

Stage 3	<p>At stage 3, because of market saturation and increased competition, the focus of a service-based firm shifts to improving profitability and efficiency by formalising rules, procedures and financial controls. The original owner-manager(s) and the management team are often supported by professional executives. A formal structure with defined roles and responsibilities is introduced. Enterprise strategies, rules and policies become written and supported by extensive operational systems. The firm takes an organisational approach to improving employee efficiency and effectiveness. To avoid stagnation, fresh innovation methods are needed, as are new market knowledge and ideas to maintain the current market position, to renew the market position and/or to expand into new markets. Strategic management is both formalised and supported by financial resources. The growth of cash flow starts to decrease in a highly competitive and saturated market.</p>
Stage 4	<p>At stage 4, to gain new momentum, the service-based firms focuses on new service generation, business areas and/or locations and on the development of a uniform firm culture. Owner-manager(s) are often supported or replaced by professional leaders with corporate experience. A sophisticated organisation structure with formalised functions and processes is introduced. Strategies, rules and policies are developed, codified and communicated by analytical mechanisms. Innovative culture enables the implementation of diversified service-market strategies. Simultaneously, a uniform corporate image is maintained within diverse markets through professional marketing. Standardised career tracks and training/hiring are used to build the firm's approach and culture. Strategy development and implementation are routine at corporate headquarters. Growth momentum is regained, and cash flow growth accelerates.</p>