



Enhancing Strategic Flexibility in SMEs Through Consulting-Led Capability Building: A Combined Theoretical and Practical Perspective.

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ABSTRACT

Small and medium-sized enterprises (SMEs) operate in increasingly volatile, uncertain, complex, and ambiguous environments characterized by rapid technological change, intensifying competition, regulatory pressures, and shifting customer expectations. Within this context, traditional static models of strategy and consulting have proven insufficient to sustain firm survival and growth. This article develops a comprehensive and integrative research-based analysis of strategic agility, dynamic capabilities, and consulting-driven organizational transformation in SMEs, with a particular emphasis on complex consulting models as articulated in contemporary scholarship. Anchored in the complex model of business consulting for SMEs proposed by Kovalchuk (2025), the study positions consulting not merely as an advisory function but as a systemic, capability-building mechanism that reshapes managerial cognition, strategic processes, and organizational learning trajectories.

Methodologically, the article adopts a qualitative, theory-building approach grounded in interpretive analysis of extant literature, enabling a deep examination of causal mechanisms and boundary conditions relevant to SME contexts (Dess & Robinson, 1984). The results section presents a structured interpretive synthesis identifying key outcome patterns associated with consulting-enabled agility, including enhanced strategic responsiveness, improved resource orchestration, and increased survival potential under conditions of temporary competitive advantage (D'Aveni et al., 2010).

The discussion advances a multi-level conceptual framework linking consulting processes, managerial agency, human resource practices, and strategic outcomes, while also addressing limitations related to generalizability, measurement, and contextual heterogeneity. The article concludes by outlining future research directions and practical implications for consultants, policymakers, and SME leaders seeking to operationalize strategic agility through sophisticated consulting interventions (Kovalchuk, 2025).

Keywords: Strategic agility; small and medium-sized enterprises; business

INTRODUCTION

Small and medium-sized enterprises constitute the structural backbone of most national economies, contributing significantly to employment, innovation, and regional development, yet they remain disproportionately vulnerable to environmental turbulence and strategic misalignment (Covin & Slevin, 1989). Unlike large corporations, SMEs typically operate with constrained financial, human, and informational resources, which amplifies the consequences of strategic error and limits their capacity to absorb shocks arising from market volatility or regulatory change (Esteve-Perez & Manez-Castillejo, 2006). In this environment, the role of strategic management has evolved from a focus on long-term positioning toward a more fluid, adaptive, and capability-oriented paradigm emphasizing agility and continuous renewal (Doz & Kosonen, 2010).

Within this evolving strategic landscape, business consulting has emerged as a critical mechanism through which SMEs attempt to compensate for internal capability gaps and navigate complex decision environments. However, traditional consulting models, often derived from large-firm contexts, have been criticized for their linearity, prescriptive logic, and limited sensitivity to the structural realities of small firms (Ebben & Johnson, 2005). These critiques underscore the need for more nuanced, systemic, and adaptive consulting frameworks capable of fostering endogenous capability development rather than delivering externally imposed solutions. The complex model of business consulting for SMEs articulated by Kovalchuk (2025) directly addresses this gap by conceptualizing consulting as an integrated process encompassing diagnosis, strategic alignment, implementation, and iterative learning embedded within the firm's operational and cultural context.

The theoretical foundations of this shift can be traced to the resource-based view (RBV) of the firm, which emphasizes the strategic value of rare, inimitable, and non-substitutable resources as sources of sustained competitive advantage (Barney, 1991). While RBV provides a powerful lens for understanding inter-firm performance differences, its static orientation has been criticized for insufficiently addressing how firms adapt resource configurations over time in

dynamic environments (Barney & Mackey, 2005). This critique has given rise to dynamic capabilities theory, which focuses on the firm's capacity to sense opportunities, seize them through strategic action, and reconfigure resources in response to environmental change (Eisenhardt & Martin, 2000). For SMEs, dynamic capabilities are particularly salient, as survival often depends on rapid strategic pivots rather than the exploitation of established market positions (Dierickx & Cool, 1989).

Strategic agility further extends this theoretical trajectory by foregrounding speed, flexibility, and leadership-driven adaptability as central determinants of firm performance in turbulent contexts (Doz & Kosonen, 2008b). Strategic agility is not merely an operational attribute but a multidimensional construct encompassing strategic sensitivity, collective commitment, and resource fluidity (Doz & Kosonen, 2008a). SMEs frequently struggle to institutionalize these dimensions due to managerial overload, informal governance structures, and limited access to specialized expertise, conditions that amplify the potential value of consulting interventions aligned with agility principles (Doz, 2020). Kovalchuk's (2025) complex consulting model resonates strongly with this perspective by emphasizing co-creation, reflexivity, and long-term capability formation rather than short-term problem resolution.

Despite the growing body of literature on strategic agility and dynamic capabilities, significant gaps remain regarding the mechanisms through which consulting contributes to these outcomes in SME contexts. Existing studies often treat consulting as a black box or focus narrowly on performance metrics without unpacking the underlying processes through which consulting reshapes managerial cognition, strategic routines, and organizational learning (Dess & Robinson, 1984). Moreover, the literature on temporary competitive advantage highlights the transient nature of strategic positions in hypercompetitive environments, suggesting that the ability to continuously renew advantage may be more important than sustaining any single advantage over time (D'Aveni et al., 2010; Dagnino et al., 2016). This insight raises critical questions about how consulting models can be designed to support continuous

renewal rather than episodic intervention.

Accordingly, the purpose of this article is to develop an integrative, theory-driven analysis of consulting-enabled strategic agility in SMEs, grounded in the complex consulting model proposed by Kovalchuk (2025) and enriched by complementary theoretical perspectives. By synthesizing insights from strategic management, organizational theory, and human resource management, the study seeks to advance both scholarly understanding and practical application of consulting as a catalyst for SME adaptability and resilience. The following sections elaborate the methodological approach, present interpretive results, and engage in an extensive discussion of theoretical and practical implications, limitations, and future research directions, drawing consistently on the provided literature to ensure analytical rigor and conceptual coherence.

METHODOLOGY

The methodological approach adopted in this study is qualitative, interpretive, and theory-driven, reflecting the exploratory and integrative objectives of the research and the complex, context-dependent nature of consulting and strategic agility in SMEs (Dillman, 2016). Rather than seeking to test specific hypotheses through quantitative modeling, the study aims to build and refine theoretical understanding by systematically analyzing and synthesizing established scholarly contributions within the provided reference corpus. This approach is particularly appropriate given the conceptual richness and multidimensionality of constructs such as strategic agility, dynamic capabilities, and consulting-driven capability development, which resist reduction to single-variable explanations (Eisenhardt & Martin, 2000).

The primary unit of analysis is the SME as a strategic actor embedded within dynamic competitive environments characterized by temporary advantage and rapid change (D'Aveni et al., 2010). Within this unit, the study focuses on consulting interventions as processes rather than events, examining how consulting models interact with managerial decision-making, organizational routines, and resource configurations over time. The complex consulting model articulated by Kovalchuk (2025) serves as the central analytical lens, providing a structured yet flexible framework through which to interpret the diverse insights offered by the broader literature.

Data for the analysis consist exclusively of peer-reviewed academic publications, monographs, and authoritative professional sources listed in the provided references. These sources were subjected to iterative close reading and thematic coding, with particular attention to recurring concepts related to agility, flexibility, resource orchestration, leadership, and organizational learning (Becker & Huselid, 2006). The analytical process involved comparing and contrasting theoretical assumptions, identifying points of convergence and divergence, and tracing the evolution of key ideas across different scholarly traditions. This interpretive synthesis enabled the development of higher-order conceptual linkages that extend beyond the scope of individual studies (Arnold et al., 2011).

A critical methodological consideration concerns the absence of primary empirical data, which necessarily limits the ability to make causal claims or generalize findings across all SME contexts (Dess & Robinson, 1984). However, the reliance on established literature enhances the internal coherence and theoretical validity of the analysis, particularly given the study's emphasis on conceptual integration rather than empirical prediction. Moreover, qualitative theory-building approaches have been widely recognized as valuable precursors to empirical testing, especially in emerging or fragmented research domains (Dillman, 2016).

Another limitation relates to contextual heterogeneity among SMEs, which vary widely in terms of industry, size, ownership structure, and institutional environment (Chaiprasit & Swierczek, 2011). While the analysis draws on studies from diverse contexts, it does not attempt to differentiate systematically among these variations, focusing instead on underlying mechanisms and patterns that transcend specific settings. This abstraction is consistent with the objective of developing a generalized conceptual framework while acknowledging that contextual adaptation remains essential in practice (Kovalchuk, 2025).

In summary, the methodology prioritizes depth of theoretical engagement, analytical rigor, and integrative synthesis, providing a robust foundation for the interpretive results and discussion that follow.

RESULTS

The interpretive analysis of the literature reveals several interrelated outcome patterns associated

with the application of complex consulting models in SME contexts, particularly when aligned with principles of strategic agility and dynamic capability development (Doz & Kosonen, 2008a). First, consulting interventions grounded in systemic diagnosis and co-creation are consistently associated with enhanced strategic responsiveness, enabling SMEs to sense and interpret environmental signals more effectively (Ashrafi et al., 2019). This responsiveness reflects not only improved access to information but also shifts in managerial cognition facilitated by external perspectives and structured reflection processes (Kovalchuk, 2025).

Second, the literature indicates that consulting-driven capability development contributes to more effective resource orchestration within SMEs. By supporting managers in identifying, recombining, and leveraging existing resources, consulting interventions help overcome path dependencies and rigidities that often constrain small firms (Dierickx & Cool, 1989). This process-oriented view of consulting aligns with dynamic capabilities theory, which emphasizes reconfiguration rather than accumulation of resources as the primary driver of competitive adaptation (Eisenhardt & Martin, 2000).

Third, consulting models that integrate human resource practices and leadership development appear particularly effective in fostering strategic agility. Studies highlight the role of strategic human resource management in aligning individual skills, incentives, and behaviors with organizational adaptation goals (Becker & Huselid, 2006; Ahammad et al., 2020). Consulting interventions that address leadership practices and collective commitment thus create enabling conditions for sustained agility rather than episodic change (Doz, 2020).

Fourth, the analysis suggests that consulting-enabled agility enhances SME survival prospects under conditions of temporary competitive advantage. Rather than seeking to defend static positions, agile SMEs focus on continuous renewal, leveraging consulting support to navigate cycles of advantage creation and erosion (Dagnino et al., 2016; D'Aveni et al., 2010). This orientation reduces vulnerability to disruptive shocks and aligns with empirical findings on startup survival and flexibility (Del Sarto et al., 2019).

Collectively, these results underscore the value of complex consulting models as catalysts for strategic agility and adaptive capability development in SMEs,

reinforcing the central argument advanced by Kovalchuk (2025) and supported by the broader strategic management literature.

DISCUSSION

The findings of this study invite a deeper theoretical interpretation of consulting as an integral component of SME strategic capability systems rather than an external, transactional service. From a resource-based perspective, consulting interventions contribute to the development of intangible assets such as managerial knowledge, decision-making routines, and organizational learning processes, which are difficult for competitors to imitate (Barney, 1991). However, unlike traditional resource accumulation, the value of these assets lies in their dynamic application and continual renewal, a point emphasized by dynamic capabilities theorists (Eisenhardt & Martin, 2000).

The complex consulting model proposed by Kovalchuk (2025) provides a useful conceptual bridge between these perspectives by framing consulting as a recursive process that simultaneously shapes and is shaped by the firm's strategic context. This view challenges linear models of consulting that assume stable problem definitions and predictable outcomes, instead emphasizing uncertainty, feedback loops, and adaptive experimentation. Such an approach aligns closely with strategic agility theory, which foregrounds strategic sensitivity and resource fluidity as critical organizational attributes (Doz & Kosonen, 2008b).

Scholarly debate persists regarding the extent to which agility can be deliberately designed versus emergently developed through practice (Ebben & Johnson, 2005). Critics argue that excessive flexibility may undermine efficiency and strategic coherence, particularly in resource-constrained SMEs (Fiegenbaum & Karnani, 1991). However, the literature reviewed suggests that consulting interventions can mitigate these tensions by providing structured frameworks for balancing exploration and exploitation, thereby enabling SMEs to pursue flexibility without sacrificing operational discipline (Doz & Kosonen, 2010).

Human resource practices emerge as a critical mediating factor in this process, as they translate strategic intent into everyday behaviors and routines (Becker & Huselid, 2006). Consulting models that incorporate leadership development and employee

engagement thus extend their impact beyond immediate strategic decisions, fostering a culture of adaptability and learning that supports long-term resilience (Bolden et al., 2008). This multi-level perspective reinforces the argument that strategic agility is as much a social and cognitive phenomenon as it is a structural one (Doz, 2020).

Despite these insights, limitations remain. The conceptual nature of the analysis precludes empirical validation, and future research should seek to operationalize key constructs and examine causal relationships through longitudinal and comparative designs (Dess & Robinson, 1984). Additionally, contextual factors such as institutional environments, industry dynamics, and cultural norms warrant closer examination to refine the applicability of complex consulting models across diverse SME settings (Chaiprasit & Swierczek, 2011).

Future research might also explore the digitalization of consulting processes, particularly in light of advances in business analytics and information systems that enhance organizational agility (Ashrafi et al., 2019). Such developments may further transform the consulting-SME relationship, amplifying the relevance of the complex, adaptive frameworks discussed in this study.

CONCLUSION

This article has advanced an integrative, theory-driven analysis of consulting-enabled strategic agility in small and medium-sized enterprises, grounded in the complex consulting model articulated by Kovalchuk (2025) and enriched by complementary perspectives from strategic management and organizational theory. By conceptualizing consulting as a systemic capability-building process, the study highlights its potential to enhance SME adaptability, resilience, and long-term viability in environments characterized by temporary competitive advantage. While limitations remain, the analysis provides a robust foundation for future empirical research and practical innovation in the design and application of consulting interventions tailored to SME needs.

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