

Case studies in Business history  
as an Approach in Industrial history

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## Case studies in Business history as an Approach in Industrial history

Globalisation has in the last decades meant that focus in business history - to quite an extent - has moved to big business, global enterprises, corporate governance and financial markets in modern times. This interest has brought about comprehensive and fascinating results. In an historical perspective, and still in these days, the great number of enterprises has a modest size, though. Thus, I want in the following present an approach for research into small and medium sized enterprises. The idea behind the approach is that case studies in business history making use of the historical context may be designed to deepen our understanding in industrial history. Thus, I want to argue that the history of firms opens up unique possibilities to capture the forces behind change; possibilities that make business history a valuable tool in industrial history.

All firms are daughters of their time. If the company chosen for research is representative in a statistical sense should not be an issue, but it is of course crucial that the enterprise you choose is part of the process you want to explore. The aim of your study must govern the choice of your case and your theoretical approach. The idea is to link strategies pursued on the micro-level to incentives on the macro-level. Such an approach will deepen the understanding of processes registered on the macro-level.

When I – some decades ago - was about to study industrialisation in Sweden in the late 19<sup>th</sup> and the early 20<sup>th</sup> century my question was: Which are the driving forces behind industrial growth? My experience told me<sup>1</sup> that it would be fruitful to look at the process from within, on the micro-level. In the field of theory there are different explanations for economic growth. I combined the essence of three important theories, referred to below, and the experience from my earlier research in a scheme for analyse; a model.<sup>2</sup>

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<sup>1</sup> My experience at the time is evolved in Kersti Ullenhag (1971), 'Delen och helheten som varandras komplement i ekonomisk-historisk forskning. Ett exempel.' i *Ur ekonomisk-historisk synvinkel. Festskrift tillägnad professor Karl-Gustaf Hildebrand 25.4.1971.* (Ekonomisk-historiska studier, 7). Stockholm: Läromedelsförlaget.

<sup>2</sup> A preliminary version of this approach is presented in Kersti Ullenhag (1988), 'Firms under expansion. A theoretical Model an Its Application', *Scandinavian Economic History Review* Vol.XXXVI, NO:2. In another context this approach was used in Kersti Ullenhag (2000), 'Managers Institutions and Growth' in Mila Davids, Ferry de Goey & Dirk de Wit (Eds.), *Proceedings of the Conference on Business History Oktober 24 and 25, 1994.* Centre of Business History (CBG) Rotterdam.

A look for Joseph Schumpeter's 'entrepreneur' is appropriate for the period of industrialisation. *Do the strategies adopted by the manager mean that he in some sense combines factors of production in a new and successful way?* In neoclassical economy we have learnt that growing markets explain expansion. *Do the markets available explain the growth of the company?* Marxian economists maintain that technology is the driving force. *Does the technology adopted bring forth the growth of the company explored?* In my earlier research I had found that - what I called - 'Prevailing social attitudes/mentalities' and 'Institutional conditions' were important<sup>3</sup> - in rough outlines what Douglass C. North later on labelled 'institutions'. For the sake of simplicity I will use North's concept in the following. *What about the role of 'institutions'?*

Thus, in my study of industrialisation<sup>4</sup> I choose companies in branches that were growing in the short or the long run. On enterprise level I then put the different growth-theories to the test. I focused on the strategies adopted and the results achieved in relation to markets, in relation to technology and in relation to institutions. Not only my firms, on the contrary, all Swedish firms within the branches represented had the same market-possibilities, the same access to technology and the same institutions to adapt to. As I connected micro-level economic activity with the macro-level incentives provided by markets, technology and institutions, the importance of markets, technology and institutions were highlighted not only in my cases but also in the branches chosen. Furthermore, from a general point of view I found that the case studies had something to say about the relative importance of agents, markets, technology and institutions as prerequisites for growth or stagnation. To exemplify the merits of my approach I will in this paper summarise two of my examples.<sup>5</sup>

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<sup>3</sup> Ullenhag (1971), p.72.

<sup>4</sup> Kersti Ullenhag, (1984), *Industriell utveckling och demokratisering 1862*. Uppsala stads historia V. Uppsala: Almqvist & Wiksell

<sup>5</sup> I have used this approach in case studies within shoemaking, within the flour-mill industry, within the earthenware industry, within the chemico-technical industry and within the bicycle-industry in Uppsala (Ullenhag, 1984), and in a study of the transition from traditional copper industry to modern woodware in Åtvidaberg in Sågvall Kersti Ullenhag (1970), *AB Åtvidabergs förenade industrier med föregångare* . Scandinavian University Books. Svenska bokförlaget.

## Industrialisation in Sweden

The value of industrial production in Sweden had, in the early 1910s, become higher than the value of agricultural products but it was not until the early 1930s that the employees in industry outnumbered the number of employees in agriculture. In the 1850s; in the beginning of the process of industrialisation, industry in Sweden was connected to forestry and old ironworks in the countryside. In later decades industrialisation accelerated with population growth and urbanisation. In the late 19<sup>th</sup> and early 20<sup>th</sup> century industry expanded in Swedish towns. Swedish industry got a stable structure for decades to come. The industrial expansion followed two lines. The production of traditional products expanded dramatically by the industrialisation of handicraft. In the same period new products were launched on the market.

In 1920, when Swedish population approached 6 millions of people, 45 percentages of the urban population was employed in industry and handicraft. The border between the two was floating. The question to be answered is: ‘How to explain the industrialisation process from the enterprise angle? What about the role played by changing institutions, changing markets and new technology respectively?’ and ‘To what extent and in what way are the distribution of roles and the result conditioned by management?’

The questions will in the following be put to the industrialisation process in Uppsala. The two lines of industrialisation will be analysed. One case will deal with the transition from handicraft to industry in shoemaking and the other the launching of new products within chemico-technical industry

## Industrialisation of Shoe-making<sup>6</sup>

In the period of industrialisation shoe-production in Sweden expanded along different lines. The number of artisans grew until the 1910s, stockroom production and wholesale trade in shoes made by artisans were introduced and shoe-factories were established. The Swedish production which in 1870 had been 800 000 pairs of shoes was in 1910 about 10 000 000. In the transition from handicraft to industry in Uppsala this trade was outstanding which makes it suitable for analyses of growth. Uppsala had in 1910 two shoe-factories; Johan Ekholm’s and Lars Erik Larsson’s. Johan Ekholm’s factory was of medium size within the Swedish

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<sup>6</sup> Ullenhag (1984), pp. 42-90

trade and employed 58. Larsson's had 206 employees, and was the biggest place of work in Uppsala.

The Old Burgher personified

In the 1850<sup>th</sup>, at the threshold of the period for industrialisation Sven Anders Hägg was the most prominent shoe-producer in Uppsala. He had a traditional education within the guild. Having had some years of education in Stockholm in the 1840s, he went to St Petersburg and Paris as a journeyman. Back in Sweden he worked as foreman in a workshop in Uppsala before he applied for freedom franchise. He was accepted as burgher in Uppsala 1852. Not only did Sven Anders Hägg economically be the most successful shoemaker in Uppsala in the late 1850s he also got different positions of trust and he exercised charity. In 1862, when a new law for local government was introduced in Sweden, he was elected town councillor. In 1864 he was re-elected.

Hägg fought - also in writing - for the reintroduction of the old rules. He called for a revival of the true burgher spirit, when the new institution, Freedom of trade, had been introduced in Sweden in two steps 1846 and 1864. Hägg could not accept that it was possible to be a shoemaker not having learnt the trade in the old way and he could not accept stockroom production by the use of new technology. His conservatism was programmatic. He meant that it was not possible to make a shoe that fitted a foot you had not measured and he continued to make shoes to order for the local market. At the same time he maintained to produce shoes with a straight fitting, i.e. identical left and right shoes as this had been the case as well in Sweden as in England and Norway in 'at least 20 years'<sup>7</sup>.

Hägg's refusal to adapt to new technology, new institutions and new markets meant that he could not compete. In 1883 he had to give up. He closed his workshop. Some years later he lost his savings in a bankruptcy. In the 1890s he was a subject for charity. He died poor 1904. At that point in time shoe-production in Uppsala prospered not only in Lars Erik Larsson's and Johan Ekholm's shoe-factories but also in small workshops.

A Man of the Times

Lars Erik Larsson moved to Uppsala and bought a shoe-shop and a small shoe-factory in 1897 at the age of 29. He had learnt the trade by a travelling shoemaker and his experience included sales. He opened up his business in Uppsala in a period of expanding Swedish markets for shoes. Demand was rising as a consequence of a growing population, urbanisation

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<sup>7</sup>Quoted from Ullenhag (1984), p. 89.

and rising wages in the late 19<sup>th</sup> century. The space for shoes produced in Sweden rose furthermore, when shoe production in 1897 – in the year when Larsson arrived in Uppsala and started his business – was sheltered by a new effective tariff protection. Larsson made use of new technology. He increased his assembly of machines and his production continuously. He made and marketed a very wide assortment of shoes dependent on changing fashions. His shoes substituted for imports. His sales were supported by advertisement. As early as 1898 Larsson registered the trademark, '*Hästens skodon*' (The Shoes of the Horse). He also brand-named certain shoes for children, '*Hans och Greta*'. '*Riddarkängan*' (Hansel and Gretel. The Knight's Boot). As brand advertiser he was early in Sweden. Larsson became not only a producer but also a wholesaler in the shoe-trade. Larsson moved his business into larger localities 1902 and 1911. In the years in between the productivity in the shoe factory had increased almost three times.

The war meant shortage of raw materiel. Imports from England and the U.S. could not be upheld. Leather waste and artificial leather were used in production. Wooden shoes were heavily advertised. Nevertheless, new markets gave rise to increasing production and partly a new assortment for Larsson and his colleagues. The armed forces as well in Sweden as in Germany made large orders on the Swedish market. Larsson took on orders from the Swedish but also from the German forces. For the Germans he made boots and high boots in yellow oil-leather. The quality of production was twice a week controlled by the Germans. It seems likely that Larsson's orders from the German army facilitated his possibilities to get raw materiel. One of the inspectors became after the war employed in the works management at Larsson's factory.

At the threshold of the 1910's when Larsson's shoe-factory was the largest workplace in Uppsala, Larsson was well established in society. He made use of modern institutions. In 1908 he was elected to the Swedish board of the Association for producers and wholesalers within the shoe- and leather-trade. In Uppsala he initiated a local branch for shopkeepers. In 1914 Larsson converted his business into a limited liability company, 'L.E. Larsson & Co.'

As a Conservative, Larsson was in 1908 elected town councillor. In addition he became county councillor in 1910. Last but not least, Larsson had since 1905 been on the board of the Uppsala branch of the Swedish Missionary Congregation, which has fostered many a successful businessman. In the church Lars Erik Larsson, met Johan Ekholm, who was to follow in his steps.

## A Cautious Follower

Johan Ekholm arrived in Uppsala and opened up a workshop in 1889, when he was 24. His younger brother Andreas accompanied him. Their father was a shoemaker in the countryside and he had trained them and their older brother Mattias in the trade. Johan employed Andreas and later on other members of the family. He was firmly rooted in his family. All along there was an interdependence between the workshop and the family. The organisation of the household followed the tradition adopted in farming. The boundary between work and pleasure was fluid. Outside the family Ekholm was a devoted member of the Swedish Missionary Congregation. Here he met not only Lars Erik Larsson but also future employees.

Johan Ekholm moved his workshop into Lars Erik Larsson's old localities, when Larsson moved to larger localities in 1902. Some machinery was part of the deal. New technology appealed to Ekholm. He bought some more machines and started industrial production in the autumn of 1902. Two years later he moved again and increased his assembly of machinery. In 1907 Ekholm substituted his purchases of machinery by renting machinery and thus reduced his need for capital. He became – as Lars Erik Larsson a couple of years earlier - a customer of 'United Shoe Machinery Company' (USMC). This American Company had established an international system for renting shoe-producing machines. As a customer of the USMC's you hired a system of modern machines. The company had travelling fitters, who installed the machinery in your factory, got them modernised and got them repaired or traded for new ones.

New machinery meant job sharing, expanding production and reduced costs apiece. In the decade before 1914 the production rose from about 5 500 pairs of shoes to 104 000, a level that was kept throughout the decade. The result of one persons work in a year had in 1914 increased almost three times. The cost of production for one pair of shoes had at the same point in time been reduced to less than half. The rising volume of shoes produced by Johan Ekholm did not mean stockroom production. Until the outbreak of World War One the shoes produced went straight to the customer. In the war Ekholm met problems to meet demand. He had not got the capacity to take on orders from the armies and - like all his colleagues - he got problems with the shortage of primary products. Ekholm moved his factory to a newly built house of his own in 1917 but he did not increase the capacity of production.

Lars Erik Larsson provided Ekholm with raw material and his wholesale trade was a linkage to the market for Ekholm's sales. In the years before the war Larson took almost half of Ekholm's sales value and in the period 1915-1920 no less than 37 %. Ekholm's assortment

of shoes supplemented Larsson's. Ekholm's models were traditional. The shoes he produced were sold at half the price compared to Larsson's. In Ekholm's assortment you could find straight fitting shoes, shoes shaped the way Sven Anders Hägg made them. These shoes were very popular in the countryside. If you were on your way to the cowshed and had to put on shoes in the dark you could make no mistake; either shoe was right. Straight fitting shoes were still part of Ekholm's assortment in the 1930's.

## Conditions for Growth

In the wake of the French revolution the belief in personal freedom and the right of men to alter his position in society replaced the Aristotelian view that everybody had a given place in the hierarchy of society. An effect of this thinking was the abolition of the guild system. Sven Anders Hägg did not adapt to *new institutions* introduced by Freedom of trade in Sweden. Nor did he adapt to *new technology* and *new markets*. He fought for a reintroduction of the old burgher society. Johan Ekholm accepted *new technology* and introduced industrial production but kept a patriarchal organisation of work. Lars Erik Larsson embraced *new institutions* and *new technology*. He integrated forward launching brand-named products on an *expanding market*.

New as well as rising demand are mirrored by a drastic and long-range increase of the supply of shoes on Swedish markets. The case study shows that, liberalisation of trade, customs tariffs, new machinery on Swedish markets and expanding demand brought about new possibilities for growth in shoemaking. The framework given by new formal institutions and new technology opened up for economic growth in Swedish shoe-production, but it were expanding markets that made the wheels move. New technology meant reduced costs and prices and added to the growing demand. Thus, the industrialisation of traditional handicrafts was an important part of Swedish industrialisation. The process meant a steep increase of production, new technology, falling prices an expanding markets for a traditional assortment of products. It also meant new organisation and a new social structure.

The process presupposed producers that captured the possibilities of their time, though. It is obvious that expansion had failed to come off, if everybody in the trade, in Uppsala and elsewhere, had taken the attitude of Sven Anders Hägg. The new possibilities for economic growth were there to be caught not only by Sven Anders Hägg, Johan Ekholm and Lars Erik Larsson but by all prospective producers in the Swedish shoe trade. The industrialisation of Swedish shoe making certifies that Lars Erik Larsson had his equals around Sweden.



## Science in the Service of Industry<sup>8</sup>

The establishment of industries that produced new products run parallel to the industrialisation of handicraft. In the German model of industrialisation, scientific knowledge brought about new products in the chemical industry. In Sweden the chemical industry was of limited extent in the 19<sup>th</sup> century. The number of employees was in 1913 less than 16 000 out of roughly 2 millions in Swedish industry and handicraft. Two enterprises built on Swedish innovations began their expansion internationally, though. In the middle of the century started the production of the Swedish safety match, which in the 20<sup>th</sup> century was to be the industrial bases for Ivar Kreugers financial empire and Alfred Nobel's 'Nitroglycerin AB' was established in 1865. The chemico-technical trade was in Sweden represented by two long-lived enterprises, 'Henrik Gahns AB' and 'Barnängens Tekniska Fabrik'. Both were established in the 1860's. Hundred years later - after expansive developments - they both merged with Kema-Nobel.

Industries within the chemico-technical trade were initiated by Louis Pasteur's research into fermentative processes. Pasteur's first written work within this field was published in 1857. His research laid the scientific foundations for production of beer, wine, hygiene, preserving of food etc. Henrik Gahn got inspiration from Pasteur and composed, already in the 1860s, a disinfectant and a preservative and established an enterprise in Uppsala. His firm will, in a modest way, mirror the introduction of the German model of industrialisation in Sweden.

### New technology and Brand-named Products

Henrik Gahn was born in 1820, only three years after Sven Anders Hägg. In 1867 approaching his 50s, Henrik Gahn took the opportunity - given by the Freedom of trade - to open up a small enterprise in Uppsala and start a new career. Gahn was born in a scientifically active family, he had a university education and he was educated in chemistry. His grandfather Johan Gottlieb Gahn was a prominent chemist, who had an interest in the practical use of science. Johan Gottlieb was an active part owner in 'Gripsholms svavelfabrik' (Gripsholm's factory for production of sulphuric acid), where also production of other substances was developed and produced. In his scientific work Gottlieb Gahn worked with

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<sup>8</sup> Ullenhag (1984), 121-152.

scientists such as professor Jöns Jacob Berzelius at Karolinska institutet and Torbern Bergman and professor Carl Wilhelm Scheele, which had been his teachers at Uppsala university.

In principle, Henrik Gahn followed in his grandfather's footsteps, when he opened up his enterprise in Uppsala. At that point in time Henrik Gahn was experienced in business. He employed two workers and started to produce ink and shoe polish, and he equipped a laboratory. Gahn experimented in different directions to find a product possible to produce for sale. In his book "Compositions" there are a great number of prescriptions for medical and hygienic products but also for different beverages. Gahn made use of modern institutions. In 1869 and 1871 Gahn applied for and was granted patents for two products inspired by Louis Pasteur's research and in 1872 he transformed his enterprise to the first limited liability company in Uppsala, 'Aseptin Amykos Aktiebolaget I Uppsala'.

Gahn's products were called *Aseptin*, *Amykos for the Toilet* and *Concentrated Amykos*. Aseptin was a preservative and Amykos a disinfectant. Both were based on boracic acid. Henrik Gahn started production of his new branded products in 1870. Four years later Henrik Gahn died, at the age of 54. In 1878 his enterprise got his name 'Henrik Gahns Aseptin Amykos Aktiebolag', later on 'Henrik Gahns Aktiebolag'.

The Henrik Gahn's preservative had in Uppsala been demonstrated in the presence of notary public and ten witnesses amongst those the British consul and a restaurant-keeper in 1868. It was shown that meat preserved in Aseptin for three month was edible. In 1971 Aseptin was tested for military use at a field unit exercise in Skåne and was found usable and 'ought with advantage be used in war.'<sup>9</sup> Aseptin was also used to preserve cadavers to be dissected.

Amykos was composed in co-operation with doctors at the university hospital in Uppsala. The professor of surgery, Carl Benedict Mesterton, started to use Amykos at the threshold of the 1870s and issued in 1872 a certificate to its positive effects. At the hospital the use of Amykos in surgery produced good results in the 1870s. The surgeon Joseph Lister at the university hospital in Glasgow, who has been called the father of applied asepsis, was like Henrik Gahn inspired by Louis Pasteur's research. At about the same time as Gahn, in 1867, he started to work with a disinfectant. His product was based on carbolic acid. In the 1870s the death rate at his clinic fell drastically. In 1875 Lister expressed his appreciation for Gahns Amykos in an article in the medical journal *Lancet*. Professor Mosetig Moorhof at the

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<sup>9</sup> Quoted from Ullenhag (1984), p..127.

university in Vienna came to know Amykos in diluted form, 'Amykos for the toilet' at the World exhibition in Vienna 1873. He recommended it for personal use when you got a wound or wanted to gargle.

### Marketing and Sales

Henrik Gahn's marketing methods were innovative for Sweden. He had - even before he transformed his enterprise to a limited liability company - tried to establish his products in France, Finland, Norway, Russia, Great Britain, Germany and South America. The right not only to sell but also to produce was given to Germany and Great Britain. Production abroad was an advanced feature in Swedish industry in the early 1870s. The first Swedish, and relatively isolated foreign establishment, has been dated to 1871, when 'A. Wikanders Korkfabrik' (A Wikander's Cork Factory) opened up a branch in Finland.

Participation in World exhibitions was a regular part of Henrik Gahn's and his followers, intense marketing. The company got medals in Moscow 1872, Vienna 1873, Bogotá 1874, Paris 1875 and 1878, as well as in Brussels and Philadelphia 1876. Those medals were mentioned in advertising. In advertisements and in prices-current also the certificate by Mesterton and Moorhof and the article by Lister were cited and so were positive comments in letters from customers.

Marketing by way of England aimed at the whole British Empire. A new British agent - 'Hayman & Benjamin' in London - was contracted in June 1870. In August it was reported from London that they had representatives accepted in Japan, China, Burma, Morocco, Ecuador, the Canary Islands, Argentina, Brazil, Mexico, El Salvador, Turkey and Romania. Representatives of the firm were 'confident that after a reasonable time has elapsed...orders will flow in'.<sup>10</sup>

Urbanisation and the increasing need for transportation meant that the demand for food preservation was increasing and so was the need for a strong improvement of hygiene. In spite of these needs and in spite of an intense marketing there was an unsatisfactory demand for Gahn's products. The disinfectant was in the early 1880s used as the basis for production of soap. Soap had in the late 19<sup>th</sup> century outdistanced Amykos and 'Amykos for the Toilet' in Henrik Gahns sales but the sales were stagnating. In 1898 Henrik Gahns AB reduced its share capital by three quarters.

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<sup>10</sup>Quoted from Ullenhag (1984), p. 139.

The production of Aseptin had reached its peak in the middle of the 1880s but was produced until 1907. As early as 1877 the French did import frozen meat from Australia and three years later frozen meat was imported from Argentine to Great Britain. Aseptin could not compete with frozen meat; not in durability and not in taste. What is more, boracic acid, the potent agent in Aseptin, was shown to be unwholesome. The market for Aseptin in pathology was of course limited. The sales of Amykos, ‘Amykos for the Toilet’ and - from the early 1980s – soap was less disappointing but not satisfactory. Supply did not create its own demand. Thus, Say’s law did not apply.

### A new Code of Conduct

At the turn of the century, all of sudden, the demand for hygienic articles expanded. Awareness of the linkage between dirt, bacteria and illness had been spread and a new attitude to cleanliness brought about – what North have called – ‘a new code of conduct’. People began to wash not only on special days or perhaps on Saturdays but every day. The ability to meet the new needs for cleanliness was facilitated by increasing wages and new technology in the shape of water-works and water mains. Thus, the market for hygienic products expanded dramatically in the early 20<sup>th</sup> century and so did the sales from Henrik Gahn’s AB.

The war meant in the chemico-technical industries- as well as in other branches - a shortage of raw material. Nevertheless the sales from Henrik Gahns AB boomed. Purchases and product development had given a broad assortment of products for personal hygiene but also for house cleaning. A great sales success in the war was Watzin’s Keratin for your hair styling. The product was bought from another producer and sold in cooperation with barbers.

## Comprehensive Conclusions

Freedom of trade was the overall prerequisite for industrial growth in Sweden in the late 20<sup>th</sup> century. The new possibilities for entrepreneurship needed individuals that wanted to catch the opportunities of their time, though. Their possibilities to succeed depended on the growth of their markets.

Henrik Gahn was brought up in academic surroundings and Lars-Erik Larsson had learnt his trade by practising in the country-side but they were both modern men of their times. They made use of the new freedom to establish an enterprise. Their business was – in different ways but nevertheless – linked to international markets. Gahn worked in an international context. He took the idea behind his products from Pasteur, a French scientist, and his marketing had an international and scientific focus. Lars-Erik Larsson mechanised his

production by use of American machines, hired from abroad. Their marketing was advanced. Early for Swedish industry they brand-named their products.

Henrik Gahn used his knowledge as a chemist, opened up a laboratory and experimented in different directions to find products suitable for sale. He was inspired by *new knowledge in bacteriology*. Gahn made use of modern *institutions*. He patented and brand-named his products and in 1872 he registered the first joint stock company in Uppsala. In an advanced way he tried to open up markets for his products. Before he died in 1874 he had not only established contacts with foreign agents for sale but also contracted agents having the right to produce in England and Germany.

Henrik Gahn was an Schumpeterian entrepreneur in the sense that he found new combinations of the means of production and channelled business into new paths. Expansion was blocked by *the lack of expanding markets*, though. His timing was wrong, but his enterprise was successful in the long run.

Lars Erik Larsson opened up his enterprise in 1897. His hiring of machinery reduced his costs for investment in *new technology*. He adapted his production to increasing and sheltered *markets*. His capacity to adapt to new possibilities offered by the age included not only technology and marketing, though. He made use of *modern institutions*. He was a board member in “Sko och Läderbranschens fabrikant- och grossistförening” (The Association of Shoe and Leather Industry Manufacturers and Wholesalers) and he made his enterprise a joint stock company 1914. As a conservative he engaged in local policy.

*Expanding markets* reinforced by tariff protection in the 1890s initiated a process of growth for Larsson’s shoe business. Larsson initiated, what Erik Dahmén has called, a *development block*. He paved the way for other shoe-producers in Uppsala, not least Johan Ekholm, and for the establishment of Sulskyddsfabriken Revolt (The sole-cover factory Revolt). He combined new possibilities in a successful way and was in a modest way ‘an entrepreneur’ in the Schumpeterian sense.

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The above model has been used for microanalyses of industrial growth and stagnation. In principle it may be used also for case study analyses of other processes identified on the macro-level. Then the model calls for special alteration in relation to the question posed, though.

In the late 21<sup>st</sup> century a wave of mergers changed the structure of Swedish enterprises, not least in banking. This process awakened my interest in the processes behind this development. I got the opportunity to analyse this process from within; from the micro-perspective. My case

was the process behind the merger between Uplandsbanken and Sundsvallsbanken, the first of a series of mergers within the population of provincial banks in Sweden.<sup>11</sup>

In my model for analyses I incorporated theories explaining merger. It turned out that changing institutions, new technology (data processing) and transforming markets on the macro-level explained strategies performed on the micro-level. Of special interest in relation to theories used were the importance of changing ownership structures within the population of provincial banks. New institutions introduced by the Swedish Parliament initiated the process. To me the micro-level approach was rewarding.

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<sup>11</sup> Kersti Ullenhag (1990), Förnyelse Förvandling Fusion. Uplandsbanken 1965-1985. Hallgren & Fallgren.