

From Informal Practices to Operational Vulnerability: A Contingency-Based Documentary Case Analysis of a Small Food Manufacturing Enterprise

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ABSTRACT

This study examines how informal management practices turn into operational vulnerabilities once they are no longer appropriate for a small food manufacturing enterprise due to its growing complexity. The study follows a qualitative documentary case analysis approach with a student generated Service-Learning Malaysia University for Society (SULAM) business advisory report guided by the Contingency Theory. The report is treated as the sole documentary dataset. The information has been gathered from the students' observations and interviews, but the information in the interview transcript, field notes and other primary records has not been analysed separately. Themes were identified through thematic analysis, with four interrelated themes identified: founder dependence and informal supervision, weak inventory and supplier vulnerability, weaknesses in food safety labelling and compliance readiness, and operational inconsistency due to the absence of formal Standard Operating Procedures (SOPs). The documentary evidence also suggests that the enterprise has developed its business activity and expanded beyond the initial home-based operating model through business expansion, equipment enhancements, distribution and seasonal production pressures, and several control practices continue to be informal. The results then suggest a mismatch in control context, not informality per se. Informal controls are suitable for smaller-scale operations, but as production, workforce, sourcing, safety and market demands increase in complexity, they may not be sufficient. The study adds to the field of SME management-control research by incorporating operational, supply-chain, safety, and compliance vulnerabilities as interrelated expressions of control misalignment. Where the evidence is student-generated, SULAM is considered largely as the context in which it was produced, while there is an implicit suggestion that student-generated business reports constitute a valuable source of material for cases when the boundaries of the evidence are made explicit.

Keywords: Informal Management Practices; Management Control Systems; Operational Vulnerability; Contingency Theory; Food Manufacturing Smes; SULAM

INTRODUCTION

Small and medium enterprises (SMEs) play an important role in the development of local economies, community-based entrepreneurship and also support employment creation (Hasmawati et al., 2024). In the food manufacturing sector, many SMEs begin from a small family company or at the home level and grow with customer loyalty, product quality and demand. As these businesses expand, however, there is a risk that their informal management will lead to operational vulnerability (Mthiyane et al., 2022; Sullivan-Taylor & Branicki, 2011). Having to rely on verbal instructions, owner-directed decision-making, manual inventory records, and unrecorded work methods can work well in a small operation but will become more problematic as production and coordination requirements increase.

Food manufacturing is especially critical of operational control, as the availability of raw materials, production schedules, production machinery, hygiene, packaging, labelling, customer safety, and regulatory expectations must be aligned (Alam et al., 2024; O'Reilly et al., 2015). Weak control can lead to poor product quality, material waste, production delays, employee safety issues, supply disruptions, and customer complaints. Such vulnerabilities might not become apparent during regular operations. Nevertheless, it starts to be visible in cases where unforeseen disruptions happen, like supply shortages, equipment problems, rejected product, or labelling errors (Sucipto et al., 2020; Trienekens & Zuurbier, 2008).

This study is developed from a SULAM-based student business advisory project involving a small food manufacturing business using SULAM. The student produced report covered an enterprise that had grown from a home-based business into a more formal establishment with improved equipment, widespread distribution via agents and wholesalers and pronounced seasonal demand. Meanwhile, the report highlighted ongoing dependence on manual supervision of the founder, verbal work instructions, paper-based inventory records, incomplete supplier arrangements and incomplete formalisation of safety and labelling controls. The case can thus serve as a credible context to explore the question of whether the enterprise's control practices remain aligned with the changing operating conditions.

The theoretical issue is not whether informal management is intrinsically inferior to formal control. In contrast to the universal best control system, Contingency Theory focuses the attention on the fit between the organisational controls and contextual conditions (Otley, 1980; Chenhall, 2003). Direct supervision, trust, and experience-based routines can be more effective in a small owner-managed firm. The same arrangements can become constraining when higher production volume, broader delegation, intensive machinery use, supply uncertainty, food-safety expectations, and market expansion increase the need for repeatability, traceability, and distributed decision-making.

SULAM provides the context through which the documentary material was generated, but the paper does not treat the student report as equivalent to independently collected primary data. The analysis is a secondary examination of the report's findings. This distinction is significant because the students had interacted with the enterprise through interviews and observation, whereas the present study analyses the resulting document rather than those underlying interactions directly. The study therefore focuses on the control weaknesses and reported consequences contained in the document, while avoiding causal claims that the report cannot establish.

Accordingly, two main research questions have been developed for this study. (1) What operational control weaknesses are documented in a student-generated SULAM case report of a small food manufacturing enterprise? (2) How does the misalignment between informal management practices and growing operational complexity create operational, supply chain, and compliance vulnerabilities?

The study has two key contributions. First, it constructs a contingency-based explanation that links together the various evidence of a control-context misfit in the founder dependence, undocumented routines, inventory weakness, supplier concentration, safety exposure, and labelling problems. Second, it illustrates a clear approach to making a student produced SULAM report into documentary case material in the way that it separates evidence from interpretation by the researcher and that it explicitly acknowledges the constraints of second order data. The 'application' of the formalisation is not mass-market but is incremental and matched to the level of complexity of the operation, especially in situations where continuity, safety, traceability and supply resilience are relevant.

LITERATURE REVIEW

Contingency Theory and Control Fit

Contingency Theory argues that organisational arrangements cannot be judged independently of the context in which they operate. Early contingency work emphasised the relationship between organisational structure and environmental or technological conditions (Burns & Stalker, 1961; Lawrence & Lorsch, 1967). Within the focus of management accounting and control systems, the central proposition is that the effectiveness of a control

system depends on its suitability with contextual variables rather than conformity to a universal model (Otley, 1980; Chenhall, 2003).

This perspective is highly relevant, particularly to SMEs. Small owner-managed firms commonly rely on personal communication, experience, direct supervision, and relatively simple records because these controls are closely matched to a limited scale and are inexpensive (Churchill & Lewis, 1983; Jennings & Beaver, 1997). As firms develop, coordination requirements increase. The growth of firms may introduce more business transactions, greater production volumes, additional employees, greater delegation, more formal external requirements, and increased information demands (Davila & Foster, 2005; Lavia López & Hiebl, 2015). Flexibility in control may therefore lose effectiveness if they do not evolve and change with the organisation.

The theoretical mechanism that is relevant in this paper is the control-context misfit. Manual inventory records, concentrated supplier relationships, verbal instructions, informal supervision, and weak documentation are not treated as deficiencies simply because they are informal. Rather, they become analytically significant when the operating context requires distributed knowledge, consistency, traceability, continuity, or greater risk monitoring. The expected consequence of misfit is not a single outcome. It can exist as owner bottlenecks, supply disruption, product inconsistency, safety exposure, or compliance-readiness limitation, depending on which operating contingency has changed.

Informality, Growth, and Management Control in SMEs

Management control systems include the formal and informal structures by which organisations control behaviour, oversee activities, focus attention, and inform decision-making. Otley (1999) sees management control as encompassing a range of activities including the setting of objectives, implementation of strategy, measuring performance and using information, and Malmi and Brown (2008) describe control as a package comprising of planning control, cybernetic control, administrative control, cultural control, and reward control. In SMEs, mechanisms are frequently less formal due to lower amounts of specialist resources, the closer contact owner-managers have with daily activities of the company, and simpler structures (Garengo et al., 2005; Lavia López & Hiebl, 2015).

It is possible to be beneficial from informality. The direct involvement of the owner can speed up decisions, offer superior quality control and enable quick response to customer demand. However, reliance on supervising individuals also focuses organizational understanding and power. With growing activity, the owner can develop into a bottleneck for coordinating and workers could lack documented instructions on how to do the work. Research findings on growth in small firms also indicate that as the organisational complexity rises, so do the need for changes in managerial practices and structures (Churchill & Lewis, 1983; Greiner, 1972).

Formalisation does not mean that the small company has to imitate the bureaucracy of a large sized company. The question has to do with selective formalisation of high-risk routines. Administrative controls such as written SOPs, stock records, reorder rules, supplier evaluations, production logs, safety checklists and labelling checks can transfer knowledge, lay down minimum standards and minimise reliance on memory or individual judgement. In line with the Contingency Theory, its value lies in the need for the additional coordination and risk in the activity, and whether or not it is worth the extra structure (Chenhall, 2003).

Operational Vulnerability in Food Manufacturing SMEs

Food manufacturing integrates production control with quality, safety, supply, and documentation requirements. Small food firms must manage price-sensitive inputs and perishable goods, process consistency, hygiene factors, machinery, packaging, storage, and product information. Past studies on SMEs food industry indicate that production planning, quality practices, and operational discipline become increasingly important as firms seek efficiency and wider market access (O'Reilly et al., 2015; Dora et al., 2014). Food-safety frameworks also emphasise controlled procedures, hygiene factors, competence, and documented information as foundations and requirements for consistent food-safety practice (Food and Agriculture Organization of the United Nations & World Health Organization, 2023; International Organization for Standardization, 2018).

One mechanism for stabilising routine execution includes SOPs. In food production they can codify raw-material handling, machine operation, recipe preparation, hygiene factors and sanitation, packaging, labelling, inventory management, and quality inspection. Their absence does not automatically mean that task is performed inefficiently, but it enhances reliance on tacit experience and verbal instruction. This becomes more consequential when new or temporary employees are introduced, when machinery creates safety exposure, or when production must remain consistent across larger output volumes (Sucipto et al., 2020).

Inventory and supplier controls form another part of operational resilience. Manual inventory systems may be sufficient where transactions are few and the owner has direct visibility of input materials. Their limitations enhance as demand becomes seasonal or fluctuate, procurement lead times matter, and raw-material limitations can interrupt production. Supplier concentration compounds this exposure because disruption at a single source can be transferred directly into the firm. Past studies on supply-chain risk therefore treats sourcing flexibility, visibility, and contingency arrangements as important factors to disruption risk (Tang, 2006; Sullivan-Taylor & Branicki, 2011).

Documentation also links operations to food-safety and market requirements. Traceability, hygiene records, correct labelling, and consistent packaging controls become increasingly important when a business supplies a wider customer base or seeks certification and larger distribution channels (Trienekens & Zuurbier, 2008). From a contingency perspective, these are external as well as internal pressures. The control requirement rises because the operating environment demands evidence and repeatability that cannot be supplied reliably through informal memory alone.

SULAM and Student-Generated Business Analysis

Service-learning combines academic learning with structured community engagement and is commonly evaluated through student outcomes such as civic development, teamwork, communication, and professional learning (Coelho & Menezes, 2021; Zainuri & Huda, 2023). In SULAM, students apply disciplinary knowledge to community or organisational problems, creating outputs such as analyses, recommendations, presentations, and business advisory reports.

For the present study, the important point is methodological rather than pedagogical. A student-generated business report can contain observations, interview-derived information, problem diagnoses, and proposed controls that are relevant to organisational research. However, such a document is a constructed account. It captures students' questions, observations, choices, interpretations, and reporting. It should therefore be examined as a document and not as a literal record of what was going on in an organisation. This separation allows the report to be used analytically without losing the bounds of inferences.

Research Gap and Analytical Framework

The literature reviewed above sets out a series of relevant propositions: the effectiveness of control becomes dependent on the 'fit' of the context; informal owner-centred controls are more common in SMEs; the need for coordination grows with the growth of the business; food manufacturing brings supply and safety concerns; and service-learning creates structured engagement with real organisations. Such streams are usually talked about individually. A smaller analytical gap exists in accounting for the fact that seemingly unrelated issues like founder dependence, undocumented routines, inventory weakness, supplier concentration, safety exposure, and labelling failures can coexist as evidence of a single mismatch between an SMS's control configuration and its complexity of operation.

The analysis is thus based on a 3-step logic. First, through the documentary analysis, the control practices and weaknesses reported in the case are identified. Second, it highlights the operating conditions in which such practices are consequential – such as business expansion, seasonal demand, machinery use, reliance on supplies, food safety requirements, or broader market goals. Third, this is interpreted as a relationship between them using the Contingency Theory. Operational vulnerability is anticipated when the informal controls that were effective on a small scale are not providing adequate coordination, continuity, safety or traceability in the context of the enterprise.

Research Method

Research Design

The method used in this study is qualitative using a documentary approach and case analysis. Document analysis is a systematic examination and interpretation of documents to "create meaning and empirical understanding" (Bowen, 2009). While the case is still limited to a single small food manufacturing business, the empirical material analysed in this paper is a single student-produced SULAM business advisory report—rather than a set of researcher-administered interviews or observations. The case-oriented logic, then, is not meant to suggest that the researcher had access to multiple primary data sources (Yin, 2018), but rather to maintain the organisational context of the documentary evidence.

This design is suitable for the study because the research questions relate to the nature of the control weakness reported and the theoretical interpretation of the control weakness. The study does not test statistical relationships and does not try to estimate the frequency of specific practices among SMEs. Its intent is analytical, as it aims to uncover patterns in the document and examine how they can be interpreted as a gap between informal controls and an increasing degree of operations.

Documentary Data Source and Case Context

The only data set is the SULAM business advisory report created by the students for an academic course. The report includes an overview of the enterprise, the strategic analysis, discussion of operational problems, examples and recommendations. It documents that the students participated in the enterprise, through interview and site-based tasks. The interview transcripts, recordings, field notes and observation records mentioned above were not available separately for the present analysis. Therefore, the empirical assertions in this paper are not primary observations, but rather report-based evidence.

The report outlines the Case SME as a traditional food manufacturing company that has grown from a home-based business to a business that is more established. It records a move to a physical business premises, an upgrade of production machinery, agent and wholesaler usage, seasonal pressures on production and ambitions for increased market expansion. These features are theoretically relevant in that they signal growing operational complexity and can be used to evaluate the ongoing presence of informal controls.

Unit of Analysis

The unit of analysis is the set of operational control practices, weaknesses and reported consequences described in the SULAM report. The study does not examine individual students, students' learning outcomes, nor the business owner as an individual. The analysis is directed towards the coordination and control of work in the enterprise with the roles of the founder, SOPs, inventory, suppliers, machines and safety, food handling, labelling and documentation.

Data Analysis

Thematic analysis (Braun & Clarke, 2006) was used as a general method to analyse the document, which included the following steps: familiarisation, initial coding, theme development, review and interpretation. The report was first read by the whole group to get a feeling of the business background and the overall diagnosis the students have made. A second reading was carried out to remove sentences that dealt with actual practice, weaknesses, disruptions, incidents or control recommendations related to the research questions.

The initial codes remained very similar to the documentary content. Examples were owner-only quality monitoring, verbal instructions, lack of written SOPs, returned product, manual stock taking, single source supply, emergency sourcing, machine-safety gaps, missing expiry information, customer returns and incomplete documentation. These similar codes were then lumped into larger themes. After this descriptive coding period the cross-theme pattern was analysed using Contingency Theory. This sequencing minimized the likelihood of having to fit all passages into the allotted categories.

Development and Traceability of Themes

Four themes were retained because they captured repeated and substantively distinct control issues while remaining closely connected to the research questions. Table 1 shows the documentary trail from selected report evidence to the analytical themes. Page references refer to the internal page numbers printed in the student report.

Table 1. Documentary coding trail

Report location	Documentary evidence, paraphrased	Initial code	Theme
pp. 66-67	Key production and quality tasks are monitored closely by the owner, employees rely on verbal instructions, and off-standard output may be discarded.	Founder reliance; informal instruction; inconsistency	Founder dependence and SOP weakness
pp. 41-42	Critical ingredients depend on limited suppliers. The report records emergency sourcing, a temporary production interruption, and monthly paper-based physical stock-taking.	Single-source supply; disruption; manual inventory	Inventory and supplier vulnerability
pp. 68-69	The report identifies absence of formal machine procedures and structured training, together with prior safety incidents during machine use.	Machine-safety control gap; training weakness	SOP and safety exposure
pp. 70-71	The report records missing expiry information on some packaged products, customer complaints and returns, and weak final labelling checks.	Labelling gap; documentation weakness; returns	Food safety, labelling, and compliance readiness

Role of Contingency Theory in Interpretation

Contingency Theory was not used as a yardstick but as a lens to interpret all informal practices. For each theme, the analysis looked at two questions: What control practice is documented, and what change in operating conditions may cause this control practice to be inadequate? Business expansion, seasonal demand, expanded machinery usage, reliance on key raw materials, broadened distribution, demand for food safety, and market expansion goals were all contingencies. The theoretical inference concerns fit between control and context, not a claim that formalisation is always superior.

Trustworthiness, Ethical Protection, and Boundaries of Evidence

A traceable documentary procedure helped to enhance the trustworthiness of the data. Anchoring points were located within the students' report, codes identified from the explicit content of the students' report, and findings were differentiated between documentary statements and theoretical inference. Claims which could not be substantiated by the report were omitted. Consequences, such as a supply interruption, rejected output, safety incident, complaints, or returns were reported in the paper if noted in the report, but were not necessarily substantiated as facts.

The names of the enterprises, their owners and employees, location, supplier names, prices, and photographs were omitted to ensure confidentiality and other identifying information was removed. The company is called the Case SME. The analysis also avoids reproducing sensitive operational details that are unnecessary to the research questions.

The evidence has an important boundary. The analysis is one removed from the actual interview and observation encounters as the dataset is a single student-generated report. The report may be selective about things, question the points in an uneven way, interpret things from the student's point of view, and may be influenced by the

demands of the academic task. The study is thus not a causal proof, an exhaustive representation of the enterprise or an independent verification of all the incidents reported. These restrictions are part of the interpretation not just a condition of the qualification.

FINDINGS

The four interrelated control weaknesses identified through the thematic analysis were as follows: The first two have to do with the coordination of operational knowledge and routines within the organization. The third is related to the continuity of supply and inventories. The fourth relates to safety, labelling and compliance readiness. The documentary evidence shows a common pattern for each theme, that the enterprise is more operationally complex, but that there are still some controls that rely on practices used in a smaller, owner-managed operation.

Founder Dependence and Informal Supervision

The student report portrays that daily control and quality is critical to the product and the founder's close involvement. It claims that the owner has a close eye on key processes of production such as preparation, taste consistency, packaging and that the key processes are carried out in a large part of the company without written instructions (Student report, p. 66). In other areas, the report shows that the supervision and long experience of the founder are a strength of the business as they help to maintain consistency around the products.

This also results in dependence. Knowledge of acceptable taste, texture and work sequencing is held by one person and is not documented in routines and delegated to control. When it comes to founder involvement, the vulnerability isn't caused by having it ineffective. It is because the operation of the business is now a process that needs to be repeated and continued and they cannot always be guaranteed by the presence of one person. When viewed from a contingency point of view, the effectiveness of a procedure that works well at an individual home-based level declines with the expansion of employees, machines, channels and the seasonal demands of production.

Lack of Formal SOPs, Operational Inconsistency, and Safety Exposure

The report specifically points out the lack of standard operating procedures (SOPs) for production processes, machine utilization, quality control and other routine operations. The employees are indicated as being taught by verbal instruction, informal on the job training, but not a full written set of procedures (student report, p. 65-66). Additionally, the documentary evidence shows that output that is of a different taste may be thrown away in the process, not sold, which is related to process inconsistency and material wastage (student report, p. 67).

There's also no standardisation when it comes to machine safety. The report includes the following: Use of production machinery, without full documented operating procedures or structured training, and Prior safety incidents related to machine operation (student report, pp. 68-69). The paper is not responsible for verifying the circumstances of those incidents. For this analysis, their importance is that the report itself correlates the rise in machinery with controls that are still mostly experienced-based and verbal.

This observation suggests the presence of a general coordination problem. In situations where the task is executed on a routine basis, with reliance on memory, personal demonstration and individual judgement, variability can impact the product quality, training time, safety and the workload of the supervisor at the same time. The contingency misfit therefore lies between increasingly repeatable production requirements and a control system that still transfers much operational knowledge informally.

Inventory and Supplier Vulnerability

The most apparent symptoms of actual disruption to operations are seen in the material of the supply chain. The report says that the company heavily relies on limited suppliers for their key ingredients and faced material shortages when their usual suppliers were unavailable. It records emergency sourcing from a more distant

location and a temporary production interruption associated with a raw-material shortage (student report, pp. 41-42).

This exposure is exacerbated by inventory visibility. The report states that stock is being monitored by employing physical stock take and paper-based documentation, and that stock take is not being carried out on a continuous inventory system but is a periodic process (p. 42) (Student report). If the material flow is straightforward, and can be easily seen, such a system can be feasible. Its limitation is greater when the demand varies seasonally, due to the need for warning of depletion in advance, supplier delays and reorder requirements.

Supplier concentration should be read in conjunction with manual inventory. The more options a business has for supplies, the more it can absorb some forecasting error, and the more visibility it has into the inventory, the sooner it can respond if a risk occurs in the supplier it can rely upon. The Case SME has a combination of issues on both the horizontal and vertical sides. Their interaction makes it more likely that buying or production is disrupted in an emergency, or that there is a shortage. This is an example of direct control-context misalignment that may lead to supply chain vulnerabilities.

Food Safety, Labelling, and Compliance Readiness

The report also highlights the lack of labelling and end product inspection. It documents when expiry information was missing in packaged products and associates these missing items with customer complaints and product returns (student report, p. 70). The report also mentions the lack of full labelling product identification and the lack of a formal final labelling checklist. They're not just presentation issues, as labelling and documentation enable traceability to the product, accountability, customer data and preparation for broader market needs.

Evidence should be taken with a grain of salt. It is not the purpose of the present study to independently assess whether a specific legal requirement was violated or not, nor to restate claims of legal penalties found in the student report. The finding that can be backed by empirical evidence is more specific: the report records multiple problems with labelling controls, customer facing consequences and lack of formalization of food-safety and documentation practices. As the enterprise moves toward wider distribution and certification, those weaknesses play an even more significant role.

Cross-Theme Finding: Control-Context Misfit

Viewed separately, each of the four themes can be considered individually as an operational issue. The documents, on the other hand, lend credence to a generally accepted interpretation. The report is for a business that has grown from a home business to a better-established business with better equipment, broader distribution and more seasonal production needs. However, important control mechanisms are still focused on the founder, verbal instructions, partial supplier arrangements and lack of documentation.

A listing of weaknesses would not directly address RQ2 as much as this pattern would. The weaknesses occur in places where the operating context has evolved at a rate exceeding the rate of evolution of the control architecture. The more complicated the production, the more costly the inconsistent routines are. The broader the delegation, the more expensive it is to have the knowledge stay with the founder. The price of weak inventory visibility is increased by seasonal demand. The cost of single-source dependence is increased by supplying uncertainty. Expansion of the market drives up the cost of weak labelling and documentation, and machinery use drives up the cost of informal safety instruction. The common mechanism is therefore misalignment between the enterprise's control practices and the demands now placed on them.

Table 2. Summary of findings and contingency interpretation

Theme	Documented control condition	Vulnerability	Contingency interpretation
Founder dependence	Quality and key production knowledge remain closely tied to owner supervision.	Key-person and scalability exposure	Direct supervision no longer covers all coordination needs as operations expand.

SOP and safety weakness	Verbal instruction substitutes for complete written production and machine procedures.	Inconsistency, waste, training and safety exposure	Repeatability and machinery use increase the need for codified minimum controls.
Inventory and supplier vulnerability	Paper-based stock monitoring operates alongside concentrated sourcing.	Shortage, emergency sourcing and production interruption	Seasonality and supply uncertainty require greater visibility and sourcing flexibility.
Labelling and compliance readiness	Final labelling and documentation checks are incompletely standardised.	Complaints, returns, traceability and market-access exposure	Wider distribution raises requirements for documented, repeatable product controls.

DISCUSSION

Informality Is Context-Dependent, Not Inherently Deficient

The central finding is that informality should not be considered a dichotomy of weakness. It is important to note that the Case SME seems to have benefited from exactly these characteristics considered as typical for the smallness of firms: the closeness of the owner, quick communication, experiential knowledge, and flexibility of routines. This follows the contingency premise that a control system may be suitable for one set of organisational circumstances but not for another (Otley, 1980; Chenhall, 2003). The significant transition takes place when the requirements on the control system switch.

This is very well illustrated in the case. The enterprise has maintained its control practices typical of a small owner-managed enterprise, but has also introduced production equipment, increased distribution, increased seasonal pressure, and aspirations to expand its markets further. The extent to which the resulting vulnerabilities can therefore best be understood as a result of lost fit not proof of a failure of informal controls. This distinction is relevant since it means that a formal system is not prescribed for the sake of being formal.

Founder-Centred Control as Strength and Scaling Constraint

In the case, founder-centred control has a dual role. It helps safeguard product identity and quality while centralizing knowledge and decision-making authority towards the production. The research on growth of small businesses has long acknowledged that managerial structures that seem effective at one point in the life of the business can become limitations at a later stage (Churchill and Lewis, 1983; Greiner, 1972). Research conducted in management controls also finds that as a young firm grows and information requirements increase, more and more firms are implementing and formalising systems (Davila & Foster, 2005).

The implication is not to remove the founder from quality control. A more appropriate response is to convert critical elements of founder knowledge into organisational routines while preserving judgement where it adds value to the organisation. Quality checkpoints, recipe parameters, rejection criteria, training records, and supervisory responsibilities delegations of autonomy can distribute operational capability without erasing the experiential knowledge on which the product was built. In contingency terms, formalisation should supplement rather than automatically replace personal control.

Formalisation Without Bureaucratisation

The results provide evidence for selective formalisation. In general, SMEs have limited resources and are not able to apply complex control packages, which are used in large organisations (Garengo et al., 2005; Lavia López & Hiebl, 2015). But that doesn't excuse not documenting high-risk processes. It would be helpful to consider the perspective of the control package here, as it focuses on combinations of controls rather than one predominant

approach (Malmi and Brown, 2008). A limited number of administrative and monitoring controls would be able to mitigate multiple vulnerabilities in the Case SME.

An SOP can define the minimum sequence for a high-risk process, a checklist can be used to check the process is complete, and a short training record can be used to check that knowledge transfer has taken place. Consider a stock card or a simple digital inventory record to enhance visibility without the need for an enterprise resource planning system. Having a supplier list of approved alternatives can lessen reliance without developing a complex procurement department. The practical principle is proportionality: formalise the process to the level required by its operational consequence.

Operational, Supply, Safety, and Compliance Vulnerabilities Are Connected

One more contribution is the combining of vulnerabilities that are typically found in different literatures. The research on supply chains highlights the issues of disruption and sourcing flexibility (Tang, 2006), research on food operations highlights the issues of planning and process consistency (O'Reilly et al., 2015), while the research on food-safety focuses on the issues relating to hygiene, standardisation and documentation (Trienekens & Zuurbier, 2008; Food and Agriculture Organization of the United Nations & World Health Organization, 2023). The case demonstrates that in a small organization these problems can have a shared organizational source.

Weak documentation is not just about compliance. It also impedes training and continuity. Founder dependence is more than just the problem of leadership; it is a quality-control and problem-solving issue as well. Manual inventory has a more profound impact than just record keeping, due to the interaction with supplier concentration. Machine SOPs impact production uniformity and employee safety. This interdependence is why piecemeal recommendations might not be as effective as they are when the control architecture is not changed.

SULAM-Generated Reports as Documentary Case Material

The study also clarifies what can and cannot be claimed from a SULAM-generated business report. Service-learning research commonly evaluates learning, civic, and professional outcomes for students (Coelho & Menezes, 2021; Zainuri & Huda, 2023). The present analysis shows that a student advisory report can also preserve organisational evidence that is analytically useful for SME research. The report captured concrete practices and events that allowed a pattern of control weakness to be reconstructed.

However, the value of such material depends on methodological restraint. The report is not a neutral recording of the enterprise. It is a student-produced interpretation shaped by the assignment, the information shared by the business, and the students' analytical capability. Treating it transparently as documentary secondary data strengthens the study because it prevents the paper from implying direct access to interviews and observations that were not re-analysed. Future SULAM-based research would be considerably stronger if student reports were paired with researcher access to interview transcripts, field notes, business records, or follow-up owner interviews.

CONCLUSION

This study examined the operational control weaknesses documented in a student-generated SULAM report of a small food manufacturing enterprise and interpreted them through Contingency Theory. Four themes were identified: founder dependence and informal supervision, lack of formal SOPs with related inconsistency and safety exposure, inventory and supplier vulnerability, and weaknesses in food-safety, labelling, and compliance readiness. The themes are connected by a common pattern. The enterprise's operating environment has become more complex while several control practices remain closely tied to the informal routines of an earlier stage of development.

The theoretical focus is on understanding informality as fitness and not failure. When the owner can be present to observe most activities, simple records, verbal communication and direct supervision can be effective. As production amount, delegation, use of machines, uncertainty of supply, external documentation requirements,

and market aspirations grow, they become vulnerable. Operational vulnerability, then, is when the control system doesn't keep pace with the conditions it has to control.

Gradually, over time, formalization will happen in a gradual and risk-based manner. This does not require the Case SME to employ a complex corporate control system. It is important to focus on a few key controls to minimize the greatest points of failure and dependence, such as having written standard operating procedures (SOPs) for critical production processes and machine operation, clearer delegation and training, more continuous inventory monitoring, backup suppliers for critical materials, and regular checks of hygiene and labelling. These controls can help retain flexibility in a small business and enhance continuity, safety, traceability and scalability.

The study has definite limitations. It is based on a case and a composite documentary source. The evidence is only representative of the students' selection and interpretation of the original interview transcripts, field notes, recordings, and business records were not analysed. The study can only confirm the reports of incidents it is possible to review and cannot conclude what effects any informal practices had. Contingency Theory also provides a focus on fit and can emphasize certain explanations over others. The results and conclusions are thus analytic evidence from a "bounded" documentary case and cannot be considered as statistically generalisable evidence for food SMEs.

Future studies should triangulate the student-generated reports with direct interviews, observation, operational records and subsequent evidence that the recommended controls were applied or not. Additional research with multiple cases may be conducted to compare formalisation stages of companies, and follow-up studies may be used to analyse which controls are introduced first and if they lessen the disruption without creating disproportionate administrative burden. Another avenue of study that could be explored is how well students' business analysis matches the owner's business assessment or an independent professional review.

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