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Sandrine Berger-Douce

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# SUSTAINABLE MANAGEMENT AND PERFORMANCE IN SMEs: A FRENCH CASE STUDY<sup>1</sup>

Sandrine BERGER-DOUCE<sup>2</sup>

August 25, 2014

## Abstract

Nowadays, sustainable management seems more likely to be a guarantee of competitiveness for companies, regardless of their size. Besides offering those strategic opportunities, sustainable management practices also play a significant role in gaining acceptance and legitimacy in the marketplace. Moreover, SMEs are continually researching ways to improve their performance. The relationship between sustainability and company performance has interested researchers for twenty years, even if the academic results are mostly focused on bigger companies.

The purpose of this paper is to provide an understanding of how sustainable management practices help in achieving global performance for small and medium-sized enterprises (SMEs). The analysis of this case study shows how the transition from risk management to sustainable management allows an improvement in global company performance. Global performance considers social, environmental and societal issues in addition to economic performance.

The first part of the paper looks at the relationship between sustainability and performance in the context of SMEs. The second part uses a French case study to illustrate how an industrial SME can implement sustainable management and translate this into improved performance. To resume, this paper illustrates that sustainable management can be a catalyst for innovation in industrial SMEs.

**Key-words:** case study; (global) performance; sustainability; small and medium-sized enterprises (SMEs)

**JEL-classification:** M10; M14; O35.

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### **1: Introduction**

Nowadays, sustainable management seems more likely to be a guarantee of competitiveness for companies, regardless of their size or sector of activity. Besides offering those strategic opportunities, sustainable management practices also play a significant role in gaining acceptance and legitimacy in the marketplace. Moreover, SMEs are continually researching ways to improve their performance. In terms of global performance, sustainable innovations appear as a new form of classical innovation (Nidumolu and al., 2009) with a strong collective dimension. The relationship between sustainability and company performance has interested researchers for twenty years, even if the academic results (1) often remain controversial and (2) are mostly focused on bigger companies.

If sustainability is still not fully integrated in the SMEs' practices, there is a consensus regarding the specific attributes of responsible SMEs (Jenkins, 2009) compared with large enterprises. Socially responsible actions within SMEs are primarily motivated by personal ethical convictions rather than by reasons concerning the activities of the company (Jenkins, 2006).

Human factors are central in this area, where SMEs are often interested in the social dimension of sustainable management. This seems to be an integral part of their "DNA". Furthermore, the effects of proxemics has a concrete influence on sustainability by granting a privileged place to stakeholders either geographically or emotionally (Courrent and Torrès, 2005). Performance is a concept that can be viewed differently. Some authors consider it exclusively from an economic point of view, but others develop a wider approach to performance. In this paper, we refer to St-Pierre and Cadieux (2011) who distinguish three types of performance: economic, sustainable (including social and environmental issues) and personal (regarding the entrepreneur himself).

The purpose of this paper is to provide an understanding of how sustainable management practices help in achieving global performance for small and medium-sized enterprises (SMEs). Global performance considers social, environmental and societal issues in addition to economic performance. The first part of the paper looks at the relationship between sustainability and performance in the context of SMEs. The second part uses a French case study to illustrate how an industrial SME can implement sustainable management and translate this into improved performance.

### **2: Innovation dynamic capability, sustainable management and performance**

The theoretical design of the paper is based on different notions, i.e. performance (1.1) and innovation dynamic capability due to sustainable management (1.2) which need to be put into perspective (1.3).

#### **2.1 The notion of performance**

Performance is a protean as pointed out by many authors for years (Pesqueux, 2004). According to the dictionary Le Petit Robert, the 'performance' word comes from the old french 'parformer' which in the middle ages meant 'complete, run '. Appeared in English in the 15th century under the patronage of "perform" refers both to the completion of a process and the success that can be attributed to. This double etymological anchoring of the performance appears as a source of wealth

of interpretation, but also ambiguities (Jany-Catrice, 2012). Historically, the business performance was measured by financial data because of their character supposed to be objective, reliable and easily operational (Neely, 1999). The polysemy of the notion of performance opens de facto to a progressive enlargement of its meaning, particularly in the field of strategic management. Thus, Dumoulin and al. (2010, p. 141) specify: "For the strategy, performance can be conceived that globally and on how to build the competitiveness of the company or organization.<sup>3</sup>". In other words, "the balance sheet does not allow him alone to assess well-being in the company, its ability to grow, to innovate and to adapt to the evolutions of the market...» While all these elements result ultimately also improved its position in the market, and thus by extension, of its financial situation. "(OSEO, 2012, p.24). In this context several tools for assessing the overall performance have been developed as the Centre of young leaders (CJD) baptized "Global Performance" since 2002 in France. The CJD does not use the term sustainable development, but defends the pressing need to reconcile economic performance (shareholders and customers confidence as measured by the balance sheet and the profit and loss account), social performance (actors in the company employees and emphasis on the issue of welfare), environmental performance (Enterprise ecosystem integration and ability to reduce its impacts on the natural environment) and societal performance (contribution to the development of the territory and the role of the company in) the company). In other words, the overall performance is seeking a perfect balance between these dimensions. However, authors such as Capron and Quairel (2006) remain skeptical by their use of the term of "mobilizing utopia of overall performance", particularly because of the technical feasibility of a successful integration of its different dimensions.

Regarding SMEs, St-Pierre and Cadieux (2011) propose a review of the performance and differentiate between three types of performance: personal, economic and sustainable (social and environmental). Table 1 lists their synthesis of the literature on the subject.

Table 1: Types of 'performance' according to leading small business owners (St-Pierre and Cadieux, 2011, table 2, p. 39)

<b>Type of performance</b>	<b>Indicators used in literature</b>	<b>Authors quoted by St-Pierre and Cadieux</b>
Personal performance	Social recognition Heritage staff Quality of life Independence and autonomy	Gray (2002) Greenbank (2001) LeCornu and al. (1996) Reijonen and Komppula (2007) Walker and Brown (2004)
Economic performance	Growth Size of the enterprise Cash to preserve the autonomy and ensure the growth of the company The company's ability to generate sufficient income Financial health Meeting the needs of customers Quality of product or service	Gertz and Petersen (2005) Greenbank (2001) Gundry and Welsch (2001) LeCornu and al. (1996) Morris and al. (2006) Székely and Knorsch (2005) Walker and Brown (2004)
Sustainable performance	Jobs preservation Implication in civil society Quality of life of employees Firm reputation	Getz and Petersen (2005) Greenbank (2001) Gundry and Weksch (2001)

<sup>3</sup> All translations from French are my own.

	Balance between financial health, social and preservation of the environment	Morris et al. (2006) Székely and Knorsch (2005)
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## 2.2 Innovation dynamic capability and sustainable management

Innovation is one of the key factors in strategic development of SMEs (Aragon-Sanchez and Sanchez-Marin, 2005). According to Julien and Lachance (2006), "entrepreneurship is a creation of collective values, recognized by the various actors who share the challenges and risks of innovation accepted by the near market, by the middle and finally by outside". If one adheres to this definition, sustainable development is an integral part of entrepreneurship. Beyond the numerous typologies of entrepreneurs in the literature, and the broad design to which we adhere, an entrepreneur combines the characteristics of the main paradigms of the research field. The integration of SD in the field of entrepreneurship may be envisaged as the construction and operation of an opportunity in the form of an innovation, the creation of a new company or of value. The concept of value creation, as a guarantee of sustainability, is one of the key elements in our research. According to the study of March (1991) on organizational learning, survival and prosperity of an organization are based on an appropriate and delicate balance between exploration and exploitation. "The essence of exploitation is the refinement and extension of existing competencies, technologies, and paradigms. [...] The essence of exploration is experimentation with new alternatives" (March, 1991, p.85). According to March, the only exploitation is harmful in the long run: "Systems that engage in exploitation to the exclusion of exploration are likely to find themselves trapped in suboptimal stable equilibria" (p.71). This article serves as a reference for many recent works such as Chanal and Mothe (2005) that define a dynamic capability of innovation as the ability to combine exploitation innovation with exploration innovation. Thus, the organization can carry out front of projects of "design of new products or services in relying primarily on the existing expertise of the company" (exploitation innovation) and "exploration projects more deploys in a logic of rupture and creation of new knowledge and strategic skills" (exploration innovation) (p.174). These authors rely on the power of dynamic capabilities in strategic management (Teece and al., 1997; Eisenhardt and Martin, 2000). Dynamic capacity is "the ability of the company to integrate, build and reconfigure internal and external skills to respond quickly to changing environments" (p.516). In 2009, Augier and Teece define the dynamic as capacity "the ability to detect and seize new opportunities, to reconfigure and to protect the resources and skills of the company, with the objective to gain a competitive advantage" (p.412). Chanal and Mothe (2005) pave the way for recent research on the ambidextrous organization, a concept borrowed from Duncan (1976) and spread by Gupta and al. (2006). The ambidexterity is defined as the simultaneous pursuit of exploration and exploitation. Also, an ambidextrous organization is able to deal simultaneously with the inconsistent demands of exploitation and exploration regarding their time horizons (short for exploitative innovation and long for exploration innovation).

In their conclusion, Chanal and Mothe (2005) indicate that the need to combine these two kinds of innovation is nowadays required in all organizations, including SMEs. The identification of this tension between exploitation and exploration was indeed already present in Schumpeter (1935) in his distinction between "pure and simple operators" and entrepreneurs, the latter having predispositions to exploration. According to Ayerbe (2006), the organizational characteristics of SMEs tend to foster innovation. We argue that SMEs have specificities likely to promote the ambidexterity. We can quote an informal internal and external information system, a rather intuitive decision making process, a risk taking behavior, some flexibility to changing environments, a financial independence through the presence of the owner-manager, the specialization of activities (synonymous with a good knowledge of internal resources and portfolio), a strong personal involvement of the entrepreneur himself associated with a centralized management style (Julien, 1997). Thus, studies on the influence

of entrepreneurs on their management profiles were the subject of many publications as the personal aspirations of the leader of a SME influence the development of business strategy.

### **2.3 The link between sustainable innovation dynamic capability and performance**

In the preamble, it should be noted that the academic literature devoted to SMEs rarely deals with the issue of the link between innovation and sustainable development. The exceptions include Kramer and al. (2007) who have studied 50 responsible Danish SMEs. Their findings show a link between 'sustainable' innovations and economic performance, the latter being measured by gains in market shares of the companies. The study of Mendibil and al. (2007) on innovative SMEs in Spain, Italy and the United Kingdom indicates a real proximity between innovation and SD, without so far point their links of respective causalities. However, a strong commitment to both internal and external stakeholders appears as a sign of competitiveness. Jenkins (2009) uses the concept of dynamic capabilities (Teece and al., 1997) in its model of CSR in SMEs environment business opportunities by granting a privileged place to innovation.

So far, the studies dedicated to the link between sustainable strategies (notably for responsible innovations) and performance remain relatively rare. This conclusion appears paradoxical to the extent CSR seems likely to be a guarantee of competitiveness for businesses, regardless of their size and their sector of activity. "It is possible today to relaunch an economic and social model winner, leaning on our creative qualities and a collective association around better business projects shared, worn by the idea of corporate social responsibility." (D'Humières, 2012, p.17). The debates are not absent as shown by Mathieu (2012, p.4). This author argues that "these are the strategic directions that firms adopt rationally in evolutionary and complex competitive environments that involve or result in profound renewals societal questions they face". In this sense, he suggested finally revisit the strategic analysis of CSR.

Sustainable management research is often dominated by the analysis of large companies. It seems relevant to also examine sustainable management in SMEs so as to highlight potential performance impacts for these types of companies. This is the core of the second part of the paper which focuses on a case study of an industrial French SME named Pochecho.

### **3: An empirical study: the company Pochecho**

After presenting the methodology of the research and the company (2.1), sustainable innovation dynamic capability of Pochecho is detailed (2.2) and finally analyzed as a contribution to global performance (2.3).

#### **3.1 Methodological aspects and presentation of the Pochecho company**

Research methodology is qualitative in nature (Hlady Rispal, 2002) because of the emerging nature of the problem to treat (Wacheux, 1996). Qualitative research is essentially a work of craft (Wacheux, 1996, p.15): "the implementation of a qualitative research process, it is above all try to understand the why and the how of the events in concrete situations". Studying an emerging topic, we have naturally chosen a qualitative methodology focused on a single case study (Yin, 1994; Hlady-Rispal, 2002). The unit of analysis, according to Yin (1994), here is the SME. The case study was incorporated on the basis of secondary data processing: press articles, Web sites, internal documents (speech of the conventions of 2007; 2009 and 2011), testimony at professional events (Annual Business and SD Day 2008 and 2010 in Lille and Tour of France of the ISO 26000 in May 2010 in Arras) and primary data. These primary data were collected in three semi-structured interviews with the leader (mean duration of two hours) on (1) the activities of the company; (2) practices for SD; (3) the professional experience and the convictions of the leader; (4) the strategic



vision of the leader (buyer). Also non-directive interviews with employees (head of sales, marketing manager, quality-safety-environment (QSE) manager; team leader; assistant in quality; two interns) (mean duration of one hour for each interview) have been conducted. We also visited the industrial site in July 2010 and in May 2011.

Founded in 1928 near Lille, Pocheco with 114 employees is a manufacturer of envelopes, especially "envelopes for automatic insertion". The company produces about two billion envelopes each year (or 10% of national production) for a turnover of € 22 million in 2012. Its clients are primarily large enterprises (French Gas Company, SFR, Orange, La Poste, etc.). These envelopes are for invoices and other surveys. At the age of 32, and after nine years of professional experience in large companies, the director decided to change life and become an entrepreneur in 1997. In 2008, he bought the company and is currently the sole shareholder.

The market of the envelope has faced serious economic difficulties in recent years (fall by 7% in volume between 2006 and 2009), while continuing to progress in value (+ 6% between 2007 and 2008), mainly through the development of high value-added products. "The market is not stable and must be developed competitive advantages" (QSE manager). The growing digitalization of invoices and of prospecting documents in the enterprises is no stranger to this evolution. In this context, the SME commissioned in 2009 to an independent firm analysis of life cycle of the envelope with edifying results validated by CNRS and published in May 2010. The sending of an invoice of two pages by post produced 15.7 g of CO<sub>2</sub> while his virtual avatar (electronic mail) produced 15 times more, 252 g. In summary, acting environment leads to promote the paper, contrary to received idea. Thus, a true ecological offensive is organized in recent years on the market of the envelope. These products with high added value are the result of manufacturers' innovation strategies with the responsibility of the profession with regard to ecological issues. The raw material of these industrial (pulp) helps renew the forest which increases currently 50,000 hectares per year in France. It is in this context that the director of Pocheco decided to renew the economic model of its business. "The problem is that the envelope is a perfectly banal product with no price or rather only a price which decreases. In summary, this is the idea of my predecessor. However, the company had extraordinary strength, the know-how of the team. Therefore, the objective was to get out of the banality of the product. And there, the idea of sustainable development in thinking took his turn. Finally, I could be in line with my deeply personal beliefs. Currently, we have a positioning of specialist on 65% of the French market because we have succeeded in mastering the computer qualities of the envelopes." (entrepreneur).

### **3.2 The realities of sustainable innovation dynamic capability at Pocheco**

In the company, sustainable innovation dynamic capability corresponds to a multiple reality organized around the four forms of innovation identified by the Oslo Manual (2005): product, process, organizational and commercial innovations.

With a view to reduction of packaging waste, the SME has developed in 1999 a system of packaging for envelopes around reels, a good example of integrated environmental technology (Patris and al., 2001). This patented technology allows the company and its customers to reuse the trolleys and cores to send the envelopes. Once delivered, the reels are attached to the inserting machines of the SME's customers and once the envelopes are used, the empty trolleys and cores are sent back to the company for refilling. This innovative method already avoided using over 2 million boxes in cartons and 30,000 pallets over the past ten years. Currently, approximately 20% of the envelopes produced by the SME for five large customers use this system. A single machine is in operation, two other should begin production by late 2010. Beyond fuel savings achieved through the rationalization of logistics flows, this technology helps reduce handling and thus occupational diseases (including at the level of operators' carpal tunnel). Moreover, it is part of a more comprehensive policy of

modernization of the production tool: "Production automation is a scary for our staff, because they fear losing their jobs. We decided therefore to invest in the requalification of staff. For upgrading workshops, the company has invested since 2003 in implementation of automatic packaging machines. These women (without qualification) have been trained to the profession of quality inspectors. The development of new competencies is important for these women who have kept their jobs and for the company, this is exemplary in terms of quality." (director)

Innovation is also omnipresent in the products offered by the SME because the development of an environmental offer is a way of upgrading a market changing:" On a core of offer our customers to always innovative products." "(marketing manager). Eco-compatible envelopes represent an important potential market. In 2009, stamped envelopes NF environment represent about 20% of total sales in France. Among these envelopes, only 30% have a paper window film ("Crystal Evolution") that is fully recyclable and biodegradable. For a decade, the SME is betting develop envelopes innovative fully recyclable, produced with water-based inks, with paper window film, consisting of natural fibres which have been neither treated nor whitened (for some brands). Always seeking for innovation, the company also offers a so-called transpromotional envelope, an imported concept in the Anglo-Saxon countries. Transactional document (statement of account, invoice) also contains a promotional message for customers, which presents the advantage of limiting shipments and therefore induced costs, a popular solution of business in these times of fiscal restraint in terms of direct marketing. At the same time, the SME launched in 2009 a brand of packaging bags customizable to decline in small series "customized" entirely handmade. For example, these products can be used in limited editions of CD packages for independent music labels. This "craft" offer combines several components of sustainable development: all the materials used for manufacturing of pockets are sustainable and the handmade production is provided by prisoners in their project of vocational rehabilitation. In the marketing field, the company develops a real branding strategy since 2007 and has been working for 2010 on the management of its brands' portfolio (marketing manager), like the larger companies usually do. This approach is accompanied by a new website online by the end of 2010. One of the objectives is explicitly to clarify the company's offer. This new website is distinguished by its easy use and its aesthetic inspired by nature with the ubiquity of the symbol of the tree. The online store is also better value, as well as the results in real time of the commitment of the SME with, on the home page, a counter of the trees planted by the company due the its customers' orders.

The SME not only innovates in its manufacture of envelopes business since it launched early 2010 in innovation in service, in this case a diversification to the consultancy in sustainable development for SMEs. Based on its own experience, the company offers services structured around three topics: product/process/building. These services include life cycle analysis, eco-design, preparation of QSE auditing and energy diagnosis. "Recently, we launched in consulting business to share our experience of sustainable development. The idea is to guide other SMEs in the way to SD by showing them that it is possible to be profitable in respecting the environment and putting humans in the centre of its concerns. It is new, but it has some interesting returns since a few weeks." (QSE manager).

Simultaneously, societal innovations are multiplying as the creation of a nonprofit association for the reforestation of the region Nord Pas de Calais. "It also founded an association that aims to contribute to the reforestation of the Nord Pas-de-Calais (the region has only 7% of surfaces forested compared to 27% nationally)." (director). The association unites, educates and involves residents of the area around their environment of proximity reforestation projects. By the end 2010, a dozen of planting projects were planned.

Likewise, the renovation of the factory, including roofs, is part also a willingness to better integration in the natural environment of the company. Workshops insulation will reduce noise for the neighbors of the plant, while reducing energy bills for the company. These works are part of a logic of respect

for local biodiversity: "On a project to develop a vegetated roof of 1.100 m<sup>2</sup> above workshops (already installed this type of roof on 220 m<sup>2</sup> above offices in 2009 with a focus on plant species preserving local biodiversity). Finally, we hope to reduce the company electricity bill by a third (from 300 k € to about 200 K€)" (leader). These benefits for the immediate residents go hand in hand with the benefits for operating staff in terms of improving their conditions of work. The renovation of the administrative building (dating from 1848) with the creation of an open light space opened on nature is synonymous with better working conditions, and therefore less stress for employees.

The analysis of the case of Pocheco shows the possible conciliation of exploitation innovations with exploration innovations. Regardless of their nature, all deployed innovations by the leader and his team are based on strong convictions (Jenkins, 2006) placed at the service of the creation of shared value internally and externally (Porter and Kramer, 2011). These innovations tend to reinforce each other over the years, giving rise to a virtuous circle. Like the results of Ayerbe (2006) on the relationship between technological and organizational innovations in SMEs, there is a co-stimulation of innovations, but also an acceleration of the pace of these innovations since triple QSE certification in 2008. It has no doubt played a role of catalyst of sustainable innovation dynamic capability at Pocheco by a growing desire to reconcile the three pillars of SD. This will specifically refer to one of the indicators of sustainable performance according to St-Pierre and Cadieux (2011).

Does sustainable innovation dynamic capability at Pocheco impact on the performance of this SME? This is the subject of the next section.

### 3.3 Analysis of the link with global performance

We take here the typology of performance proposed by St-Pierre and Cadieux (2011), namely the distinction between economic, sustainable and personal performance.

Economic performance translates into the key figures of the company (table 2).

Table 2: Key figures at Pocheco (2007-2012) (source: Pocheco)

Data	2007	2008	2009	2010	2011	2012
Staff	91	97	95	101	104	114
Turnover	20.199.998	20.621.168	20.861.612	20.929.670	21.142.872	21.486.279
Financial result	262	150.008	1.136.755	1.015.342	998.017	2.693.573
ROS	0.001%	0.73%	5.45%	4.85%	4.72%	12.54%
ROA	0.002%	1.19%	8.56%	6.58%	5.27%	13.29%
ROE	0.004%	2.14%	14.79%	11.98%	10.88%	23.17%

*Legend: Turnover in euros; ROS: Return on Sales; ROA: Return on Assets and ROE: Return on Equity.*

Beyond the accounting figures, other elements are essential to emphasize economic performance attributed to the engagement in favor of SD. Thus, Pocheco has survived in a difficult economic context linked to the increasing digitization of trade, in particular the dematerialization of bills and statements of account. Thanks to carried out economies, Pocheco has, according to its leader, almost double its profitability. Furthermore, in terms of market share gains and particular thanks to outreach efforts: "before we communicate about our actions, turnover growth was + 0.5% per year (with a market down-5% per year). Since we communicate, our turnover grew by + 3% per year (on a market in regression of -3 a-5% per annum. " (Leader). Overall, they are 500,000 euros of savings from operating on the industrial site. At Pocheco, good financial results of the SMEs are considered

the means to undertake and not as an end in itself. In this sense, "they are a guarantee of continuity for our customers, our employees and our suppliers." (Pocheco QSE Policy 2013 - 2014)

A key element of sustainable performance refers to the reputation effect of the SMEs with regard to its external stakeholders (residents, other SMEs, banks and insurance, public bodies). Indeed, reputation is an intangible asset of foreground, an element of the external relational capital described by l'Ordre des Experts Comptables in 2011. "The investment in intangible capital has indirect influences on productivity and competitiveness. If it is possible to identify it, to measure the interest for the company, it is not always easy to quantify in financial terms. In addition, it covers different dimensions: human capital worn by women and men of the company, the internal structural capital associated with the company as a collective organization and external capital's relations with the outside world, the stakeholders of the company and its sphere of influence. "(OSEO, 2012, p.23)

Both individual and collective human performance makes sense at Pocheco. The pride of the employees of the undertaking is a convincing sign of good social climate within the SMEs which displays a staff change rate of 2.3%. The leader insists on "the quality of the report to another within the company. It succeeded to mix workers with training of technician and others without training; engineers; literary; historians... Result, very responsible collaborators in their actions, attentive to the word given, dynamic, productive, warm, living... ». This pride sweats of a video made in 2012 in the SMEs where employees were invited to speak about their life in the company and their adherence to its project. The SME is characterized by a mobilization of all in the service of performance as explained the leader: ' more initiatives develop and more they are taken in hand by all, it is the true overall performance! In all areas: the quality of the products, the decrease in the rate of non-compliance, productivity, market share gains... ». This collaborative work appears as a powerful lever of CSR. An illustration of this adherence to the collective project is mobilization without fault of Pocheco employees following the fire of the products warehouse late November 2011. No injuries were reported, nor any consequence on the environment through rapid and effective emergency services response. The choice of natural products has contributed to the limitation of the effects. No customer has been delivered late thanks to a very strong mobilization of the employees, but also their families sometimes, and the SME clients supported the company in this event, a sign of their confidence. On the other hand, facing the fears of people living in the factory, Pocheco leader took the atypical initiative of apologizing at a public meeting for the nuisance (including smell) fire-related.

The environmental performance of Pocheco is part of the principles of the ecolonomy. As explained by the leader of Pocheco: "In 15 years, it has demonstrated the viability by the digits of the ecolonomy (the fact that environmental work is also more economical, a concept by Corinne Lepage, former French Minister of Ecology). The example which I am most proud is that is achieved a self-sufficient water resources through the green; roof the recovery of rainwater for the cleaning of machinery, but also sanitary. The bamboo plantation of phytoremediation at the entrance to the factory... The most glaring point is the report of our activity in ecology. Our impacts on the environment were virtually reduced to zero. » Concrete projects are increasing in recent years. Include the roof vegetated company (220 m<sup>2</sup> above offices since 2009 and 800 m<sup>2</sup> above workshops since 2011) which melliferous plants were rigorously selected among local varieties in close cooperation with the "Conservatoire Botanique National de Bailleul", or installation of hives (four in 2011, twelve in 2012) on the roof of the factory with aims to conserve these endangered insects. Research of micro-actions in favor of the preservation of local biodiversity is thus a practical reality for the company. The leader of Pocheco developed an approach to high energy performance: on 9,000 m<sup>2</sup> of covered surface, 4.000 m<sup>2</sup> are equipped with producing panels of energy (hybrid photovoltaic panels and natural adiabatic air cooling systems). The renovation of the industrial site also allowed the installation of wells of natural light and the overhaul of the insulation of the building so as to avoid energy loss, but also to improve the comfort of employees.

Table 3 provides a summary of innovations Pochecho and impacts on the performance of the SMEs, even though we fully aware of the subjectivity of such an exercise to the extent where he remains difficult to relate such practice to such performance due to multiple interdependencies.

Table 3: Innovations at Pochecho and impact on performance

<b>Innovations</b>	<b>Impact on performance</b>
<b>Environmental issues</b>	
Patented winding; recovery by suction of waste paper for the sorting of the site	Limitation of environmental impacts at the source
Eco-compatible envelopes; transpromotional envelopes; customizable covers	Use of natural and labeled materials
Renovation of roofs by the choice of the re-vegetation; Association for regional reforestation	Protection of local biodiversity
Phytoremediation Bamboueraie (on-site waste-water infiltration)	Limitation of waste-water transportation
<b>Economic issues</b>	
Renovation of roofs (thermal insulation gains; replacement of boilers gas by photovoltaic panels); storage of inks in primary colors; built-in sorting centre (economic valorization of waste paper); bamboueraie of phytoremediation	Reduction in spending
Envelopes automatic packing machines; patented winding technology	Productivity gains
Patented winding; transpromotional envelopes (principle of the 2 in 1)	Improvement of the customer service
Eco-compatible envelopes (eco-responsible products); customizable sleeves (personalization of the offer)	Marketing response to an increasing demand
Association for reforestation; patented winding technology (image of pioneer); transpromotional envelopes (pioneer); essay published in Pearson Editions on the economies	Reputation effect
Consultancy activities related to SD	Diversification
<b>Social issues</b>	
Envelopes automatic packing machines; patented winding; storage of inks (risk reduction); recovery of waste paper (dust reduction); renovation of roofs (natural light); creation of green spaces (bamboo)	Improvement of the working conditions of the operators
Envelopes (trades of quality control) automatic packing machines; patented winding technology	Skills development
Painting machines of the workshops in the colors of the brands of the SMEs; financial interest in the results of the company	Involvement of employees in the enterprise project
<b>Societal issues</b>	
Consultancy activities with regional SMEs; involvement in the IODDE project; essay published in Pearson Editions on the “economies” (2012); House of the “Ecolonomy” (2013)	Dissemination of good practices of SD
Customizable packing kits	Project of employability of inmates

Renovation of roofs (noise reduction); Association for reforestation (involvement of local people in actions on the ground).	Taking account of local residents
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Finally, regarding personal performance, the leader of Pochecho is looking for a quality of life (such as "fun to go run in the forest during lunch in the immediate vicinity of the factory") and autonomy guaranteed by being the sole shareholder of the SMEs. What is important ultimately is the esteem of his colleagues: "When you're dealing with people with esteem, you are treated with esteem" (leader). Social recognition does not attract particularly him; he calls sometimes himself "not very social type". However, he takes it upon himself to communicate on practices and the results of its company only in order to transmit to the greatest number beliefs, such as various professional events regional activities Pochecho Canopée Conseil or the future House of the "Economie". In other words, his involvement in business ecosystems is a key factor of success for SMEs (OSEO, 2012). In the same vein, it launched from 2010 in an ambitious project of writing to record his experiences and share them. In this essay published in August 2012, the leader of Pochecho defends another vision of the company and its role in society, without neglecting the economic aspects. In terms of responsible management, SMEs are, for the entrepreneur, « a great testing ground ». His ambition is to contribute to create 'the industry of the 21st century, (circular) industry of repair of the industrial revolutions errors of past centuries' (Druon, 2012, p.40). More recently, in December 2012, Pochecho is committed to the initiative "Global Union for Sustainability", a union of companies and individuals motivated to advance the ideas of sustainable development in society.

In terms of motivations for entrepreneurship, the leader of Pochecho fits quite well in the portrait of the entrepreneur of the 21st century outlined below: "the quest for sustainability, the development of its image or reputation in relation to its values and beliefs, searching for a personal pride, the imbrication of the private sphere (increase in pressure on the citizen) and the professional sphere., rejection of unfortunate practices experiences, or even the display of what might be called a "badge of honor" are all concerns growing leaders to evolve out of the classical paths of a dominant model. » (Berger-Douce and Paradis, 2012, p.61). The link with the innovation strategy occurs naturally if one adheres to the idea defended by Segrestin and Hatchuel (2012, p.42): "and it is finally in relation to the capacity of a business to innovate that valued the qualities of its leader."

#### 4: Conclusion

The quest for creativity of the leader of Pochecho refers to one of the levers of the Jenkins model (2009) to identify sustainable opportunities. In other words, the entrepreneurial posture of the contractor is part of a system of continuous innovation, regime supported by humanist values promoted by Jenkins (2009) as bases of a new economic model based on CSR. The QSE of the SME policy specifically refers to a desire to achieve an overall performance through (1) the reduction of the impact on the environment and the prevention of pollution, (2) reducing the risk at work and loss of the arduous nature of the post and (3) the improvement of the productivity of the activity and the industrial site. More broadly, «The reinvention of the company [...] » must also respond to the contemporary challenges of the competition through innovation. » (Segrestin and Hatchuel, 2012, p.116). The Pochecho fits in this quest of rupture with the ambient determinism of indicators at all costs. Thus, regional experiments grow in different French regions (Nord Pas-de-Calais, Pays de Loire and Bretagne) to accompany this mutation of the notion of performance while providing "democratic legitimacy in its plurality". (Jany-Catrice, 2012, p.159).

An inherent limit to the methodological approach consists of the analysis of a unique case study, even if our ambition is not to lead to a generalization of the results, but rather to a pragmatic illustration of the relationship between dynamic responsible innovation capacity and performance. Among the future avenues of research, it seems relevant to continue the longitudinal analysis conducted in close cooperation with this atypical SME since 2010, especially as it is permanently engaged in innovative initiatives (evaluation according to the CSR ISO 26000 standard, plantation of an orchard in the fall of 2013). Furthermore, an approach by strategic trajectories of innovation compared to other SMEs could refine the analysis (Berger-Douce and Schmitt, 2013).

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