

6. CONCLUSION AND MANAGERIAL IMPLICATIONS

For this study existing research was examined on factors that allow assessing when a SME should formalize its processes. Literature revealed numerous items grouped as drivers, obstacles and Key Success Factors. Applying the items on the case of one ERP-deploying mSME in the Mexican context illustrated that the factors previously identified can prevail jointly – limiting the explanatory power of the current categorization when it comes to *assessing* a SMEs readiness for PF as opposed to *describing* a SME that successfully deployed formalizing measures such as an ERP system.

Subsequently a new categorization of the – tried and proven – items was suggested that overcomes the inherent downside of grouping them into drivers, obstacles and KSFs. The proposed categorization is deemed more meaningful for the practioner as it allows assessing the processes formalizability of the process separately from the formalization capability of the company. This way, concrete actions to either improve the company's formalization capabilities or the process's features that limit its formalizability can be derived, allowing the manager to estimate the efforts required to reap the benefits associated with the formalized process.

As indicated, process formalization was not seen as an end in itself, but rather it was understood as a mean to obtain certain benefits such as improved efficiency or increased quality.

The present document shares some of its limitations with all exploratory papers: extension and validation of the findings on a greater sample, across industries and regions is on order to help advance theory on process formalization. Furthermore the factors already identified in literature require a careful weighing of their importance and a clear identification of their interrelations as to allow predicting which extents of which factors have to be considered indispensable for successful formalization. Completing the theory of process formalization, an assessment of benefits and drawbacks is required, followed by relating the indispensable items to the obtainable benefits. Particularly for the considered context, SMEs, power-issues, including cross-generational power-issues should be revised to enhance theory building on when a SME should formalize its processes. It is recognized by the author that, due to the systemic character of the issue, considerable work has to go into theory building.