Firm Resources and Competitive Advantage of Meetings, Incentives, Conference and Exhibitions in Kenya

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ABSTRACT

Studies have investigated the effect of firm resources on the management of firms, with very little being done on the attractiveness of Meetings, Incentives, Conferences and Exhibition (MICE) destinations. This study aims to examine how firm resources influence competitiveness of MICE destinations in Kenya. Tangible and intangible assets are the two main categorization of firm resources used for this study, with tangible assets being characterized by brand reputation, innovation and facilities and equipment, while tangible assets being characterized by technology, location and access to financial resources characterized intangible and tangible resources respectively Resource-Based View theory was adopted as the theoretical foundation of the study, as it analyses MICE destination as a bundle or resources which creates value that can never be imitated by competitors. The study applied explanatory research design anchored on positivist philosophical paradigm and the target population was 496 MICE establishments in Nairobi and South-Rift circuits. Purposive sampling technique was used to obtain a sample of 107 MICE establishments. Data collection was through closed-ended questionnaires, with marketing/or operations managers. Data was analysed through descriptive and inferential statistics. Study hypotheses were tested using F-statistic and t-statistics. Findings showed that tangible assets had no significant effect on competitiveness while intangible assets had a significant direct effect on competitiveness. Intangible assets were significant in determining competitive advantage of MICE establishment implying that they need to capitalize more on intangible assets as opposed to tangible assets. The study also confirms the falsifiability of RBV theory as regards tangible assets and therefore recommends exploring other theories to understand how tangible assets affect competitive advantage.

Keywords: Competitive Advantage, Firm Resources, Intangible Assets, MICE, Tangible Assets

I. INTRODUCTION

Firm resources are firm's strategic assets central to a firms attaining success (Sutanto & Sudarsono, 2018). Competitiveness is a Latin word "competer'' which denotes competition among firms (Pluminsa *et al.*, 2016. The term can be explored from diverse perspectives (Horvathova and Mokrisova, 2020) and differs notably in different studies (Lee and Karpova, 2018). Researchers (Crouch and Ritchie, 1999; Mazanec and Ring, 2011) have termed the idea difficult to conceptualize as it is multi-faceted, and its constructs are difficult to examine. According to Tussyadiah, (2016), competitiveness refers to organizations capacity to offer unique products and services to customers different from their competitors.

The global MICE market is analysed on the basis of type of event and region. United States of America (USA) is the leading MICE market and is estimated to reach USD 109.1 billion in sales by 2028, with a Compound Annual Growth Rate (CAGR) of 22.9% over this period. Due to the rapid growth of MICE industry, several states have been forced to take the industry as their development core in order to boost attractiveness (Zheng, 2018). In 2020, revenue generation for this industry was projected to reach USD 1,337.4 billion by 2028 from USD 215.1 billion. Moreover, there is consistent growth in the industry with Europe and Germany as the main contributors of MICE travellers. On the other hand, in the Asia-Pacific MICE market, Singapore, China and India are the countries injecting to this market, and the sales are estimated at USD 229.0 billion with a CAGR of 8.6%. Sable *et al.*, (2019) posits that, the competitive strength of these MICE destinations is due to less restrictions on visa issuance, improved infrastructure and increased demand in air.

Rwanda and South Africa are among the African countries who have also broadened the MICE products to boost the tourism industry. The enactment of African' Continental Free Trade Area, an upsurge of business activities across regions are envisaged to generate vast profits for the continent. This would mean more business for MICE destinations looking to draw regional collaborations, linkages and capital ventures (Verdier, 2019). Even though Kenya is considered thrives economically and geographically prides herself as the gateway into East and Central

Africa, the gap in proactive MICE marketing, bidding and general information about the availability of facilities to host meetings has been an inhibitor to growth of the sector (Mwita, 2019). Notable challenges and threats to the industry are high advertisement and operation costs, insecurity, financial risks, poor infrastructure, high inflation, limited access to credit, inadequate research and slow adoption of new technology (Simiyu *et al.*, 2016).

1.1 Statement of the Problem

Empirical studies have explored the effect of firm resources and success of firms. Yet there is more to understand, specifically, how firm resources contribute to attractiveness of MICE destinations. Further, investigation on how firm resources influence competitiveness is unclear. Though certain reviews have stated significant effect (Boudiaf & Chofri, 2021; Chukwu & Egbuhuzor, 2017; Galati *et al.*, 2019; Jacob & Kornom-Gbaraba, 2022; Kimeli *et al.*, 2020; Makhloufi *et al.*, 2021; Mengistu, 2018; Miyamoto, 2017; Okoth & Machuki 2018; Peshkov, 2020; Radhakrishnana *et al.*, 2017) others have reported a negative influence (Daniel & Gabor, 2017; Ionita & Dinu, 2021; Jawed & Siddiqui, 2019; Nicklas & Hnerik, 2017; Ramadhan *et al.*, 2022; Saleh, 2018), and yet other investigations reported no impact (Madhani, 2015; Nichita, 2019). Additionally, review of literature has showed that most studies in this area have used structural equation modelling as the primary methodology (Belwal and Amireh, 2018; Bhatt *et al.*, 2020; Bykova and Jardon, 2018; Iriyanto *et al.*, 2021; Mikalef *et al.*, 2019; Mohammed and Ghraib, 2019; Putra *et al.*, 2021; Signh *et al.*, 2022) though in a range of international studies raising the question of generality of the results especially in developing economies like Kenya. This calls for a study to explain the influence of firm resources on competitive advantage of MICE establishments in Kenya. Unlike most studies, this analysis will use regression approach to make certain the influence of firm resources on competitive advantage of MICE establishments.

1.2 Research Objectives

The study examined the effect of firm assets, specifically, tangible, and intangible assets on competitiveness of MICE destinations and will be guided by the following objectives:

i. To examine the effect of tangible assets on competitive advantage of MICE in Nairobi and South-Rift circuits, Kenya.

ii. To establish the effect of intangible assets on competitive advantage of MICE in Nairobi and South-Rift circuits, Kenya.

1.3 Research Hypothesis

The Hypotheses of the study were:

H_{01}: Tangible assets have no significant effect on competitive advantage of Meetings, Incentives, Conference and Exhibition in Nairobi and South-Rift circuits, Kenya.

H_{02}: Intangible assets have no significant effect on competitive advantage of Meetings, Incentives, Conference and Exhibition in Nairobi and South-Rift circuits, Kenya.

II. LITERATURE REVIEW

2.1 Theoretical Review

The section shows literature on effect of firm resources on competitive advantage. It also presents the main theory in which the study is anchored on and outlines the empirical research and knowledge gaps.

2.1.1 Resource-Based View (RBV) Theory

RBV theory was originated from Penrose's (1959) theory of firm growth, advanced by Wernerfelt (1984) and simplified by Barney (1991). The theory asserts that firms' possess internal resources they can utilize to acquire competitive edge. According to the theory, firms can outperform its competitors and gain an advantage by having unique resources that are of value, not easy to replicate and scarce in the market (Baark *et al.*, 2011). RBV theory is a strategic approach to understanding competitive advantage (Von Krogh & Roos, 1995) and tries to justify the reason firms' continue to be profitable than competitors with the similar resources in similar industry (Petts, 1997).

RBV theory posits that tangible resources are vital for the success and long-term firm's leverage. Long-term competitive advantage is pegged on tangible assets and firm's value creation process (Gaya, 2017). Moreover, the success and long-term competitive achievement is dependent on tangible resources. Furthermore, Lippman and Rumelt (2003) affirms that the physical assets of a firm produces an environment of competitiveness free of product

imitation. Tangible resources are a firm's approach to competitive advantage (Othman *et al.*, 2018). The theory is for this study as it aided in analysis of MICE establishment as a bundle of resources.

2.2 Empirical Review

Firms' assets are inputs that are inimitable, unique, priceless, and non-replaceable assets readily available for use by the business. Tangible assets have been found to help businesses experience continuous growth (Chukwu and Egbuhuzor, 2017). A study by Mengistu (2018) in Ethiopia on private commercial banks, looked at how tangible assets help banks gain competitive advantage. In a population of 16 private commercial banks, the study used explanatory and descriptive research designs. Purposive sampling technique was used on a target of 6 banks. Panel data of 2009/10 to 2016/17 was collected from various banks. The study incorporated multivariate regression model. Findings revealed a positive significant effect of bank size, total investment, total capital and expense on performance, an indication that tangible assets is an important factor determining performance of firms.

The link between capital structure and tangible assets of SMEs in Croatia was investigated by Han and Li (2015) and findings revealed patent relationship between tangible assets and short- and long-term leverage. In addition, a negative statistical link between short-term leverage and tangible assets was reported. Nonetheless, the connection between tangible assets and long-term leverage was significant. These results indicate a significant influence of tangible assets on long-term debt of SMEs. Equally, according to a study by Othman *et al.* (2015) on firm's assets and long-term competitive advantage showed that organizations need tangible assets in the development of resources and capabilities which in turn help create the resources and capabilities needed to adapt to their external environment.

An organization's future growth relies on its strategy and resources. Radhakrishnana *et al.* (2017) merged strategy and resources and tested the outcome of tangible assets on firm's performance. Results showed a favourable link between tangible assets and firm's performance, and indication that tangible assets contribute to firm's future growth. Likewise, an article by Carboni and Medda (2017) gave similar empirical results suggesting that investment in tangible resources increased firm's growth.

Conversely, a study done in India by Madhani (2015) investigated firms listed on the Bombay Stock Exchange. They looked at corporate governance, specifically, of governance quality, calculated corporate governance and disclosure scores of a number of listed firms. Market-book value ratio and capital intensity of sample firms were calculated to ascertain the dominance of intangible assets in firms. Firms were split into two: tangible and intangible assets dominated sectors. From the analysis, there was no contrast between corporate governance and firms with tangible and intangible asset dominated sectors.

As opposed to physical assets, intangible assets give a company a competitive edge through intellectual property and knowledge. Intangible assets forms the basis of any enterprise and are crucial determinant in a company's worth. In addition to knowledge, intangible assets include the ability of employees to be innovative in a company's activity and interactions with its stakeholders (Main, 2016). Bontempia and Mairesse (2015) looked at the productivity effects of intangible assets and tangible capital. The study distinguished capitalized assets versus expensed intangible capital and intellectual property versus intangible capital. The study was carried out on Italian firms and demonstrated how intangible capital affects productivity levels. Moreover, the highest marginal productivity was that of intellectual capital, customer capital and intangible assets, an indication that intangible capital are at least as productive as tangible capital.

Lukito (2015) did a study on effect of intangible assets on performance of public universities in West Sumatra. This research adopted Survey research design was employed in the study and were used to collect data. Data was analysed using multiple linear analyses, and results showed that intangible assets influenced the performance of public universities. This implies that intangible assets positively influence performance.

Nicklas and Hnerik (2017) explored the influence of intangible assets and tangible assets on profitability of service industry. The theoretical foundation of the study included, scientific articles, books, and reports. Modularity, sustainability, and economics were the specific theoretical framework. Consequently, qualitative and quantitative research were performed. The qualitative research comprised of observations and interviews with key respondents. Quantitative research included archival records with annual financial statements and balance sheets of private Swedish corporations. Econometric analysis was done using archival records. The analysis indicated that tangible assets does not increase profits in the service industry. However, intangible assets increased in the industry's profits.

Furthermore, a study carried out by Saleh (2018) on manufacturing firms in Indonesia investigated the effect of tangible and intangible assets investments on the performance. Purposive sampling technique was used to select 51 of 143 companies from 2012 to 2016. The common effect model, fixed effect model and random effect model were used. Outcome of the analysis revealed that tangible assets negatively influenced the firm's short-term returns. This reinforced the fact that Indonesian capital market majorly exist to make short-term profit.

Conversely, Wibowo *et al.* (2021) examined the effect of company assets and competitive strategy on the firms value in Indonesia, with unit of analysis being the dive operators. Key respondents were 200 middle level managers selected using simple random sampling technique. Hypothesis was tested using structural equation modelling. Findings revealed that firms' resources influenced its performance while corporate strategy influenced its assets. These findings suggests that firms' growth depends on both tangible and intangible assets, while paying attention to tangible assets because both have a significant effect on the company's business value.

III. METHODOLOGY

3.1 Research Design

The study employed explanatory research design. According to Lelissa (2018), the design looks at causes-effects and provides proof to confirm or rebut an explanation. The design was useful in assessing and reporting any correlation between the variables.

Study Model

To test how firm resources influence competitive advantage of MICE destinations, firm resources was regressed against competitive advantage as indicated in the following model:

$CA= \beta_0 + \beta_1 TA+ \beta_2 ITA+ \varepsilon$

Where: CA represents Competitive Advantage, β_0, β_1, and β_2 are regression coefficients, TA represents Tangible Assets, ITA represents Intangible Assets and ε is the Error term.

3.2 Study Area

The study area comprised of Nairobi and South-Rift Circuits. The study was specifically conducted in Nairobi, Kiambu, Machakos, Narok and Kajiado counties.

3.3 Target Population, Sample Size, Sampling Procedure and Data Collection Methods

The target population was 496 registered MICE establishment consisting of 268 and 228 registered MICE establishment in Nairobi and South-Rift circuits respectively (https://www.tourismauthority.go.ke). The key respondents were Marketing Manager or/ and Operations Manager.

The study used purposive sampling technique. A sample size of 107 MICE establishment were drawn. These comprised of 59 classified MICE establishment and one (1) convention centre in Nairobi circuit, and 47 classified destinations in South-Rift circuit.

Closed ended questionnaires were used to collect primary data from the key informants. 88 respondents filled and returned questionnaires, making a response rate of 82.24% which is sufficient as recommended by Kothari and Gang, (2014).

3.4 Sample Adequacy Test

Bartlett's test of sphericity and the Kaiser-Mayor-Oklin (KMO) criteria of sampling adequacy were used to ascertain sample adequacy. The general KMO acceptability index is 0.6 and above. As per results presented in table 2, the study achieved KMO rating of 0.751 which is higher than the recommended value of 0.6. The Bartlett's test of Sphericity significance value in table 2 is 0.000, which is less than the necessary threshold of 0.05 recommended by Hoque *et al.* (2018). Thus, the sample is suitable given that the KMO exceeds the minimum threshold of 0.6 sample adequacy and the Bartlett's test significance value of less than 0.05.

Table 1

Value of Bartlett Test and KMO

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.751
Bartlett's Test of Sphericity	Approx. Chi-Square	144.721
	df.	10
	Sig.	.000

3.5 Validity and Reliability of Measures

Construct validity was achieved by obtaining variables from empirical. Content validity was ensured by questions covering all variables. A pilot test was also conducted and it involved a purposive sample of Marketing/Operations Managers from 10 MICE establishment in Kisumu County. This is in line with Cooper and Schinder (2013) who posits that a pilot study sample should be 10% of the projected sample size. Reliability of the

instrument was determined by Cronbach's alpha (α) coefficient method and scales for all the variables were found to be reliable with alpha coefficients exceeding the acceptable Cronbach's alpha score of 0.70 as shown in table 2.

Table 2
Reliability Test Results

Variable	Cronbach's Alpha	N of items	Scale Statistics	
			Mean	Std. Deviation
Tangible assets	0.797	23	93.9059	8.57824
Intangible Assets	0.872	11	43.9318	6.51399
Competitive Advantage	0.850	14	54.4588	6.12674

3.6 Statistical Treatment of Data

Data was analysed using descriptive and inferential statistics. Descriptive statistics was summarized using minimum and maximum values, means, and standard deviations for tangible and intangible assets and competitiveness as shown in table 3 below:

Table 3
Descriptive Statistics

Variable	Minimum	Maximum	Mean	Std. Deviation
Tangible Assets	2.78	4.74	4.0852	.37135
Intangible Assets	2.27	5.00	3.9938	.59218
Competitive Advantage	3.00	4.86	3.8779	.43493

Inferential statistics specifically multiple regression, was applied to test hypothesis at α=0.05. Diagnostic tests were performed to observe if data meets the regression assumptions. The results of the tests are discussed below:

Test for Normality of Errors

Normality of errors was tested using Jarque-Bera test statistics as shown in table 4. The Jarque-Bera test checks that the distribution of the error term is not significantly distinct from normal [H_0: $E(\varepsilon) \sim N(\mu = 0, Var. = \sigma^2)$]. From the results, significance level was greater than the critical p-value of 0.05 which is indicative of a normally distributed random error.

Table 4
Normality of Error Test

Model	Skewness	Kurtosis	JB (Sig.)	Conclusion
1	0.0763	2.1678	2.6250 (0.2691)	Error term Normal

Source: Survey Data (2023)

Test for Independence of Errors

Independence of errors was tested using Durbin Watson test and the results for the test statistic is presented in table 5. The statistic D ranges in value from zero to four. The results showed that the random error term was independent since the D statistic was close in value to two. This is an indication that there was no autocorrelation in the regression error.

Table 5
Independence of Errors Test

Model	D statistic	Conclusion
1	1.950	Error term Independent

Test for Multicollinearity

Tolerance and VIF tests were used as tests for Multicollinearity. Multicollinearity occurs when VIF is higher than 10 or tolerance is lower than 0.1. The tolerance statistics for independent variables in the model was above 0.10 and VIF values was below 10 inferring absence of multicollinearity among the predictors in the model. Results for the test statistic are presented in table 6.

Table 6
Collinearity Test

		Collinearity Statistics		
Model	Variables	Tolerance	VIF	Conclusion
Model 1	Tangible assets	0.684	1.463	No Multicollinearity
	Intangible Assets	0.684	1.463	No Multicollinearity

Test for Linearity in Parameters

Scatter plots of residuals against predicted values of Y was used to analyse linearity in parameters. The plots in the graph were scattered along a linear line cutting through the origin and so the linearity assumption was met. The results for the test statistic are presented in figure 1:

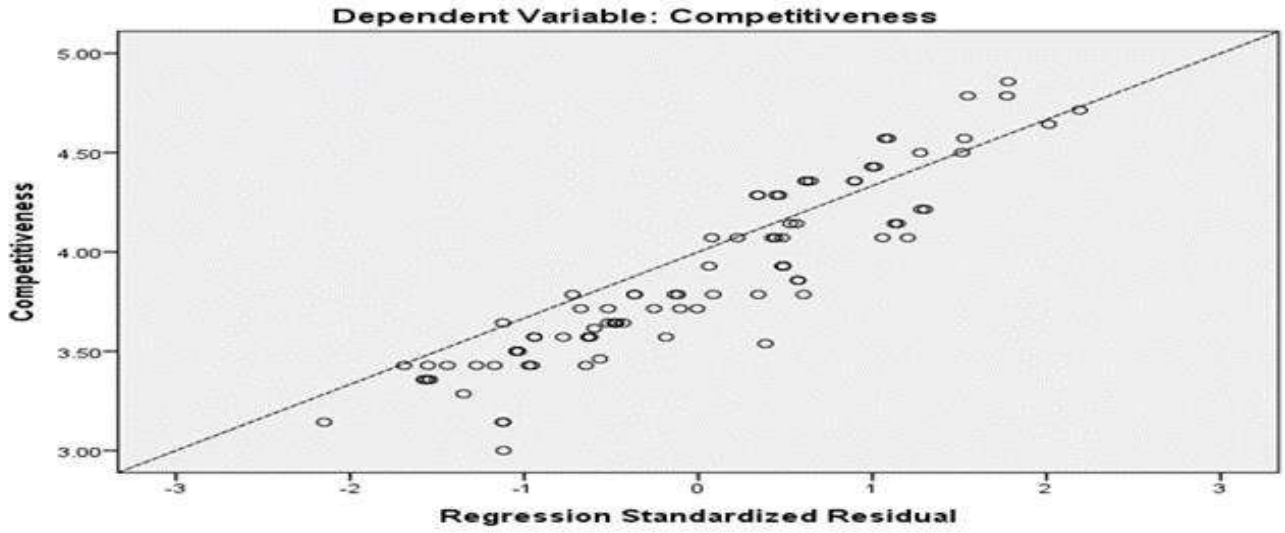

Figure 1
Scatter Plot for Linearity in Parameter Test

IV. FINDINGS & DISCUSSION

Findings are presented in this section. The study had two objectives which were converted to hypotheses and results are as follows:

4.1 Test of Hypotheses

A regression model of Firm resources was regressed against competitive advantage in order to test hypothesis as shown in table 7. *F*–statistic tested the significance of the regression model. Results from the model indicated that *F*–statistics was significant (p-value < 0.05) implying presence of a regression relationship in the model. *t*–test was used to test the significance of the regression parameters at 5% significance level using; H_0: $\beta_j = 0$ and H_a: $\beta_j \neq 0$ test criteria, with H_0 being rejected if $\beta_j \neq 0$; p-value ≤ 0.05. The hypothesis test results are discussed in the following section.

Firm resources accounted for 15.7% of the variance in competitive advantage of MICE establishments. Further, the results revealed a significant regression relationship between predictors and competitive advantage of MICE establishments shown by the significant *F* – statistic (β = 0.168, Prob. = 0.001<0.05). Furthermore, findings from regression analysis revealed that tangible assets have no effect on competitive advantage (β = 0.168, p-value = 0.236>0.05), while intangible assets influenced competitive advantage of MICE establishments (β = 0.218, p-value = .016<0.05). The expected model of the effect of firm resources on competitive advantage is as shown:

$\hat{Y}$= 2.320 + 0.218ITA.

Where: $\hat{Y}$ is the expected value of Competitive advantage and ITA represents Intangible Assets.

This means that a unit change in firm resources leads to a change in competitive advantage by 2.320 (constant) plus 0.218 of intangible assets.

Table 7

Regression Results of Firm Resources and Competitive Advantage

Dependent Variable: Competitive Advantage						
Predictors	Coefficients	Std. Error	T	Sig	95% CI for β	
					Lower Bound	Upper Bound
(Constant)	2.32	.479	4.839	.000	1.366	3.273
Tangible Assets	.168	.141	1.193	.236	-.112	.449
Intangible Assets	.218	.088	2.464	.016	.042	.394
Model Summary:			ANOVA			
R		0.396	MS Regression			1.29
R Square		0.157	MS Residual			0.16
Adjusted R Square		0.137	F-Statistic (df1, df2)			7.89 (2,85)
S.E of Estimate		0.40406	Sig. (F-Statistic)			0.001

Ho₁: **Tangible Assets have no significant Effect on Competitive Advantage**

The hypothesis that tangible assets have no significant effect on competitive advantage of MICE establishment was not rejected. Findings revealed that tangible assets does not influence competitive advantage of MICE establishment (β=0.168, p-value= 0.236>0.05. These results agree with Rifat (2017) that tangible resources does not influence the performance of firms. Saleh (2018) also confirmed that tangible assets had a negative effect on the returns of a company. Additionally, Konig *et al.* (2019) findings revealed that tangible assets have no effect on firms' success. Further still, Jawed and Siddiqui (2019) study also agreed with the study findings that tangible resources negatively influence performance. Likewise, Jogaratnam (2017) looked at how human capital interacts and determines performance, and results confirmed that tangible resources does not determine firms' performance.

Conversely other studies contradicts these findings ever contradict this study findings. According to Acedo-Ramírez *et al.*, (2012), firms with more tangible assets can offer their tangible assets as collateral, which in turn attracts more borrowings. Moreover, the trade-off theory implies that tangible assets have a significant effect on firm's decision and capital structure. Still, these findings contradicts Othman *et al.* (2015) study on firms' resources and sustainable competitive advantage. Similarly, Okoth and Machuki (2018) had a contrary opinion as they argued that tangible assets influence firm growth. According to Moreover, Irungu *et al.*, (2018) posits that asset tangibility influence financial performance of companies. On the other hand, Galati *et al.* (2019) in their findings regarding accounting frameworks and competitiveness, revealed that tangible resources were a source of a sustained competitive advantage.

Furthermore, on competitive advantage of hospitality enterprises, Kimeli *et al.* (2020) revealed that tangible resource influenced competitive advantage. Rozmi (2018) also revealed that the adoption of tangible assets enhances performance especially while conducting daily business routines. Likewise, findings by Mwantimwa (2019); Donbesuur *et al.* (2020); Solomon and Klyton (2020) concurred that tangible assets improves efficiency in service delivery.

Ho_2: **Intangible Assets have no significant Effect on Competitive Advantage**

The hypothesis that intangible assets have no significant effect on competitive advantage of MICE establishments was rejected. The regression analysis revealed that intangible assets influenced competitive advantage of MICE establishments (β = 0.218, p-value = .016<0.05). As indicated in table 7, intangible assets have a strong direct effect on competitive advantage (β= 0.218, p-value = 0.016). This shows that intangible assets positively influence competitive advantage.

The results were in conformity with Ciriaci (2017) findings that intangible assets influence firm performance. Similarly, El Ebrashi (2018), findings that intangible resources are necessary for social ventures growth was consistent with the findings. These findings also concurred with Kraja (2018) analysis which focuses on how significant distinctive competencies, capabilities, skills, and good reputation determine firms' performance. Khan *et al.* (2021) study on effect of dominant logic and dynamic managerial talents on SMEs performance further established the significance of intangible resources on performance.

Elbanna and Elsharnouby (2018) findings carried on pharmaceutical companies also revealed the value of intangible assets on the market success. The study advanced the findings of Monteiro *et al.*, (2017) and Rua *et al.*, (2018) that intangibles are critical for firms' success. Orhangazi (2018) also claims that intangible assets play a vital role in firms' investment. Radulovich *et al.* (2018) also reported similar results while investigating the influence of intangible resources on performance of SMEs. Additionally, Haji and Ghazali's (2018) research indicated that

intangible assets are critical in to a company's competitive ability. Similarly, Liros *et al.* (2018) study also ascertained the value intangible assets have on organizations competitiveness.

Conversely, Bolatto *et al.* (2017) maintain that intangible assets may have a negative effect on outsourcing decision. Ionita and Dinu (2021) study also have a contrary opinion. They looked at the relationship between intellectual properties. From the results, intangible assets does not affect firms' value and sustainable growth.

V. CONCLUSIONS & RECOMMENDATIONS

5.1 Conclusions

Based on the findings, the study concludes that tangible assets had an insignificant effect on competitiveness of MICE destinations while intangible assets had a positive significant effect on competitiveness of MICE destinations. Therefore, MICE destinations need to acknowledge, appreciate, and exploit the potential of its intangible assets for the realization of competitive advantage. There's also need for MICE destination managers to implement strategies, which leverage the use of the intangible assets towards the realization of sustainable competitive advantage. Further, Marketing /Operations managers involved in MICE destinations should make sure that the firm's intangible assets are effectively developed and effectively deployed towards the attainment of competitive advantage.

5.2 Recommendations

The researcher recommends doing further research in this area, by studying and discovering further additional factors, other than those considered, which may steer MICE establishments toward success. Further, due to the context-specific nature of firm resources, the study looked at firm resources from a general perspective and therefore, sub-sets of these resources were not measured; just the two primary categories of tangible and intangible assets were used. To further investigate resource capability and competitive adavantage, future research may benefit from a construct set that contains a larger set of firm resources.

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