

**Networks and Performance of Small and Medium Enterprises
(SMEs) in Different Stages of the Life Cycle:
A Case Study of a Small Business in the Netherlands**

Chimucheka Tendai

*Business Management Department, Faculty of Management and Commerce,
University of Fort Hare, South Africa
Phone: +27735041856, E-mail: tenchims@gmail.com*

KEYWORDS Networks. Performance. Life Cycle. SME. Entrepreneurship

ABSTRACT The paper investigates the relationship between small business performance and the use of networks in the start-up and growth stage of the life cycle. A qualitative approach was adopted in exploring the effect of networks on small business performance. A case study of one firm in the Netherlands and an in-depth interview was conducted to complement a thorough literature review on entrepreneurial networks, small business performance and business life cycle. The study found a relationship between performance and entrepreneurial networks in both the start-up stage and the growth stage of the firm. Networks are important to small businesses for information and opportunity seeking, accessing resources and gaining legitimacy. Small business performance improves as a firm moves from start-up to growth stage of the life cycle. Understanding the factors that impact small business performance is important for business advisors, policymakers and other relevant stakeholders to better serve the small business sector.