Enterprise and Small Business Principles, Practice and Policy

τi

Edited by Sara Carter and Dylan Jones-Evans

FINANCIAL TIMES

Prantice Hall

An imprint of Pearson Education

Harlow, England - London - New York - Reading, Massachusetts - San Francisco - Toronto - Don Mills, Ontario - Sydney Tokyo-- Singapore - Hong Kong - Seoul - Taipei - Cape Town - Madrid - Mexico City - Amsterdam - Munich - Paris - Milan

۶

Contents

List List	t of figures t of tables t of contributors knowledgements	xii xiii xiv xvi
Şe	ction I THE SMALL BUSINESS ENVIRONMENT	1
1	Introduction Sara Carter and Dylan Jones-Evans	3
•	 Background Why this book? Structure of the book 	3 4 6
2	Self-employment and small firms David Brooksbank	7
	 2.1 Learning objectives 2.2 Introduction 2.3 The self-employed 2.4 Who are the self-employed and what do they do? 2.5 Personal characteristics of the self-employed 2.6 The jobs of the self-employed 2.7 Small firms – the data 2.8 Business start-ups and closures 2.9 Chapter summary Questions 	7 7 8 10 14 20 24 27 30 31
3	The enterprise culture: the socio-economic context of small firms Richard Scase	32
	 3.1 Learning objectives 3.2 Introduction 3.3 The origins of the enterprise culture 3.4 Forces for entrepreneurship 3.5 The state and enterprise 3.6 Big business and the enterprise culture 3.7 Patterns of employment in an enterprise culture 3.8 The information age and the enterprise culture 3.9 Chapter summary Questions 	.32 32 33 35 41 42 43 44 46 47
		v

i

Contents	
----------	--

4	Small-business policy, support and governance Steve Johnson, Leigh Sear and Anne Jenkins	48		
	 4.1 Learning objectives 4.2 Introduction 4.3 Small-business policy, support and governance 4.4 Small-business policy: rationale and overall trends 4.5 Small-business support structures and governance: critical insights 4.6 Features of small-business support structures and governance 4.7 The institutional landscape: the key actors 4.8 Key trends in small-business support and governance 4.9 Future trends and challenges 4.10 Chapter summary Questions 	48 49 49 52 53 54 68 70 77 77		
5	The social and cultural world of enterprise Alan Southern	78		
	 5.1 Learning objectives 5.2 Introduction 5.3 Social and cultural perspectives on the small firm 5.4 The enterprise culture view 5.5 The small firm and its environment: the role of actors and structures 5.6 The small firm, stakeholders and the idea of habitus 5.7 Small-firm embeddedness 5.8 Chapter summary ' Questions 	78 78 79 79 82 85 89 93 93		
Se	ction II ENTREPRENEURSHIP AND THE SMALL FIRM	95		
6	Initiating entrepreneurship Alison Morrison	97		
	 6.1 Learning objectives 6.2 Introduction 6.3 Initiating entrepreneurship 6.4 Defining culture 6.5 Entrepreneurial cultures 6.6 Cultural specificity in enterprise 6.7 Chapter summary Questions 	97 97 98 99 102 104 113 114		
7	Business start-up: theory, practice and policy David Deakins and Geoff Whittam			
	7.1 Learning objectives7.2 Introduction7.3 Small-business start-up: theory, practice and policy	115 115 116		

	 7.4 Start-up theory 7.5 Start-up practice 7.6 Start-up policy 7.7 Using mentors to provide support: evidence from Scotland 7.8 Chapter summary Questions 	116 119 124 126 129 131
8	The psychology of the entrepreneur Frédéric Delmar	132
	 8.1 Learning objectives 8.2 Introduction 8.3 The entrepreneurial personality 8.4 The development of the field of entrepreneurial personality and behaviour 8.5 Individual characteristics of entrepreneurs 8.6 Cognitive models of entrepreneurial behaviour 8.7 Chapter summary Questions 	132 132 133 133 140 145 153 154
9	Family and enterprise Denise Fletcher	155
	 9.1 Léarning objectives 9.2 Introduction 9.3 Family and enterprise 9.4 Definition the family form 	155 155 156 156
	 9.4 Defining the family firm 9.5 Approaches and antecedents in studies of family business 9.6 'Family' and 'enterprise' 9.7 Towards an interpretive view of 'family' and enterprise 	158 158 161 162
	9.8 Chapter summary Questions	162 164 165
10	Gender and enterprise Sara Carter	166
	10.1 Learning objectives10.2 Introduction10.3 Gender and enterprise	166 166 167
	10.4 The characteristics of female entrepreneurs10.5 The management of female-owned businesses10.6 The performance of female-owned firms	169 172 176
	10.7 The neglect of female entrepreneurship10.8 Chapter summaryQuestions	179 180 181
11	Ethnicity and enterprise	182
	11.1 Learning objectives	182
		vii

	11.2 Introduction	182
	11.3 Ethnicity and enterprise	183
	11.4 Ethnic-minority enterprise: an international perspective	183
	11.5 Ethnic-minority business activity: the British experience	187
	11.6 The business entry decision	189
	11.7 Family and co-ethnic labour	19 0
	11.8 Restricted spatial markets	191
	11.9 Funding ethnic-minority enterprise	193
	11.10 Ethnic-minority business and enterprise support	193
	11.11 Chapter summary	195
	Questions	197
12	Franchising and enterprise John Stanworth and David Purdy	198
	12.1 Learning objectives	198
	12.2 Introduction	198
	12.3 Franchising and enterprise	199
	12.4 The nature of franchising: entrepreneurship or dependence?	199
	12.5 The advantages and disadvantages of franchising	201
	12.6 Franchising in the United States of America: history and current trends	204
	12.7 Ease of entry into franchising for potential franchisors	210
	12.8 Success and failure rates amongst franchisees	214
	12.9 The quality of jobs created in franchising	216
	12.10 Chapter summary	217
	Questions	219
13	Technical entrepreneurship	220
	Sarah Cooper	
	13.1 Learning objectives	220
	13.2 Introduction	220
	13.3 Technical entrepreneurship	221
	13.4 The environment for technical entrepreneurship	221
	13.5 The study of technical entrepreneurship	225
	13.6 The technical entrepreneur	227
	13.7 • Technical entrepreneurs: an occupational typology	236
	13.8 Chapter summary	238
	Questions	241
14	Intrapreneurship Dylan Jones-Evans	242
	14.1 Learning objectives	242
	14.2 Introduction	242
	14.3 Intrapreneurship	243
	14.4 Defining intrapreneurship	243
•	14.5 Entrepreneurial and intrapreneurial ventures	244

•

	14.7	Climate for intrapreneurship within an organisation Barriers to intrapreneurship within a corporate culture Intrapreneurial characteristics – who is the intrapreneur? Chapter summary ions	247 252 254 257 258
15		preneurship in transitional economies Bateman and Lester Lloyd-Reason	259
	15.1 15.2 15.3 15.4 15.5 15.6 15.7 15.8 15.9 Quest	Learning objectives Introduction Entrepreneurship in transitional economies Central planning SMEs under central planning SMEs in the early transition period The need for policy intervention SME policy interventions in practice Chapter summary	259 259 260 261 263 265 272 274 278 279
Sec	tion II	I MANAGEMENT AND THE SMALL FIRM	281
16		egy and the small firm	283
	16.1 16.2 16.3 16.4 16.5 16.6 16.7 16.8 Quest	Learning objectives Introduction Strategy and the small firm Success strategies in small firms Strategy-making in the small business The strategy-making context for small businesses The strategic problems of small businesses Chapter summary tions	283 283 284 285 291 295 296 298 298
17		le and the small firm Marlow	300
	17.1 17.2 17.3 17.4 17.5 17.6 17.7 Ques	Chapter summary	300 300 301 303 308 318 319 322

.

.

,

18	Training and the small firm Harry Matlay	323
	 18.1 Learning objectives 18.2 Introduction 18.3 Training and the small firm 18.4 Training and HRD strategies in the small-business sector 18.5 Who makes training-related decisions in small firms? 18.6 Training initiatives and their impact upon small firms 18.7 Factors affecting the provision of training in small firms 18.8 Chapter summary Questions 	323 323 324 325 328 329 334 335 336
19	Finance and the small firm Robin Jarvis	337
	 19.1 Learning objectives 19.2 Introduction 19.3 Finance and the small¹ firm 19.4 The finance gap 19.5 Sources of finance 19.6 The capital structure decision 19.7 Financial reporting considerations 19.8 Chapter summary Questions 	 337 337 338 339 342 350 351 353 353
20	Marketing and the small firm David Stokes	354
	 20.1 Learning objectives 20.2 Introduction 20.3 Marketing and the small firm 20.4 Characteristics of small firms and marketing problems 20.5 Is marketing different in small organisations? 20.6 Entrepreneurial interpretations of marketing 20.7 Entrepreneurial marketing 20.8 Chapter summary Questions 	354 354 355 356 358 360 362 366 366
21	Networking and the small firm Eleanor Shaw and Stephen Conway	367
	 21.1 Learning objectives 21.2 Introduction 21.3 Networking and the small firm 21.4 Defining 'networks' 21.5 Alternative perspectives on small-firm networks 21.6 Conceiving of small-firm networks 21.7 What has research told us about the nature of small-firm networks? 	367 367 368 368 369 370 375

2

Co	nt	er	nts

	21.8 21.9 Quest	Emerging research issues in small-firm networks Chapter summary ons	381 383 383
22		mation and communication technology in the small, firm Kai-Uwe Brock	384
~	22.5 22.6 22.7 22.8	Learning objectives Introduction Information and communication technology (ICT) in the small firm Definition and historical background Overview of research streams and the problem of the dependent variable ICT in the small firm The Internet and the small-firm sector Chapter summary	384 384 385 386 388 392 398 405
	Quest	ions	408
23		rth and development in the small firm Smallbone and Peter Wyer	409
	23.1 23.2 23.3 23.4 23.5 23.6 23.7 23.8 Quest	Learning objectives Introduction Growth and development in the small firm Explaining growth in small firms Barriers and growth constraints – the external operating context Barriers and growth constraints – the internal operating context Managing growth Chapter summary	409 409 410 411 419 421 424 432 433
24	Inter Kevin	nationalisation and the small firm	434
	24.2 24.3 24.4	Learning objectives Introduction Internationalisation and the small firm SMEs and internationalisation: concepts, context and extent Explaining SME internationalisation Stimulating internationalisation Barriers in SME internationalisation Policy and institutional support for SME internationalisation Chapter summary	434 435 436 438 443 447 448 449 452
Ref Ind	erences ex		453 498

٦