

Typology of entrepreneurial firms

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High <i>Business Innovation Rate</i>	Resource Constrained Internally Constrained	Glamorous
Low	Economic Core	Ambitious
	Low	High
	<i>Business Growth Rate</i>	

1. Economic Core Firms:

Low innovation and low growth firms.

Primarily satisfy the owner's desire for independence.

Fulfills a specific need in a small market and it does not obtain a significant growth.

Initially it achieves a degree of growth. But once it reaches a size that can satisfy the owner's needs, growth stops.

2. Constrained Growth Firms:

High rates of innovation, they lack adequate resources for growth, therefore it fails to grow.

These firms can be classified into two classes,

- i. Firms unable to acquire the needed resources: willing to pay the cost of resources but are unable to attract the capital needed to sustain high growth.

- ii. Firms internally make decision to constrain growth. make decisions not to acquire the resources needed to support high growth. These firms are easy prey to better financed competitors.

3. Ambitious:

These firms are having high growth rate with limited number of innovations

in a large market a single successful product can sustain high growth for many years.

These firms growth rate will eventually decline if new products are not introduced because markets are not stable.

4. Glamorous:

high growth rate with high rates of innovation.

These firms are technology branded firms which require regular updating.

Kirchoff calls these firms glamorous firms because they often attract high media attention and receive local and national awards for their success.