The relationship between business model and performance of manufacturing small and medium enterprises in Malaysia

Abd Aziz, Sumaiyah (Universiti Sains Islam Malaysia) Mahmood, Rosli (Universiti Utara Malaysia)

Abstract: Business performance has been researched previously in relation to entrepreneurial orientation, market orientation, business strategy or strategic planning, and the characteristics of the owners/managers themselves. Recent studies initiated that the firm's business model plays significant roles in determining the firm's performance. However, not much has been done looking at the relationship between business model and performance of the firm, especially on manufacturing small and medium enterprises (SMEs) in Malaysia. A study has been conducted on manufacturing SMEs in Malaysia using mail survey questionnaire. Preliminary analyses conducted revealed that only competencies dimension of the business model has a significant direct impact on firm performance. The findings of this study suggest that in order to increase the firm's performance, one of the important factors to be emphasized is to have a practical business model. This research gives benefit to the SMEs, business owners, Malaysian government as well as the entire agencies and the academicians on the importance of the business model on SMEs' performance in Malaysia. Furthermore, the findings benefit entrepreneurs as well as the decision makers, and the outcomes from this research are expected to have policy implications for the future development of entrepreneurship and SME programs for current and future entrepreneurs and also for business owner/managers in Malaysia.

Subject: Business model; small and medium enterprise (SME); SME performance; Malaysia

Type: Article


ISSN: 1993-8233

e-ISSN: 

Publisher: Academic Journals

Year issue: 2011

Language: English