

# **Thriving Transitions, Navigating and empowering micro-businesses toward a promising future with the “Transformative Strategy Journey”**

by  
Joanne Nedeljkovic  
Timothy Sun

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## **ABSTRACT**

Our research adopts a transformative approach to reimagine strategic frameworks to enhance accessibility and effectiveness for micro-business owners. This study integrates a robust methodology combining statistical, qualitative, and textual analyses with real-world insights from the Greater Toronto Area. It challenges the efficacy of traditional strategic models through three foundational hypotheses, exploring the interplay of strategic frameworks with physical, psychological, and team-design aspects of micro-business operations.

The research methodology includes extensive literature reviews, actor mapping to analyze power dynamics, iterative inquiries, and environmental scanning to identify gaps in current strategic frameworks. Additionally, interviews with micro-business owners and strategic planners were conducted to gather in-depth insights into the practical challenges and unique needs of micro-businesses.

Our findings highlight the need for strategic models that accommodate the specific realities of micro-businesses, emphasizing flexibility, adaptability, and the integration of personal values into business strategies. By addressing these needs, the research proposes innovative, practical strategic frameworks that facilitate better decision-making, foster sustainable growth, and enhance the overall strategic engagement of micro-businesses.

The research synthesizes these insights and contributes to understanding micro-business dynamics. It offers actionable strategies that are directly applicable and beneficial in enhancing competitiveness and sustainability in a rapidly evolving business environment. This approach supports micro-business owners in navigating uncertainties and aligns with broader economic and societal trends, ensuring their long-term viability and success.

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## **DEDICATION**

We dedicate our research findings to all the participants who generously shared their time, energy, and experiences, significantly advancing our research. Their willingness to share their most vulnerable experiences and business practices has inspired us to improve as researchers and kept our work centered on their journeys. Their insights will inspire designers in this field to discover new ways to support our micro-businesses.

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## **STATEMENT OF CONTRIBUTIONS**

We are a pair of strategic foresight and innovation designers keen on organizational design and strategic engagement's influence on small and micro-businesses. We are captivated by the intricate challenge of mastering the full suite of tools needed to navigate what is theoretically a successful strategic journey. As former entrepreneurs and business proprietors, we are driven to highlight the contradictions between the theoretical models of critical decision-making and the practical application of heuristics and biases in daily decision-making.

Our transformative approach empowers micro-business owners, who have traditionally been sidelined in design research, by creating innovations that acknowledge their unique paths and amplify their contributions within the more extensive economic system. We focus on unearthing the needs of these businesses and informing supportive entities—from banks to governmental bodies—on the most productive ways to bolster their journeys.

## **INTRODUCTION**

### **The Primary Audience for Our Research**

The target audience for this research includes micro-business owners and managers, institutions that facilitate micro-business growth, such as banks, governmental bodies across federal, provincial, and municipal levels, and universities. Design researchers specializing in organizational design and strategy are also considered part of the primary audience.

### **Framing the Problem**

In Canada's economic landscape, small and micro-sized businesses are navigating an intricate labyrinth of entrepreneurial challenges. These businesses, constituting nearly 98% of all companies in the country (Blair, 2024), are pivotal to the national economy and its sustainability. The current predicament presents the necessity for strategic frameworks that acknowledge the distinctive needs of these businesses (Espinosa, 2023, p. 51). They require strategies that offer structured methods for seizing opportunities and are imbued with adaptability and resilience—essential for thriving in uncertainty and change (Artinger et al., 2016, p. 1047).

Foremost among the pressing issues is the looming exit of many small business owners within the next decade, with alarmingly few having established formal succession plans (Johnson, 2023). When intertwined with mounting economic pressures such as inflation and rising costs, this looming demographic shift jeopardizes their ability to secure new talent, thereby putting at risk the long-term viability of businesses that are the mainstay of the private labor force (Statistics Canada, February 27, 2023).

Our research directly addresses the bias present in strategic frameworks generally crafted for and by larger companies—those that can afford the luxury of long-term forecasting and withstand economic shocks (Artinger et al., 2016, p. 1048). As our research suggests, such a bias potentially affects hundreds of thousands of small businesses in Ontario, indicative of a broader national issue.

Moreover, the challenge is amplified by the need for comparative data on the operational subtleties distinguishing micro from larger firms (Ekwere, 2016, p. 24). This data gap makes microbusinesses susceptible to market fluctuations and broader economic trends. There is a clear and present need for strategic frameworks that are flexible, robust, and custom-fitted for the unique rhythms and requirements of micro-businesses (Artinger et al., 2016, p. 1047).

Our purpose, then, is to develop frameworks that are pragmatic and accessible, tailored to empower micro-businesses to make informed decisions, adeptly navigate shifts in their operating environments, and forge a path to sustained success. Through this research, we aspire to craft tools that enable these businesses to confidently chart their courses, ensuring their strategies are as dynamic and resilient as the businesses they are designed to support.

## **The Misalignment of Current Frameworks with Micro-Business Realities**

Strategic frameworks currently in use are predominantly designed for larger organizations with the capacity to employ dedicated strategists and withstand market turbulence (Artinger et al., 2016, p. 1048). This approach often needs to be revised to consider the unique challenges of small and micro-sized businesses, leading to strategies that emphasize short-term operations over long-term resilience (Ekwere, 2016, p. 33; Espinosa, 2016, p. 51). Such approaches must capture emerging trends and opportunities, contributing to a high failure rate among small businesses, with 70% failing due to management issues (Blair, 2024).

These prevailing models need to address the specific needs of tiny and micro-businesses, such as their environmental dynamics and niche market communications, which are crucial for identifying opportunities and leveraging capabilities (Espinosa, 2023, p. 70). Moreover, critical aspects of family-owned businesses should be more frequently addressed (Goel et al., 2016, p. 111), posing the question of whether strategic learning and implementation are mainly tailored for larger companies with more resources.

This oversight affects an estimated 439,694 small businesses in Ontario alone (Blair, 2024), suggesting that current strategies assume conditions—like access to strategists and the ability to pivot swiftly—that are rare for micro-businesses. These businesses typically operate within tight budgets and limited resources (Osievskyy, 2015, p. 1011), lacking strategic tools that reflect their unique pathways and leaving them vulnerable to market shifts and broader economic changes. Given their essential role in local economies and job creation, bridging the strategic framework gap is imperative.

Our study aims to enhance business management theory by examining the biases and heuristics of micro-business owners in contrast to current tools, uncovering human factors that could facilitate a transition from micro to macro perspectives (Hodgkinson et al., 2023, p. 1035). We also explored various engagement methods with micro-business owners, altering the language used in our interviews to better align with participants' views on organizational planning, addressing cultural and linguistic biases in current models, and emphasizing the need for strategies that bolster micro-business's ability to thrive amid uncertainties. Our research question focuses on creating a strategic experience tailored to micro-business owners' physical, psychological, and team-design needs, enhancing their sustainability and ability to navigate uncertainties effectively.

## **Human Factors Impacting Strategic Engagement**

Strategic planning is traditionally viewed as a way of generating new ideas and enabling organizations to adapt to uncertain external environments (Simon, 1993, p. 141). However, these models and tools often cater primarily to the needs of larger businesses. To differentiate our innovation from existing models, we draw upon human factors that significantly influence strategic engagement among micro-business owners, using Kim Vicente's Human Factors Ladder as a guiding framework (Vicente, 2004, p. 61). This framework offers a holistic design approach, including tangible and intangible interaction

elements with strategic tools. Our research highlights several key areas where traditional strategic frameworks do not adequately meet the needs of micro-businesses:

**Team Dynamics:** The inherently collaborative nature of micro-business operations significantly impacts the effectiveness of strategies at the organizational level. Such businesses typically rely on close networks of family, friends, and mentors to pilot new ideas and gather valuable feedback for strategic development. Leveraging technology to share and refine strategies can be transformative, freeing up essential time for operational and management tasks. This practice improves strategic implementation and cultivates a communal learning environment crucial to micro-business success (Vincente, 2004, pp. 89-194).

**Psychological aspects:** At the individual level, micro-business owners face significant challenges in adopting strategic frameworks that genuinely reflect the unique cause-effect dynamics within their operations. This difficulty stems from human factors that complicate the design of strategies, leading to a profound disconnect with traditional tools typically designed for larger companies, thereby exacerbating the challenges in strategic engagement (Vincente, 2004, pp. 89-115).

**Physical aspects:** Traditional strategy frameworks often become impractical for micro-businesses constrained by limited resources. Due to such constraints, the infrequent use of these tools disrupts the necessary iterative process vital for successfully developing and implementing strategies. Consequently, these tools and the methods they generate become less effective in the dynamic environments typical of micro-businesses (Vincente, 2004, pp. 65-88).

Our research outlines the critical need for strategic tools tailored to micro-businesses' unique requirements and operational settings, ensuring that these tools are practical and effective across different contexts.

## **RESEARCH QUESTION**

How might we use strategy's physical, psychological, and team-design aspects to create a more accessible strategic experience for micro-business owners, helping them navigate uncertainties and achieve sustainability?

## **Research Process and Methodology**

We adopted a transformative approach, and our research re-imagined strategic frameworks to better suit micro-business owners by integrating physical, psychological, and team-design elements to increase accessibility and effectiveness. Using a robust methodology that merges statistical, qualitative, and textual analyses with real-world insights from the Greater Toronto Area, we aimed to reshape traditional strategy tools to incorporate these businesses' unique needs and challenges. Driven by three foundational hypotheses, our study thoroughly explored business strategy's broad and detailed components as a technology. We used actors' maps, iterative inquiries, and environmental scanning to

identify and address gaps in existing strategic frameworks. This comprehensive method ensured that our proposed innovations were theoretically robust and practically viable, equipping micro-business owners to navigate complexities effectively and achieve sustainable growth. Below is an outline of our research process:

## **Secondary Research**

We reviewed academic literature on business psychology and management, focusing on decision-making processes and engagement with strategy. This phase of our research highlighted significant gaps, particularly the overlooked unique needs of micro-businesses compared to larger businesses.

**Actors Map, Iterative Inquiry, Iceberg Map:** Our findings led us to complete an actor map to analyze power dynamics within the Canadian business ecosystem. These maps helped us hypothesize factors influencing strategic engagement, providing a foundation for further investigation in our iterative inquiry. We applied our findings to an iceberg map to investigate what motivations impact micro-businesses regarding strategic engagement. This became our framework for creating the drivers in our futures work. Please reference Appendix A: Actors Map Summary, B: Iterative Inquiry Summary, and C: Iceberg Map Summary for further details.

**Interview Methodology:** We integrated human factors to design interview techniques like journey and cognitive mapping. These interviews were conducted with micro-business owners and strategist participants. They helped us capture their real-world experiences and strategic thought processes, uncovering discrepancies between theoretical models and actual business practices.

**Environmental Scanning:** We expanded our research to include online resources, such as news articles, business publications, and reviews. Our insights became signals that built out our trends and drivers.

**STEEP+V Analysis:** Employing the STEEP+V framework, we organized our signals into Social, Technological, Economic, Environmental, Political, and Value trends that we felt are important in understanding the drivers impacting micro-businesses (Makos, 2024).

**Scenario Development and 2x2 Matrix:** We identified Lifestyle Equilibrium and Growth Trajectory as pivotal uncertainties for 2024. Our 2x2 matrix facilitated scenario planning, providing a structured approach to envisage future business conditions. Please reference Appendix F: Futures of Micro-Businesses Report.

**Cognitive Mapping and Case Studies:** In the second round of interviews, we created scenario-driven case studies based on our futures work and the 2x2 matrix. We asked open-ended questions to explore how owners tackle challenges, aligning practical experiences with theoretical strategies.

**Integration and Innovation Proposal:** Synthesizing interview outcomes with theoretical insights, we proposed innovative strategies tailored to real-world needs to align micro-

business practices with validated strategic frameworks. Our results are included in our discussions of Hypothesis 1, 2, and 3 in the below report.

## Hypotheses

The following hypotheses guided our investigation:

Strategic frameworks, often tailored to larger businesses, do not cater to micro-business needs, causing a lack of engagement.

Micro-businesses have distinct strategies and mentalities that differ significantly from larger firms.

Engaging owners in reflective mapping exercises could alter their approach, enhancing decision-making and business planning.

### Legend

We have created icons to link methods with our findings and a discussion section for more straightforward navigation. They serve as wayfinding posts to create clarity through the following formatting:

Figure 1: Legend of research icons:

<b>Format of findings:</b>	<b>Interview findings</b>	<b>Deepest emotional insights</b>	<b>Secondary research findings</b>	<b>STEEP+V Framework Analysis</b> <b>Identified trends &amp; signals</b>	<b>Drivers impacting strategic engagement</b>
Wayfinding icons:					

## FINDINGS & DISCUSSIONS

We investigated the distinct challenges of micro-businesses when using traditional strategic frameworks that are predominantly designed for larger organizations. These frameworks often become impractical due to their reliance on cumbersome methodologies such as extensive paperwork and theoretical models. As a result, they need to capture the dynamic, network-based decision-making processes integral to micro-businesses that typically involve close circles of friends, family, and mentors. This disconnection leads to strategies that

quickly become outdated and do not accurately reflect the micro-business's operational realities.

In exploring these challenges under Hypothesis #1, we confirm that traditional strategic tools need to meet the unique needs of micro-businesses, leading to significant disengagement. In hypothesis #2, we further investigate micro-business owners' unique strategies and mentalities and note how they are markedly different from those of larger corporations. These findings illuminate micro-business owners' considerable emphasis on autonomy and flexibility, often at odds with the rigid structures of standard strategic frameworks. The frequent need to juggle strategic planning with immediate operational tasks and personal life demands adds to the cognitive strain, complicating meaningful engagement with these strategic tools.

Despite the limited scope to thoroughly test Hypothesis #3 due to time constraints, our preliminary findings are promising. Engaging micro-business owners in reflective mapping exercises can profoundly shift their strategic perspectives, potentially enhancing their decision-making and planning capabilities. These exercises help owners recognize and harness their inherent strategic activities, which are often informal yet highly effective.

Through our research under H#3, we highlight how technology supports these strategic activities, not merely in operational terms but as a crucial strategic enabler that helps micro-businesses navigate uncertainties. The integration of various technologies significantly influences these businesses' management and operational capabilities, aligning their strategies more closely with their actual business needs.

Combining these insights, we propose a revised strategic journey for micro-businesses that acknowledges these unique challenges and opportunities. It is essential to adapt strategic tools to suit the micro-business environment better, ensuring they are flexible, relevant, and supportive of the owner's entrepreneurial spirit. Our findings and the subsequently proposed innovations aim to make strategy a more practical and powerful tool for micro-businesses, helping them navigate the complexities and uncertainties of their environments more effectively.

### **H#1 Strategic frameworks, often tailored to larger businesses, do not cater to micro-business needs, causing a lack of engagement.**

In Hypothesis #1, we explored the initial friction that micro-businesses encounter when interacting with conventional strategic frameworks. These tools, often designed with larger companies in mind, impose physical and conceptual challenges that need to be aligned with the operational realities of smaller companies. The primary issue lies in traditional strategic documents' static and cumbersome nature, which demand significant effort in comprehension, application, and maintenance.

This misalignment leads to strategies that rapidly become obsolete in the face of swift market changes, further exacerbated by reliance on external consultants who may not fully grasp the micro-business context. Our research reveals that micro-businesses think

strategically through dynamic, informal networks involving close personal contacts. This ongoing, adaptive process effectively supports their decision-making but remains unrecognized by standard strategic models.

#### H#1 - Human Factor: Physicality of Strategy



Figure 2: Human Factor: Physicality of Strategy

We considered physical design factors such as the following:

- materiality (paper-based strategy documents),
- location (accessibility challenges),
- resources (financial constraints to access materials) and
- shape (cumbersome documents that deter organization-wide interaction).

Our research delved into the tangible disconnect that micro-businesses experience with standard strategic frameworks. These tools are often unsuitable due to their physical demands—extensive paperwork and complex theoretical models that must be maintained on paper. Such frameworks become quickly outdated and fail to reflect the agile nature of micro-business operations. Moreover, the involvement of external consultants can sometimes detach the strategy from the business's core operational needs, leading to strategies that do not effectively serve the business.

In contrast, micro companies thrive on fluid, community-based strategic inputs from their immediate networks of friends, family, and mentors, which are more responsive to their needs and adaptable to quick changes in their business environment. This highlights a critical gap in how strategic tools are designed and used.

We present three examples that demonstrate the impracticalities of conventional strategic frameworks for micro-businesses:

[1: From Paper to Progress: The Obsolescence of Traditional Strategy Documents:](#) The physical format of strategic plans often becomes a barrier, quickly outdated as micro-businesses evolve.

[2: Custom Fit: Elevating Micro-Business Success with Tailored Consulting and Personalized Tools:](#) Consultants often adapt strategic frameworks to address the core aspects of micro-businesses more effectively, leading to more insightful and enduring results.

[3: Community First: Micro-Business Owners Prefer Practical, Community-Driven Strategies Over Theoretical Models:](#) Micro-business owners tend to rely on actionable advice from their immediate community, which reflects the practical and immediate nature of their strategic needs, over abstract models that fail to capture the nuances of their operations.

This exploration confirms the need for strategic frameworks that are not only physically and conceptually accessible but also profoundly resonant with micro-businesses dynamic challenges, enabling them to navigate effectively in a volatile market.

H#1, Example 1: From Paper to Progress: The Obsolescence of Traditional Strategy Documents



Our findings reveal that the fast-changing business environment poses significant challenges to the usefulness of static strategy documents for micro-businesses. These businesses often rely on intuition and core values to guide their strategic decisions. For instance, one business owner emphasized ethical alignment as a driving force behind their operational decisions, which inspires continuous growth. This owner mentioned utilizing various strategic tools, from the Value Proposition Canvas to Roger Martin's Playing-to-Win, and noted,



"What makes people successful is confidence, then do it again... it's a constant reflection."

They also wanted to remain small and agile, prioritizing closeness to their community and systemic change over scaling up. They admitted, "I wish I knew strategy better – not sure I'm good at it for my own business."

Another owner shared their experience with a comprehensive 50-page business plan, including detailed local demographic and competitive analysis. Though initially helpful, it soon became irrelevant, as they explained,



“What the people want defines my direction... I’ve been tempted to try online strategy packages to uncover their secrets, but ultimately, it’s about sticking to it. Grit is what counts.”

A third micro-business owner described their approach to strategy as decidedly informal, focusing on constantly acquiring business and industry knowledge to inform their decisions. They shared a pivotal experience from their youth, where a teacher chose to pass them despite poor grades, saying, “I will give you a ‘3’ because you will learn.” This philosophy has shaped their approach to leadership:



“People always need guidance—not to push them but to teach them to push themselves, creating autonomy. It is crucial to explain why you did what you did, not just how to do it. This empowers people. I will never stop learning; claiming to know enough only creates self-limitation.”

This anecdote shows the value of learning and autonomy over formal strategies.



This practice resonates with Herbert Simon’s 1993 perspective that strategy should be a fluid, integral part of daily operations rather than a fixed plan (Simon, 1993, p. 138). Nevertheless, it is rare for the micro-businesses we studied to revise their written strategies routinely; instead, they adapt organically based on their evolving understanding and experiences.

This preference for real-world engagement in decision-making is detailed in Cyert et al. 1956 paper, "Observations of a Business Decision." In it, Cyert explains that decision-making involves evaluating various specified alternatives, each with its own set of potential consequences, and using a system of preferences to select the most favorable outcome. However, he notes that in practice, identifying alternatives requires active search, consequences are only sometimes clear and must be investigated, and outcome comparisons typically consider more than straightforward criteria like profit (Cyert et al., 1956, p. 237).

As micro-businesses navigate the complexities of adapting to rapidly evolving business models, Smart Urbanization, Fostering Resilience, and Entrepreneurial Empowerment trends converge to shape their strategic environment. Smart Urbanization leverages advanced technologies to enhance urban efficiency and connectivity, which is crucial for micro-businesses to harness vast data volumes and technological advancements. Meanwhile, Fostering Resilience highlights the role of local business models and governmental support in enhancing economic health and scalability amidst dynamic market conditions. Lastly, entrepreneurial empowerment emphasizes strategic government support to ease operational challenges and align policies to support the sustainable growth and competitiveness of micro-businesses in a fluctuating economic landscape. These trends underscore a broader movement towards creating adaptable, resilient, and technologically empowered micro-business environments.

#### Technology Trend: Smart Urbanization



Integrating cutting-edge technologies into urban areas transforms cities by enhancing efficiency and residents' quality of life. Driven by rapid data growth, this push for smart urbanization demands better data management to sustain economic vitality. However, the slow adoption of these technologies in Canadian public services highlights the urgent need for comprehensive national internet infrastructure to ensure equitable access and enhance urban efficiency, addressing a critical development need for the future (Marr, 2022, p. 29; Reuters, 2021).



Here are several indicators influencing this trend:

**Data Volume Explosion:** By 2025, data volumes are expected to reach 175 zettabytes, emphasizing the urgent need for enhanced data management strategies and democratized access to handle this information effectively in urban settings, thereby facilitating better decision-making and operational efficiency (Marr, 2022, p. 29).

**Necessity for Technological Adaptability:** The swift evolution of business models driven by technological advancements demands ongoing innovation and flexibility. This adaptability is crucial for sustaining economic growth and maintaining the competitiveness of urban economies in the face of rapid technological changes (Marr, 2023).

**Critical Infrastructure Needs:** The slow integration of technology into Canadian public services and an increasing demand for a robust national internet infrastructure highlight a significant gap. Addressing this gap is essential for achieving technological equity and enhancing the efficiency of urban environments, ensuring that all citizens and businesses can benefit from digital advancements (Reuters, 2021).

## Economic Trend: Fostering Resilience



Local business models and strategic government support are revolutionizing the economic landscape for micro-businesses, enhancing operational flexibility amid global pressures and shifts toward digital and localized supply chains. These changes necessitate innovative financial strategies to overcome funding challenges. At the same time, targeted government investments play a crucial role in fostering job creation and enhancing local ecosystems, enabling micro-businesses to thrive in a dynamic economic environment (IMD Research & Knowledge, 2020; Wallin, 2023; McBride et al., 2023; National Funding, 2024).



Here are several indicators influencing this trend:

**Digital and Localized Supply Chains:** The transformation toward digital and localized supply chains significantly enhances operational flexibility, allowing micro-businesses to respond swiftly to market changes and sustain growth (IMD Research & Knowledge, 2020).

**Strategic Government Investments:** Governmental initiatives aimed at economic revitalization are crucial, with strategic investments in foreign and local companies designed to foster job creation and support local business ecosystems (Wallin, 2023).

**Innovative Financing Strategies:** There is a growing necessity for innovative financing methods as micro-businesses face increased challenges in accessing traditional capital, highlighting the importance of adaptive financial strategies to navigate the evolving economic landscape effectively (McBride et al., 2023; National Funding, 2024).

## Political Trend: Entrepreneurial Empowerment



Strategic government support reshapes the micro-business landscape, offering crucial policies and incentives to mitigate operational costs and customer attrition. These interventions, essential for managing fluctuating tax rates and inflation, help micro-businesses navigate complex markets and secure sustainable growth. Government grants, loans, and wage subsidies are pivotal, enabling these businesses to adopt innovative technologies and expand into new markets, thus ensuring their long-term viability in a volatile economic environment (Mongeon, 2023).



Here are several indicators influencing this trend:

**Government Interventions for Micro-Businesses:** Strategic government interventions are vital for supporting micro-businesses, helping alleviate economic pressures, and enhancing their competitive sustainability amid market fluctuations. By adopting models like India's CGTMSE framework, which facilitates more accessible access to finance without collateral, and streamlining regulatory processes, government policies can effectively reduce financial and operational barriers, fostering a more supportive environment for micro-business growth (Singh et al., 2022, pp. 102, 103).

**Critical Financial Support through Grants and Subsidies:** The Canadian government's provision of grants, loans, and wage subsidies plays a pivotal role in supporting the growth ambitions of micro-businesses. These funding initiatives, crucial for enabling innovative technologies and facilitating market expansion, help sustain long-term development trajectories for these businesses (Mongeon, 2023).

**Optimized Use of Strategic Resources:** Effective usage of government funding allows micro-businesses to enhance their operational capabilities and secure their market positions. This strategic resource management is vital for navigating economic complexities and achieving sustained growth, contributing significantly to these businesses' overall health and scalability (Mongeon, 2023).

Our findings demonstrate that the static nature of traditional strategic documents quickly becomes obsolete in the dynamic environment of micro-businesses, necessitating a shift towards flexible, real-world strategies that emphasize ethical alignment, continuous adaptation, and a deep understanding of local market demands over conventional growth-focused planning.

H#1, Example 2: Custom Fit: Elevating Micro-Business Success with Tailored Consulting and Personalized Tools



Our research indicates that consultants often tailor strategic frameworks to serve micro-businesses unique needs better. For instance, a consultant in the Greater Toronto Area, who also educates and advocates for focusing on micro companies, views it as a political statement against the entrenched practices of larger corporations. They argue that real change is driven at the grassroots level, not from the top, with startups and agile micro-businesses being pivotal in challenging traditional capitalist structures. This consultant has developed a consultancy that attracts clients through its unique approach rather than conventional marketing strategies. Interestingly, this consultant does not rely on a fixed plan to attract clients but instead adapts various tools to meet specific needs. They often combine tools like the Flourishing Business Canvas, which focuses on environmental sustainability, with the Feminist Canvas to bring deeper entrepreneurial perspectives into the planning process.

The same consultant emphasized that tailored tools are crucial for testing business concepts, enabling profound insights that can significantly impact the business's strategy and operations. Despite no flawless tool, their application promotes innovation and aids in identifying potential weaknesses. This is important for them as



“Entrepreneurship is lonely and always a community effort.” They emphasize “feasibility and a slow, continuous growth that snowballs with relationships and customer growth. Life value is worth so much.”

Consultants agree that engaging the micro-business community—including clients, employees, suppliers, and board members—in strategic and organizational changes is essential. This inclusion is crucial as micro-business owners dedicate substantial effort to cultivating these relationships, which are integral to their business's success and evolution.



However, our secondary research suggests that many strategic tools and frameworks oversimplify the business environment, often not aligning with businesses' actual challenges (Levinthal, 2011, p. 1520). These tools typically reduce environmental complexities to more manageable elements, reflecting primarily the decision-maker's perspective.

This simplification process, while making strategic planning more accessible, begs the question of which version of simplification serves the business best. This is a nuanced issue, as the effectiveness of a strategic tool largely depends on the decision-makers expertise; more skilled individuals can effectively use structured frameworks, while those with less expertise might achieve less precise outcomes. This scenario presents the need for adaptable tools catering to diverse skill levels within the micro-business landscape.

The customization of strategic tools to meet the unique needs of micro-businesses dovetails into a broader global trend of interconnectedness, underscoring the importance of integrating diverse cultural insights and advancing technological applications. This global interconnectedness enhances strategic adaptability, essential for navigating the complexities of the modern business landscape and aligning with the sweeping Tech-Powered Paradigm Shift and Greener Horizon trends, defining new standards in environmental sustainability and innovative business practices.

Social Trend: Global Interconnectedness



The increasingly globalized market introduces diverse cultural influences into micro-business operations, enhancing collaboration, knowledge exchange, and entrepreneurial skills. Research from the Business Development Bank of Canada shows that higher education levels correlate with better business performance, emphasizing the importance of continuous learning and digital literacy in navigating today's complex business environment (Marr, 2022, p. 5; bdc, What is an Entrepreneur?; bd, The Changing Face of Canadian Entrepreneurship).



Here are several indicators influencing this trend:

**Educational Divergence and Advancement:** A significant educational divergence shows that 41% of entrepreneurs in Canada now hold university degrees compared to only 26% of the general labor force. This highlights a trend towards higher educational attainment among entrepreneurs, which correlates directly with enhanced business performance and innovation capabilities (BDC, The Changing Face of Canadian Entrepreneurship).

**Enhanced Business Outcomes through Continuous Learning:** Continuous learning initiatives, such as workshops and webinars, have proven to significantly boost business metrics such as sales, profitability, and employment growth, underscoring the importance of lifelong learning and adaptability in maintaining competitive advantage (BDC, What is an Entrepreneur?).

**Crucial Role of Digital Literacy:** Digital literacy has become a cornerstone for entrepreneurship success in the modern business environment. The necessity for accessible learning resources and robust digital connections is crucial for entrepreneurs to effectively manage and navigate the complexities of the global market landscape (Marr, 2022, p. 5).

## Environmental Trend: A Greener Horizon



Micro-businesses adapt their strategies to align with environmental goals amidst rising costs and economic pressures, driven by the imperative to integrate advanced technologies. This necessity is particularly acute in sectors like shipping, where ecological considerations are crucial, and rising transportation costs and inflation impact budgets, highlighting the need for frameworks that support sustainable practices and ensure long-term business viability (StatsCAN, 2022; Statistics Canada, June 28, 2023).



Here are several indicators influencing this trend:

**Rising Transportation Costs:** Micro-businesses are revamping their logistics and distribution strategies in response to substantial increases in transportation costs. As of mid-2022, courier and air transport costs had increased by 23.1% and rail transport costs by 28.4%, demonstrating the urgency of finding cost-effective, sustainable alternatives (StatsCAN, 2022).

**Inflationary Pressures:** Inflationary pressures are significantly impacting micro-businesses in Canada. The Consumer Price Index reached a 40-year high of 6.8% in 2022, and although it has subsided, it remains historically high (Statistics Canada, June 28, 2023). This enduring inflation necessitates that micro-businesses adopt adaptable and resilient strategies to mitigate the effects on consumer purchasing power and operational costs, highlighting the need for robust financial and strategic planning to maintain competitiveness in this economically strained environment.

**Resource Accessibility Disparities:** Micro-businesses are increasingly challenged by the rising costs of natural resources and new carbon tax policies, which necessitate innovative and sustainable solutions to maintain competitiveness in an environmentally regulated market. Insights from global studies on resource accessibility reveal that disparities often promote unsustainable practices and impair well-being by creating skewed development opportunities (Henderson et al., 2020). Such conditions in the micro-business sector call for adaptive strategies that ensure equitable resource access and strengthen market positions.

Our research demonstrates that consultants frequently customize strategic tools to align with the unique needs of micro-businesses, fostering innovation and community involvement. However, they often confront the challenge of oversimplifying complex business realities, underscoring the need for adaptable strategies that cater to varied expertise levels.

## H#1, Example 3: Community First: Micro-Business Owners Prefer Practical, Community-Driven Strategies Over Theoretical Models



Our interviews indicated that while micro-business owners recognize the theoretical benefits of traditional business tools and frameworks, they often do not fully use them. Instead, they typically seek practical problem-solving advice from family and mentors within their community. One owner expressed that these frameworks frequently fail to address their business's day-to-day realities and ongoing operations, emphasizing that the key to successful strategy lies in a diligent approach to overcoming obstacles and maintaining dedication.

Another owner explained, "You can use frameworks all day, every day, but if you don't deeply care about what you do, you will adopt a growth mindset, which is common in entrepreneurship. It's crucial to define your purpose. Ask yourself, 'What's my why? What do I love about this?' From there, determine your people and what you offer the community.



Engage with community members to discover unmet needs. Invest in long-term relationships and involve community members in multiple ways, such as through associations that seek community involvement.

My process involves co-creation, providing evaluative and generative insights." They stressed the importance of designing systems that add value to the current framework and assessing their feasibility.

A consultant highlighted the significance of ecosystem mapping, noting, "It's essential, but nine out of ten times, there's not much to map at the start. However, businesses need to revisit and reflect on their connections and network to effectively map it out, understanding where connections may lie and planning for growth accordingly."

This shift from a reliance on traditional, often abstract strategic frameworks to a preference for community-driven advice is seamlessly aligned with emerging entrepreneurial trends. These trends emphasize local engagement and a personalized approach to business strategy, enhancing the relevance and impact of micro-businesses within their communities. This approach fosters closer ties with local stakeholders. It aligns with broader movements like the Entrepreneurial Renaissance and Local Love trends, highlighting the importance of community integration and support in the evolving entrepreneurship landscape. These

trends reinforce the necessity for adaptable, locally focused business strategies that resonate deeply with the needs and dynamics of contemporary markets.

#### Social Trend: Entrepreneurial Renaissance



The movement towards community-driven entrepreneurship reflects a significant shift, prioritizing the integration of local insights and resources to spur innovation and economic growth. By emphasizing continuous learning and inclusive practices, this trend engages diverse demographics, enhancing economic vitality and reducing gender disparities among business owners, thereby underscoring the critical role of community involvement in sustainable economic development.



Here are several indicators influencing this trend:

**Integration of Local Insights in Product Development:** The increased integration of community insights and resources into product development has led to a growing trend of local involvement in entrepreneurship (Kim et al., 2022). This community-driven approach enriches business innovation and enhances responsiveness to local market needs, fostering economic growth.

**Emphasis on Continuous Learning:** Community training programs to develop technical and managerial skills show the importance of continuous learning and adaptability in modern entrepreneurship. This focus on skill enhancement is crucial for maintaining competitiveness and fostering innovation within the dynamic micro-business landscape (Business Information Review, 2018).

**Diverse Demographic Engagement:** The resurgence of entrepreneurship driven by diverse demographics, including younger and older Canadians, immigrants, and women, has significantly contributed to economic vitality. This diversity in entrepreneurship, as illustrated by Davidson (2003) and further supported by economic contributions data from Ewing et al. Foundation (2004) and Rhodes & Sorenson (2004) highlight the substantial economic impact of new businesses, reflecting a broadening of the entrepreneurial base and a reduction in gender disparities among business owners.

#### Values Trend: Local Love



The growing emphasis on supporting local micro-businesses shows a shift in entrepreneurship that closely aligns business strategies with community values, enhancing economic resilience and competitive advantages. This approach strengthens community bonds through substantial local support and contributions to local growth and sustainability,

creating a reciprocal relationship that fosters economic vitality and a supportive feedback loop between businesses and their communities (Marcketti et al., 2006, p. 256; Lesonsky, 2024; Lustberg, 2022).



Here are several indicators influencing this trend:

**Community-Centric Business Strategies:** The Local Love trend emphasizes the strategic integration of businesses with community values, significantly supported by local stakeholders. This approach fosters economic resilience and competitive advantage for entrepreneurs and strengthens community bonds, ensuring that businesses actively contribute to local growth and sustainability (Marcketti et al., 2006, p. 256).

**Enhanced Community Engagement and Support:** Businesses are increasingly recognized for driving local economic growth, and there is a growing commitment to community-centric visions. This trend is highlighted by the substantial support local businesses receive from community members, propelling them through challenges and deepening their impact on local development (Lesonsky, 2024).

**Economic Contributions to Local Communities:** The trend extends to the significant contributions local businesses make to community causes, with small companies donating 250% more than larger businesses to local charities (Lustberg, 2022). This level of generosity enriches the community and creates a positive feedback loop that benefits both the businesses and the communities they serve, reinforcing the critical role of local engagement in sustainable business practices.

Our research demonstrates that micro-business owners often favor community-driven, practical advice over abstract business models, valuing personal connections and local insights for strategic decision-making, which enhances engagement and aligns closely with their community's needs and values.

#### H#1 - Discussion on the Physicality of Strategy

Our findings under Hypothesis #1 revealed that strategic frameworks, typically designed for larger businesses, need to adequately address the unique needs of micro-businesses, often leading to disengagement. To delve into the nuances of how micro-businesses approach their strategic planning, we drew inspiration from Hambrick, who emphasizes the importance of considering the biases of the most influential decision-makers within an organization—in our case, the micro-business owner (Hodgkinson, 2023, p. 1034). We found that the journey of a micro-business owner is distinctive and cyclical, capturing the true essence of entrepreneurship. This journey can be metaphorically compared to Van Gogh's "Starry Night," where each swirl symbolizes a phase of the entrepreneurial process, marked by continuous movement and vibrant activity.

## Micro-Business Strategy Journey "Starry Night"

### Mindset & Inception:

In the beginning, like the quiet start of the night, micro-business owners are driven by a constellation of personal values—freedom, personal worth, independence, flexibility, ownership, and the innate desire for survival. This mindset forms the backdrop of their venture, similar to the vivid colors and emotional depth of "Starry Night," as shown in the illustration.

### Journey & Discovery:

As the journey unfolds, owners spiral into the discovery phase, where, akin to the brightest stars of the night, they identify a need in the market—this is their guiding light. Developing products or services to meet this need is their response to the market's calling.

### Trial & Error:

This stage is a swirling mix of successes and failures, where experimentation is as common as the changing hues of the night sky. Learning is constant; every failure is a lesson, and every success is a star twinkling with potential.

### External Environment:

Throughout the process, the external environment plays a significant role. Micro-business owners are not solitary but embedded in a community support network. They draw strength from mentors and advisors, like drawing warmth from the distant suns, ensuring they are not alone in their quest.

### Stability:

Eventually, stability emerges at dawn after navigating through trials and enduring the night's darkest moments. Education, mentorship, and clear goal setting bring about a sense of steadiness—a business stable enough to withstand the tests of time yet agile enough to move with the winds of change.

### Strategy & Adaptation:

To bridge the gaps in traditional strategy frameworks, our innovative approach integrates feedback mechanisms that respect attention spans and consumer input, much like the thoughtful placement of stars in the night sky. Our strategy tools feature intuitive symbols and shapes, reflective questioning, a mix of learning methods, and clear markers for control and navigation. This ensures that strategy is a living part of the business, evolving and adapting, not unlike the ever-changing night sky.

### Practical Application:

In practice, most micro-business owners ponder strategy in their scarce free time—often in the quiet of the night or early morning. Their dedication transcends their hours, driven by the need to align their businesses with their deeply held values. The journey is both an internal reflection and an external quest, blending the need for personal alignment with the practicalities of running a business.



### Starry Night

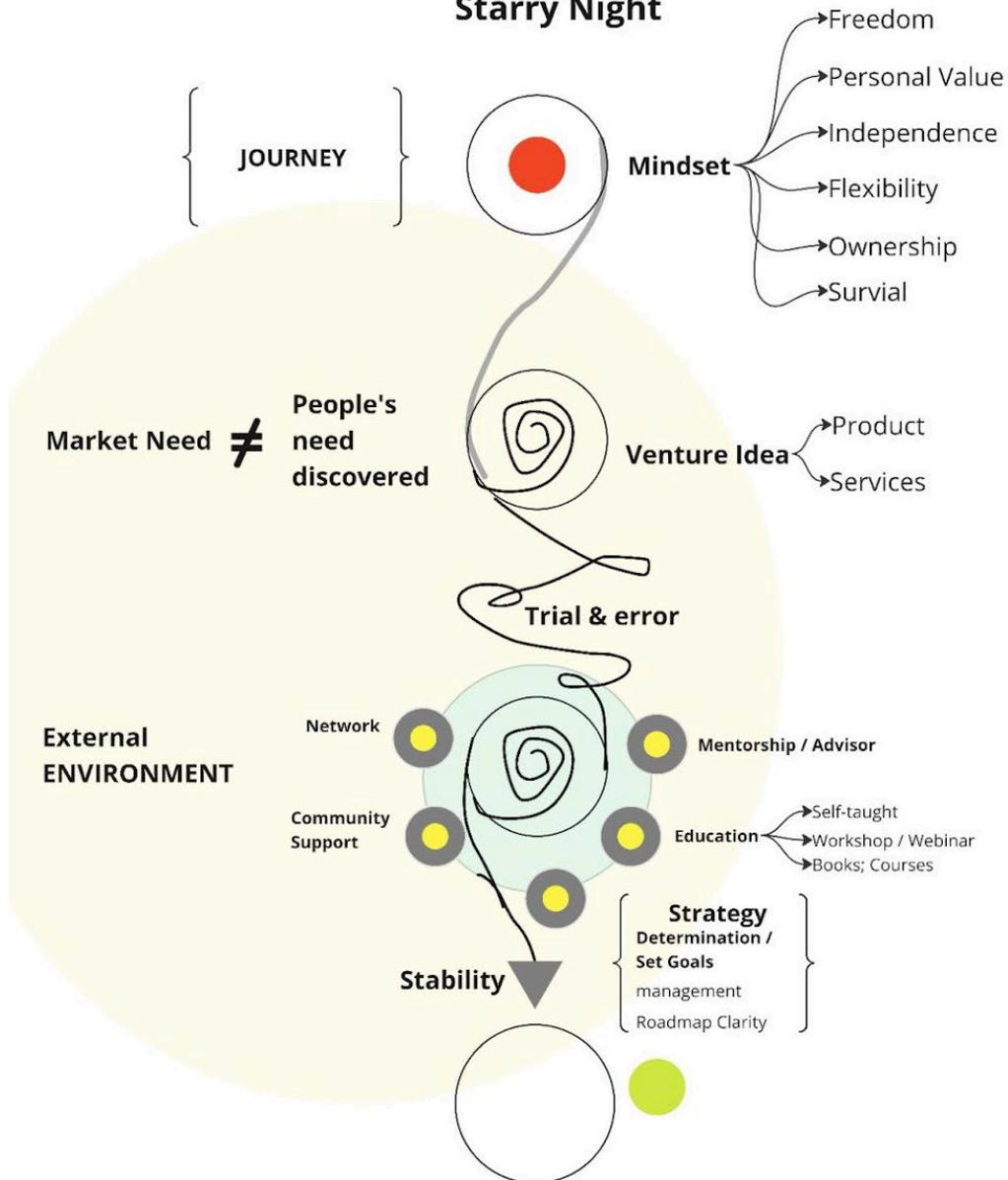


Figure 3: The Micro-Business Journey "Starry Night" (Vincent van Gogh, The Starry Night, 1889)

### Symbolic Resonance:

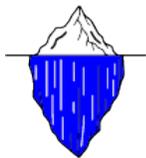
At the core of our strategic innovation lies the bond between strategy and practice, ensuring accessibility and adaptability. It is about creating tools that are not just functional but resonate with the individual experiences of micro-business owners. We aim to reflect the complexity and beauty of their journey, much like Van Gogh's "Starry Night," where every stroke and color has its purpose, contributing to the masterpiece that is the micro-business owner's strategic journey.



### Driver: The Hidden Obstacle Course

The journey of a micro-business owner, akin to navigating Vincent Van Gogh's "Starry Night," involves a blend of visionary mindset and gritty pragmatism, often hindered by what we identify as The Hidden Obstacle Course. This refers to the challenges of translating voluminous strategic plans into daily business operations, a task made even more daunting by economic pressures and the scarcity of resources. Current economic climates, marked by rising costs and slowed growth, necessitate a careful allocation of resources, impacting the creation and distribution of strategic plans. This landscape requires micro-business owners to be agile and resilient, embedding strategies into the fabric of their operations without being weighed down by extensive documentation.

### Confidence: The Key Ingredient for Micro-Business Success



At the heart of this process lies confidence, the core emotion driving micro-business success. The belief in one's vision and the conviction to execute it empowers owners to transcend the obstacle course of entrepreneurship. Confidence allows micro-business owners to assert their expertise and navigate the entrepreneurial waters, which can be as treacherous as they are rewarding. This steadfastness, coupled with a relentless pursuit of knowledge and adaptability, forms the cornerstone of their strategic endeavors. Whether adopting new technologies, learning from failures, or reaching out to a community of mentors, the successful micro-business owner's strategy is an ever-evolving narrative, where confidence and continuous knowledge acquisition play pivotal roles in overcoming the real-world challenges of strategy implementation.

### Summary

As we culminate our exploration of the micro-business journey, it is clear that these entrepreneurs' paths are not just a series of steps but a continuous cycle of vision, effort, and adaptation. Like Van Gogh's "Starry Night," each phase of their journey—from spotting a market need to achieving stability—is a brushstroke in a larger masterpiece. The practical

application of strategic tools designed to fit their unique needs allows them to navigate the hidden obstacle course of business challenges with resilience and foresight.

The role of Confidence emerges as pivotal, fueling the drive to persevere through uncertainties and setbacks. This unwavering belief in their vision enables micro-business owners to embed practical strategies into their operations effectively, transcending the constraints of traditional frameworks. Our mission has been to craft tools that facilitate this process and resonate with their personal and professional narratives, ensuring their business strategies are as dynamic and enduring as the businesses themselves.

In closing, as depicted in our study, the journey of a micro-business owner is a testament to the power of integrating deep personal values with robust, adaptable strategies. Through this integration, micro-businesses can continue to thrive, contributing uniquely and significantly to the broader tapestry of the global economy.

#### Implications for Innovation: Physical Aspects of Strategy Tools

Based on the findings from Hypothesis #1, innovative strategic tools for micro-businesses involve addressing specific human factors that hinder their use of traditional strategy frameworks. Here is how these considerations can translate into practical innovations under the specified human factors:

##### Materiality (Paper-based Strategy Documents):

**Adaptive and Modular Design:** Replace static, paper-based documents with flexible, digital formats that can be easily modified as business conditions change. This transition reduces the physical burden and enhances the adaptability of the strategic tools.

##### Location (Accessibility Challenges):

**Integration of Technology:** Implement cloud-based systems and mobile applications to ensure strategic tools are accessible from any location, overcoming geographic and on-premise constraints. This accessibility allows micro-business owners to engage with their strategic plans in real time, irrespective of their physical location.

##### Resources (Financial Constraints to Access Materials):

**Simplification and Visualization:** Develop cost-effective, intuitive tools that minimize the need for expensive resources. Visual aids like infographics and interactive models can help demystify complex strategic concepts, making them more accessible to business owners with limited resources.

**Training and Support:** Offer affordable or accessible online training sessions, which help micro-business owners maximize the benefits of the strategic tools without significant financial investment.

##### Shape (Cumbersome Documents that Deter Organization-Wide Interaction):

Community-centric Approaches: Design collaborative tools that encourage interaction and feedback from a broader community, which can be especially useful in environments lacking formal business training. Tools should be user-friendly and conducive to sharing and collaboration across the business's network.

Real-World Feedback Loops: Incorporate feedback mechanisms directly into the tools, allowing for ongoing adjustments based on user interactions and external inputs. This helps in refining strategies continuously and effectively.

By integrating these criteria into the design of strategic tools, innovations can be tailored to overcome micro-business-specific challenges, making strategic planning a more integral, dynamic, and influential part of their operations. These tools will align more with micro-businesses operational realities and community contexts, enhancing their sustainability and resilience in the marketplace.

H#2 Micro-businesses have distinct strategies and mentalities that differ significantly from those of larger firms.

In our exploration of Hypothesis #2, we discovered micro-businesses distinctive strategic approaches and mindsets, starkly contrasting with those of larger corporations. We found that traditional strategic frameworks often fail to accommodate micro-businesses unique causal relationships and decision-making processes. These frameworks, crafted for larger firms, overlook the nuanced dynamics that define smaller businesses. A critical aspect of this disconnection stems from psychological factors; micro-business owners typically value autonomy and flexibility, viewing these qualities as essential to their entrepreneurial success. Participants consistently expressed this sentiment by highlighting the importance of self-direction and lifelong learning as vital for navigating their multifaceted business environments.

Moreover, the constant oscillation between strategic planning and immediate operational demands places a significant cognitive burden on these owners, complicating their engagement with strategic frameworks. Adding to this challenge is the dual demand of managing personal and professional aspects of life, which often needs to align with conventional strategic tools' rigid and impersonal nature. Our findings suggest a cyclical challenge where the intricate nature of strategic frameworks makes it difficult for micro-business owners to grasp and retain non-intuitive content, reducing these tools' overall efficacy and relevance. This results in a perception that strategy tools are unhelpful and detached from the practical realities of running a micro-business, which frequently prioritizes adaptability and immediate responsiveness over theoretical strategic planning.

## **H#2 - Human Factor: The Psychology Behind Using Strategy**

The psychological design elements we considered focus on the challenges of:

1. discerning cause-and-effect dynamics within the organization and
  2. the complex arrangement and presentation of information,
  3. integration of personal and business objectives
- often pose significant barriers for micro-businesses.

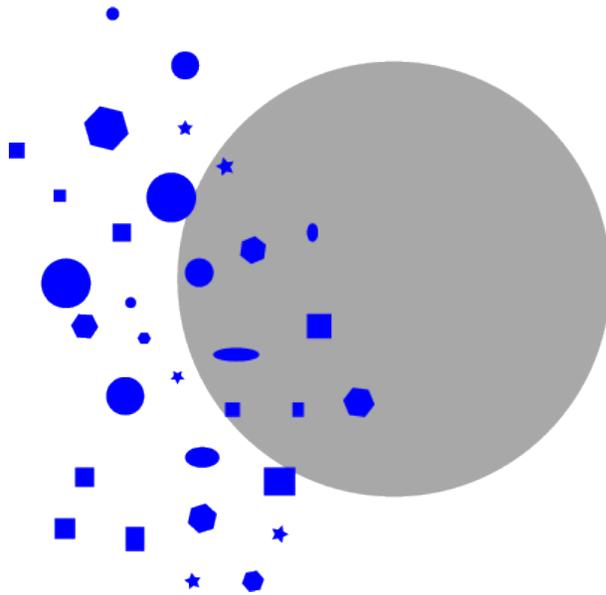


Figure 4: Human Factor: The Psychology Behind Using Strategy

Hypothesis 2 examines micro-business owners' significant psychological barriers when interacting with traditional strategic frameworks. These frameworks often fail to align with the unique cause-and-effect dynamics that characterize the decision-making processes within micro companies. The complex configuration and presentation of information in these tools can create substantial cognitive hurdles, obscuring the clarity needed for effective strategy formulation and implementation.

Our study identifies specific psychological factors that contribute to these challenges:

[1: Unraveling Complexity: Navigating Cause-Effect Dynamics in Business Strategy:](#) Micro-business owners struggle with the complexities of cause-effect dynamics in strategy. They emphasize the need for tools that align with their values of autonomy and flexibility, allowing them to tailor operations and strategies that integrate personal values and community engagement, which are crucial for sustainable entrepreneurial success.

[2: Embracing Fluidity: The Demand for Non-linear Strategic Approaches in Modern Business:](#) Micro-business owners navigate complex environments that demand non-linear, adaptive strategies and continuous learning, highlighting the resilience and community support that sustains them through challenges and changes in their entrepreneurial journeys.

[3: Blurring Boundaries: Integrating Personal and Business Objectives for Holistic Success:](#) We explored the complex interplay between personal well-being and business success, highlighting the need for micro-business owners to holistically integrate personal and business objectives, ensuring sustainability through balancing personal health and entrepreneurial demands.

This exploration into the psychological design elements of strategy presents the necessity for developing strategic frameworks that are more intuitive, adaptable, and attuned to micro-businesses specific needs and cognitive environments. Such frameworks should facilitate clearer understanding and more straightforward application, enhancing strategic engagement and effectiveness in these businesses' volatile landscapes.

## H#2, Example 1: Unraveling Complexity: Navigating Cause-Effect Dynamics in Business Strategy



One of the primary challenges micro-business owners face is connecting the cause-effect relationships using the current strategy tools. For these entrepreneurs, autonomy, and flexibility are not merely business objectives; they are essential personal values that deeply influence their entrepreneurial pursuits. This influence often leads them to customize their business operations, from workflows to client interactions, to align with these personal goals. For example, many micro-business owners choose projects or clients that resonate with their values, sometimes rejecting financially lucrative opportunities that conflict with these principles.

One micro-business consultant explained the importance of linking “deep conversations to tangible outcomes,” noting it’s easy to “get lost in your way of thinking and knowing.” They shared an insight from their experience, stating,



“Passion can be tied to the success of the business,” and emphasized the necessity of making strategy documents personable to clients.

They also discussed the benefits of “tying the strategy to the community through co-creation, as it’s easier to identify resources you can pull on,” highlighting that there are alternative business methods that challenge the norms and that diversity is crucial for the broader ecosystem in which micro-businesses operate.

Another consultant emphasized the importance of recognizing value co-destruction and co-creation with clients, explaining that understanding these dynamics can enhance the business model's emphasis on social capital, thereby fostering viability and growth dependent on these elements.



The scholarly literature supports this observation. In "A Behavioral Approach to Strategy - What's the Alternative?" Levinthal highlights how traditional strategic frameworks are designed for well-defined problems within specific contexts, which starkly contrasts with the ambiguous and dynamic challenges micro-businesses face. These businesses typically adapt and experiment with solutions catering to business needs and personal values like family time, community involvement, and individual health, thus embodying a broader spectrum of success metrics prioritizing social norms over market-driven goals.

Dan Ariely's "Predictably Irrational" sheds further light on this issue by discussing the difficulties of merging market and social norms. Introducing monetary considerations into primarily socially driven decisions can shift perceptions towards more market-oriented behaviors, potentially clashing with a micro-business owner's intrinsic motivation(s). This complex interplay shows the need for strategic tools to reflect and support the unique cause-effect relationships within micro-businesses accurately.

The nuanced understanding of cause-effect dynamics within the micro-business strategy, emphasized in H#2, Example 1, seamlessly transitions into the Entrepreneurial Celebration trend. This societal shift heralds a broader appreciation for entrepreneurship that focuses on economic gains and celebrates personalized business models that integrate individual cultural values and social norms, presenting a refreshing contrast to traditional corporate practices.

Economic Trend: Entrepreneurial Celebration



The financial landscape for micro-businesses is being reshaped by technological innovations from major tech companies and substantial support from startup accelerators, enhancing their financial independence and ability to scale. Coupled with strategic shifts in the financial sector and specialized support programs that promote inclusivity, these changes enable micro-businesses to swiftly navigate economic challenges like inflation and credit constraints, underscoring their resilience and essential role in a rapidly evolving economic environment (Huynh, 2023; Wallin, 2023; Anderson, 2023).



Here are several indicators influencing this trend:

**Innovative Financial Solutions and Startup Accelerators:** As major tech companies like Apple, Google, and Amazon introduce alternative banking methods tailored for micro-businesses, startup accelerators are also playing a crucial role by providing the necessary resources and support for these companies to use these new financial tools effectively. This synergy enhances the financial autonomy and resilience of micro-businesses, enabling them to navigate the challenges of scaling and development in a competitive landscape (Huynh, 2023; Wallin, 2023).

**Strategic Rebalancing and Support for Diverse Entrepreneurs:** Introducing new banking methods has forced traditional financial institutions to rethink their strategies, creating specialized lending and investment mechanisms that better meet micro-businesses' needs. Concurrently, targeted programs supporting immigrants and minority entrepreneurs ensure these innovative financial tools are accessible to a broader range of business owners, promoting inclusivity and leveling the playing field in the economic ecosystem (Anderson, 2023; Huynh, 2023).

**Adaptation to Economic Pressures:** Micro-businesses are cultivating resilience and agility in response to the economic challenges posed by inflation and tightening credit conditions. Supported by innovative financial solutions and startup accelerators, these businesses are adapting to maintain sustainability and growth within a shifting financial landscape. This adaptability is crucial, as highlighted by insights emphasizing the importance of agility in transformation processes. This can lead to real business impact by enhancing performance across various dimensions, including efficiency, customer satisfaction, and operational speed (McKinsey Global Survey, 2021).

Values Trend: Family-Centric Entrepreneurship



Integrating family well-being and personal values into micro-business operations marks a paradigm shift in defining entrepreneurial success, expanding it to include life satisfaction and community involvement. This approach aligns business strategies with personal ethics and positions family and the community at the heart of business activities. This transforms the traditional entrepreneurial landscape into one that supports a balanced and fulfilling lifestyle, enhancing personal fulfillment and business sustainability (Marcketti et al., 2006, p. 256; Veleva, 2021; Yerkes et al., 2020).



Here are several indicators influencing this trend:

**Holistic Business Goals:** Micro-business owners increasingly integrate family well-being and personal values into their business strategies, focusing on economic outcomes and achieving a broader definition of success. This includes enhanced life satisfaction and active

community involvement, integral to their entrepreneurial ventures (Marcketti et al., 2006, p. 256).

**Lifestyle Integration in Business Operations:** In enhancing the integration of lifestyle values into business operations, many entrepreneurs are redesigning their business models to accommodate better personal ethics and commitments, such as family time and community involvement. This transition from strictly profit-driven models towards those that embrace broader, value-driven objectives reflects a growing recognition of aligning business practices with personal and social values, promoting a more holistic approach to entrepreneurship (Veleva, 2021).

**Community and Family as Business Pillars:** The trend emphasizes the importance of community and family support in the entrepreneurial process, with business activities being deeply woven into the fabric of personal and community life. This approach not only fosters greater personal fulfillment and social cohesion but also enhances the sustainability and resilience of the business in the face of market pressures and economic changes (Yerkes et al., 2020).

Micro-business owners face challenges in understanding complex cause-effect dynamics within strategic tools. These tools do not recognize their unique needs for autonomy and flexibility. They prioritize flexible, value-aligned strategies over rigid models and adapt operations to support deeply held personal and community values, which are critical for their entrepreneurial success and integration into the broader business ecosystem.

H#2, Example 2: Embracing Fluidity: The Demand for Non-linear Strategic Approaches in Modern Business



The inherently complex environment of micro-businesses requires continuous learning and adaptation. This ongoing development frequently leads to cognitive strain, mainly when entrepreneurs use traditional strategic tools not tailored to such dynamic settings.

Micro-business owners actively engage in continuous professional development, utilizing resources such as journals, courses, podcasts, and specialized websites to stay informed. Direct communication with clients and suppliers is essential, providing timely insights that allow for swift adjustments to products and services. The narrative of one micro-business owner exemplifies this journey; initially, leaving a stable job to pursue a passion in mixed martial arts, they experienced rapid growth followed by setbacks, including partner extortion and bankruptcy. Despite these challenges and the additional strain of the COVID-19 pandemic, they continued their entrepreneurial path. With support from a family network of fellow entrepreneurs, they rebuilt their business over seven years, eventually acquiring a

building. The support from dedicated staff, who became like family, was crucial throughout these trials.



Having worked closely for over eight years, this team exemplifies the power of collaborative knowledge, embodied in their ethos that "none of us are as smart as all of us," sustaining them through continuous adversity and motivating their persistence.

Many entrepreneurs recount starting with partners and enduring challenges such as bankruptcy and legal disputes. These stories highlight their entrepreneurial journeys' iterative, trial-and-error nature, showcasing their resilience and adaptability.



In "Sustainable Self-Governance in Businesses and Society," Angela Espinosa emphasizes that businesses must learn to manage their dynamic environments adeptly continually. She writes about the importance of acquiring new skills, broadening market exposure, and aligning operations with strategic goals. Espinosa introduces the concept of "eigen variety," promoting a balance that fosters ongoing adaptation and resilience. This continuous learning is essential for micro-businesses to effectively tackle evolving challenges and capitalize on new opportunities.

Following these personal accounts of resilience and adaptation, Angela Espinosa's insights from her book, "Sustainable Self-Governance in Businesses and Society," published in 2023, connect these narratives to broader strategic practices. She advocates for perpetual skill enhancement and strategic realignment to navigate micro-businesses dynamic challenges, introducing strategies for continuous adaptation and resilience essential for their survival and growth in fluctuating markets.

Values Trend: From Home to Market



The trend of integrating family dynamics into micro-business strategy highlights how familial bonds and life events crucially influence business growth and operations. This approach converts personal relationships into professional assets and ensures that business models are authentic and adaptable. It enables ventures to respond quickly to market changes while aligning with family well-being, thus enriching business and family life (Marcketti et al., 2006, pp. 255, 256).



Here are several indicators influencing this trend:

**Family as Core Business Stakeholders:** Family involvement is pivotal in shaping micro-business strategies, with members contributing to various business functions such as production, sales, and management. This deep integration enhances the business's adaptability and enriches its authenticity, transforming personal relations into professional strengths that drive innovation and operational success (Marcketti et al., 2006, pp. 255, 256).

**Feedback and Adaptation:** Family perceptions of quality of life and well-being provide crucial feedback for entrepreneurs, influencing whether and how they continue or adjust their business activities. This feedback mechanism aligns business strategies and decisions with business goals and family needs, promoting a sustainable balance between professional and personal life. It is essential to consider future-oriented feedback within family dynamics, similar to workplace settings, where focusing on future actions rather than past performance enhances feedback's effectiveness and acceptance (Gnepp et al., 2020).

**Strategic Family Engagement:** Integrating family dynamics into business models requires balancing professional roles with personal relationships, creating unique challenges and opportunities. Family members' dual roles enhance decision-making and develop a resilient business culture, which helps navigate market demands and internal dynamics, ultimately promoting the sustainability of the business and family well-being (Weimann et al., 2020).

Micro-business owners operate in complex, dynamic environments, necessitating non-linear strategic approaches and continuous learning to manage cognitive strains and adapt to market changes; their resilience and adaptability in overcoming challenges like bankruptcy are bolstered by strong community and familial ties, underscoring the need for strategies that integrate professional demands with personal values and family well-being.

H#2, Example 3: Blurring Boundaries: Integrating Personal and Business Objectives for Holistic Success



Balancing personal and business lives is pivotal for the sustainability of small businesses, with 58% of individuals deeming it crucial (Blair, 2024). However, many find maintaining this balance challenging, often compromising personal health and well-being. For example, one participant described their struggle to balance personal commitments with business demands during the COVID-19 pandemic, which necessitated a reassessment of roles within their company. This shift led to greater staff autonomy and altered control over operations.

Yet, the owner still struggled to prioritize family time, often undervaluing their contributions—a scenario best addressed outside times of crises (Simon, 1993, p. 137).

A micro-business consultant emphasized the importance of considering roles, referencing spoon theory to highlight the pitfalls of overcommitment:



“Forcing yourself to do it will just make you hate your business... de-hustling entrepreneurship and co-creating life business together is essential.”

They pointed out that an excessive focus on tools rather than a reflective analysis of one’s business approach can reinforce biases and obstruct personal objectives, stressing that “life is a partner in your business.”

Another consultant discussed the imbalances in their relationships with micro-businesses they advised, using Uber as an example of how feedback mechanisms can enhance understanding of client needs. They suggested asking direct questions like, “Do you feel your needs are being met?” and “Was this helpful?” to gauge client satisfaction better and adjust support accordingly.



They noted that many clients feel “burnt out and alone,” seeking objective insights to help reconcile personal reflections with business operations.

This dialogue proves the need for strategies (as a technology) to support business growth and foster personal well-being, ensuring business owners can manage both aspects effectively.



Decision-makers frequently use heuristics—mental shortcuts that simplify decision-making processes but may not always lead to optimal outcomes (Hodgkinson, 1999, p. 978). These heuristics help conserve cognitive resources yet can result in choices that satisfy immediate criteria rather than the best possible outcomes, a phenomenon Herbert Simon described as “satisficing” (Hodgkinson et al., 2003, p. 1040). Such strategies are often necessary under time and resource constraints but may compromise the quality of decisions.

Moreover, strategic frameworks can abstractly represent business challenges, occasionally losing critical contextual details. Employing cognitive mapping techniques can help retain these details, enhancing the quality of strategic decision-making by providing a more

nuanced view of the operational landscape (Hodgkinson, 1999, p. 978). This method aids in mitigating biases by clarifying how situations are framed and helping experienced and novice decision-makers navigate their preferences more effectively, thus improving overall decision quality (Hodgkinson, 1999, p. 983). Reflective practices are precious in this context, allowing for a critical reassessment of biases and ensuring that strategies align more closely with business and personal goals.

Micro-business owners adapt to the intersecting demands of personal well-being and business operations, highlighted by trends like the Well-being Wave, which promotes policies such as the four-day workweek to improve life quality and productivity. Concurrently, the Blurring Boundaries trend reveals how the fusion of digital and physical realms complicates work-life balance, necessitating tools to manage digital engagement and prevent mental overload. Additionally, the Balancing Act trend emphasizes the severe mental health challenges arising from the overlap of personal and business spheres, advocating for substantial policy reforms and targeted mental health support to foster a healthier, more resilient entrepreneurial environment.

#### Technology Trend: Blurring Boundaries



The merging of digital and physical realms transforms the entrepreneurial landscape, deeply intertwining micro-business owners' personal and professional identities and complicating their digital interactions. As digital avatars and expanded digital footprints become ubiquitous, the need for precise time management and innovative tools to streamline these interactions becomes critical, ensuring the mental well-being of entrepreneurs as they navigate a complex, interconnected digital ecosystem (Marr, 2022, p. 16, 50).



Here are several indicators influencing this trend:

**Digital Avatars and Identity Management:** Entrepreneurs increasingly use digital avatars to maintain a consistent presence across various digital platforms, effectively managing their intertwined professional and personal identities. This practice not only aids in brand consistency but also helps navigate the complexities of online interaction and persona management (Marr, 2022, p. 16).

**Expansion of Digital Footprints:** The significant enlargement of digital footprints integrates deeply into both personal and professional spheres, increasing the complexity and integration of online activities. This expansion necessitates more sophisticated digital management strategies to handle escalated interactivity and potential security concerns (Marr, 2022, p. 50).

Challenges of Digital Overload and Time Management: With the intensification of digital interactions comes the risk of digital addiction, affecting millions globally and necessitating effective time management strategies for entrepreneurs. This situation highlights the urgent need for tools to optimize digital engagement, effectively helping business owners balance their digital activities with offline responsibilities (Marr, 2022, p. 50).

Political Trend: The Well-being Wave



Progressive societal and governmental initiatives, such as the four-day workweek and tailored tax policies, are transforming workplace culture by emphasizing the well-being of employees and business owners. These measures not only improve work-life balance and reduce operational costs but also foster healthier, more sustainable work environments, thereby underlining the significant impact of personal well-being on productivity and business sustainability (World Economic Forum, 2023; National Post; Hopper, 2024).

Here are several indicators influencing this trend:



**Four-Day Workweek and Communication Restrictions:** Recognizing the critical role of employee well-being in productivity and sustainable business practices, governments and businesses are implementing policies such as the four-day workweek. This initiative aims to improve work-life balance by allowing more personal time without compromising work output, coupled with restrictions on work-related communications outside of office hours, which helps employees effectively segregate their professional and personal lives (World Economic Forum, 2023).

**Tailored Tax Incentives for Micro-Businesses:** Tax incentives have been introduced to ease financial pressures and enable micro-businesses to invest more robustly in their workforce and operations. For instance, Canada's general corporate tax rate is 15% after federal tax discounts and reductions. However, qualifying small businesses benefit from a reduced rate of only 9%, with provinces like Yukon and Saskatchewan offering a 0% tax rate up to a certain income threshold, thus facilitating greater economic efficiency and enhancing the quality of life for business owners and their employees ([Jeremy Scott website](#)).

**Housing Policy Shifts and Federal Intervention:** As housing costs continue escalating, there is a growing call for federal government intervention to address housing issues affecting small business owners and their employees. This intervention is becoming increasingly crucial, impacting the overall well-being of individuals and the affordability of living for small business owners and their staff, thereby emphasizing the need for supportive housing policies that align with the broader goals of the Well-being Wave trend (National Post; Hopper, 2024).

## Environmental Trend: Balancing Act



Mental health challenges among micro-business owners increasingly mark the Canadian business landscape. Financial insecurity and stress intertwine with personal well-being, leading to high rates of business closure and limited mental health support. To combat this, there is a pressing need for comprehensive policy reforms and enhanced access to mental health resources to support entrepreneurs in managing stress and fostering a resilient entrepreneurial ecosystem (businesshealth, Entrepreneurship: Key to Canada's Economy; bdc, The Changing Face of Canadian Entrepreneurship).



Here are several indicators influencing this trend:

**Financial Insecurity and Stress:** Research shows that three-quarters of Canadian entrepreneurs experience significant financial insecurity and stress, leading to an increased risk of mental health issues. This substantial burden is evidenced by the stark statistic that a third of all businesses fail within their first five years, and less than half survive beyond a decade (businesshealth, Entrepreneurship: Key to Canada's Economy).

**Limited Professional Support:** Despite the high levels of stress and mental health risks, only a tiny fraction of entrepreneurs seek professional mental health support—fewer than one in five. This low uptake is compounded by even fewer using online resources or mental health apps, highlighting a gap in the support systems available to micro-business owners (businesshealth, Entrepreneurship: Key to Canada's Economy).

**Need for Policy Enhancement:** The prevalent mental health challenges among entrepreneurs call for a strategic overhaul in how mental health resources are offered and accessed. Enhanced policy measures, such as greater access to specialized mental health professionals and the development of financial safety nets, are needed to support entrepreneurs in managing the unique pressures of running a business while maintaining personal well-being. These interventions should foster a culture where seeking mental health support is destigmatized and encouraged (bdc, The Changing Face of Canadian Entrepreneurship).

Micro-business owners often face intense operational demands that challenge their ability to balance personal and business objectives. This struggle can compromise their health and well-being, especially during crises. Recognized by 58% of individuals as crucial for sustainability, this integration requires reassessing roles and delegating control to enhance work-life balance and prevent over-commitment. The essential need for strategies that support both business growth and personal well-being highlights the importance of treating "life as a partner in business," ensuring owners can manage and enjoy both aspects.

H#2 - Discussion on the Psychology Behind Strategy Use

Conventional Strategy Journey - It is a Balanced Feedback Loop leading to Disengagement

The psychology behind strategy usage reveals that effectively engaging with strategic tools begins with clearly understanding their necessity for the business. This initial step can be a barrier, deterring micro-business owners from experimenting with these tools or leading them to depend heavily on experts. Such dependency might not fully integrate the owner's insights, potentially compromising the sustainability of the strategic plan.

Selecting appropriate frameworks and tools tailored to an organization's needs is crucial. Upon implementation, a diagnostic phase helps identify challenges impacting the organization's offerings, which guides the development of evolving key performance indicators (KPIs). Interviewing staff to capture insights, which are then filtered through the business owner's perspectives, is essential.

Acknowledging biases that influence strategic outcomes is critical. If insights do not accurately reflect staff capabilities, plans should be made to develop necessary skills.

Limited resources often challenge bridging the gap between the organization's current and future goals. This demands a balance between ongoing operations and new strategies, which can strain cognitive capacities. Ensuring full staff engagement is crucial for success, and strategic plans may require adjustments for sufficient support.

Immediate assessment of KPIs focuses on actual outcomes rather than aspirations (Vincente, 2004, p. 128). The process should be iterative, with regular strategic adjustments to manage potential delays that could strain resources (Simon, 1993, p. 138).

The psychological factors influencing this strategic journey include cognitive overload, which increases error likelihood and complicates memory recall of less critical details. The infrequent practice of tasks and roles might lead to abandonment. The inherently non-linear and experimental nature of micro-business operations often makes traditional strategic tools seem counterintuitive, leading to a cycle of disengagement. Addressing this requires strategy tools that align more closely with the realities of micro-business operations.

Integrating findings from Hypothesis #2 into strategic innovations means developing frameworks tailored to micro-businesses unique needs, emphasizing "stimulus-response compatibility" for intuitive alignment with entrepreneurial behaviors and enhancing engagement and effectiveness (Shi et al., 2022, p. 1). Innovations include "behavior-shaping constraints" to guide owners toward desired outcomes naturally (Sharp et al., 2023, Chapter 4) and providing immediate, straightforward feedback to facilitate rapid adjustments and precise decision-making (Vincente, 2004, pp. 89-115).

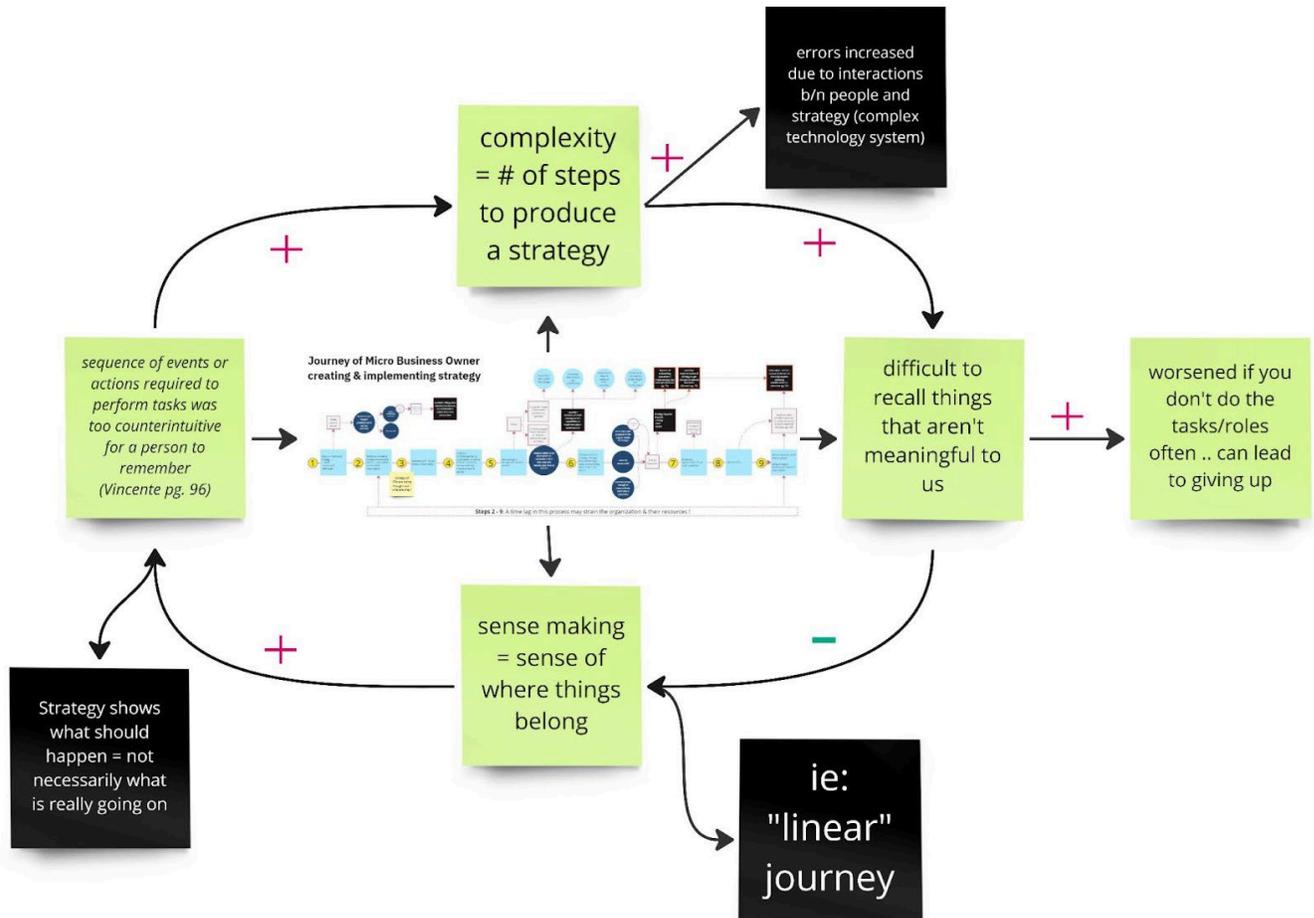


Figure 5: Conventional Strategy: Balanced Feedback Loop Causes Disengagement

This approach incorporates psychological elements by minimizing cognitive overload through user-friendly tools that support dynamic decision-making and frequent adjustments, including AI-driven analytics for simplified strategy execution. Additional support features should include prompts for self-care and community integration mechanisms, ensuring the tools resonate with both personal and professional dimensions of micro-business operations. This strategic integration promotes continuous learning, adaptation, and feedback, addressing complex cause-and-effect dynamics and diverse informational needs in micro-business environments.

As we navigate the conventional strategic journey, which often leads to disengagement due to its balanced feedback loop, it becomes clear that adapting strategic tools to the nuanced realities of micro-business operations is crucial. This adaptation fosters an intuitive connection between entrepreneurs and their strategies, ensuring the tools are functional and psychologically attuned to the owners' needs. This strategic evolution paves the way for



addressing broader economic, technological, and socio-political challenges, emphasizing the importance of flexibility and responsiveness in maintaining business viability and fostering long-term success amid shifting market conditions and operational demands.

#### Driver: The Strategic Jigsaw

The complexity of cause-and-effect relationships within micro-businesses and the configuration of strategic information often present significant challenges. This challenge aligns with the increasing trend of technological gaps in strategy execution. When the strategic framework is not easily understood or lacks the necessary technological tools for efficient data integration and communication, it can significantly hinder effective strategy implementation.

#### Driver: Beyond Balance Sheets

Economic pressures such as inflation and rising operational costs heighten stress and cognitive demands on business owners. These financial pressures can impede the engagement with and execution of strategic plans by diverting attention from strategic tasks to immediate economic concerns, undermining the overall strategic focus and efficacy.

#### Driver: Socio-Political Turbulence

The socio-political environment plays a critical role in shaping the operational context of micro-businesses. Volatility in this environment can introduce additional psychological stressors that disrupt business owners' mental focus and strategic engagement, further complicating their ability to plan and implement strategic initiatives effectively.

#### Know When to PIVOT



Understanding the optimal timing for strategic shifts, or pivots, is essential for sustaining a business's relevance and viability. Micro-business owners often rely on a blend of intuitive judgment and observable business indicators to recognize when a change is necessary. This intuition is crucial, especially when explicit signals are absent. For example, businesses that proactively adjust their strategies often avoid the pitfalls of stagnation. As one micro-business owner explained, "massaging the process" comes into play here, emphasizing the need to refine and adapt operations continuously before issues become critical.

A critical insight from our research indicates that clarity about the company's core purpose can help identify areas needing adjustment. This clarity supports business owners in making informed decisions about when and how to pivot, ensuring that changes align with the business's foundational goals and customer expectations.

Moreover, recognizing and leveraging the successful aspects of the business to expand the customer base is a strategic maneuver that plays into the core emotional drive of micro-

business owners. This approach capitalizes on existing strengths and facilitates a strategic response to evolving market conditions and business challenges.

These insights underline a fundamental emotional dynamic in micro-business management: the strategic and often instinctual understanding of when and how to adapt to ensure long-term success. This understanding is not just about survival but about thriving in a constantly changing business landscape, where the ability to pivot effectively can define the future trajectory of the business.

## Summary

Micro-businesses face strategic challenges such as complex cause-and-effect dynamics, technology gaps, and socio-political volatility, all exacerbated by economic pressures like inflation and rising operational costs. These factors often divert focus from long-term goals to immediate financial survival, demanding a high degree of strategic agility to adapt and thrive. To maintain relevance and avoid stagnation, owners must rely on intuition and keen observation to pivot strategies in a timely, ensuring alignment with the business's core purpose and customer needs. Economic pressures necessitate robust support systems like startup accelerators, innovative financing solutions, and government programs to foster a strategic ecosystem that enables micro-businesses to adapt and grow amidst these challenges.

## Implications for Innovation: Psychological Aspects of Strategy Tools

Incorporating findings from Hypothesis #2 into an innovation involves developing strategic frameworks tailored to the unique needs of micro-businesses, with a structured approach that addresses specific human factors:

### Discerning Cause-and-Effect Dynamics:

**Intuitive and Flexible Tools:** Develop user-friendly strategic tools that accommodate the fluid decision-making and frequent changes typical in micro-businesses. These tools should support non-linear planning and allow quick pivots to adapt to dynamic market conditions.

**Enhanced Learning and Adaptation:** Emphasize continuous learning through embedded educational aids such as tutorials, tips, and real-time examples, enabling owners to grasp complex cause-and-effect dynamics and implement strategic concepts effectively.

**Technological Simplification of Strategy Execution:** Use AI-driven analytics to assist micro-business owners in trend prediction and strategic decision-making, simplifying complex data analysis to prevent information overload.

### Complex Arrangement and Presentation of Information:

**Support for Psychological Needs:** Design frameworks with clear, concise, and visually appealing formats to minimize cognitive overload. Include psychological support elements,

such as self-care and stress management prompts, that reflect the business owner's mental and emotional needs.

**Community and Network Integration:** Tools should promote collaboration within the owner's family, friends, and community network. Features might include team access permissions, social media integration for broader engagement, and community-driven decision-making interfaces.

**Promotion of Continuous Feedback and Iteration:** Integrate features for ongoing internal and external feedback, incorporating elements like customer relationship management systems to automatically collect and analyze customer feedback, aiding in continually refining strategies.

**Integration of Personal and Business Objectives:**

Micro-business owners often blend personal values with business goals, and so strategic frameworks should facilitate this integration. Tools could include features that help manage work-life balance and align business strategies with personal values.

Focusing on these human factors, the proposed innovation would effectively address microbusiness owners' psychological and operational challenges, making strategic planning more accessible and impactful.

H#3 Engaging Owners in reflective mapping exercises alters their approach, enhancing decision-making and planning for their business(es).

Exploring Hypothesis #3, we identified reflection as crucial in enhancing engagement and improving micro-business decision-making processes. A significant aspect of this involves understanding the impact that decision-makers—typically the business owners—have on their organizations and the overall strategic narrative. We discovered that micro-business owners often engage in strategic thinking subconsciously, though they may not formally recognize these processes as strategic planning. This oversight means they frequently miss out on using these strategies as tools for navigating uncertainties, a key benefit of strategic engagement.

Our study further explores micro-business technologies and their influence on operations and management. By integrating technology into their daily routines, these businesses can better align their operational strategies with their broader business goals, thus enhancing efficiency and effectiveness. This comprehensive analysis aims to show how micro-businesses can leverage reflective practices and technology to support existing operations and strategically navigate future challenges and opportunities.

### H#3 - Human Factor: Collaborative nature of strategy



Figure 6: Human Factor: Collaborative nature of strategy

The team design elements we considered included:

1. authority/ leadership roles,
2. communication patterns,
3. assigned responsibilities and
4. prioritization of tasks.

Our findings highlight the importance of collaboration in strategic planning for micro-businesses. These businesses must foster an environment where all team members can actively participate in strategic development through reflective mapping exercises. This approach allows them to visualize the significance of team dynamics within their unique operational contexts. Given their authoritative roles, micro-business owners must carefully consider their impact on communication styles, task delegation, and the setting of organizational priorities.

By reflecting on how their behavior influences the broader business environment, owners can develop more precise and effective strategies for managing tasks, setting priorities, and allocating responsibilities, ensuring that the strategy aligns closely with the needs and dynamics of their organization.

We present three examples illustrating how team dynamics contribute to fostering a collaborative ethos essential for improved decision-making:

[1: Unseen Strategists: The Subconscious Design Dynamics of Micro-Businesses:](#) Through the lens of strategic and organizational design, this study reveals how micro-business

owners subconsciously engage in strategy, often overlooking traditional tools in favor of intuitive, personalized methods that better align with their daily operations and long-term goals.

[2: Knowledge Sharing: The Growth Catalyst for Micro-Businesses:](#) This example demonstrates how sharing knowledge is pivotal for micro-business growth. Mentorship and diverse community interactions significantly enhance strategic decision-making and foster innovation amid challenges.

[3: Technology as a Game Changer in Micro-Business Strategy:](#) This example illustrates how technology enhances operational efficiency and is a pivotal strategic resource. It enables micro-business owners to integrate deeper reflection into their planning, improve decision-making, and maintain agility in a dynamic business environment.

H#3, Example 1: Unseen Strategists: The Subconscious Design Dynamics of Micro-Businesses



In exploring strategic and organizational design within micro-businesses, one participant initially hesitated to provide the 'correct' answers during interviews but later recognized that



language barriers did not hinder discussions about their business operations. This individual, who had a robust business education, chose to ignore the traditional tools learned in school, explaining that they did not align with their practical experiences. They explained that the most critical goals in their business include:

"Health goals, personal goals, and business goals, and I break them down into daily, smaller, more achievable items that I can check daily on my phone."

When considering the most critical aspects of creating a valuable tool to achieve these goals, they prioritized the following essential resources:



1. access to human capital with extensive industry experience,
2. external business perspectives for fresh insights and
3. improved organizational frameworks."

They believed that adapting large-scale methods to their specific business context would enhance their sales strategies and make strategic tools more relevant and effective.

In our study, micro-business owners expressed a distinct perspective on conventional strategy tools, often not recognizing our journey-mapping exercises as reflections of their strategic paths. This was primarily because we tailored the questions to be more personable and devoid of typical business jargon. Our focus during these mappings was on the participants' emotional responses to their business experiences, discussing their feelings during highs and lows, the challenges they overcame, and their key supports.

Through these narratives, it became evident that they actively engaged in strategic thinking despite a perceived disconnect. A pivotal moment occurred when we presented visual maps of their initial interviews, guiding them through their documented journeys. This reflection helped them acknowledge that our conversations were about their strategic paths, enhancing their appreciation of how daily operations and personal experiences shape their strategic approaches. By integrating insights about their community involvement, participants recognized and valued the cause-and-effect relationships within their unique strategic journeys, as highlighted by one owner who realized the depth of their strategic integration, stating,

"I've always aimed to integrate strategy into my business, and now I realize that I've been crafting my strategic journey all along."



For any organization aiming to grow or maintain its scale, staying abreast of internal innovations and external economic conditions is crucial, given the inherent uncertainties (Simon, 1993, p. 134). Micro-business owners might not fully grasp these uncertainties but must remain engaged and aware of potential influences on their business.

There is a pronounced need for tools and methodologies that enhance organizational decision-makers' cognitive and practical capabilities individually and collectively (Hodgkinson et al., 2003, p. 1042). Hodgkinson advocates cognitive mapping to understand decision-makers contexts better, allowing for the early identification of biases that could affect strategic decisions.

Moving from an understanding of individual strategic engagement to broader trends, it is clear that the personal and collective journey mappings in micro-businesses segue into significant socio-economic and cultural shifts. These shifts include increasing diversity in urban entrepreneurial settings, where cultural richness and technological advancements present new opportunities and challenges for micro-businesses.

Social Trend: Cultural Diversity



The evolving cultural mosaic in urban areas catalyzes strategic opportunities for micro-businesses led by diverse groups like immigrants, women, and younger generations, infusing fresh ideas and technological savvy into business strategies. This integration enriches decision-making and drives societal transformations, fostering inclusivity and adaptability essential for success in an ever-changing economic landscape (bdc, The Changing Face of Entrepreneurship; Welker, 2023; Myers, 2018).



Here are several indicators influencing this trend:

**Demographic Evolution in Entrepreneurship:** The rise in female entrepreneurship, which has more than doubled from 11% in 1976 to 28% in recent years, illustrates a broadening diversity in business ownership that brings varied perspectives and innovation to the marketplace (bdc, The Changing Face of Entrepreneurship).

**Generational Shifts with Technological Integration:** Millennials and Gen-Z are redefining entrepreneurship with digital fluency and innovative approaches, reflecting societal shifts towards technological adeptness and adaptability in business strategies (Welker, 2023).

**Need for New Entrepreneurial Initiatives:** The retirement of nearly 10,000 U.S. Baby Boomers daily signals a critical transition period, requiring fresh entrepreneurial endeavors to sustain economic growth. This generational turnover proves the necessity of incorporating younger, socially conscious entrepreneurs eager to tackle global issues like climate change and social inequality into the economic framework (Myers, 2018; Welker, 2023).

Values Trend: The Rise of Personalized Ventures



The increasing focus on personalized business strategies is transforming micro-businesses, highlighting the importance of individuality in marketing and operations to forge deeper customer relationships and enhance brand loyalty. Driven by consumer preferences for tailored interactions (Advinova, 2023) and the strategic use of reflective mapping to align with customer expectations (Morgan, 2020), this approach not only distinguishes businesses in crowded markets but also bolsters their long-term sustainability (Inscapeculture, 2023).



Here are several indicators influencing this trend:

**Consumer Demand for Personalization:** The significant customer preference for personalized interactions, with 74% expressing frustration over non-personalized engagement and 91% favoring brands that provide tailored offers and recommendations, proves personalization's

critical role in modern marketing strategies. This consumer behavior drives businesses to focus on personalization to enhance customer experience and loyalty (Advinova, 2023).

**Strategic Impact of Reflective Mapping:** Micro-businesses increasingly use reflective mapping exercises to incorporate personal insights and community feedback into their strategic planning. This integration aligns business operations with customer expectations, leading to enhanced engagement and substantial returns on investment. A focus on personalization can double the effectiveness of a marketing budget, indicating a high yield on investments in personalized strategies (Morgan, 2020).

**Building Trust through Brand Identity:** Cultivating a solid brand identity rooted in personal values and individuality enables businesses to establish trust and connect authentically with their audience. This foundational approach differentiates businesses in competitive markets. It supports long-term viability and customer loyalty, highlighting the necessity for micro-businesses to adopt personalization as a core business strategy (Inscapeculture, 2023).

Our findings show that micro-business owners intuitively adapt strategic activities to their contexts, with one participant overcoming language barriers to tailor traditional business tools to daily realities, highlighting a trend of personalizing strategies to align with individual operational needs and goals.

### H#3, Example 2: Knowledge Sharing: The Growth Catalyst for Micro-Businesses



Sharing knowledge is crucial for micro-business growth, highlighting the value of continuous learning and community engagement. One micro-business owner described how mentorship profoundly influenced their ability to manage the business by enhancing emotional regulation skills, which proved vital after personal and professional challenges such as failed partnerships and bankruptcy. This entrepreneur emphasized the importance of diverse community connections—from landlords and lawyers to suppliers and long-term clients—as instrumental in resolving ongoing business issues and navigating their entrepreneurial journey, underscoring the significance of varied perspectives in fostering business recovery and innovation.

Another owner regularly engaged in strategy discussions with family members, using these interactions to share verbal knowledge across generations. They stated,



"I've not made any business decision without talking to my dad or brother first."

This practice fostered family cohesion and created a supportive environment for iterative strategy development.



Our secondary research shows the significance of computational modeling in strategy development, emphasizing the need to effectively balance purpose, experimental design, and model complexity (Burton, 1993). Effective models should simplify real-world complexities enough to clarify, rather than confuse, cause-effect relationships, allowing micro-business owners to integrate their personal experiences meaningfully (Sanders, 2012, p. 46).

Furthermore, emotional and cognitive states are intricately linked, influencing creativity and positivity in business operations (The Convivial Toolbox, pg. 48). Lifestyle entrepreneurship, influenced by personal life events, demonstrates how these circumstances shape entrepreneurial decisions (Marcketti et al., 2006, p. 255), emphasizing the importance of recognizing emotional contexts to drive creativity and innovation.

Additionally, the book "Priceless" explores the challenges of decision-making under uncertainty, suggesting that people intuitively simplify complex decisions to avoid cognitive overload (Poundstone, 2010, p. 67). It advocates for anchoring strategies, such as visual comparisons of current versus desired states, to help micro-business owners contextualize and make their strategic paths more relevant and practical (Poundstone, 2010, p. 75).

Our research extends beyond individual strategies by incorporating advanced computational modeling to convert personal anecdotes into structured strategic frameworks. This method, aligned with the Transformative Synergy trend, employs AI and simulations to enhance the operational capabilities of micro-businesses, enabling them to flourish amidst anticipated technological and market shifts (Marr, 2022, p. 19).

Concurrently, the Unlocking Potential trend illustrates the vital contribution of immigrant entrepreneurs to Canada's economy, noting that they start businesses at twice the rate of their Canadian-born peers (Bush, 2024). This demographic shift introduces fresh perspectives and innovation and exacerbates challenges such as economic integration and skill utilization (Robbins, 2023; RBC, 2023), necessitating policies that harness these insights while ensuring these entrepreneurs are fully equipped for a competitive global marketplace.

Technology Trend: Transformative Synergy



Micro-businesses leverage advanced technologies like AI and simulations to boost their operational capabilities and foster ongoing learning, aligning with anticipated shifts in the job market and technological landscape. This strategic integration not only enhances customer engagement and streamlines processes but also enables these businesses to compete effectively in a digitalizing economy, protecting their intellectual property and ensuring sustainable growth (Moritz et al., 2019; Uncuta, 2024; Cuofano, 2024; Cain, 2024).



Here are several indicators influencing this trend:

**Closing the Tech Gap:** The widening technology gap highlights the necessity for micro-businesses to adopt advanced technologies such as AI and virtual reality to enhance their operational capabilities. As noted by Moritz et al. (2019, p. 4) and further detailed by Uncuta (2024), integrating these technologies helps micro-businesses catch up with larger firms, streamline processes, and improve customer engagement, ensuring they remain competitive in a digitally evolving market.

**Strategic Decision-Making Enhancements:** The introduction of sophisticated heuristics in strategic decision-making, as explored by Cuofano (2024), enables micro-businesses to enhance their operational efficiency. By simplifying complex decision frameworks, these tools help business owners manage their cognitive load more effectively, allowing them to focus on growth and innovation without becoming overwhelmed by the intricacies of technology adaptation.

**Intellectual Property Protection:** By integrating new technologies, protecting intellectual property becomes paramount to maintaining competitive advantage and ensuring sustainable growth. Cain (2024) emphasizes the critical nature of safeguarding innovations, which supports micro-businesses in retaining the uniqueness of their offerings while continuously adapting to new technological trends. This protection is essential for fostering immediate and long-term strategic alignment with market demands and technological advancements.

**Political Trend: Unlocking Potential**



In Canada, immigrant entrepreneurs are significantly impacting the economic landscape by starting businesses at twice the rate of their Canadian-born counterparts, infusing the market with diversity and innovation (Bush, 2024). However, they encounter considerable challenges, such as the underutilization of their skills and difficulties in economic integration



due to high living costs (Robbins, 2023; RBC, 2023), underscoring the need for targeted policies to leverage their full potential and bolster Canada's position in the global economy.

Here are several indicators influencing this trend:

**Increased Entrepreneurial Activity:** Immigrant entrepreneurs are creating businesses at twice the rate of their Canadian-born counterparts, highlighting their significant role in diversifying and driving innovation within the Canadian economy (Bush, 2024).

**Challenges in Economic Integration:** The increasing global displacement necessitates effective integration strategies for immigrants, compounded by economic pressures such as high living costs that shape public perceptions and attitudes toward immigration (Robbins, 2023).

**Underutilization of Immigrant Skills:** Many skilled immigrants are employed in positions that do not match their qualifications, adversely affecting their potential for personal fulfillment and reducing their overall contribution to economic productivity (RBC, 2023).

Our findings emphasize that knowledge sharing is vital for micro-business growth, as evidenced by owners who stress the importance of mentorship and diverse community ties in overcoming challenges and driving innovation. This engagement boosts their strategic capabilities and merges personal insights with computational modeling to simplify complex relationships, enhancing the effectiveness of tailored business strategies.

### H#3, Example 3: Technology as a Game Changer in Micro-Business Strategy



Our research shows the value of reflective mapping exercises for improving decision-making. Strategic planning technology proves essential for micro-businesses, enabling them to remain agile and responsive. Our interviews revealed that these businesses employ technology not solely for enhancing operational efficiency but also as a strategic resource. This allows them to allocate time for reflection and deeper engagement with their business objectives and personal aspirations.

One micro-business owner demonstrated the transformative effect of automating routine tasks. Adopting robotic cleaners and business management software has significantly liberated time once consumed by mundane activities,



redirecting it toward strategic thinking and family engagements. This strategy boosts operational efficiency and enriches their quality of life, effectively merging personal values with business operations.

Advanced project management tools like Microsoft Project allow another micro-business owner to manage workflow and resource allocation within their clients' larger firms.



They discussed the necessity of swift, knowledge-driven adaptation to align with clients' evolving needs and resource availability.

They stressed the importance of relying on factual and expert knowledge rather than intuition in decision-making, showcasing a strategic approach that values data and structured planning to navigate business uncertainties effectively.

Another critical insight emerged from a participant who places a high value on personal time and flexibility, influencing their business strategy significantly. This entrepreneur harnesses technology to create a work environment that resonates with their values and professional goals. They have committed to personal development through various courses to enhance skills such as emotional intelligence and use tools like Canva to bolster their creative outputs. This dedication to continuous learning and technological adaptation enables them to provide highly customized services and fully engage their clients, focusing on cognitive empathy and reducing power dynamics to promote a collaborative and client-centered approach.

These examples highlight the essential role of technology in enhancing both the operational and strategic aspects of micro-businesses. By integrating technology, entrepreneurs manage resources efficiently, adapt swiftly to market demands, and align their business practices with personal values, fostering a sustainable and responsive business model.



Engaging micro-business owners in reflective mapping exercises transforms their decision-making and strategic planning. Harpreet Dhillon (2023) supports this approach, stressing that innovation and adaptability are crucial for staying competitive in dynamic business environments. Dhillon broadens the concept of innovation to include challenging the status quo, embracing creativity, and taking calculated risks, all enhanced by reflective practices (Dhillon, 2023).

Reflective mapping exercises help micro-business owners refine their process improvements and operational efficiencies. These practices encourage owners to think differently about their business models and focus on delivering exceptional customer value, which is crucial in adapting to new trends, technologies, and market dynamics (Dhillon, 2023). This ongoing learning and adaptation are vital for staying attuned to ever-evolving customer needs and expectations.

Moreover, Davis et al. (2009) discuss the balance between strategic logic and operational environments, stressing the importance of flexibility and the ability to make trade-offs between efficiency and adaptability. This balance is crucial in environments characterized by high velocity, complexity, ambiguity, and unpredictability, which are common in micro-business settings (Davis et al., 2009).

The research by Cyert et al. (1956) and Simon (1993) further underlines the necessity of being keenly aware of economic and operational challenges. They advocate for a strategic focus prioritizes problem-solving and generating alternatives to operate effectively in uncertain environments. Reflective mapping exercises can aid micro-business owners in navigating these uncertainties by fostering a strategic mindset that anticipates future changes and prepares the organization for swift adaptations (Simon, 1993).

Lastly, Hodgkinson et al. (2023) highlight the need for decision-making tools that enhance decision-makers cognitive and affective capabilities. They recommend modifying cognitive mapping techniques to capture better emotional responses to strategic decisions. These techniques can be integral during reflective mapping exercises, ensuring that strategy formation is thoughtfully considered and deeply felt (Hodgkinson et al., 2023).

These insights collectively demonstrate how reflective mapping exercises can be a transformative tool for micro-businesses, enabling them to adapt creatively and effectively to the complex and dynamic business landscape.

Reflective mapping exercises underscore the necessity for continuous adaptation in business strategies. This is directly linked to the trend of Smart Evolution, which highlights the shifting role of AI in business processes—from supporting tasks to becoming a central operational and strategic component. This trend not only redefines the role of technology in micro-businesses but also emphasizes the importance of aligning AI integration with human insights to maintain a balanced approach in an evolving entrepreneurial landscape.

Technology Trend: Smart Evolution



Artificial intelligence (AI) transforms micro-businesses by becoming a core component of their operations and strategy, addressing challenges like labor shortages and economic pressures. This technological evolution compels owners to merge AI with human insights, creating a new synergy that enhances both the decision-making process and the competitive edge of these businesses, ensuring they are well-equipped to lead in a rapidly advancing market (Janzen et al., 2022; Hogue, 2023; Hawkinson, 2019; Forbes, 2024).



Here are several indicators influencing this trend:

**Redefining Operational Roles:** AI's integration into business processes fundamentally changes how micro-businesses operate, addressing key challenges such as labor shortages and economic pressures. Over half of Canadian businesses report that labor shortages significantly hinder their ability to scale production, emphasizing the need for AI-driven efficiencies to maintain competitive advantage in a tight market (Hogue, 2023).

**Evolving Market Demands and Skills:** As AI extends into more complex areas such as testing and marketing, it introduces new efficiencies and challenges existing business practices. This shift is redefining the value of advanced educational credentials and simplifying tasks requiring extensive human creativity, necessitating a new blend of analytical and creative skills within the workforce (Hawkinson, 2019; Forbes, 2024).

**Strategic Integration and Alignment:** AI is not just a backend operational tool but a core component of strategic planning within micro-businesses. Reflective mapping exercises are critical in this context, helping business owners to align AI capabilities with their strategic goals and enhance customer relationships, thereby ensuring that businesses can adapt to and thrive in the rapidly evolving technological landscape (Janzen et al., 2022; Hogue, 2023). These practices empower businesses to leverage AI as a strategic ally, fostering innovation and maintaining relevance in a dynamic market environment.

This synthesis highlights how dynamic leadership, effective communication, strategic adaptability, and community support profoundly influence strategies. The above examples from Unseen Strategists, Knowledge Sharing, and Technology as a Micro-business Game Changer demonstrate how micro-business owners leverage subconscious strategy design, mentorship, and advanced technologies to navigate complex business environments effectively. These approaches facilitate survival and strategic growth, enabling owners to adapt to market demands and operational challenges while mitigating the isolation often experienced in solo entrepreneurship.



#### Driver: Dynamic Leadership

In the context of H#3, integrating dynamic leadership and effective communication within micro-businesses is crucial for integrating the strategic plan. Dynamic leadership, characterized by its adaptability and vision, directs strategy implementation and manages change, addressing the continuous need to upskill the workforce in response to technological advancements. This leadership style is instrumental in navigating the fluctuating labor market trends that demand agility and foresight in strategic planning.

Dynamic leadership fosters a proactive approach to strategic challenges, enabling micro-businesses to remain competitive and responsive to rapid market changes. It emphasizes the importance of agile team structuring and ongoing skill enhancement, which is essential for maintaining a workforce capable of leveraging new technologies and methodologies.

#### Driver: Beyond Words

Moreover, effective communication is a fundamental human factor crucial for successfully adopting and integrating strategic plans. In today's dynamic business environment, transparent and efficient communication is more important than ever to ensure that all team members are aligned and can effectively tackle emerging challenges. This becomes vital as businesses adapt to new operational realities and strive to meet evolving market demands.

#### Driver: Survival Mode vs. Strategic Growth

Market and financial trends also profoundly influence the establishment of micro-business roles and priorities. Access to funding, or the lack thereof, can force business owners to focus on immediate financial survival rather than long-term strategic growth. This often leads to a cautious approach where strategic opportunities may be overlooked in favor of short-term stability.

#### Loneliness in Solo Entrepreneurship



Addressing the emotional landscape of entrepreneurship, particularly in solo ventures, highlights the significance of community and support systems. Many solo entrepreneurs, especially those with a family background in entrepreneurship, benefit from inherent community support, where sharing strategies and ideas are commonplace. However, challenges such as problematic partnerships can lead to significant setbacks, including legal issues and financial losses. On the other hand, a robust internal community within the business, such as supportive staff, can provide essential emotional and strategic support, helping to mitigate the loneliness often associated with solo entrepreneurship.

#### Summary

Our research on Hypothesis #3 demonstrates that engaging micro-business owners in reflective mapping exercises significantly transforms their strategic approaches, enhancing decision-making and planning capabilities. This method enables owners to critically assess their roles and the effects of their decisions, optimizing strategies for personal and business growth. Reflective practices encourage owners to proactively apply these insights, aligning their approach with the evolving demands of the business environment and promoting a culture of continuous learning and adaptability.

#### Implications for Innovation: Team Aspects of Strategy Tools

Innovating strategic tools for micro-businesses based on Hypothesis #3 requires addressing specific human factors that impede the use of traditional strategy frameworks, translating

into practical innovations categorized under authority/leadership roles, communication patterns, assigned responsibilities, and prioritization of tasks, each tailored to enhance the operational and strategic capabilities of micro-businesses comprehensively:

#### Authority/Leadership Roles:

**Decision Support Systems:** Equip leaders with advanced tools that enhance their decision-making capabilities, ensuring leaders can rely on data-driven insights rather than intuition alone.

**Technological Integration:** Provide technologies that strengthen the authority of leaders by enabling them to oversee operations more effectively and make informed strategic decisions.

#### Communication Patterns:

**Enhanced Collaboration Tools:** Implement technologies that improve internal and external communication flows, ensuring all team members and stakeholders can share insights and feedback efficiently.

**Reflective Mapping Capability:** Use technology to facilitate regular strategic reviews and reflections that are communicated across the organization, helping align everyone with the company's goals and strategies.

#### Assigned Responsibilities:

**User-Friendly Design:** Design interfaces that are intuitive and easy to use, ensuring that all team members can fulfill their responsibilities without technological barriers.

**Training and Support:** Provide training that helps employees understand their roles in utilizing new technologies, ensuring clear responsibilities are supported by adequate knowledge and resources.

#### Prioritization of Tasks:

**Scalability and Customization:** Allow for personalized settings in technology tools to enable businesses to prioritize tasks according to their specific operational needs and strategic goals.

**Sustainability and Ethics:** Ensure that the prioritization of tasks within the business operations considers sustainable practices and ethical standards, particularly in data handling and AI usage.

By integrating these innovation criteria into the team aspects of strategic tools, the approach supports micro-businesses operational and strategic advancements. It aligns these elements with the core organizational design and human resource management strategies, ensuring a holistic enhancement of business capabilities.

## CONCLUSION

Our exploration of strategy's physical, psychological, and team-design aspects reveals a significant disconnect between micro-businesses and conventional strategic frameworks. Often complex and rigid, these traditional tools fail to capture micro-business operations' agile and fluid nature. External consultants, despite their good intentions, can sometimes inadvertently sever the connection between strategy and the day-to-day operational needs of these businesses, leading to strategies that are ineffective and misaligned with core business objectives.

Contrastingly, micro-businesses excel when adopting fluid, community-driven strategic insights from their immediate networks of friends, family, and mentors. These sources offer strategies that are not only practical and immediately applicable but also highly adaptable to rapid changes in the business environment.

Our research has identified three critical issues:

**From Paper to Progress:** Traditional strategy documents often become a barrier, quickly outdated as micro-businesses evolve.

**Custom Fit:** Tailoring strategic frameworks specifically for micro-businesses yields more insightful and sustainable outcomes.

**Community First:** Micro-business owners prefer practical, community-driven strategies over theoretical models, reflecting their strategic needs' immediate and practical nature.

This investigation confirms the urgent need for strategic frameworks that are physically and conceptually accessible and resonate deeply with the dynamic challenges faced by micro-businesses. Such frameworks must empower these businesses to navigate volatile markets and foster sustainable operations. By embracing adaptability, personalization, and deep community integration, strategic tools can become transformative, enhancing strategic engagement and operational efficiency. This approach will enable micro-business owners to craft a strategic narrative that mirrors the resilience and vision portrayed in Van Gogh's "Starry Night," navigating through economic challenges with confidence and creativity.

Introduction to Wellda, Our transformative Strategic Journey Tool

[Click here for a Wellda prototype demo](#)

[Click here for a Wellda Experience Video](#)

Overview of what our product/experience will do

Wellda revolutionizes strategic planning for micro-businesses by focusing on three areas of innovation: integrating advanced technologies to enhance operational efficiency and strategic planning, creating user-friendly and adaptable tools that foster continuous learning, and implementing robust communication systems to improve collaboration and knowledge sharing within the business community.

By aligning the features to our innovation criteria established at the end of each hypothesis section 1, 2, and 3, we will address the following human factors and deeper emotional drivers:

### 1 - Physical Aspects of Strategy Tools:

**Materiality and Accessibility:** Wellda replaces traditional, rigid strategic frameworks with a dynamic, cloud-based interface accessible from any device, anywhere. This approach overcomes geographic limitations and adapts to various operational conditions, making strategic tools more accessible and reducing physical document burdens.

**Resources:** It provides cost-effective and visual tools that simplify complex concepts, supported by online training modules that enhance understanding without significant financial investment.

**Key Feature: AI-Enhanced Decision Support:** This feature incorporates AI to provide live feedback and support, helping business owners feel more confident in their strategic decisions.

**Deeper emotional driver: Confidence.** At the core of Wellda's impact is Confidence, the essential emotion that drives micro-business success. Confidence empowers owners to navigate the complex entrepreneurship landscape with conviction and adaptability. It underpins their ability to engage with strategic tools like Wellda, fostering a proactive approach to learning from setbacks and seizing new opportunities. This dynamic of ongoing knowledge acquisition and strategic adjustment is critical for navigating the inevitable pivots and challenges of the business world.

### 2 - Psychological Aspects of Strategy Tools:

**Intuitive and Flexible Tools:** The platform's design emphasizes ease of use, supporting non-linear planning and quick adaptations to changing market conditions. Embedded learning aids and AI-driven analytics simplify complex data analysis, catering to micro-business owners' unique psychological and operational needs.

**Support for Psychological Needs:** Wellda includes features that reduce cognitive overload and stress, such as clear, concise interfaces and prompts for regular breaks and self-care.

**Key Feature: Simplified Strategic Pathways:** Reducing the complexity of traditional strategic frameworks to enhance usability and reduce the learning curve.

**Deeper emotional driver: Knowing When to Pivot.** Wellda helps micro-business owners recognize the optimal timing for strategic shifts, ensuring that pivots align with foundational goals and customer expectations. This feature is crucial for maintaining relevance and viability in a changing market.

### 3 - Team Aspects of Strategy Tools:

**Communication and Collaboration:** The tool enhances internal communication with features that facilitate the transparent sharing of insights and cooperative decision-making. It also includes functionalities for reflective mapping, allowing teams to align on goals and strategies effectively.

**Leadership and Task Management:** Advanced decision support systems empower leaders with data-driven insights, while customizable settings help prioritize tasks based on strategic importance and operational needs, ensuring ethical standards and sustainability. **Key Feature: Interactive and Gamified Elements:** Using gamification to make strategic planning more engaging and relatable, encouraging regular interaction and iterative improvement.

**Deeper emotional driver: Addressing Loneliness in Solo Entrepreneurship:** Wellda fosters community and support by enhancing communication and collaboration features, helping mitigate solo entrepreneurs' emotional challenges.

### Supporting Emotional and Strategic Needs

Wellda aligns with micro-businesses operational, psychological, and team-oriented needs and embeds the emotional intelligence required for long-term success. It helps owners balance the solitude of solo entrepreneurship with the demands of strategic planning and community engagement. By enhancing decision-making, facilitating adaptability, and fostering a supportive community, Wellda ensures that micro-business owners are equipped to handle the present and are well-prepared for future challenges.

### Future of Wellda

The next phase of our research involves evaluating Wellda's effectiveness in alleviating cognitive overload linked to traditional strategy tools and determining its impact on enhancing engagement among micro-business owners in strategic planning. Below, we outline proposed evaluation metrics and an impact assessment derived from the drivers identified in our report that influence strategic engagement:

#### Evaluation Metrics:

##### Cognitive Load Reduction:

Assess the perceived complexity of strategic frameworks pre and post-Wellda use. Conduct surveys or interviews to gauge users' cognitive load with Wellda versus traditional tools.

##### Engagement and Interest:

Track usage metrics such as tool frequency, time spent on the platform, and number of active users.

Gather feedback through surveys or interviews to understand users' level of interest and engagement with Wellda compared to traditional methods.

##### Confidence in Decision-Making:

Assess users' self-reported confidence in decision-making abilities after using Wellda. Evaluate decision-making outcomes over time to determine if they have improved using Wellda.

##### Insight and Direction Clarity:

Measure users' understanding of their business direction and operational dynamics before and after using Wellda.

Evaluate if Wellda users have more precise insights into their business than non-users through interviews or case studies.

#### Impact Assessment:

**Streamlined Strategic Pathways:** Analyze the adoption rate of Wellda's simplified strategic frameworks among users. Assess if users report a more straightforward implementation of strategic plans after using Wellda.

**Improved Decision-Making with AI Support:** Track the frequency of real-time analytics usage and its impact on decision-making speed and quality. Through user feedback, measure the perceived usefulness of AI-enhanced decision support features.

**Enhanced Engagement with Learning Simulations:** Monitor the utilization of learning simulations and reflective spaces within Wellda. Gather user feedback to understand the effectiveness of these features in increasing engagement and understanding cause-effect relationships.

**Community Integration and Collaboration:** Assess the level of participation in community and network integration features. Evaluate if collaboration with peers has positively impacted users' ability to navigate socio-political turbulence.

**Technological Empowerment for Dynamic Leadership:** Track the leaders' adoption of technological integration tools. Evaluate if leaders report improved agility and effectiveness in overseeing operations and adapting strategies.

**Improved Communication and Collaboration:** Measure the frequency and effectiveness of enhanced collaboration tools. Assess if reflective mapping capability has improved organizational communication and strategic alignment.

**Customization for Scalability and Sustainability:** Analyze how users personalize Wellda tools to match their needs. Evaluate if sustainability and ethics considerations have been integrated into users' strategic priorities.

#### Summary

The evaluation and impact testing will provide insights into how effectively Wellda addresses the identified drivers of strategic engagement among micro-businesses. By analyzing metrics and feedback related to cognitive load reduction, engagement, decision-making confidence, insight clarity, and the impact of specific Wellda features, we can determine its effectiveness in transforming the strategic landscape for micro-businesses.

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## **APPENDIX**

### **Appendix A: Actors Map Summary**

Microbusiness Owners: Many microbusiness owners lack formal education in business or strategy, relying on personal experiences and instincts for decision-making.

Heuristics as an actant may be an essential aspect of our innovation

Assuming irrationality (instead of rationality) as a starting point in our proposed technology

Staffing and Expertise: Micro-businesses often involve family members with unique skills, but limited resources can hinder effective strategic implementation.

Fairly close relationship with employees

Alliance with family

The Role of Accountants: Accountants are crucial for offering strategic guidance and advice to micro-business owners.

Accountants have a predominant influence

Engaging Strategy Advisors and Consultants: Micro-business owners may seek specialists' expertise, but resource constraints limit long-term engagement.

Informal or emergent relationships with strategy advisor/mentor  
discord/conflict with strategist

Strategy Institutions and Platforms: These resources provide valuable information but may not meet micro-businesses unique needs, mainly when owners have limited strategy knowledge.

They have a predominant influence and project a big business worldview

Engaging with Incubators and Banks: Micro-business owners can collaborate with incubators and banks to enhance strategic capabilities. However, they must first understand strategy enough to communicate with them effectively.

There is a broken connection with banks

## **Appendix B: Iterative Inquiry Summary**

Many micro-businesses may lack a clear understanding of what a strategy entails. The majority primarily focus on meeting basic financial needs, especially among newer businesses or those with language barriers where traditional corporate jobs may not be applicable. To encourage the adoption of a strategy framework or tool among micro-business owners, it is crucial to provide the necessary guidance and help them recognize the value of strategy in their already demanding and imbalanced work-life routines.

To make strategies accessible to micro-businesses with limited knowledge, it is essential to challenge several prevailing assumptions. First, dispel the belief that companies must hire a strategist for strategy development. Second, break the misconception that strategy frameworks are designed exclusively for larger corporations, making them unsuitable for micro companies. Finally, reject the notion that flooding micro-businesses with numerous frameworks will lead to effective strategy design.

To achieve widespread adoption, the strategy design tool must transform. It should offer a straightforward and easily understandable pathway and framework, presented in plain language, to cater to individuals with limited strategy knowledge. Only then can these individuals adopt and adapt strategies effectively, recognizing their significant importance in shaping their businesses.

## **Appendix C: Iceberg Map Summary**

Amidst Canada's rapidly changing economic landscape, driven by globalization, technological advancement, and the urgent need for job creation, a deep-seated divide emerges regarding the role of strategic planning. Some question its relevance in an era that prioritizes agility and adaptability. Rising costs, interest rates, and inflation further complicate the landscape for businesses striving to innovate and thrive. Small business owners and startup entrepreneurs grapple with securing funding and challenging the notion that only large companies can strategize effectively. This narrative presents challenges and raises critical questions about inclusive investment, democratizing strategy, and fostering a robust yet resilient Canadian economy that benefits all layers of society.

## **Appendix D: Futures of Micro-Businesses Report, May 8, 2024**

This report synthesizes our foresight analysis of micro-businesses in Canada by compiling our secondary research, including interactive inquiries, actor maps, and iceberg exercises to deepen our understanding of the macro system affecting this sector. Our findings highlight key trends and drivers that significantly influence micro businesses' capabilities in strategy engagement and execution. Through examining sustainability extremes and lifestyle imbalances, we identified essential human factors and distinct business personas, linking them to unique contextual needs. This enabled the development of specific wind tunneling criteria within our innovation space, ensuring alignment with discovered human factors. The report aims to empower micro businesses to navigate and adapt to rapid macro-environmental changes by proposing a tailored strategic framework that enhances adaptability and resilience, ultimately preventing potential economic consequences for Canada.

## Appendix E: Wellda Prototype Demo Video, May 8, 2024, MP4 File.

This video walks the viewer through the interface flow referenced in the implications for our innovation space.

[Click here for a Wellda prototype demo.](#)

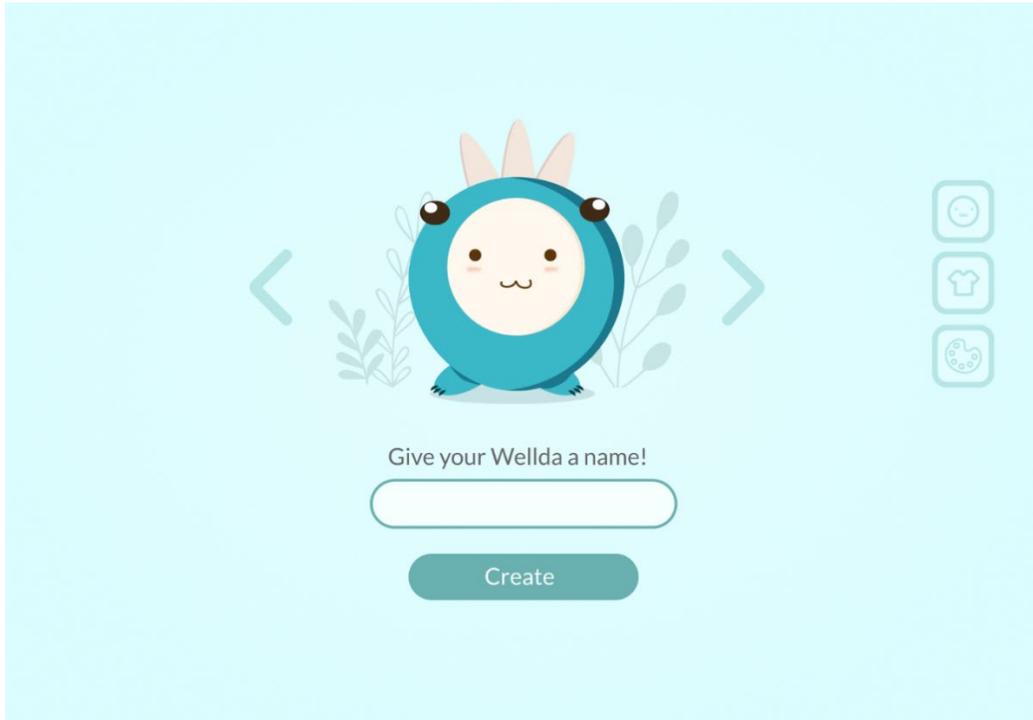


Figure 7: Image of Wellda Prototype Video

## Appendix F: Wellda Concept Video, May 8, 2024, MP4 File.

This video walks the viewer through how it would feel to integrate our prototype, Wellda, into the daily routine of a micro-business owner.

[Click here for a Wellda Experience Video.](#)

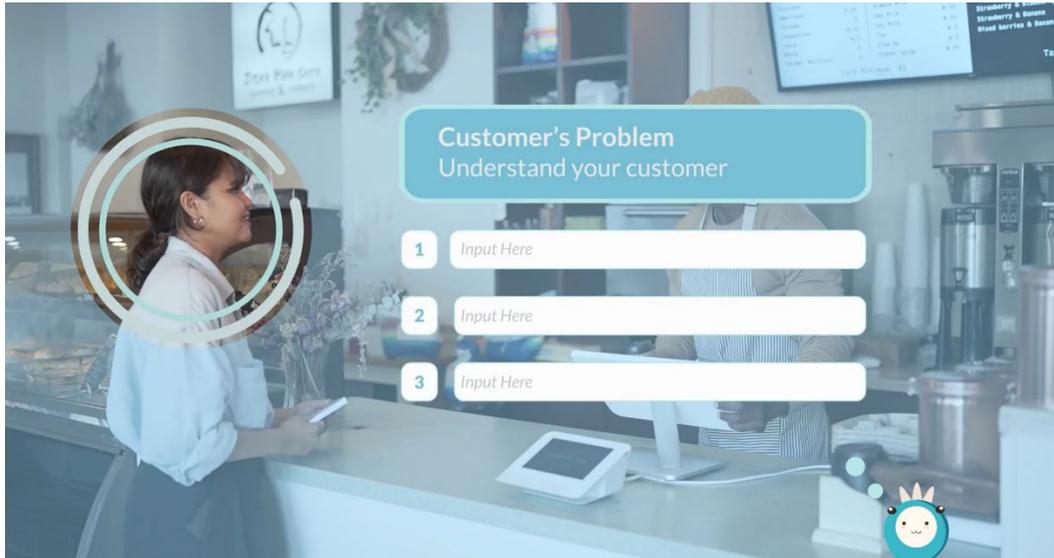


Figure 8: Image of Wellda Concept Video  
DEFINITIONS

## **Appendix G: Definitions streamlined for clarity:**

**Contextualism:** Knowledge claims have truth conditions contingent on the context in which they are made, highlighting the situational nature of understanding (Pynn, 2016, p. 1).

**Entrepreneurship:** This concept involves identifying and exploiting opportunities to develop a competitive advantage, significantly influencing firm performance and strategic orientation. Entrepreneurs often perform multiple roles within this process (Goel et al., 2016, p. 95; d'Amboise 1988, p. 227).

**Learning Organization:** An entity where members dynamically adjust roles and tasks to adapt effectively to changing environments (Espinosa, 2023, p. 69).

**Micro-businesses** are defined as businesses with 1 to 4 employees, emphasizing the scale and scope of operations.

**Opportunity:** It is viewed as the conduit through which vague ideas are transformed into pursuits worth exploring. Opportunities are characterized by their uncertainty and crucial role in sustaining long-term viability despite potential short-term costs (Goel et al., 2016, pp. 95-96).

**Organization:** This term describes the structured arrangement of business roles and communication mechanisms, both internally and externally (Goel et al., 2016, p. 95).

**Small Business:** Independently owned and operated, not dominant in its field, with fewer than 500 employees and less than \$20 million in annual sales (d'Amboise, 1988, p. 226).

**Sustainability:** Achieving a balance between exploration and exploitation in entrepreneurial activities to sustain a competitive edge within a niche market (Goel et al., 2016, p. 95).

**Technology:** According to Kim Vincente, technology encompasses the tangible and intangible experiences that micro-business owners encounter while using strategic tools (Vincente, 2004, p. 20).

**Viability:** Pursuing activities that ensure efficiency, innovation, and organizational survival by balancing exploration and exploitation (Goel et al., 2016, p. 96).