Our first paper within this Symposium focuses on the elaboration of a small business management theory development process (Wyer and Barrett, 2005). This, our second paper, demonstrates early outputs of that process: the practical application of small business management theory built out of our theory development process.

A key milestone in our build up of understanding of small business strategy development processes has been the conceptualisation of the small business strategic learning processes and the enriching of that conceptualisation through incorporation of the distinctive strategic thought processes and capabilities that distinguish entrepreneurial small business owner managers.

The paper commences with summary recap of our use of foundations offered by Personal Construct Theory (Kelly 1955) in providing a point of departure for approaching enhancement of understanding of strategic learning and strategic management processes in small businesses and the ultimate goal of building useful management theory. Integral to this investigation and theory building process is the contribution of ongoing development and application of a rigorous multi-disciplinary case study methodology (discussed in paper one) which is not only facilitating progressive refinement of understanding of the small business strategic learning process, but also of the nature and form of the entrepreneurial management and learning capabilities and actions which underpin successful owner managers/managers learning and the effective development of their organisations.

The paper then proceeds by briefly elaborating our early stages attempts at small business management theory and concept development in the form of a small business ‘entrepreneurship model’ (first presented at the Stirling AM SIG). Positioned as core of the model, the conceptualisation of the small business strategic learning process gives focus to the various ways in which successful entrepreneurial owner managers within growth-oriented SMEs identify, learn about and act upon their predominantly unpredictable external environment. Of particular importance is how such successful owner managers learn in their small business problem and opportunity contexts and create new subjective in-context management knowledge, rather than rely on existing out-of-context objective management knowledge. Practical utilisation of our entrepreneurship model in the world of small business practice thus brings focus to the importance of nurturing small business owner manager/manager learning process and a more
selective use of existing objective management knowledge in the facilitating of that learning process.

Examples of application of our emerging theory and conceptualisations are then presented. Crucial to the process of application of the theory forms integral to our model, is emphasis on how owner managers, who to a great extent rely upon own personal theories derived from their common sense, are provided with guiding informing lenses of insight that offer them alternative perspectives to challenge and improve their own personal theories of their business worlds to better guide their practical actions. In Personal Construct Theory terms (Kelly 1955), we demonstrate how the understanding that we are deriving over time through our case study investigations is being conceptualised as guiding frames of insight that other owner managers can utilise to provide fresh perspectives to allow for the challenging of their existing constructions of situations and for the reshaping of past experiences.

The issue of ‘location’ of practical utility of our theory is addressed through demonstration of the theory in action in both the specific in-small business-context, and in the abstract Business School classroom. In the rigorous use of case study methodology we are looking to offer guiding lenses of insight that release the owner manager from potential entrapment in current ‘traditions’ and ‘fads’ (Gill and Johnson, 1991) of the peer groups within and associated with his or her own business; as well as from his own limiting personal constructs. In so doing, the intention is to help the owner manager to address a current impacting paradox: that of striving as a natural predictor in a business environment that is predominantly unpredictable.

The paper concludes by way of summary insight into the future potential of such small business management theory development in the contexts of small business research and the worlds of business support and small business management practice. In this latter respect the unfolding potential relates to theory beginning to lead management practice. Currently, the reverse is true.