was the reason I could not keep continued the social contact with the respondents. By, face to face interview and offering a cup of coffee or tea can create a good communication. Therefore, it was quite challenging to get an in-depth understanding of questions and answers.

6.3 Recommendations

There was a limited understanding of risk management in Pakistani SMEs within the sports goods industry by the time of the study was conducted in 2016**.** The purpose was to investigate the more extensive overview of the "current state of the risk management practices" in Pakistani SMEs within the sports goods industry. Therefore, those who were interviewed was a small sample of SMEs. By utilising a large-scale survey and including a representative sample of Pakistani SMEs in the sports industry, this approach can be expanded. This will ensure a more grounded approach in the factual situation to prevent risk management through the anticipatory and pacifying business strategies effects.

APPENDICES

Appendix A: Research ethics approval

From: Abertay Ethics System
To: SHAH KHALID
Subject: Ethics form submission
Date: 04 December 2017 12:48:04

Thank you for your form submission. You should be notified of the outcome soon.
You can review or amend your submission using the link below.

Name: Shah Khalid
Student/staff number:
[redacted]
Abertay email address:
[redacted] Changes from previous submission:
Change of research focus Module Code: PG
Project Title: Risk management in small and medium-sized trading and manufacturing enterprises in the Pakistan sports goods industry
Main aim of project: The study aims to explore the internal and external factors influencing the risk management practices in Small and medium-sized enterprises in the Sports Goods manufacturing Industry in Sialkot, Pakistan.
Proposed start date: Mon Dec 11 2017 Proposed end date: Sun Sep 30 2018
Site of research: Abertay University, using Skype
What is the nature of this research?: Sensitive emipirical research
Special issues with biological samples: D4 Research involves human participants Does the project involve human participants in any way, including surveys?: Yes
: E1 You will describe the main experimental procedures to participants in advance, so that they are informed about what to expect?, E2 You will inform participants that their participation is voluntary?, E3 You will obtain explicit informed consent for participation, or assent in the case of questionnaire use?, E4 If the research is observational, you will ask participants for their consent to being observed?, E5 You will tell participants that they may withdraw from the research at any time and for any reason?, E6 With questionnaires you will give participants the option of omitting questions they do not want to answer?, E7 You will tell participants their data will be treated with full

confidentiality and that, if published, it will not be identifiable as theirs unless they explicitly consent to be identified., E8 You will debrief participants at the end of their participation (i.e. give them a brief explanation of the study)?, E9 You will NOT deliberately mislead participants in any way?, E10 Your study will NOT involve a realistic risk of participants or researchers experiencing either physical or psychological distress or discomfort

G1 Aims of study and Rationale: Most of the Sports goods manufacturing companies in Pakistan have very weak or no risk management system. Mostly owners or managers directly take a risk-related decision on the spot or during the incidents. It may lead to uninformed decisions and affect the overall performance of company. This research aim to evaluate and prioritise the existing risk management practices in participating companies. As a result of this study, risk management framework will be recommended to encompass the most common risks in sports goods manufacturing in Sialkot.

G3 Expertise: I received an appropriate training in interviewing techniques provided by Abertay Graduate School.

G4 Participants: For In-depth interviews owners and line managers will be approached for participation in this study. It is anticipated that at least five in-depth interviews will be conducted in order to ascertain the situation with risk management practices. The potential participants will be approach via email through the personal contacts.

For semi-structured interviews owners and line managers of manufacturing sports goods industry companies will be approached for participation in this study. The aim is to interview 40 participants. In both types of interviews no any personal information will be sought.

Questionnaires will be distributed to managers of sports goods manufacturing companies in Sialkot. The aim is to approach via personal contacts at least 60 companies.

G5 Materials &/or apparatus: In conducting in-depth interviews the questions will aim to explore the practicalities of risk management practices in participating companies. The outcome of this stage will serve as a basis for formulating questions for the semi-structured interviews. As a result questionnaires will be developed and distributed to the companies as a specified in section G4.

G6 Procedure: The interviewing will follow the protocol suggested by Kajornboon (2004).

The Questionnaire will be formulated using advice of McFarland (1981).

What ethical issues (if any) does your project raise? How will you mitigate against these ethical issues?: Confidentiality, anonymity, voluntary participation are the key issues to be considered in this study.

Confidentiality will be ensured by not disclosing participants details and opinions with any third party. Anonymity will be ensured by coding participants and their responses to avoid direct and indirect identification of participants. All potential participants will be invited for participation without any pressure or incentives.

They can withdraw from the study if any stage by indicating this to the researcher by email or by written withdrawal slip of the consent form, which will be given to each participants before the interview.

--

From:	Abertay Ethics System
To:	SHAH KHALID
Subject:	Research Ethics application "Risk management in small and medium-sized trading and manufacturing enterprises in the Pakistan sports goods industry"
Date:	22 December 2017 04:38:36

This application has been granted full approval. The standard research conditions apply.

--

Appendix B: Letter to the research participants

Exploring risk management strategies in SMEs within Pakistani sports goods industry

Dear Participant,

My name is Shah Khalid, and I am a Ph.D. student at Abertay University, Dundee UK. I am currently conducting a research project on“Exploring risk management strategies in SMEs within Pakistani sports goods industry.”

The main objective of the study is to get an insight into the strategies used by the companies in managing their risks such as financial risks, reputation risks, price risks, and strategic risks.

This questionnaire is intended to collect information from small and medium-sized sports goods companies only for research purposes.

Owners, managers, supervisors or any senior employees of your company can answer this questionnaire. The following survey will take approximately 10-15 minutes to complete.

Everything you tell us will remain completely private and confidential. The name of the respondent and the company will remain confidential. If you choose to participate in the Survey, please answer all questions.

The data collected will provide useful information on risk management practices of sports goods industry within Sialkot, Pakistan.

The questionnaire consists of the following sections:

Section A- deals with basic facts about your business

Section B- ask about your strategies used to manage the risks such as financial risks, reputation risks, price risks and strategic risks.

If you require additional information or have questions, please do not hesitate to contact me to my Email address given below.

[redacted]

Thank you in advance for taking the time to complete this questionnaire.

Kind regards,

Shah Khalid
Abertay University
Bell Street, Dundee
DD1 1HG
United Kingdom

Appendix C Survey questionnaire

Please specify your position within the company.

Mark only one oval.

- Owner
- Partner
- Manager
- Supervisor

Your level of Education.

Mark only one oval.

- No Education
- Primary Education
- Secondary Education
- Bachelor Degree
- Master Degree
- PhD

What is the size of the workforce in your company?

Mark only one oval.

- 1 to 5
- 6 to 10
- 11 to 20
- More than 20

Please identify the type of your business.

Mark only one oval.

- Trading
- Manufacturing
- Both

What is the approximate annual turnover of your company?

Mark only one oval.

- Less than $10000
- $10000 -$25000
- $25000 -$50000
- More than $50000

Would you like to receive findings of this study?

Mark only one oval.

- Yes
- No

If you would like to receive the findings of this study, please type your email address.

Section B

Section B asks about your strategies used to manage the risks such as financial risks, reputation risks, price risks and strategic risks. Please respond on the following scale.

1 – Strongly disagree 2
– Disagree
3 – Neither agree or disagree 4
– Agree
5 – Strongly agree

1. There are clearly established rules for handling the risks in your company.

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

2. Your company has clearly articulated vision and competitive actions plan.

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

3. There is a strong intended connection between business strategy and risk management practice in your company

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

4. Having limited financial resources makes effective management of competitive actions, such as customisation of small batches or focusing on original products only, quite difficult.

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

5. Such obstacles as financial resources, lack of government support, and multiplicity of contingency risks make the implementation of risk management quite difficult in your company.

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

6. Such limitations as employee disinterest in learning, not a participation in decision making and the overall scarcity of qualified labour have a considerable detrimental impact on the company.

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	⬭	⬭	⬭	⬭	⬭	Strongly Agree

7. Using developments in new technology can considerably improve the existing risk management practice in your company.

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	⬭	⬭	⬭	⬭	⬭	Strongly Agree

8. Having a well-trained workforce, which is also aware of new trends in their line of businesses, would have a positive impact on risk management practice.

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	⬭	⬭	⬭	⬭	⬭	Strongly Agree

9. There is an established procedure for risk identification in your company

Mark only one oval.

1	2	3	4	5
⬭	⬭	⬭	⬭	⬭

Strongly Disagree Strongly Agree

10. There is an established procedure for risk analysis in your company

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	◯	◯	◯	◯	◯	Strongly Agree

11. There is an established procedure for risk evaluation in your company

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	◯	◯	◯	◯	◯	Strongly Agree

12. There is an established procedure for risk monitoring in your company

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	◯	◯	◯	◯	◯	Strongly Agree

13. There are clear strategies to deal with financial risks in your company .

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	◯	◯	◯	◯	◯	Strongly Agree

13a. Please identify the existing strategies to deal with financial risks.

14. There are clear strategies to deal with price volatility risks in your company .

Mark only one oval.

1	2	3	4	5
⬭	⬭	⬭	⬭	⬭

14a. Please identify the existing strategies to deal with price volatility risks.

15. There are clear strategies to deal with reputation risks in your company.

Mark only one oval.

1	2	3	4	5
⬭	⬭	⬭	⬭	⬭

15a. Please identify the existing strategies to deal with reputation risks.

16. There are clear strategies to deal with strategic risks in your company.

Mark only one oval.

1	2	3	4	5
⬭	⬭	⬭	⬭	⬭

16a. Please identify the existing strategies to deal with strategic risks.

17. You have sufficient confidence in your company's profitable future.

Mark only one oval.

1	2	3	4	5
⬭	⬭	⬭	⬭	⬭

Powered by Google Forms

Appendix D: Semi-structured interview transcript

Semi-Structured Interview Transcript ([redacted])

Date: 18th Feb 2018, Time: 09:25 UK Time via Skype Approx.

time: 1.30 hrs

The content of pages 109-113 is not available in the e-thesis.

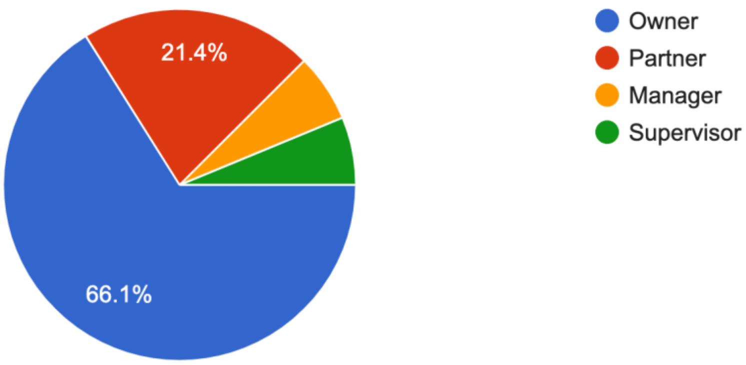
Appendix E: Survey Result

Survey Data (not included in the research result)

The survey was conducted for this research, but due to sufficient data of the semi-structured interview, the researcher achieved the research objectives through the interview findings. Therefore, this survey is not part of the current research. Rough data of the survey are attached below; please do not consider this data with the current study. The following data can help future researchers.

Respondents' Position within the Company

Figure 4 indicates the position of the research participants within the companies. In Pakistan, the majority of SMEs' owners run their businesses. Approx. 66.1% of respondents who participated in this research were the owners of the companies, and the second-highest number of respondents were the business partners within their companies; then approx. 6.3% each were managers and supervisors. The total number of responses to this question was 112.

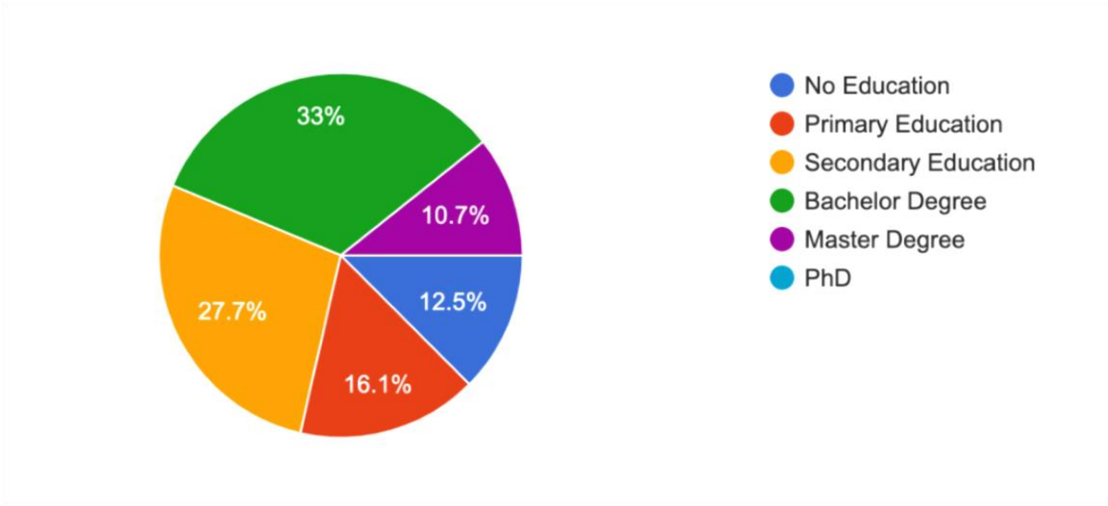


Respondents 'Position within the company

Level of Education of Respondents

Nowadays in Pakistan, educated people take a keen interest in business, running their businesses instead of doing jobs. 33%, graduates, 10.7% hold master's degrees, 27.7% finished high school, 16.1% primary education. Only 12.5% of respondents had no formal education.

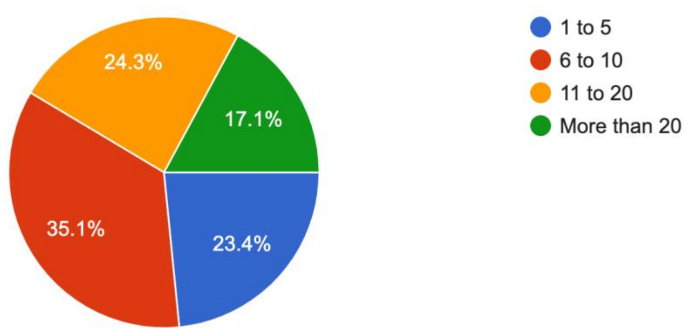
A total of 112 respondents answered the question about their education.



Respondents' Education

Size of Workforce

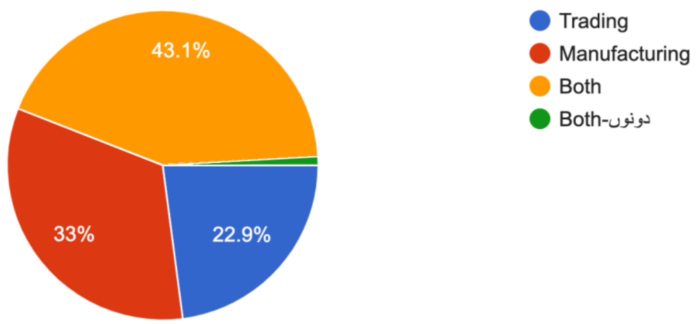
More than 35% of the businesses (refer to Figure 6), have 6 to 10 permanent employees in their service, 23.4% of the businesses have 1 to 5 permanent employees, and 24.3% of the businesses have 11 to 20 permanent employees, placing them in the very small and micro category according to the small and medium enterprises authority, Pakistan (SMEDA). Only 17.1% of respondents indicated a workforce of over 20, which places their organisation in the medium enterprise category.



Size of the workforce within company

Types of Participating Companies

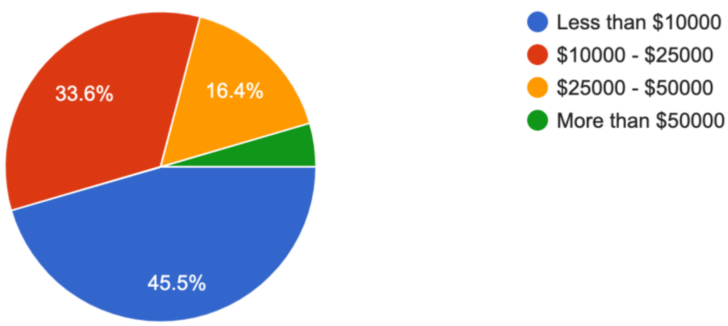
The types of companies (refer to Figure 7) mostly do both trade and manufacturing (43.1%), with the minority of enterprises (22.9%) operating as trading only and 33% as manufacturing only. The total number of responses to this question was 110.



Type of the respondents' business

Annual Turnaround of the Participating Companies

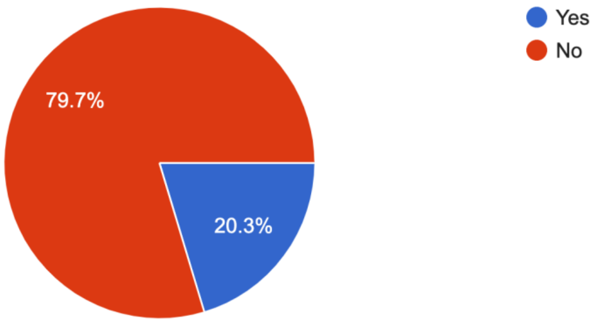
The surveys returned showed that for more than 45% of the respondents, the annual turnover of their businesses was less than $10000, placing them within the microenterprise category (refer to Figure 8). Nearly 34% of the businesses had a turnover between $10000 and $25000. Approx. 16.4% had a turnover between $25000 and $50000. Only 4.5% of companies had a turnover of more than $50000, falling within the medium enterprises category. The total number of responses to this question was 110.



Annual Turnover of the participant companies

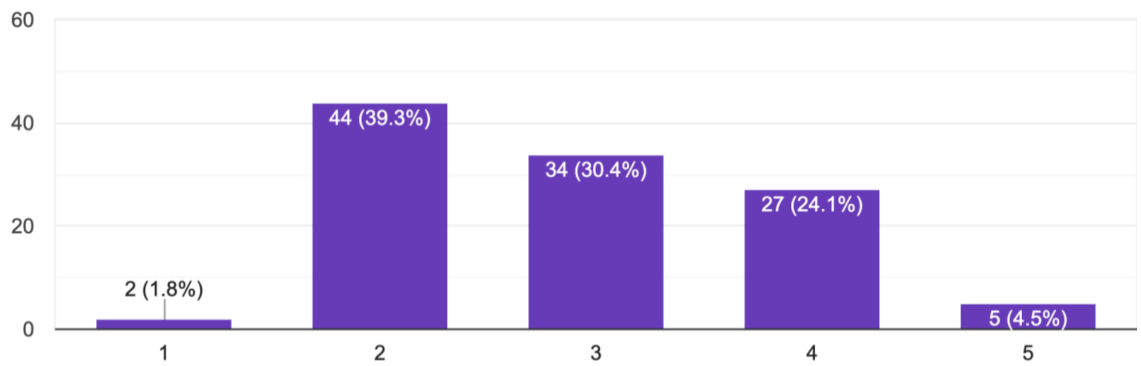
Sharing the Findings of this Study

The majority of respondents (79.7%), as depicted in Figure 9, indicated that they were not interested in learning the result of this research. Most of them were uneducated or had relatively little education. 20.3% of respondents expressed their interest in receiving the findings of this research and provided their contact details for the purpose.



Interest of respondents in research's findings

Q1. There are clearly established rules for handling the risks in your company. (112/300 responses)



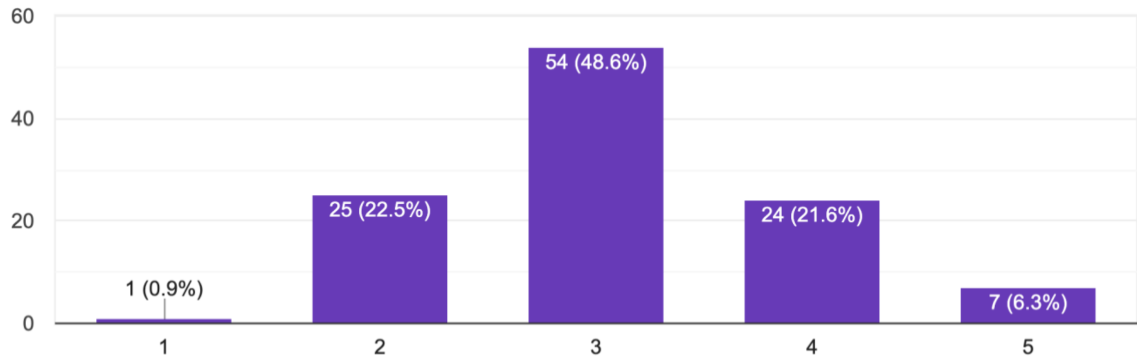
Established rules for handling risks

The graph above (Figure 10) shows weak established rules for handling risks within the participant companies. Most of the respondents, i.e. approx. 39.3%, disagreed when asked whether there were established rules for handling the risks in their companies. This figure suggests that the participant companies have weak established rules for handling risks.

If we now turn to the interview findings, the majority of respondents were not aware of the importance of risk management practice for their businesses; therefore, they paid less attention to risk management. According to respondents (R4, R8), their companies perform a one-off practice when launching a new product line. Thus, the findings of the interviews somewhat support the survey findings.

Q2. Your company has clearly articulated vision and competitive actions plan.

(111/300 responses)

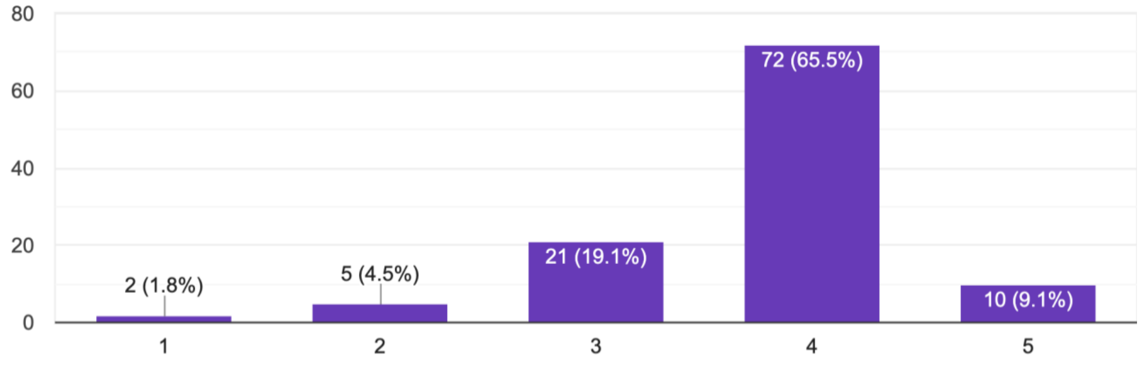


Business's vision and competitive plan

The graph above (Figure 11) indicates that the respondents are not aware of their companies' articulated vision and competitive actions plan. Approx. 48.6% of participants' responses were neutral about their companies' articulated vision and competitive actions plan. This figure suggests that the respondents from the participant companies do not know the articulated vision and competitive action plans. On the other side, interviews data show the same responses, as the respondent R7 stated that "We always keep an eye on the potential risks". In the scenario of amending and adopting a new business strategy, the company needs to be alert all times and keep an eye on future events arising from a competitive situation, so as to identify the potential forthcoming risks.

Q3. There is a strong intended connection RM and BS practice in your company.

(110 / 300 responses)



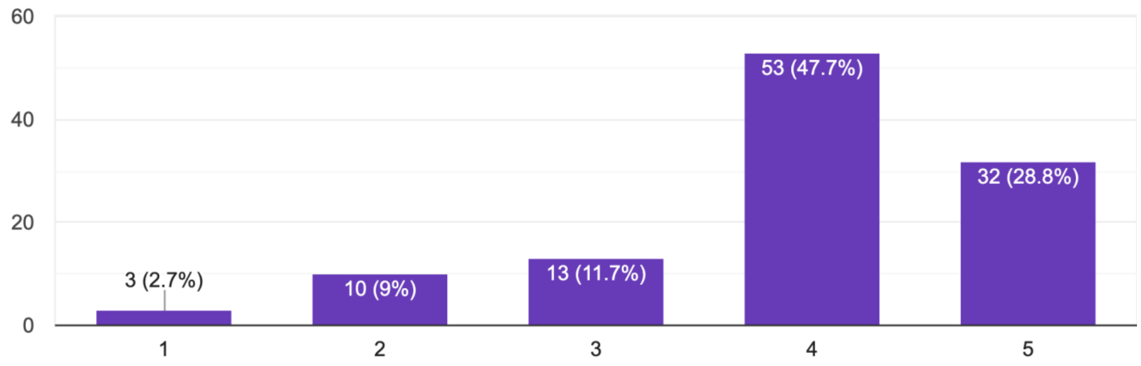
Connection between BS and RM

Approx. 65.5% of respondents strongly believed that there was a connection between their BS and RM.

Respondent R1 mentioned that his company "faces financial risks due to adopted business strategy such as providing a large number of varieties" of goods, because in this way the company manages to keep its share of the market. A comparison of the two results, that is, interview and survey data, reveals that most of the companies' business strategies were related to their risk management. The overall response to this question was very positive.

Q4. Having limited financial resources makes effective management of competitive actions, such as customization of small batches or focusing on original products only, quite difficult.

(111/300 responses)



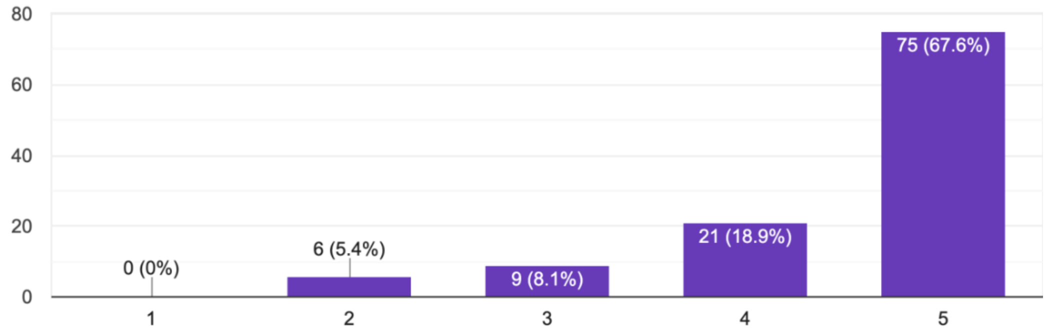
Management of competitive actions

The graph above (Figure 13) indicates a high number of respondents who reported that having limited financial resources makes effective management of competitive actions difficult. The majority of the respondents, approx. 47.7%, said that, due to limited financial resources, they face hardship in the implementation of effective management of competitive actions.

The above percentage supports the information given by the respondent that “their company keeps the expenses to a minimum level due to limited financial resources”. The company cannot bear the cost of risk management practice; therefore, it avoids this type of practice.

Q5. Such obstacles as financial resources, lack of government support, and multiplicity of contingency risks make implementation of risk management quite difficult in your company.

(111/300 responses)



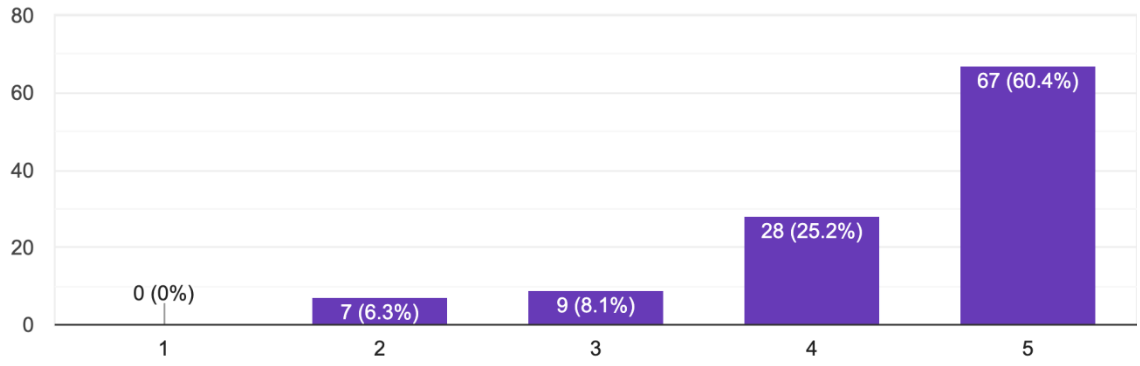
Difficulties in implementation of risk management

The graph above (Figure 14) indicates a high number of respondents who believe that financial limitations, lack of government support and multiplicity of contingencies make the implementation of risk management quite difficult. Approx. 67.6% strongly agree with that observation.

The above result supports the information given by a respondent in an interview. According to respondent R14, “We do not have the relevant knowledge and sources to implement the risk management practice.”

Q6. Such limitations as employee disinterest in learning, lack of participation in decision making and the overall scarcity of qualified labour have a considerable detrimental impact on the company.

(111/300 responses)



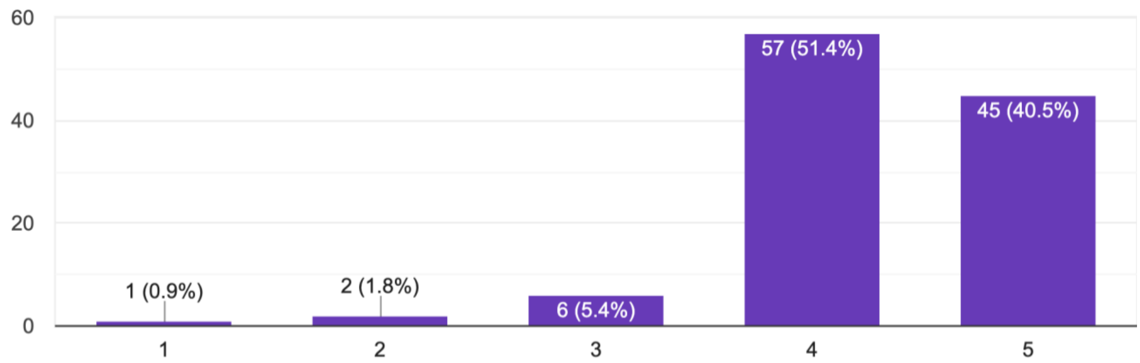
scarcity of qualified labour impact on the company

The graph above (Figure 15) indicates that such limitations as employee disinterest in learning, lack of participation in decision making and the overall scarcity of qualified labour have a considerable detrimental impact on the company. The majority of the respondents (60.4%) hold that opinion.

This contradicts the information given by respondents in the interview. Almost 1/3 of the respondents think that their employees are not willing to adopt a new practice. According to Respondent R8, “Workers are not interested in involving in management level work.”

Q7. Using developments in new technology can considerably improve the existing risk management practice in your company.

(111/300 responses)

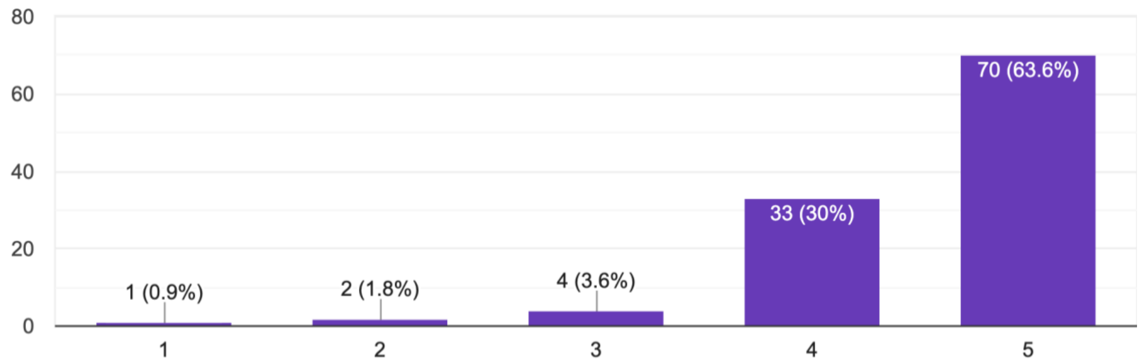


improvement of risk management using technology

According to the graph above (Figure 16), a large number of respondents believe that using developments in new technology can considerably improve the existing risk management practice in their company.

The questionnaire results support the findings from interviews. According to respondent R4, “As a small company we mostly get custom orders, which means that we deal with a customer-to-customer for sale and supplier to supplier for purchase”. Since small companies mostly get custom orders from all over the world, they need technology such as computers and internet to gain access to their customers and suppliers. Through online access, they can reach their customers in no time and mitigate various risks such as price risks and reputational risks.

Q8. Having a well-trained workforce, who are also aware of new trends in their line of business, would have a positive impact on risk management practice.
(110/300 responses)

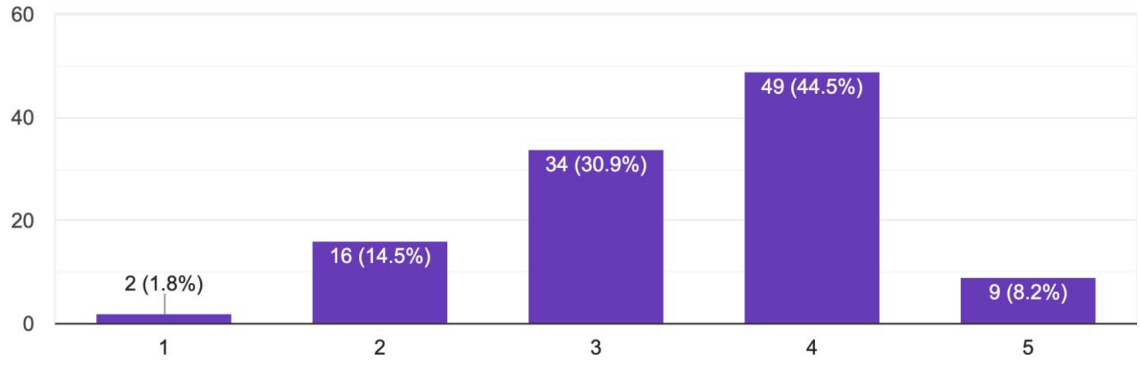


impact of well-trained work force on risk management

The graph above (Figure 17) indicates that having a well-trained workforce, who are also aware of new trends in their line of business, would have a positive impact on risk management practice.

The questionnaire results support the findings of the interview. Respondent R10 said that “Proper guidance and resources can improve existing risk management practice”. Every company practises risk management by its own method, due to the lack of proper guidance and resources.

Q9. There is an established procedure for risk identification in your company.
(110/300 responses)



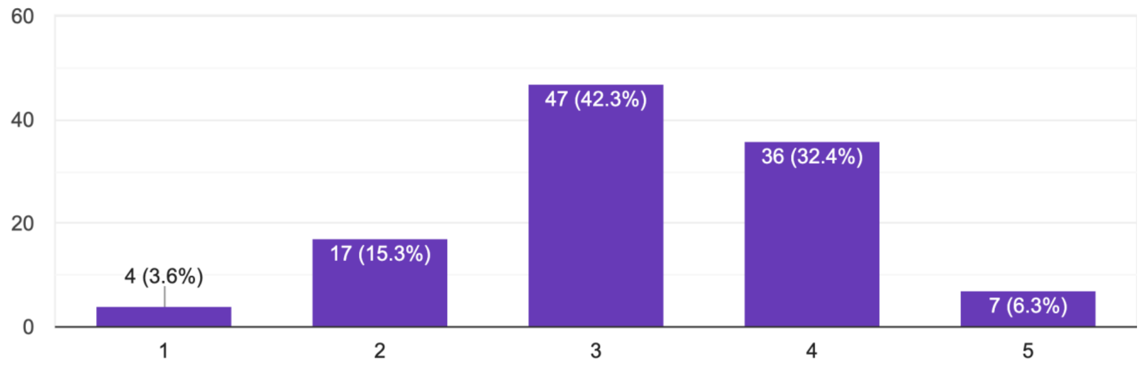
established procedure for risk identification

The graph above (Figure 18) shows that a high number of respondents think that they have established a procedure for risk identification in their companies.

This result supports the interview findings. According to respondent R15, “We keep an eye on past risk-related events and try not to face the same risks again”. It shows that SMEs are somehow practising the first step of the risk management process.

Q10.There is an established procedure for risk analysis in your company.

(111//300 responses)

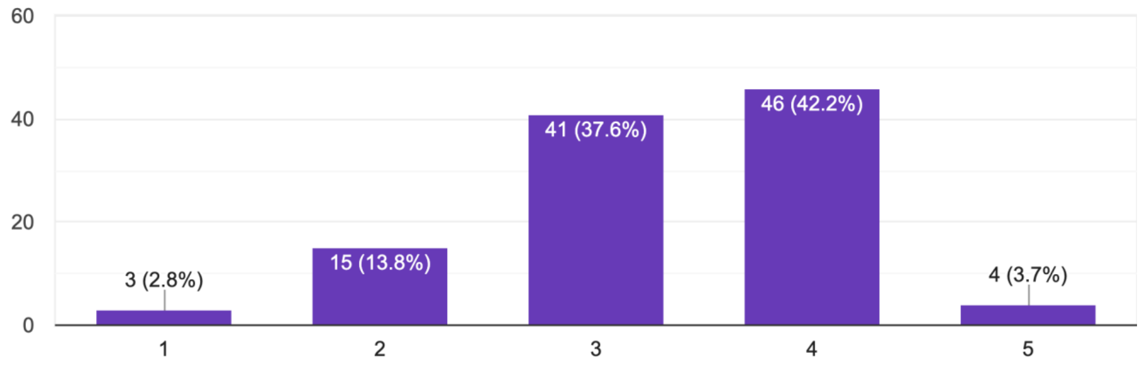


established procedure for risk analysis

The above graph (Figure 19) indicates that the more significant number of respondents do not understand the term risk assessment. However, they conduct an informal risk assessment in order to mitigate risks. It has been found that firms generally do not have procedures for risk assessment. Similarly, the findings of the interviews showed that the risk assessment and analysis processes of participating companies are weak.

Q11. There is an established procedure for risk evaluation in your company.

(109/300 responses)

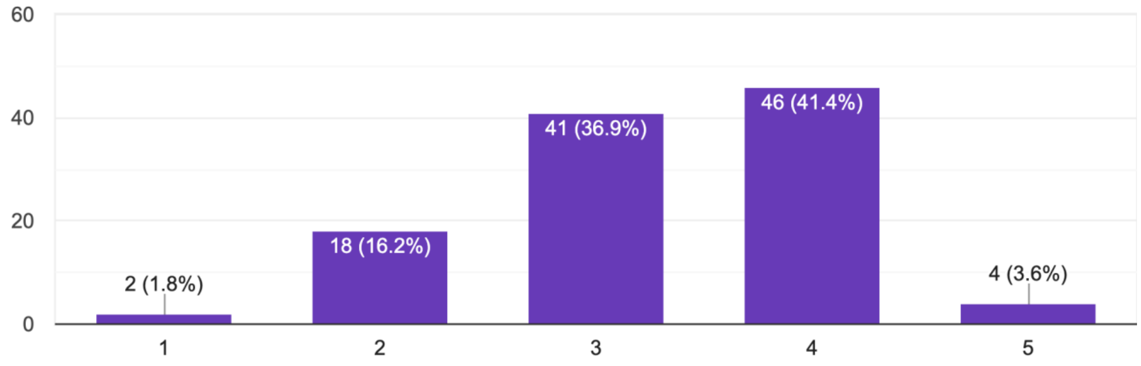


established procedure for risk evaluation

The graph above (Figure 20) indicates that the majority of the companies have an established procedure for risk evaluation. According to the majority of the respondents (45.9%), this determined their risk acceptability. It is found that most of the SMEs know the level of risks they can accept. Similarly the interview findings suggested that most of the companies' owners know how much risk they need to accept to achieve the company's objectives.

Q12. There is an established procedure for risk monitoring in your company.

(111/300 responses)

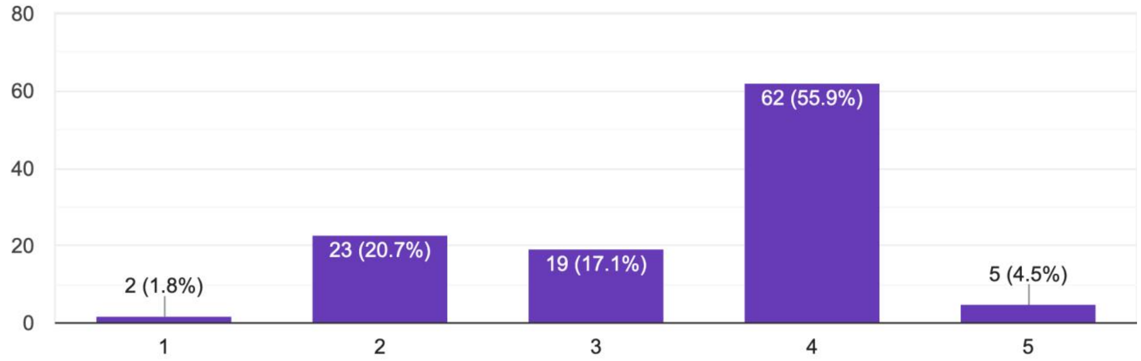


established procedure for risk monitoring

According to the graph above (Figure 21), most of the companies (45.0%) mentioned that they were able to monitor risk and only (18.0%) were unable to do so, thereby leaving the majority of SMEs prone to risk. These findings were supported by the interview results, but the respondents mentioned that they do not have established procedures for risk monitoring or reporting; rather they practise this step of the risk management process informally.

Q13. There are clear strategies to deal with financial risks in your company.

(111/300 responses)

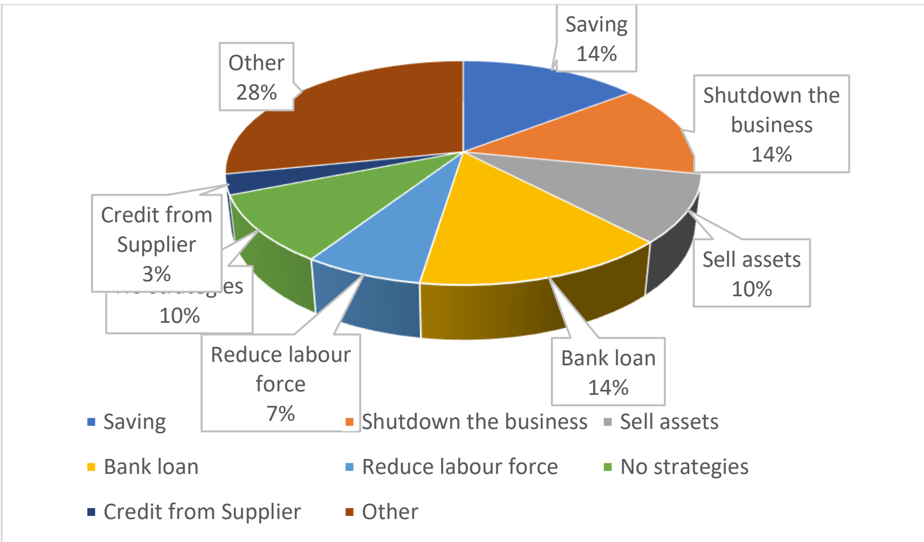


strategies to deal with financial risks

Figure 22 indicates that there are clear (60.4%) strategies to deal with financial risks in the participants' companies. That means that most of the SMEs which have been included in the sample of this study have been implementing quality financial risk management practices.

Q13a. Please identify the existing strategies to deal with financial risks.

(103/300 responses)



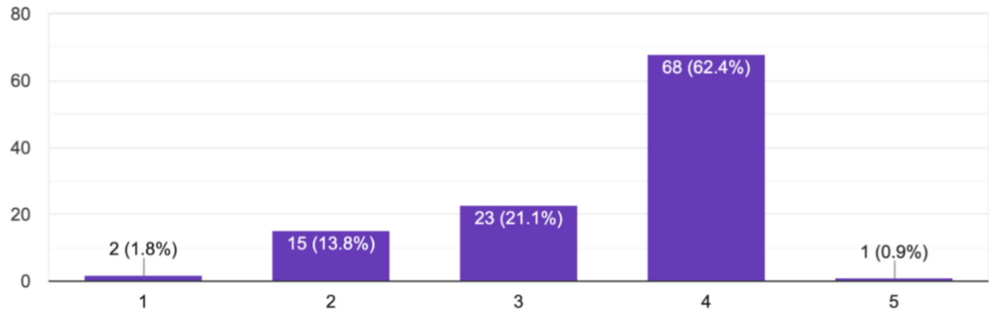
Financial risk management strategies used by SMEs in Sialkot

According to the questionnaire results, six main strategies of financial risk management were identified: shut down the business (14%), sell assets (10%), obtain a bank loan (14%), reduce the workforce (7%), and/or obtain credit with the supplier.

The findings of the interviews support the answers to the questionnaire; according to interviewee R1, “I try to reduce the workforce”. It has been found that in the situation of financial difficulties the firms adopt retrenchment strategy.

Q14.There are clear strategies in order to manage the price volatility risks of your company.

(109/300 responses)

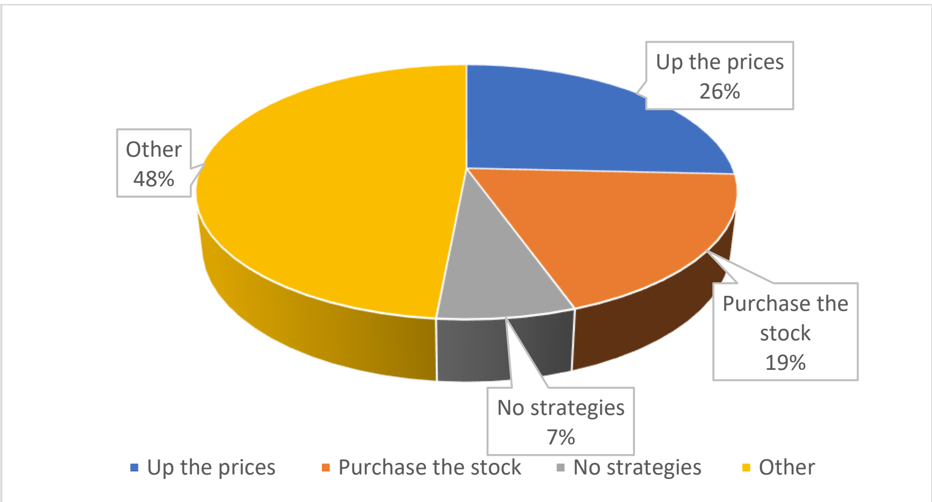


strategies to deal with price volatility risks

The graph above (Figure 24) shows that most of the companies think that they have clear strategies in order to manage price risk. As was further explored during the semi-structured interviews.

Q14a. Please identify the existing strategies to manage price risks.

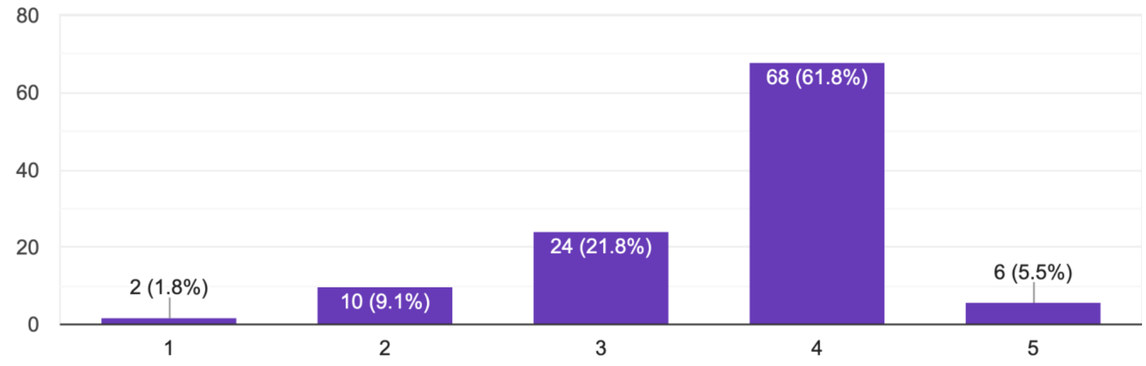
(101/300 responses)



Price risk management strategies used by SMEs in Sialkot

Based on the questionnaire, two main strategies of price risk management were identified: increase the prices (26%) and purchase the stock (19%).

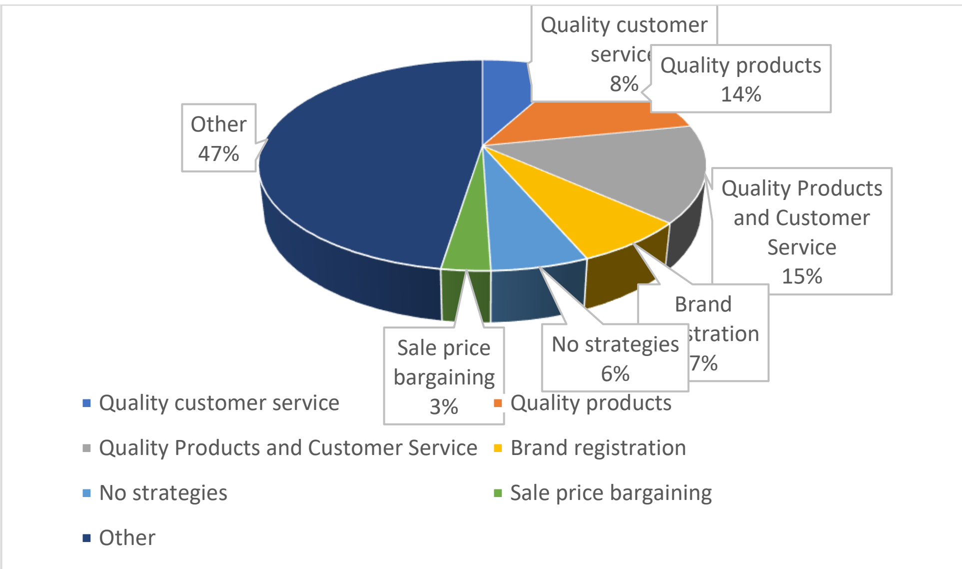
Q15.There are clear strategies to deal with reputation risks in your company.
(110/300 responses)



strategies to deal with reputation risks

According to the graph above (Figure 26), the majority (67.3%) of the respondents agreed that their companies have clear strategies to deal with reputation risks. It has also been found from the interviews that the participant SMEs considered reputation.

Q15a. Please identify the existing strategies to deal with reputation risks.
(101/300 responses)

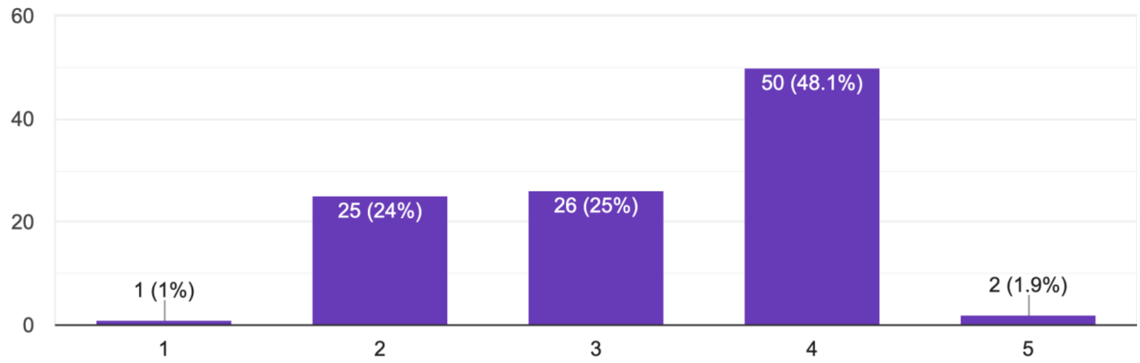


Reputation risk management strategies used by SMEs in Sialkot

According to the questionnaire findings, six main strategies of reputation risk management were identified: quality customer service (8%), quality products (14%), quality products and customer service (15%), brand registration (7%), and flexible pricing (3%). According to the interview findings, the majority of the respondents' answers supported the questionnaire result; i.e. the interviewee was mostly using quality products and better customer service as a strategy to reduce reputational risk.

Q16. There are clear strategies to deal with strategic risks in your company.

(104/300 responses)

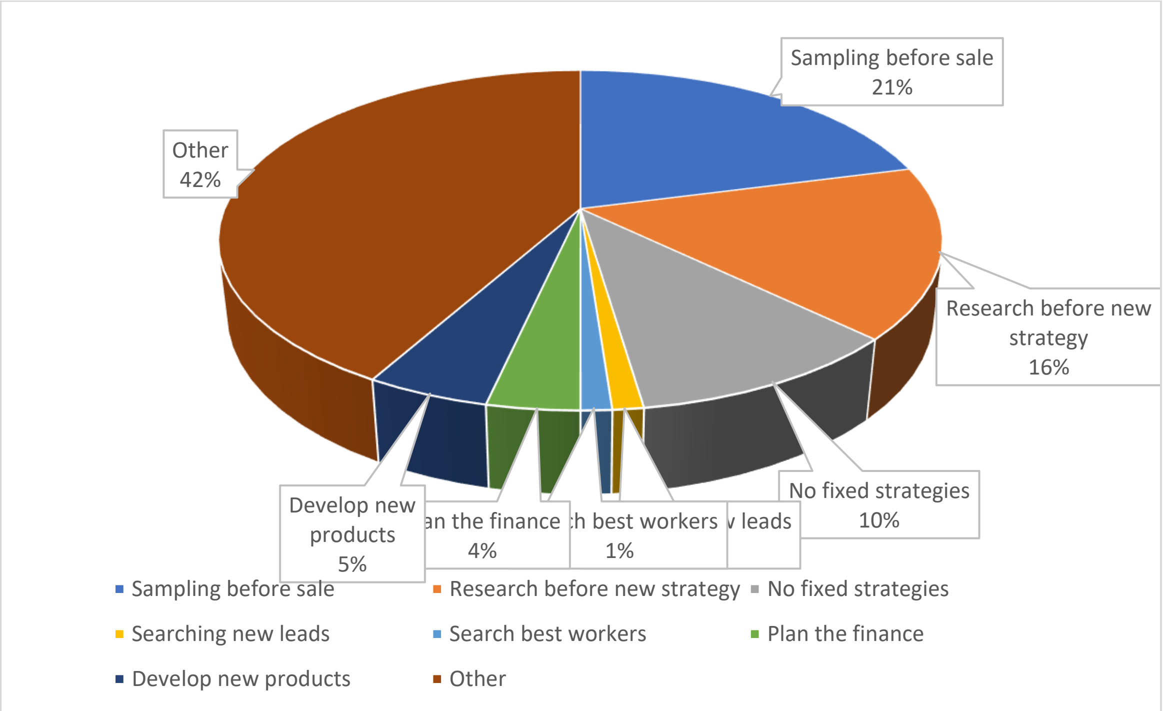


strategies to deal with strategic risks

The graph above (Figure 28) indicates that the majority (50.0%) of the respondents mentioned that they use different strategies to deal with strategic risks in their companies. The questionnaire result was supported by interview findings, in which the majority of the companies mentioned different types of strategies which they use for mitigating strategic risks. According to one interviewee, R1, “I always try to do some research before the implementation of any new strategy”. This shows that SMEs somehow manage to mitigate strategic risk within their companies.

Q16a.Please identify the existing strategies to deal with strategic risks.

(86/300 responses)

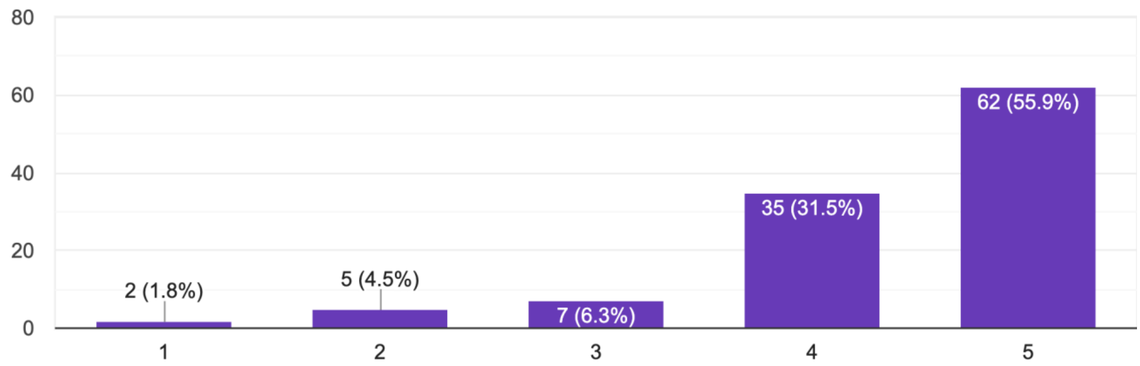


Strategic risk management strategies used by SMEs in Sialkot

According to the questionnaire findings, seven main strategies are used by SMEs to reduce strategic risk: proving good quality (21%), advance research (16%), searching for new leads (1%), hiring skilled workers (1%), financial planning (4%), and innovation (5%). Similarly, in the interviews, the question “What strategies did you use to manage the strategic risk?” was used to explore the strategies that owners/managers are using to cope with strategic risk. According to the interview findings, the majority of the respondents’ answers supported the questionnaire result; i.e. satisfying the customers with the best quality through free sampling was the main strategy used by the SMEs in the Sialkot sports goods industry.

Q17.You have sufficient confidence in your company’s profitable future.

(111/300 responses)



companies' future

The graph above (Figure 30) shows that the majority of respondents (55.9%) are confident about their company's profitable future. The owners/managers believe that with better risk management they can improve the current state of the industry and can compete with rivals around the globe.

Appendix F: Turnitin Report

The content of pages 131-134 is not available in the e-thesis.

REFERENCES

Adobor, H 2019, Opening up strategy formulation: Benefits, risks, and some suggestions, Business Horizons, 62, (3), 'Kelley School of Business, Indiana University', pp. 383–393.

Ali, A, Warren, D and Mathiassen, L 2017, Cloud-based business services innovation: A risk management model, International Journal of Information Management, 37, (6), Elsevier, pp. 639–649.

Anon 1965, In Reply: BEHAVIOUR THERAPY, The British Journal of Psychiatry, 111, (479), pp. 1009–1010.

Anon 1966, In Reply: BEHAVIOUR THERAPY, The British Journal of Psychiatry, 112, (483), pp. 211–212.

Anon 1972, Chapter V: DISCUSSION, Acta Medica Scandinavica, 191, (527 S), pp. 44–50.

Anon 2002, CHAPTER 5: DISCUSSION 5.1 Main research findings, pp. 125–138.

Anon 2008, Chapter 5: Discussion of Findings 5.1 Introduction.

Anon 2013, Minimum appropriate salary rate New entrant: £20,000 Experienced worker: £35,300, (April), pp. 1–14.

Anon 2019, List of shortage occupations 2019, pp. 1–6.

Ansoff, I 1991, Critique of Henry Mintzberg's design school: Reconsidering the basic premises of strategic management, Strategic Management Journal, 12, pp. 449–461.

Ansoff, T n.d., Chapter 7 Strategy and implementation – business growth Existing products New products.

Anwar, M 2018, Business model innovation and SMEs performance does competitive advantage mediate? International Journal of Innovation Management, 22, (7), p. 1850057.

Anwar, ST 2018, Growing global in the sharing economy: Lessons from Uber and Airbnb, Global Business and Organizational Excellence.

Aro, P n.d., An Employee / Trade Union Perspective to Risk Assessment, pp. 32–35.

Ayozie, DU, Oboreh, JS, Umokoro, F and Ayozie, VU 2013, Small and Medium Scale Enterprises (SMEs) in Nigeria: The Marketing Interface, Global Journal of Management and Business Research Marketing, 13, (9), pp. 1–13.

Azreen, R and Hayati, MD 2013, Mediating Effect of Enterprise Risk Management Practices on Risk Culture and Organisational Performance, International Conference of Social Science Research, pp. 295–300.

Banks, MA, Vera, D, Pathak, S and Ballard, K 2016, Stakeholder management as a source of competitive advantage, Organizational Dynamics, 45, (1), pp. 18–27.

Battistella, C, Cagnina, MR, Cicero, L and Preghenella, N 2018, Sustainable business models of SMEs: Challenges in yacht tourism sector, Sustainability (Switzerland), 10, (10), pp. 1–20.

Ben Romdhane Ladib, N and Lakhal, L 2015, Alignment between business model and business strategy and contribution to the performance: Empirical evidence from ICT Tunisian venture., Journal of High Technology Management Research, 26, (2), Elsevier B.V., pp. 168–176.

Bennett, D, Collinson, G, Edbury, M, Surkovic, E and Wardle, J 2014, Innovation: Managing Risk, Not Avoiding it: Evidence and Case Studies, The Government Office for Science, pp. 1–172.

BERA, A., 2009. Characteristics and categories of risk in the small enterprises. *Contemporary economics,* **3**(4), pp. 123-129.

Bergholtz, M, Grégoire, B, Johannesson, P, Schmitt, M, Wohed, P and Zdravkovic, J 2005, Integrated Methodology for linking business and process models with risk mitigation, International Workshop on Requirements Engineering for Business Need and IT Alignment (REBNITA 2005), pp. 1–6.

Bergholtz, M, Grégoire, B, Johannesson, P, Schmitt, M, Wohed, P and Zdravkovic, J 2005, Integrated Methodology for linking business and process models with risk mitigation, International Workshop on Requirements Engineering for Business Need and IT Alignment (REBNITA 2005), (January), pp. 1–6.

BERGLUND, H 2007, Risk Conception and Risk Management in Corporate Innovation: Lessons from Two Swedish Cases, International Journal of Innovation Management, 11, (04), pp. 497–513.

Berk, AS 2011, Enterprise Risk Management Practices in Slovenia and Their Impact on Performance, SSRN Electronic Journal.

BLACKMAN, C.R., 2017. Telecommunications policy. *Telecommunications policy,* **41**(10), pp. 847-852.

Brown, D 1997, Managing Risk and Innovation: The Challenge for Smaller Businesses, University of Warwick Risk Initiative Briefing, pp. 1–5.

Brown, L and Osborne, SP 2013, RISK AND, 15, (2), pp. 186–208.

Caggese, A 2012, Entrepreneurial risk, investment, and innovation, Journal of Financial Economics, 106, (2), Elsevier, pp. 287–307.

CARDOZA, G., FORNES, G., FARBER, V., GONZALEZ DUARTE, R. and RUIZ GUTIERREZ, J., 2016. Barriers and public policies affecting the international expansion of Latin American SMEs: Evidence from Brazil, Colombia, and Peru. *Journal of business research,* **69**(6), pp. 2030-2039.

Casadesus-Masanell, R and Ricart, J 2010, From stnd onto tactics, Long Range Planning, p. 45.

Casadesus-Masanell, R and Ricart, JE 2010, From strategy to business models and onto tactics, Long Range Planning, 43, (2–3), Elsevier Ltd, pp. 195–215.

CHEGE, S.M. and WANG, D., 2020. The influence of technology innovation on SME performance through environmental sustainability practices in Kenya. *Technology in society,* **60**, pp. 101210.

Cohen, L n.d., Top 10 reasons why we need innovation by Lorraine Yapps Cohen, Innovation, pp. 1–4.

Crouhy, M, Galai, D and Mark, R 2001, Risk Management: Comprehensive chapters on market, credit and operational risk.

Culp, CL 2002, The Risk Management Process: Business Strategy and Tactics, p. 624.

Datta, Y 2010, A critique of Porter's cost leadership and differentiation strategies, Chinese Business Review, 09, (04), pp. 37–51.

Dawar, N and Frost, T 1999, CompetingwithGiants.pdf, Harvard Business Review, 77, pp. 119–132.

Day, RA 1998, How to Write and Publish Scientific Papers, Oryx Press.

DE MARCO, C.E., MARTELLI, I. and DI MININ, A., 2020. European SMEs' engagement in open innovation When the important thing is to win and not just to participate, what should innovation policy do? *Technological forecasting & social change,* **152**, pp. 119843.

DE OLIVEIRA, U.R., MARINS, F.A.S., ROCHA, H.M. and SALOMON, V.A.P., 2017. The ISO 31000 standard in supply chain risk management. *Journal of cleaner production,* **151**, pp. 616-633.

de Perea, JGÁ, Ramírez-García, C and Del Cubo-Molina, A 2019, Internationalization business models and patterns of SMEs and MNEs: A qualitative multi-case study in the agrifood sector, Sustainability (Switzerland), 11, (10).

Devins, D and Kimbara, T 1997, COMPETITIVE ADVANTAGE IN SMEs, Local Economy.

DOC. ING. DUŠAN ČUNDERLÍK and CSC., *CHARACTERISTICS OF BUSINESS RISK MANAGEMENT.*

Dominguez, N 2018, SME internationalization strategies: Innovation to conquer new markets, SME Internationalization Strategies: Innovation to Conquer New Markets.

DOMINGUEZ, N. and MAYRHOFER, U., 2017. Internationalization stages of traditional SMEs: Increasing, decreasing and re-increasing commitment to foreign markets. *International business review,* **26**(6), pp. 1051-1063.

Dwonczyk, D 2013, Enterprise Risk Management: Today's Leading Research and Best Practices for Tomorrow's Executives, John Fraser, Betty J. Simkins, John Wiley & Sons, 2010, 577pp. (hardback), £70.00. ISBN: 978-0-470-49908-5, Annals of Actuarial Science, 7, (1), pp. 149–150.

Elahi, E 2013, How Risk Management Can Turn into Competitive Advantage: Examples and Rationale, Foresight, 15, p. 117.

ELKHAIRI, A., FEDOUAKI, F. and ALAMI, S.E., 2019. Barriers and Critical Success Factors for Implementing Lean Manufacturing in SMEs. *IFAC PapersOnLine,* **52**(13), pp. 565-570.

Empirical, AN 2007, RISK MANAGEMENT PRACTICES IN THE MAIN INDUSTRIES OF GERMAN SMALL TO MEDIUM-SIZED ENTERPRISES AN EMPIRICAL Volume I Thomas Henschel A thesis submitted to Napier University in partial fulfilment of the requirements for the Degree of Doctor of Philosophy Sch, Statistics, (May).

Ernst and Young 2014, Expecting more from risk management Drive business results through, (May).

Etges, APB da S, de Souza, JS and Neto, FJK 2017, Risk management for companies focused on innovation processes, Producao, 27, pp. 1–15.

Falkner, EM and Hiebl, MRW 2015, Risk management in SMEs: a systematic review of available evidence, Journal of Risk Finance, 16, (2), pp. 122–144.

Falkner, EM and Hiebl, MRW 2015, Risk management in SMEs: a systematic review of available evidence, Journal of Risk Finance, 16, (2), pp. 122–144.

Fallis, A. 2013, 済無No Title No Title, Journal of Chemical Information and Modelling.

Fernandes, AM and Paunov, C 2015, The risks of innovation: Are innovating firms less likely to die? Review of Economics and Statistics, 97, (3), pp. 638–653.

FERREIRA DE ARAÚJO LIMA, PRISCILA, CREMA, M. and VERBANO, C., 2020. Risk management in SMEs: A systematic literature review and future directions. *European management journal,* **38**(1), pp. 78-94.

Financial Reporting Council 2018, Business model reporting; Risk and viability reporting Where are we now? (October), p. 25.

Florio, C and Leoni, G 2017, Enterprise risk management and firm performance: The Italian case, British Accounting Review, 49, (1), Elsevier Ltd, pp. 56–74.

Forth, J and Bryson, A 2019, Management practices and SME performance, Scottish Journal of Political Economy.

Fraser, J and Simkins, BJ 2010, Enterprise risk management: Today’s leading research and best practices for tomorrow’s executives, Finance.

Frisendal, T 2013, Management for Professionals, Media.

Fueglistaller, U, Volery, T and Weber, W 2008, Innovation, Competitiveness, Growth and Tradition in SMEs, Innovation, Competitiveness , Growth and Tradition in SMEs – Beiträge zu den Rencontres de St-Gall.

García-Granero, A, Llopis, Ó, Fernández-Mesa, A and Alegre, J 2015, Unravelling the link between managerial risk-taking and innovation: The mediating role of a risk-taking climate, Journal of Business Research, 68, (5), pp. 1094–1104.

Gavinelli, L 2016, Business strategies and competitiveness in times of crisis: A survey on Italian SMEs, Business Strategies and Competitiveness in Times of Crisis: A Survey on Italian SMEs.

Govind Stockham, L and Vednere, G 2008, Best Practices in Implementing Taxonomy for Enterprise Information Management., DM Review, 18, (9), pp. 24–26.

GUERTLER, M.R. and SICK, N., 2020. Exploring the enabling effects of project management for SMEs in adopting open innovation – A framework for partner search and selection in open innovation projects. *International journal of project management,* .

Halpert, AM 2016, Innovation Fueled by Risk Management, pp. 1–4.

Hartkamp, D 2011, Business Model Innovation for SMEs, pp. 6–7.

Hartkamp, D 2011, Business Model Innovation for SMEs, pp. 6–7.

Hekman, KM 1996, Business strategy., Michigan medicine, 95, (2), pp. 18–19.

Henschel, T 2007, RISK MANAGEMENT IN THE MAIN INDUSTRIES OF GERMAN MEDIUM-SIZED TO AN EMPIRICAL Volume II, (May).

HILLS, P., 2006. International Journal of Information Management. *International journal of information management,* **26**(3), pp. 179-180.

HM Treasury 2017, Management of Risk in Government, (January), p. 44.

HOCK-DOEPGEN, M., CLAUSS, T., KRAUS, S. and CHENG, C., 2020. Knowledge management capabilities and organizational risk-taking for business model innovation in SMEs. *Journal of business research,* .

Hollingworth, S 2015, Are Scanned As Found. No Information Is, (March).

Hu, N, Wan, Y, Ye, C and Liu, L 2013, Business Blogging and Enterprise Strategy, International Journal of E-Entrepreneurship and Innovation, 3, (2), pp. 1–13.

Hyland, B 2013, Growth Strategies for SMEs, (June), pp. 1–82.

Industrial marketing management. 1971. *Industrial marketing management,* .

Jannesson, E, Rapp, B and Nilsson, F 2014, Strategy, Control and Competitive Advantage.

Jean Bürer, M, de Lapparent, M, Pallotta, V, Capezzali, M and Carpita, M 2019, Use cases for Blockchain in the Energy Industry Opportunities of emerging business models and related risks, Computers & Industrial Engineering, Elsevier Ltd, p. 106002.

Jean Bürer, M, de Lapparent, M, Pallotta, V, Capezzali, M and Carpita, M 2019, Use cases for Blockchain in the Energy Industry Opportunities of emerging business models and related risks, Computers & Industrial Engineering, Elsevier Ltd, p. 106002.

Jia, N 2018, Corporate innovation strategy and stock price crash risk, Journal of Corporate Finance, 53, (March), Elsevier, pp. 155–173.

Johnson, MW, Christensen, CM and Kagermann, H 2008, Reinventing your business model Blue Ocean strategy, Harvard Business Review, 86, (12).

Jones, R 2008, Best practices in risk management, Canadian Mining Journal, 129, (SUPPL.), pp. 16–19.

Journal of business research. 1973a. *Journal of business research,* .

Journal of business research. 1973b. *Journal of business research,* .

Journal of international management. 1995. *Journal of international management,* .

Keith, JL 2014, Enterprise Risk Management: Developing a Strategic ERM Alignment Framework - Finance Sector, p. 450.

Keizer, JA and Halman, JIM 2007, Diagnosing risk in radical innovation projects, Research Technology Management, 50, (5), pp. 30–36.

Keizer, JA and Halman, JIM 2009, Risks in major innovation projects, a multiple case study within a world’s leading company in the fast-moving consumer goods, International Journal of Technology Management, 48, (4), pp. 499–517.

Kim, ES 2014, How did enterprise risk management first appear in the Korean public sector?, Journal of Risk Research, 17, (2), pp. 263–279.

Klumpes, PJM, Wang, P, Tang, L and Abhyankar, A 2012, The Impact of Hedge Accounting Rules on Enterprise Risk Management Adoption Practices by Multinationals, SSRN Electronic Journal.

KNIGHT, G., MOEN, Ø and MADSEN, T.K., 2020. Antecedents to differentiation strategy in the exporting SME. *International business review,* , pp. 101740.

KOTTIKA, E., ÖZSOMER, A., RYDÉN, P., THEODORAKIS, I.G., KAMINAKIS, K., KOTTIKAS, K.G. and STATHAKOPOULOS, V., 2020. We survived this! What managers could learn from SMEs who successfully navigated the Greek economic crisis. *Industrial marketing management,* **88**, pp. 352-365.

Kouvelis, P, Dong, L and Turcic, D 2017, Integrated Risk Management in Supply Chains, The Boeing Centre-The essence of Knowledge Boston- Now Publishers Inc.

Kroll, A and Proeller, I 2013, SpringerBriefs in Business, International Journal of Public Sector Management Vol. 26 No. 1, 2013 pp. 74-85 q Emeral.

Kunc, M 2011, Revisiting Porter’s Generic Strategies for Competitive Environments Using System Dynamics, Computational Analysis of Firms’ Organization and Strategic Behaviour, pp. 152–170.

Larcker, DF 2011, Organizational Strategy, Business Models , and Risk Management.

Leminen, S and Westerlund, M 2012, Technology Innovation Management Review Categorizing the Growth Strategies of Small Firms, (May), pp. 5–9.

Lendel, V, Hittmár, Š and Siantová, E 2015, Management of Innovation Processes in Company, Procedia Economics and Finance, 23, (October 2014), Elsevier B.V., pp. 861–866.

LEOPOULOS, V.N., KIRYTOPOULOS, K.A. and MALANDRAKIS, C., 2007. Risk management for SMEs: Tools to use and how. *Production planning & control,* **17**(3), pp. 322-332.

LI, L., 2018. What and how do SMEs gain by going international? *Journal of world business,* **53**(6), pp. 817-834.

LIN, M.S., SONG, H.J., SHARMA, A. and LEE, S., 2020. Formal and informal SME financing in the restaurant industry: The impact of macroenvironment. *Journal of hospitality and tourism management,* **45**, pp. 276-284.

Liu, JY, Low, SP and He, X 2011, Current practices and challenges of implementing enterprise risk management (ERM) in Chinese construction enterprises, International Journal of Construction Management, 11, (4), pp. 49–63.

Lovin, Cynthia (Dell's Product Group Global Test Department); Yaptangco, T (Dell's PGGTD 2006, Best Practices: Enterprise Test Management, Dell Power Solutions, p. 3, viewed <http://www.dell.com/downloads/global/power/ps2q06-20050291-Lovin.pdf>.

Lukianchuk, G 2015, The Impact of Enterprise Risk Management on Firm Performance of, Journal of Forensic Accounting.

Mansor, N, Norbaya Yahaya, S and Okazaki, K 2016, Risk factors affecting new product development (NPD) performance in small medium enterprises (SMEs), International Journal of Recent Research and Applied Studies (IJRRAS) , 27, (1), pp. 18–25.

Mantrala, MK, Levy, M, Kahn, BE, Fox, EJ, Gaidarev, P, Dankworth, B and Shah, D 2009, Why is assortment planning so difficult for retailers？, Journal of Retailing, 85, (1), pp. 71–83.

Mantrala, MK, Levy, M, Kahn, BE, Fox, EJ, Gaidarev, P, Dankworth, B and Shah, D 2009, Why is Assortment Planning so Difficult for Retailers? A Framework and Research Agenda, Journal of Retailing, 85, (1), pp. 71–83.

Marchetti, AM 2011, Enterprise Risk Management Best Practices, Enterprise Risk Management Best Practices.

Marolt, M and Lenart, G 2016, What drives SMEs to innovate their Business Models? A Multiple Case Study of Slovenia 1 Introduction, Bled, pp. 1–17.

Márquez, FPG and Lev, B 2015, Advanced business analytics, Advanced Business Analytics.

McDonald, M 2006, Do your marketing strategies create or destroy shareholder value? Journal of Database Marketing & Customer Strategy Management, 13, (2), pp. 102–107.

Migration Advisory Committ 2019, Full review of the Shortage Occupation List, Cell, 158, (May), pp. 1–398.

Miller, MR 2005, CLASSIFICATION OF WEST YORKSHIRE MANUFACTURING SMEs AND THEIR PERCEPTIONS OF SUCCESS, (May).

Millson, MR and Wilemon, D 2008, Impact of new product development (NPD) proficiency and NPD entry strategies on product quality and risk, R and D Management, 38, (5), pp. 491–509.

Moesgård, M and Poul felt, F 2006, Discount business strategy: How the new market leaders are redefining business strategy.

Moon, HC, Hur, YK, Yin, W and Helm, C 2014, Extending porter's generic strategies: From three to eight, European Journal of International Management, 8, (2), pp. 205–225.

MORAIS, F. and FERREIRA, J.J., 2020. SME internationalisation process: Key issues and contributions, existing gaps and the future research agenda. *European management journal,* **38**(1), pp. 62-77.

Morrow, JL, Johnson, RA and Busenitz, LW 2004, The effects of cost and asset retrenchment on firm performance: The overlooked role of a firm's competitive environment, Journal of Management, 30, (2), pp. 189–208.

Moses, OD 1992, Organizational Slack and Risk-taking Behaviour: Tests of Product Pricing Strategy, Journal of Organizational Change Management, 5, (3), pp. 38–54.

MÜLLER, J.M., BULIGA, O. and VOIGT, K., 2020. The role of absorptive capacity and innovation strategy in the design of industry 4.0 business Models-A comparison between SMEs and large enterprises. *European management journal,* .

Muneera, E, Farah, SI, Siti, SMI and Salman, RMR 2018, Impact of Enterprise Risk Management On Organizational Performance, Journal of Advanced Research in Dynamical and Control System, 10, (6), p. 10.

Nagaraju, RA 2015, Role of innovation strategy in the business growth of high-technology SMEs in UK, ProQuest Dissertations Publishing.

Nnamseh, M and Akpan, SS 2015, Revitalising Small Business Growth Strategies: Exploring the Risk-Benefit of Strategic Management Approaches, International Business Research, 8, (7).

ODLIN, D., 2019. Domestic competitor influence on internationalizing SMEs as an industry evolves. *Journal of world business : JWB,* **54**(2), pp. 119-136.

Ojala, M, Ghai, R, Daoud, A, Batchelor, J, Barroca, E and Cohen, Y 2016, Best Practices in Enterprise Content Management, KMWorld Magazine, p. 12.

Ong, JW, Ismail, H Bin and Goh, GGG 2010, The Competitive Advantage of Small and Medium Enterprises (SMEs): The Role of Entrepreneurship and Luck, Journal of Small Business and Entrepreneurship, 23, (3), pp. 373–391.

Oppong, R 2017, Successful Strategies Used by Small Business Owners for Company Sustainability, ProQuest Dissertations and Theses, p. 179.

Papadopoulos, P 2016, Identification Framework for Business Model Risk, pp. 1–18.

Parginos, IP 2019, Factors affecting the utilization of specific Turnaround Strategies by SMEs, during an Economic Depression, (January).

Parrish, ED, Cassill, NL and Oxenham, W 2006, Niche market strategy for a mature marketplace, Marketing Intelligence and Planning, 24, (7), pp. 694–707.

PAUL, J., 2020. SCOPE framework for SMEs: A new theoretical lens for success and internationalization. *European management journal,* **38**(2), pp. 219-230.

Pimchangthong, D and Boonjing, V 2017, Effects of Risk Management Practice on the Success of IT Project, Procedia Engineering, 182, The Author(s), pp. 579–586.

Polovina, S, Von Rosing, M and Laurier, W 2014, Conceptual structures in LEADing and best enterprise practices, Lecture Notes in Computer Science (including subseries Lecture Notes in Artificial Intelligence and Lecture Notes in Bioinformatics), pp. 293–298.

Porter, ME 1980, C competitive.

Pretorius, M, Management, B and Africa, S 2008, Turnaround Situations, Business, pp. 1–10.

Radomska, J 2015, Operational risk associated with the strategy implementation, Management, 18, (2), pp. 31–43.

RADZIWON, A. and BOGERS, M., 2019. Open innovation in SMEs: Exploring inter-organizational relationships in an ecosystem. *Technological forecasting & social change,* **146**, pp. 573-587.

RAHMAN, N.A., YAACOB, Z. and RADZI, R.M., 2016. An Overview of Technological Innovation on SME Survival: A Conceptual Paper. *Procedia, social and behavioral sciences,* **224**, pp. 508-515.

Rasheed, HS 2002, Growth or retrenchment strategy choices for declining entrepreneurial firms: the effects of performance and resources, Journal of Business and Entrepreneurship, 1, (1), pp. 1–20.

Rehman, AU and Anwar, M 2019, Mediating role of enterprise risk management practices between business strategy and SME performance, Small Enterprise Research, 26, (2), Taylor & Francis, pp. 207–227.

Reim, W, Parida, V and ??rtqvist, D 2013, Strategy, business models or tactics -what is product-service systems (PSS) literature talking about?, Proceedings of the International Conference on Engineering Design, ICED, 4 DS75-04, (August), pp. 309–318.

Research in international business and finance. 1979. *Research in international business and finance,* .

Rice, JF 2010, Adaptation of Porter's five forces model to risk management, Défense AR Journal, 17, (June), pp. 375–388.

Risk, C 2006, Chain Risk, Assembly.

Robert B. Woodruff 1997, Customer Value: The Next Source for Competitive Advantage, Journal of the Academy of Marketing Science, 25, (3), pp. 256–256.

Rostami, A, Sommerville, J, Wong, IL and Lee, C 2015, Risk management implementation in small and medium enterprises in the UK construction industry, Engineering, Construction and Architectural Management, 22, (1), pp. 91–107.

SAUNILA, M., 2019. Innovation capability in SMEs: A systematic review of the literature. *Journal of innovation & knowledge,* .

Series, C, Page, T, Preface, C and Risk, B n.d., Preface PART One : Risk Management Approaches and Systems CHAPTER 1 : Business Risk in Banking.

Shawiah, F 2016, Risk Management Strategies for dealing with Unpredictable Risk in Saudi Arabian Organisations, (October), pp. 1–286.

Sithipolvanichgul, J 2016, Enterprise Risk Management and Firm Performance: Developing Risk Management Measurement in Accounting Practice, pp. 1–309.

Smith, K 2014, Risk, Innovation and the Extended Enterprise, Extended Enterprise Resources for Practitioners.

Snapshot, R n.d., Risk management and the business model.

Soltanizadeh, S, Abdul Rasid, SZ, Mottaghi Golshan, N and Wan Ismail, WK 2016, Business strategy, enterprise risk management and organizational performance, Management Research Review, 39, (9), pp. 1016–1033.

Spender, J 2015, Business strategy: managing uncertainty, opportunity, and enterprise, Choice Reviews Online, 52, (05), pp. 52-2648-52–2648.

Staake, T, Thiesse, F and Fleisch, E 2012, Business strategies in the counterfeit market, Journal of Business Research, 65, (5), Elsevier Inc., pp. 658–665.

Success, FORB 2013, The social media bible: tactics, tools & strategies for business success, Choice Reviews Online.

Sun, H and Corporation, O 2011, Enterprise Information Management: Best Practices in Data Governance, An Oracle White Paper in Enterprise Architecture.

Sutton , \nSteve G. 2006, Extended-enterprise systems' impact on enterprise risk management, Journal of Enterprise Information Management, pp. 97–114.

Sutton, SG 2006, Extended-enterprise systems' impact on enterprise risk management, Journal of Enterprise Information Management, 19, (1), pp. 97–114.

Taran, Y, Boer, H and Lindgren, P 2011, Managing risks in business model innovation processes, 11th International CINet Conference on 'Practicing innovation in times of discontinuity', (September), pp. 1–14.

Teece, DJ 2010, Business models, business strategy and innovation, Long Range Planning, 43, (2–3), Elsevier Ltd, pp. 172–194.

Teece, DJ 2018, Business models and dynamic capabilities, Long Range Planning, 51, (1), Elsevier Ltd, pp. 40–49.

Tresca, R 2013, Global Business Networks and Competitiveness of SMEs, Symphonya. Emerging Issues in Management, (1), pp. 1–12.

Tullo, L 2015, Enterprise Risk Management -- Canadian Best Practices: How Did They Get There? SSRN Electronic Journal.

Ung, LJ, Brahmana, R and Puah, CH 2018, Firm performance, retrenchment strategy and different ownership structure: Evidence from public listed companies in Malaysia, International Journal of Business Science and Applied Management, 13, (1), pp. 42–57.

VALAEI, N., REZAEI, S. and ISMAIL, W.K.W., 2017. Examining learning strategies, creativity, and innovation at SMEs using fuzzy set Qualitative Comparative Analysis and PLS path modeling. *Journal of business research,* **70**, pp. 224-233.

Van Themaat, T ver L 2011, A Business Model Development Strategy to expand into the Bottom of the Pyramid population, Stellenbosch University, (March).

Watsky, P 2000, Writing up your PhD, San Francisco Jung Institute Library Journal, 18, (3), pp. 55–73.

WONGLIMPIYARAT, J., 2015. New economics of innovation: Strategies to support high-tech SMEs. Journal of high technology management research, 26(2), pp. 186-195.

Woodruff, RB 1997, Customer value: The next source for competitive advantage, Journal of the Academy of Marketing Science, 25, (2), pp. 139–153.

Woulfe, S 2018, ‘The SSM approach to business model analysis’, (January).

Wu, J and Wu, Z 2014, Integrated risk management and product innovation in China: The moderating role of board of directors, Tec novation, 34, (8), Elsevier, pp. 466–476.

Zur Muehlen, M and Rosemann, M 2005, Integrating risks in business process models, ACIS 2005 Proceedings - 16th Australasian Conference on Information Systems, (December).