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Exploring Entrepreneurship: Practices and Perspectives

Book

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Introduction
The many faces of entrepreneurship

The carrying out of new combinations we call 'enterprise'; the individuals whose function it is to carry them out we call 'entrepreneurs'.

Joseph A. Schumpeter, *twentieth century economist*

I'm encouraging young people to become social business entrepreneurs and contribute to the world, rather than just making money. Making money is no fun. Contributing to and changing the world is a lot more fun.

Muhammad Yunus, *academic and social entrepreneur*

Learning outcomes

After reading this chapter you should be able to:

➤ Appreciate the economic, social and environmental significance of enterprise and entrepreneurship in the twenty-first century.

➤ Identify different interpretations of the terms, 'entrepreneur', 'entrepreneurship', and 'enterprise', including 'social' and 'commercial' forms, and adopt suitable working definitions.

➤ Recognize the wide variety of ways in which entrepreneurial activity is organized, the many different contexts in which it takes place, and the range of goals to which it is directed.

➤ Understand the distinctive approach to studying entrepreneurship that has been adopted in this textbook, the purpose of its two-part structure, and how to make use of various components, including case studies, in order to connect entrepreneurial thinking, practice, and reflection.

➤ Explore entrepreneurship in greater depth in the remaining chapters by engaging with entrepreneurial practice, with a particular focus on new venture creation (Part One), and by critically reviewing different research perspectives (Part Two).

Case 1.1   Helen Child: an entrepreneur looks back

Back in 2000, **Helen Child** co-founded a new financial transactions company. In this case, she reflects on the company's first decade, and how she contributed to its success. Helen used many of the skills she gained in her earlier career to grow the new venture. She helped to create a professional and highly motivated team, develop robust information systems, raise equity finance, and manage relationships with strategic partners and customers.

Biography

Helen grew up in the beautiful seaside town of Arnside, in the North of England. She moved there as a young girl when her father was headhunted to run the human resources (HR) department of a large insurance company. She did well at school and planned to go to Warwick University to study as a special needs teacher. However, she then changed her mind: 'I went skiing [and] taught disabled children to ski, for a charity called Back-up. [Then] I came back and needed a job. I was offered a position selling timeshare and realised that the psychology of sales fascinated me. It really intrigued me.' Helen went on to join Yellow Pages, which gave her sales management experience, dealing with large national accounts. Then she moved to Cable and Wireless to join their new Orange mobile phones operation. As she remembers, 'I was always working remotely. I basically lived out of a suitcase for many, many years.' Helen took a four month break from Orange to think about her next career move. She decided to join a large IT consultancy (a 'systems integrator'). It was during this period that she teamed up with work colleagues to develop a new venture, a financial transactions company.

Helen's new venture

In 2000, Helen's team secured funding for their venture: 'We were not a "dot.com", even through we used a lot of information technology, and at this time it was challenging to be raising funds for a new company. Fund raising was very difficult. We decided to go out and win a piece of business that would show all the investors that we had a sustainable business model – so we won a piece of business!' Their first contract was to provide a national building supplies company with credit cards, known as 'trade cards', for their customers. Helen notes that this company is 'still one of our clients – and that tells you a lot about our culture'. They also had to work hard to meet the many regulatory requirements imposed by the UK's Financial Services Authority (FSA): 'We went through a series of FSA hoops, we got through every one first time, to get our licence. Then we got *Mastercard* and *Visa* accreditation. Everybody was amazed that a company of our size could tick all the boxes so quickly.' This was an extremely challenging time for Helen. As she was building the venture, her mother was diagnosed with terminal cancer. Helen split time between her business and nursing her mother: 'I was very blessed with a circle of friends that helped me to keep everything going.' Her founding team consisted of three directors, with Helen taking on the role of managing director. The original idea for the venture came from one of her fellow directors: 'William is like a lot of entrepreneurs, he has hundreds of good ideas before breakfast. It is knowing which of them to harness – I think that is one of my strengths.' Helen explains, 'I also have a lot of

ideas but they are always about finding a solution for a problem. For example we have developed an award-winning piece of software that our clients use for their application processing. My ideas are more around that, or new business markets, or new channels to market.'

Building a business in hard times

For Helen's company, the recession of 2008–10 was particularly tough: 'We are in financial services and our clients are retailers, the two worst hit sectors. We are in a "double whammy" [i.e. two problems] and the management team hasn't bolted. They put their shoulder to the wheel and they delivered. So I didn't come in on a Monday morning to a stack of resignations.' This experience reflects one of Helen's original drivers for setting up the company, which was, 'to be the best employer I could.' Helen has also become experienced in raising finance. 'We went out for funding two and half years ago, [then] we did a rights issue [i.e. selling new shares to raise money] last year that brought some more money in. But if you are going to grow a business there is always a working capital requirement. The more working capital we have, the faster we can grow.' Helen also emphasizes the importance of learning: 'I think if you learn from negative experiences – not of your own making – and if you constantly put those sorts of lessons in place rather than ploughing on regardless, you are a better manager for it.' Ethical practice is also important: 'I was brought up with a very strong set of values, that it is how you play the game, it is about being fair. I truly do believe in the strength of a team and collectively you can achieve great things as opposed to one woman trying to do it on her own. Another thing I have learnt is that men play the game very differently from women. Men are very good at big strategic thinking whereas women are probably better at the more tactical implementation. I actually think during these very difficult trading times it is probably the tactical stuff that gets you through!'

Points to consider

1. Can you make links between the events described by Helen Child and the topics addressed in Part One of this textbook (Chapters 2 to 8)?

2. In what ways do you think the success of Helen's new venture can be explained by: (a) individual-level factors (Chapter 12); (b) social factors (Chapters 11 and 13)?

3. What practical lessons about entrepreneurship would you take from Helen's experience?

Source: This case is primarily based on an interview with Helen Child and written by Nigel Lockett.

1.1 Introduction: entrepreneurship in the twenty-first century

1.1.1 The scale, diversity, and significance of entrepreneurial activity

Welcome to *Exploring Entrepreneurship*. The main aim of this chapter is to provide you with a general introduction to entrepreneurship, plus some essential tools and guidance for exploring the subject further in the remaining chapters. The opening case provides an initial insight into the life of one entrepreneur, Helen Child, who created a successful new venture in the early twenty-first century. Throughout the book, you will find many similar cases featuring real-world entrepreneurs, entrepreneurial organizations, entrepreneurship researchers, and policy-makers. *Exploring Entrepreneurship* is concerned with the real world of entrepreneurial practice. It reflects the belief that entrepreneurship is something that can be learnt, from direct personal experience and through the experiences of others. Entrepreneurship has many different faces. By this we mean firstly that it involves all sorts of people, operating in different contexts, engaging in a wide range of activities and creating a variety of organizational forms. In addition, we can use the term 'faces' to refer to the different perspectives on entrepreneurship we discuss in Part Two of the book. Though there is an enormous amount of variety in our subject, there are also some common patterns to discover, and many useful lessons to be drawn from the research evidence.

The rest of the chapter is organized as follows. In Section 1.2, we consider the scope of entrepreneurship as a field of study, and how to define some of its core terms (i.e. 'entrepreneur', 'entrepreneurial', 'entrepreneurship', and 'enterprise'). Section 1.3 takes a closer look at the rich variety of ways in which entrepreneurial activity takes place, and includes some discussion of the differences between commercial and social entrepreneurship. In Section 1.4, we introduce our distinctive approach to studying entrepreneurship, which builds on a combination of practical experience (both direct and indirect), critical reflection and drawing on a variety of perspectives. The discussion is illustrated by three case studies, which report on the experiences of entrepreneurs (Case 1.2), entrepreneurship researchers (Case 1.3), and entrepreneurship students (Case 1.4).

1.2 Scoping and defining entrepreneurship

1.2.1 The 'slippery concept'

So what is it that you are studying? It might be reasonable to expect a textbook to be mapping out the scope of the field at this point, and providing its readers with some clear, unambiguous definitions of the key terms. Unfortunately, things are not that simple. Many years ago, the economist Edith Penrose commented that, 'Enterprise, or "entrepreneurship" as it is sometimes called, is a *slippery concept*, not easy to work into formal economic analysis, because it is so closely associated with the temperament or personal qualities of individuals' (Penrose 1995 [1959]: 33; emphasis added). Today, entrepreneurship researchers, policy-makers, and practitioners are still struggling with this slippery concept, and there is a continuing lack of agreement over the meaning of these terms. So how should we approach the terminology? Clearly, it would be easier if we provided you with one universally accepted definition, but

that would also be very misleading. The best approach is to recognize that people may use the same words, yet understand them differently. This is not a major problem because, as we shall discover, the range of interpretations is quite limited. However, it is important to be aware of these differences as you read about entrepreneurship, or listen to people talking about the subject. If you are not sure how they are using terms like 'entrepreneur', 'entrepreneurial', 'entrepreneurship', or 'enterprise', try to check their understanding. If you are still not sure about the definition that is being used, bear this in mind when you interpret their comments.

1.2.2 Key terms: entrepreneur, entrepreneurship, entrepreneurial, enterprise

In this section we review some of the key terminology and give our working definitions of four key terms: 'entrepreneur', 'entrepreneurial', 'entrepreneurship', and 'enterprise'. Each of these words derives from the same source. The French expression '*entreprendre*' is sometimes translated literally as, 'to take between'. In the eighteenth century, English translators began to use the word 'undertaker' to refer to the entrepreneur. In the event, it was the original French expression, rather than the translation, that became established. Though some people prefer alternative terms, such as 'innovator' and 'change agent', the language of entrepreneurship occupies a central place in twenty-first century politics, economics, and popular culture. However, despite the popularity of these terms, and a great deal of effort that has been invested in defining them, there is still no consensus on their precise meaning. Given that the title of this book is *Exploring Entrepreneurship,* we think this lack of precise definitions can be used to our advantage. As a starting point, we are going to introduce some working definitions. However, since these definitions remain open to debate, we encourage you to keep an open mind for the time being. We will be looking at various aspects of entrepreneurship throughout the book, so you can build up a clearer picture of each term as time goes on.

Policy-makers are one of the groups searching for a clear definition of our key terms. The Organization for Economic Cooperation and Development (OECD) and Eurostat commissioned researchers to produce a set of definitions, in order to collect better statistics on entrepreneurial activity in OECD member states and around the world. The research team reviewed the entrepreneurship literature and agreed on the following definitions (Figure 1.1):

Figure 1.1 OECD–Eurostat entrepreneurship definitions

- **Entrepreneurs** are those persons (business owners) who seek to generate value through the creation or expansion of economic activity, by identifying and exploiting new products, processes, or markets.

- **Entrepreneurial activity** is enterprising human action in pursuit of the generation of value through the creation or expansion of economic activity, by identifying and exploiting new products, processes, or markets.

- **Entrepreneurship** is the phenomenon associated with entrepreneurial activity.

Source: OECD–Eurostat (2009: 6).

These definitions are clear and concise. However, for the purposes of this book, we require some broader, and slightly more elaborate, definitions. For example, while we can agree that entrepreneurial activity is about 'enterprising human action in pursuit of value', our definition of entrepreneurs will extend beyond conventional commercial business owners to include the 'social value' generated by social entrepreneurs and social enterprises (NB social entrepreneurship was excluded from the OECD definition because the organization is mainly concerned with commercial enterprise). The following paragraphs review the four key terms, highlighting some of the main differences of interpretation you are likely to encounter:

- **Entrepreneurs** Everyone thinks they know who entrepreneurs are. We all carry around in our minds images of some larger-than-life figures, who have founded several companies and accumulated small (or in some cases, not-so-small) fortunes in the process. Yet the term 'entrepreneur' is used in a number of ways. For example, in North America, it is often applied to anyone who owns their own business. In this interpretation, the 25-year-old multimillionaire Internet tycoon and the 65-year-old, semi-retired owner of a small painting and decorating business can both claim the title, 'entrepreneur'. Another problem with the term is that some people who meet the criteria reject the 'label', while others argue that it only applies to a very small elite of highly successful serial (i.e. repeat) entrepreneurs. Despite these limitations, there is clearly a role for individual entrepreneurs, as people with an identifiable role in founding and developing organizations that generate economic value. For the time being, we can adopt a modified version of the OECD–Eurostat wording as a working definition of entrepreneurs. The modification incorporates the creation of social value that is associated with successful social enterprises:

  > **Entrepreneurs** *are those persons who seek to generate economic and social value through the creation or expansion of economic activity, by identifying and exploiting opportunities for new products, processes, markets, and for meeting outstanding social and environmental needs.*

- **Entrepreneurial activity** What do we mean by 'entrepreneurial' activity? Founding any new small firm or social enterprise can be seen as an entrepreneurial act, but once established the founders of these organizations do not engage in what we would consider to be 'entrepreneurial' activities. They continue to undertake a similar amount and type of work, and may even actively resist opportunities for further growth in the scale or scope of their operations. In addition, they may not actively seek out new contacts to add to the core management team or to the wider network of people and organizations that surrounds their organization. The OECD–Eurostat definition appears to recognize this distinction between entrepreneurship and the ongoing management of an existing small firm. We can therefore adopt the definition, again with a minor modification to incorporate the activity of social entrepreneurs:

  > **Entrepreneurial activity** *is enterprising human action in pursuit of the generation of economic and social value through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets, and by meeting outstanding social and environmental needs.*

- **Entrepreneurship** As the OECD–Eurostat definition suggests, this word is normally used to describe the activity undertaken by people that we have previously labelled as entrepreneurs. However, entrepreneurship is not simply about the actions of such individuals. Clearly, individual entrepreneurs play a central role in the process. However, as we will see in the Part Two chapters, the entrepreneurship process extends beyond the individual, to involve other levels of analysis. These include teams, organizations, social and inter-organizational networks, and institutions (e.g. rules and regulations, cultural norms). From this perspective, the OECD–Eurostat definition looks rather limited in scope, since it only appears to refer to the activity of entrepreneurs. Our modified definition indicates that entrepreneurship is what researchers have termed a 'multi-level' phenomenon:

  > **Entrepreneurship** *is the phenomenon associated with entrepreneurial activity. It involves a complex pattern of social interactions that extends beyond individual entrepreneurs to incorporate teams, organizations, networks, and institutions.*

- **Enterprise** This term is often found in discussions alongside entrepreneurs, entrepreneurial activity and entrepreneurship. Though this English word is clearly derived from the same French source ('*entreprendre*'), a great deal of time and effort has been spent in attempts to differentiate it from the others. Another complication arises because the meaning of the word 'enterprise' differs depending on whether it is being used as a noun or an adjective. As a noun (i.e. to name something) the word is used to refer to a particular business venture. For example, farmers talk about each of the commercial activities that they engage in, such as raising sheep, growing wheat, or running a farm shop, as a separate enterprise. The term 'SME' refers to **'small and medium-sized enterprises'**. Another use of the noun is in referring to an organization such as Café Direct as a social enterprise. When used as an adjective (i.e. to describe something), the word 'enterprise' has a much broader meaning. Perhaps the commonest use of the term in recent years has been with reference to the 'enterprise culture', which was promoted by countries such as the United States and the United Kingdom in the late twentieth century, and which has since extended its influence around the world (Lewis 2000; Della-Guista and King 2008). This is a topic that we will return to in later chapters. Confusingly, there is also a widespread idea that individuals may be 'enterprising', in the sense of being adventurous, dynamic, taking the initiative, and making their mark on the world, without necessarily being involved in any entrepreneurial activity as previously defined. Examples might include a polar explorer, a performance artist, or a human rights campaigner. To avoid confusion, we are going to restrict our use of the expression 'enterprise' to the following three working definitions:

  > **An enterprise** *is an alternative term for a commercial organization or firm, as in the expression SME (i.e. small and medium-sized enterprise).*

  > **A social enterprise** *is a trading organization that serves a social purpose, and which can take a variety of legal forms, including co-operative, a limited company, and a community interest company.*

  > **The enterprise culture** *is a political project designed to encourage an increase in entrepreneurial activity and a corresponding decrease in the role of the state in regulating and intervening in the economy.*

1.2.3 **The range and scope of entrepreneurial activity**

Throughout this textbook, you will encounter different varieties of entrepreneurship. It is important to recognize that there is more than one way of acting entrepreneurially. As a consequence, the world of entrepreneurship is not exclusive: it is open to a very wide range of people. There are three main sources of variety: the way entrepreneurial activity is organized, the context in which it takes place, and the goals that it pursues:

- **Organization** Entrepreneurial activity can be organized in a variety of ways. The commonest image is probably that of a limited company, with shareholders investing in the business, and the entrepreneurs agonizing about how big a share of their company to 'give away' to the investors. However, many small start-up ventures are unincorporated; in other words, they do not have a separate legal identity. Though they may subsequently be converted into a company, a large proportion of the small firm population will remain unincorporated for the whole of its existence, along with most of the self-employed. A great deal of entrepreneurial activity takes place in existing organizations in the commercial, public, and voluntary sectors. This activity, often termed **intrapreneurship** or corporate entrepreneurship mostly takes the form of a semi-autonomous group (e.g. an internal venture team), operating within the overarching structure of the parent organization. Social enterprises can also be set up in different ways, ranging from small unincorporated organizations operating locally, to more formal legal structures, such as a 'Community Interest Company' (CIC), a company limited by guarantee, or a more conventional limited company.

- **Context** Entrepreneurial activity can take place in many different settings. For example, it might take the form of artisan (i.e. craft) production in a remote rural community in Pakistan's Khyber Pakhtunkhwa region (Case 11.1); applied health research in a regional **cluster** (Case 8.4); or a charity addressing inner city social housing and behaviour needs (Case 7.4). There are also many examples of community-based entrepreneurship, in which the role of the 'heroic' individual entrepreneur is less important than the energy and inspiration that comes from communal action (e.g. Tracey et al. 2005) In each example, it is possible to find some common entrepreneurial features. However, the context is also likely to exert a powerful influence on the kind of activity that occurs, and the potential for growing it into a successful venture.

- **Goals** Entrepreneurial activity can be inspired by the pursuit of some radically different goals. For example, a team of university scientists may be motivated by the opportunity to launch an innovative pharmaceutical product. If the product is successful, it may save or improve the quality of many lives. In addition, the commercialization of their intellectual property may also provide the scientists with considerable personal wealth. In contrast, a group of social entrepreneurs may be motivated by the prospect of using an innovative technology to help empower young disabled people; having decided to adopt a not-for-profit legal form, the founders will have no prospect of creating personal fortunes from their idea, even if it subsequently grows into a large and very successful organization. At the other extreme, there are countless examples of entrepreneurial activity in the world of organized crime, whether it be protection rackets, drugs smuggling operations, Internet

pornography, or prostitution. Here, the primary motivation is likely to be financial gain, with some secondary goals such as maintaining influence among powerful local figures (e.g. politicians, police forces) and possibly some attempt at securing community support.

Having discussed some of the key terms and mapped out the scope of the field, it is time to consider how to learn more about entrepreneurship. In the next section, we introduce the distinctive approach adopted in this book.

1.3 Exploring entrepreneurship: our approach

1.3.1 Introducing the two part approach

In Part One of this text, we are focusing on the process of developing a new venture, from the initial generation of an idea/opportunity to the stage when it is converted into a fully worked out venture proposal that can be presented to potential investors, financiers, or sponsors. In Part Two, we look at some of the broader questions about what entrepreneurship is, how it works, and what it can achieve. So why are we taking this approach? We begin by considering the new venture creation activity, which forms the basis for Part One. All new ventures have to go through a process in which a 'raw' idea is refined into a coherent proposal. There is a lot of work to be done, and a lot to learn, in order to maximize the chances that a venture:

- Responds to an attractive market opportunity or real social/environmental need;
- Has the potential to add greater economic and/or social value compared to existing offerings and rival proposals;
- Can be achieved operationally in a cost-effective way;
- Is based around a realistic business model that is capable of attracting the financing required to achieve its growth targets;
- Is being delivered by a capable and credible **entrepreneurial team**, with access to any necessary external expertise.

Creating a new entrepreneurial venture, even for the purposes of an exercise, is a very demanding task. One of the main challenges is to handle, and to integrate effectively, information and resources from several different fields (e.g. marketing, operations, human resources, accounting, and finance). You may have some experience of integrating in other courses (e.g. when analysing a strategic management case study). However, a new venture creation exercise presents you with a much more open-ended challenge. In most cases, you begin with a blank sheet of paper. Your task is to identify a need/opportunity in the outside world and to assemble a working solution in the form of a comprehensive venture proposal that can be defended in front of an audience of potential investors. Your venture proposal will typically be developed by a team of students, and written up as a business plan, possibly combined with a face-to-face presentation or a poster session. You can also complete the exercise working on your own. This will involve more work, but at least there is less scope for argument.

1.3.2 **Part One: can you 'learn' to be entrepreneurial?**

Part One of this book is focused on the practice of entrepreneurship. The focus on practice reflects our belief that entrepreneurship is something you can learn about, through direct personal experience and from the experiences of others. Some people argue, often in very forceful terms, that entrepreneurs are 'born' not 'made'. As entrepreneurship educators, you would not be surprised to hear that we take a different view – to quote the words of a popular management writer:

> *Most of what you hear about entrepreneurship is all wrong. It's not magic; it's not mysterious; and it has nothing to do with genes. It's a discipline and, like any discipline, it can be learned.* (Drucker 1982: 143)

Peter Drucker is correct in arguing against a simple genetic link to entrepreneurial success. However, your prospects of embarking on an entrepreneurial career will be affected to some extent by the place and time you are born, as well as by the people who surround you in your early years. It is also true that you will never become a successful entrepreneur simply by reading a book, or taking part in a new venture creation exercise. There is an ongoing debate about learning and teaching 'for' entrepreneurship (i.e. developing entrepreneurial skills and attitudes) and 'about' entrepreneurship (i.e. understanding of entrepreneurship as a social phenomenon) (e.g. Levie 1999; Kirby 2004). Though this is a useful distinction, our experience is that **entrepreneurial learning** can be deeper and more creative if the two aspects are integrated to some degree. By 2010, more than two-thirds of colleges and universities in the United States were teaching entrepreneurship across all faculties (Whitford 2010). It is widely accepted that a combination of practical exercises, study, and critical reflection can be a good way to open up your thinking about entrepreneurship. And where might those thoughts lead you in a few years' time? Over the years, we have heard from many former students who have gone on to set up their own commercial and social enterprises, and from others who are either working in 'entrepreneurial' roles within existing organizations, or are engaging with entrepreneurs as suppliers, customers, policy-makers, financiers, or consultants. In the closing case, we catch up with four recent graduates in order to find out about their experiences (Case 1.4).

1.3.3 **Part One: chapter structure and contents**

The Part One chapters draw on examples of successful ventures, and feature the voices of real entrepreneurs, talking about their experiences. Chapters 2 to 8 have a standard format. Each chapter begins with a short opening case, which sets the scene for the chapter, followed by two further mini cases, which explore the main chapter themes in more depth. Explanatory text and useful frameworks help draw the key learning points from each case and set these in the context of the chapter. At the end of each chapter, there is a critical incident case, which draws on original interviews with entrepreneurs. In the book, we 'freeze' the action at a critical moment, allowing you to consider the choices open to the entrepreneurs at an important stage of their enterprise's development. In order to find out 'what happened next', you can refer to the companion website. Each Part One chapter builds on the previous one

to take you, as a prospective entrepreneur, from an initial vision to a concrete venture. In Chapter 2, we start with an overview of the challenge of turning an entrepreneurial vision into a coherent new venture plan and how it can be expressed as an **opportunity business model**. Subsequent chapters explore various aspects of that challenge: Chapter 3 – identifying and shaping **entrepreneurial opportunities**; Chapter 4 – providing leadership; creating teams and networks; Chapter 5 – analysing **markets** and **industries**; Chapter 6 – designing and managing operations; Chapter 7 – financial forecasting and planning; Chapter 8 – raising finance. In other words, everything you are likely to need in order to begin the process of exploiting an entrepreneurial opportunity. Opportunity business models will provide you with a structured way of doing this. Put simply, opportunity business models are about the proposition, people, place, process and profit of the new venture or the system of what the venture is about, where it will operate, who will make it happen, how they will do it and all importantly why. That means not just the financial return but the alignment of the venture to wider values as expressed by the entrepreneur, their enterprise and the society at large (Figure 1.2).

Figure 1.2 Chapters 2 to 8: structure and dimensions

Chapter	Title	Opportunity business model dimension	System dimension
3	Opportunities: nurturing creativity and innovation	Proposition	What
4	People: leading teams and networks	People	Who
5	Markets: understanding customers and competitors	Place	Where
6	Processes: controlling operations and technologies	Process	How
7	Accounts: interpreting financial performance	Profit	Why
8	Finances: raising capital for new ventures		

The final Part One chapter (Chapter 9) adopts a different approach. It traces the entrepreneurial journeys of several very successful entrepreneurs. What begins to emerge from these stories is a strong sense of what might be termed '**entrepreneurial thinking**', and how it relates to the entrepreneur's background, personal attributes, experiences, networks, and personal values. The reference to 'values' might sound surprising, but throughout Part One we will see how values are at the centre of entrepreneurial activity in the twenty-first century. Of

course, financial returns are still important for any entrepreneurial venture, but increasingly we find that enterprises with social purpose or dimension, which is often being driven by the values of individual entrepreneurs.

In summary, Part One provides you with an opportunity to improve your own entrepreneurial thinking by taking you through the stages of idea generation, expressing these as 'opportunity business models', recognizing which opportunities can be exploited in enterprises and analysing the market context for the new venture. It is imperative to recognize that this is not a one-off process but a continuous cycle of entrepreneurial learning about yourself and your new enterprise (Figure 1.3).

However, the structure of Part One is not meant to imply that entrepreneurship practice can be reduced to a straightforward linear process. It is not simply a series of predictable steps that can be reproduced in any situation – like replicating a formula. In fact, entrepreneurial thinking is essentially a learning cycle (Mumford 1997; Cope and Watts 2000; Corbett 2005). Furthermore, it is a learning cycle that accelerates rapidly as soon as you begin to engage in any kind of entrepreneurial activity. This might also go some way to explaining why successful entrepreneurs can become serial entrepreneurs (e.g. Cases 3.4, 5.4, 9.1, and 9.3).

Books need to be structured in some kind of logical sequence. However, real life – including the practice of entrepreneurship – is not so straightforward. So though it may be necessary to structure our exploration of entrepreneurship in a linear way, the reality (or 'lived experience') of the entrepreneur is rather different:

- **The reader's image** In order for us to explore the subject in a clear and coherent way, that fits academic timetables and also works in book form, we had to set up some logical structures and building blocks (e.g. the chapters covering discrete subjects and the models with their distinct dimensions and drivers).
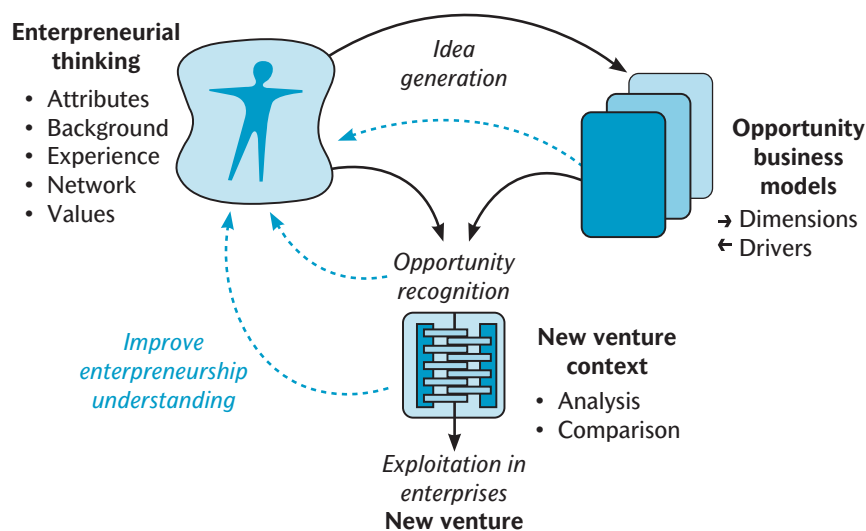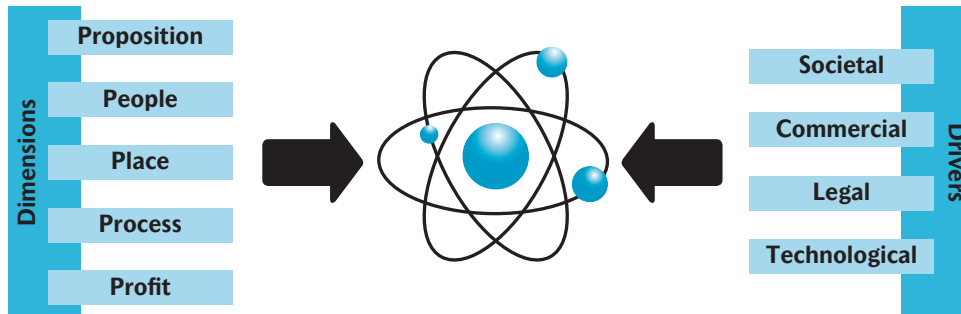
Figure 1.3 Entrepreneurial learning

Figure 1.4 An atomic metaphor for entrepreneurship

- **The practitioner's image** The practical reality for the 'real-world' entrepreneur is quite unlike the solid and regular building blocks of a textbook. As the cases have indicated, the experience is often much more challenging, and rather like riding a bicycle while simultaneously juggling several plates of jelly.

Entrepreneurial practice involves all of the activities we will discuss in the Part One chapters. Each of these activities influences the others (e.g. marketing decisions affect financing, and vice versa), and they continue to circle around an opportunity that is itself in motion, continuing to evolve as you move towards the creation of your venture. In other words, entrepreneurship is not so much a simple linear process as a series of dynamic, interrelated activities, closer to the traditional image of electrons (dimensions) orbiting a nucleus (vision) that are constantly being buffeted by external forces (drivers) (Figure 1.4).

Our atomic metaphor may still sound rather abstract and remote from reality. In Case 1.2, we return to the 'real world' of entrepreneurial practice to hear from several entrepreneurs about their own experience of entrepreneurship.

Case 1.2 The entrepreneur's story

We spoke to varied group of entrepreneurs to find out about their ventures and how they dealt with a particularly difficult challenge. For this introductory case, we also asked whether they had some advice for anyone following in their footsteps as an entrepreneur. The key themes that emerged included: (a) values and principles; (b) commitment and conviction; (c) partnerships with people; (d) having fun! You can find more about these entrepreneurs in the Part One chapters and the Online Resource Centre:

Helen Child co-founded a new financial transactions company. In Chapter 1, she reflects on the company's first decade of success. Helen used many of the skills she gained in her earlier career to grow the new venture. How have these contributed to its success?

Have a huge amount of energy and a huge amount of drive. You will need to work long hours to make sure that that you deliver at every single level.

Mark Robinson was an experienced manager who became convinced there was an opportunity for a strategy mapping application. In his Chapter 2 he prepares a new venture plan for presentation at a board meeting. How will they respond?

> *How committed are you about it? If you really want to do it and you are passionate about it you will definitely make it but don't be half hearted about it.*

Lucy Nicholson built a successful delicatessen and wanted to expand her business operations. In Chapter 3 she dreams of opening a café or restaurant, providing outside catering services or running a cookery school. When the shop next door becomes vacant what should she do?

> *Can you really commit yourself 110%? Because if you can't it is not the business for you. Keep changing, keep it fresh, and keep it vibrant. Recognizing empowering other people is a fantastic, fantastic feeling.*

Victoria Tomlinson reached a crossroads in her public relations company's development. In Chapter 4 she faces the loss of her biggest customer. Was this an opportunity to downsize, change the way the company worked, or simply sell it?

> *A huge amount of business is about values. We set-up with a number of really core values. Honesty is probably the most fundamental.*

Tim Lockett was the managing director of his own healthcare distribution business. His business strategy was simple: use new technology to provide the most efficient and cost effective service possible. In Chapter 5 he hears rumours that his previous company had lost a big contract and was in difficulties. Should he try to buy it or simply walk away?

> *Everybody says it, but people are the key to your business. If you find the right support staff . . . the right partners, in every sense of the word, who will work with you. People are absolutely fundamental.*

Adnan Awan had grown his office supplies company in just over two years. In Chapter 6 we find out how his small team established strategic relationships with manufacturers, wholesalers, and national carriers. His simple information systems proved to be a barrier to growth and with a large contract available what should he do?

> *Little things make all the difference from any business point of view. Perception is everything.*

Steve Woodford founded and led a 25-year-old charity that provided support to homeless people. In Chapter 7 we find out why he needed to better understand the real impact his organization was having on 'social exclusion' and why they needed to demonstrate value for money. But how could they measure these factors?

> *It is the concept of partnership. There is a different set of values that drives you. Come to work because you feel that you are making a difference, a positive contribution and sometimes . . . it is a bit of fun.*

Neil Meredith had successfully taken his innovative new dental implants venture through nearly 10 years of continuous growth. In Chapter 8 we hear why the investors were keen to strengthen and restructure the board. Was he the right person to lead the company?

I respect everybody who works for us and every job that they do. I think that is very important. Having fun and meeting interesting people.

Jonathan Hick With such a long history of entrepreneurs in his family perhaps it shouldn't be surprising that Jonathan should become a successful serial entrepreneur. In Chapter 9, he reflects on whether his family background was a help or hindrance.

Never ever, ever, give up on it. Bring in one or two people who have seen it done it before, either in that sector or a business generally. Listen to their advice and let them help you. You can't do it all on your own.

Steve Pankhurst simply had a good idea, which after many trials and tribulations, emerged as one of the first commercially successful online social networking communities. In Chapter 9, we see that after just five years it was sold for £120 million. But what motivates him now?

I always like to have fun. Don't let it get you down too much. Don't get 'corporate' or the money will take over. Stick to your principles and have fun that is the important thing.

Deirdre Bounds launched what was to become a highly successful ethical travel company, which she sold just 10 years later for £14 million. In Chapter 9, we find out how the sale of the company fuelled other social, ethical, and charitable activities. What opportunities should she exploit next?

Success in any enterprise . . . is down to the would-be entrepreneur. Whatever it is you are going to sell . . . first of all make it unique. Have a really deep and safe conviction in yourself that this will work and you will make it work.

An explanatory note on the featured cases

Many of the case studies presented in this book, including all those introduced in Case 1.2, are based on personal interviews with the entrepreneurs concerned. In some instances, we have also spoken to other people connected with the organizations and drawn on secondary data sources. Where possible, we have provided links to the organizations' websites and to other useful sources. You are encouraged to visit the websites of the featured organizations, and to search for related media coverage. However, please do NOT attempt to contact any of the featured individuals or organizations directly. Smaller ventures in particular are not in a position to deal with large numbers of student enquiries. If you are researching organizations as part of an assessed assignment, please discuss this issue with your tutor. The Critical Incident cases were written by Nigel Lockett. Other cases were written by Nigel Lockett or Richard Blundel, as indicated. These cases are not intended to illustrate either effective or ineffective handling of management situations. The authors may have disguised certain names, locations, dates, and other identifying information to protect confidentiality.

1.4 Researching entrepreneurship

1.4.1 Part Two: critical reflection and new perspectives

The Part Two chapters and guided further reading are designed to help you to extend your understanding of entrepreneurship as a phenomenon. The idea is to integrate your own direct experience, the indirect experiences of 'real-world' entrepreneurs, and the extensive body of academic research into entrepreneurship. Entrepreneurs often know a great deal about the specifics of their own venture and probably about their own industry. However, there is also something to gain by broadening your perspective. The case for learning 'about' entrepreneurship can be illustrated by a short anecdote. A few years ago, the admissions tutor at a leading business school was surprised to receive an application for their MBA course from a self-made millionaire. At the interview, she could not resist the temptation to pursue the issue further. With a polite smile she said, 'Though of course we're delighted that you will be joining us, to be quite honest, we're not quite sure why you feel the need to study for a management qualification, given your past success.' The millionaire shrugged and replied, 'Well, that's just it. Of course I know *that* I have been very successful, and I have some ideas about *how* I was successful. Now I'd just like to understand a bit more about more about the reasons *why*.' The Part Two chapters explore entrepreneurship from a number of different perspectives. Chapter 10 provides a more detailed introduction to the approach adopted.

1.4.2 The research challenge: handling different kinds of knowledge

People use many different kinds of knowledge to help them engage in, and to better understand, entrepreneurship. As a student, you are likely to be drawing on a wide selection of sources during your studies in search of ideas, evidence, and inspiration. These might include some or all of the following:

- **Business plan guides** and related practical advice (e.g. law, taxation, employing staff), usually found in popular 'start your own business' books and in brochures or downloads from banks and business support agencies. See the further reading guide for examples.

- **News stories,** analysis, and comment about aspects of entrepreneurship found in newspapers and broadcast media, often available via websites. Also coverage in specialist media related to your venture (e.g. *Hotel and Catering Weekly* if you are interested in establishing a restaurant or *Farmers Weekly* if you are considering an agricultural enterprise).

- **Research reports and briefings** produced by government agencies and non-governmental organizations (NGOs) involved in supporting entrepreneurs, often also available via websites. Also industry and market research reports related to your proposed venture.

- **Articles in peer-reviewed academic journals** such as *Entrepreneurship Theory and Practice*, *Entrepreneurship and Regional Development*, and the *International Small Business Journal*, which are usually available in electronic form.

- **Academic books and book chapters** also contain research findings.

- **Academic textbooks** (and this one in particular!). Also lecture notes, slides, and other supporting materials, which may be available in hard copy or in electronic formats.
- **Documentaries** that feature entrepreneurial activity, which may take the form of films, television programmes, and web-based video clips.
- **Autobiographies or biographies** of entrepreneurs and historical studies of companies and industries, still mostly available in book form (NB short biographies of entrepreneurial founders and short organizational histories can often be found on websites under headings such as, 'About Us').
- **Fictionalized accounts** of entrepreneurial activity in novels, films, plays, and television programmes.
- **Advice and personal anecdotes** from people who are directly involved in entrepreneurial activity, such as guest lecturers, relatives, and friends.
- **Your own personal experience** of entrepreneurial activity, perhaps gained during a youth enterprise competition, from setting up your own entrepreneurial venture, or from observing one as an employee or customer.

The kind of knowledge you will find in these sources ranges from the abstract, wide-ranging and often inconclusive findings produced by academic researchers to the concrete, context-specific, and often very strongly worded advice given by experienced entrepreneurs. Each of these sources can help you to a better understanding of entrepreneurship. Some types of knowledge are going to be more useful than others, depending on your immediate aims. However, in the world of entrepreneurship, it is usually a mistake to ignore either the more 'practical' or the more 'academic' sources entirely. For example, while working on a new venture creation activity (either 'for real' or as part of a business simulation or competition), it certainly makes sense to concentrate on the more 'practical' types of knowledge, such as those found in Part One of this textbook. These activities are usually fairly intense and pressured, so you may think that it is a waste of time to read anything other than a few 'how-to' guides to financial forecasts or marketing plan. Think again! Some of the best new venture ideas we have come across were, at least in part, the product of students pushing themselves beyond the 'safe' territory of the business plan guide. Here is an example of what we mean:

- Members of the student venture team *Smoky Phoenix* gather in the local coffee shop. It is already week five of the project and everyone is feeling depressed. The team has come up with a few venture ideas, but everyone realizes that they are uninspiring – neither innovative nor with much in the way of growth potential. 'Yeah, but who cares?' says Jonas, 'all we need is a "pass".' At that moment, Sarah, the last team member rushes in and throws a book on the table. It is the biography of a Japanese technological entrepreneur. 'I've got it!' she shouts. 'Got what?' says Jonas, as Sarah collapses on the sofa. 'Look at this . . .', she flicks to the photos in the middle of the book, '. . . these people created the world's first mobile capsule hotel.' Jonas frowns and sipps his double espresso, 'Nah, I don't get it' he adds. Sarah patiently explains her idea: taking the Japanese example as inspiration, the team could create a truly innovative product for the European market, targeting music festivals and other outdoor events. The rest of the team looks convinced, but Jonas is still mumbling to himself: 'I still think we should go with the T-shirts.'

Similarly, when writing a more academically oriented piece of work, such as a dissertation researching an aspect of entrepreneurship or an essay reflecting on your experience while participating in a new venture creation activity, you are likely to focus on academic journal articles, academic books, government reports, and the kind of material that is covered in Part Two of this textbook. These are the best places to locate the concepts, models, and theoretical frameworks that are essential if you are going to structure and make some sense of the empirical evidence (e.g. research findings you have collected for your dissertation or notes from your personal diary that form the raw material of your reflective essay). In these situations, focusing on high quality academic sources is basically a sensible choice. However, it would be unfortunate if, in an effort to appear suitably 'serious', you were to ignore the less formal sources entirely. The key here is to select and apply the different sources in ways that fit with your basic purpose. Consider the following example:

- Katerina is drafting her dissertation in the area of gender and entrepreneurship. She has downloaded more than 60 journal articles, and has a large pile of research monographs on her desk. She has written these up as a rather generic (i.e. unfocused) draft literature review on the subject of public perceptions of female entrepreneurs, but is not sure what to do next. She goes to see Emma, her supervisor: 'OK' says Emma, 'I can see you have done a lot of work here, but how are you going to make it distinctive? Have you identified any useful personal contacts?' Katerina thinks for a moment. 'I haven't been able to secure interviews with anyone, so I don't know what to do.' 'Have you found any other sources of evidence?' asks Emma. 'Well, I did find this discussion thread on a women's enterprise support website . . . but I didn't think it could be used – I mean, it's just a lot of women entrepreneurs stating their opinions.' Katerina shows her supervisor the discussion thread. Emma sits back in her chair and smiles, 'Yes, exactly, and if you treat it in the right way – I mean as raw data that you can analyse – those opinions could be very useful indeed.'

We return to the theme of knowledge in Chapter 10, with a more detailed review of the academic literature and how it can best be used (Section 10.3). By way of an introduction, Case 1.3 offers an insight into entrepreneurship from the researcher's perspective.

Case 1.3 The researcher's tale

We spoke to five leading entrepreneurship researchers to find out about one of their recent research projects. We asked about the reasons why they had selected particular questions, how they had conducted the research, what they saw as the key findings, and what they thought about the current state of their academic field. For this short introductory case, we also asked them whether they had any advice for anyone setting out to study the subject. You will find longer profiles of the featured researchers in the Part Two chapters:

Boris Blumberg is an associate professor based at the University of Mäastricht, in the Netherlands. Boris has used economic research methods to examine entrepreneurship and other areas of organization, including the role of networks. He is also the co-author of a popular textbook on business research methods. In Chapter 11 he talks about his research on credit rationing by finance providers and how this impacts on start-up ventures.

Jason Cope is a senior lecturer at the Hunter Centre for Entrepreneurship, University of Strathclyde, Glasgow, Scotland. Jason's research interests include: how entrepreneurs learn and develop in conjunction with their ventures, the role of critical events and traumatic episodes in stimulating entrepreneurial learning, the socially situated nature of entrepreneurial practice. In Chapter 12, he talks about how entrepreneurs are able to learn from their failures, and what this means for the development of new ventures.

Helle Neergaard is an associate professor at Aarhus School of Business, Aarhus University, Denmark. Helle's research interests include growth, human and social capital, self-efficacy, effectuation, identity and gender, female business owners, leaders and entrepreneurs. In Chapter 13 she discusses her research on women's distinctive approaches to entrepreneurship.

Mary Rose is Professor of Entrepreneurship at the Institute for Entrepreneurship and Enterprise Development, Lancaster University, England. Mary's research interests include innovation and entrepreneurship, path dependency and innovation, leadership succession in business, family firms and business culture. In Chapter 14 she talks about her research on technological innovation and mountaineering, including the key role played by entrepreneurs in the outdoor clothing and equipment trade.

Friederike Welter is a professor based at the Jönköping International Business School, Sweden. Friederike's research interests include: entrepreneurship and small business development and entrepreneurial behaviour in different regional contexts, women's entrepreneurship and enterprise support policies. In Chapter 15 she talks about the role played by entrepreneurship policies in transforming the so-called 'transition' countries of central and eastern Europe.

Our question to the researchers was, 'what advice would you give to someone who wants to explore entrepreneurship in greater depth?' As there was considerable agreement regarding the best advice, we have summarized their responses. Firstly, the researchers emphasized that entrepreneurship is a vast subject, so it is a good idea to begin by getting a broad overview of the main research themes and approaches. Follow up with a more focused review any areas that are of particular interest. You can do this by searching journals and specialist research books. Electronic journals are particularly useful, as they can usually be accessed quite easily, and have the facility to search on keywords. Look out for prominent authors – you will start to see the same names appearing – and take a look at their web pages. These are often a useful source of more recent material, including some conference papers that might be downloadable. Lastly, try to combine your academic study with some direct engagement with 'real-world' entrepreneurs. Look out for any opportunities to meet entrepreneurs at events (e.g. visiting speakers, conferences, exhibitions, and trade fairs), and see if you can make any entrepreneurial connections through your family, friends, and acquaintances.

✳ 1.5 Summary

➤ Entrepreneurial activity is a complex and powerful phenomenon. It has positive and negative impacts on economies, societies, and the natural environment. For these reasons, it is well worth exploring entrepreneurship in greater depth, whether you are an existing or prospective entrepreneur, someone who engages with entrepreneurs, or simply someone who is interested in how the world works.

➤ Entrepreneurship is a slippery concept. The four core terms, 'entrepreneur', 'entrepreneurial', 'entrepreneurship', and 'enterprise' are each open to different interpretations. In order to avoid confusion it is important to: (a) recognize the different meanings that other people attribute to these terms; (b) make your own definitions and assumptions clear.

➤ Entrepreneurial activity can be organized in a variety of ways (e.g. an unincorporated start-up venture, an independent social enterprise, a quoted company). It can also take place in diverse contexts (e.g. a remote rural community, a university science park, a suburban garden shed), and be used in pursuit of radically different goals (e.g. launching a innovative pharmaceutical product, empowering young disabled people, creating a personal fortune for the entrepreneurial founder).

➤ This textbook adopts a distinctive approach to studying entrepreneurship. It encourages readers to develop their own capacity for entrepreneurial learning and critical reflection. The two part structure, and features such as the new venture creation activity, critical incident cases, and further reading guides, provide opportunities for you to integrate learning: (a) from your own experience; (b) from real-world entrepreneurs; and (c) from leading entrepreneurship researchers.

Case 1.4 Student entrepreneurs: where are they now?
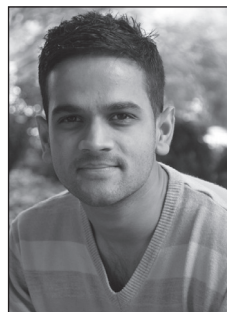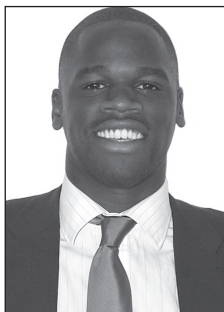
When you spend your days developing and delivering entrepreneurship courses, it is always interesting to discover what your students made of the subject. From time to time, we hear from former students who have gone on to set-up their own commercial or social enterprise, and others who have acted as 'intrapreneurs' in larger organizations. In some cases the new venture is based directly on a concept that the student had first developed in class, as part of a new venture

creation exercise. However, in most cases, the student project is simply a 'practice-run' for an entirely different venture. To prepare this case, we got in touch with four fairly recent graduates. We asked them to talk about (i) what first got them interested in entrepreneurship; (ii) what ideas they considered at university; and (iii) what suggestions they would give students. Edwin, Rajeeb, Lucian, and Hermione all had different experiences but share the ability to spot and exploit an opportunity, show commitment and determination, have their own values, and also seem to be having fun! They seemed to get a taste for it or, as Lucian described it, 'Entrepreneurship is like the God's Ambrosia – it is the milk that tastes so good nothing quite compares. Once you try it there is no going back – life outside of entrepreneurship just doesn't seem quite so much fun.' Perhaps not surprisingly the share many of these characteristics with the successful entrepreneurs interviewed for Case 1.2.

Edwin Broni-Mensah (www.givemetap.co.uk)

What first got you interested in entrepreneurship?

While at university I was set on entering investment banking, until I was approached by a friend, Alex Ofosu-Adjei, to join be a director in his start-up Origin Signed (www.originsigned.co.uk). This taste of entrepreneurship was enough for me to know that entrepreneurship was fascinating, challenging, and above all so much fun!

What ideas did you consider at university?

The mathematician in me was always coming up with new solutions to problems. My first business idea was to help student entrepreneurs connect better with angel investors using computerized algorithms via the website FreeMyIdea.com. In October 2009 I envisioned an innovative way for people to consume water on the go and have been developing this social enterprise ever since. The enterprise is called GiveMeTap (www.givemetap.co.uk) and enables users of a specially branded (recycled) aluminium bottles to obtain free refills of tap water from a network of cafes and restaurants across major cities – 70% of our profits fund independent water projects.

What suggestions would you give students at university?

University is a wonderful place where so many opportunities are available to students, though they are often not in your face. I would suggest that students hunt for all the schemes, competitions, and networks throughout their universities and most importantly join their respective enterprise society or create one if it does not exist yet. Once you have found these opportunities make sure you 'apply, apply, apply', as most students will not so your chances of success are dramatically increased!

Rajeeb Dey (Enternships.com)

What first got you interested in entrepreneurship?

I stumbled into entrepreneurship by accident. It stemmed from when I was 17 years old and decided to start an organization that would work to give school students a voice in their education. I launched the English Secondary Students' Association (ESSA) and set up www.studentvoice. co.uk. Having established ESSA I realised how fun and fulfilling it is to see an idea to come into fruition and now ESSA employs five people and numerous freelance staff and volunteers and works with thousands of students across England.

What ideas did you consider at university?

I joined the entrepreneurs' society, Oxford Entrepreneurs, in my first year at university and was constantly exposed to fellow entrepreneurial students and high profile entrepreneurs who I invited to come and speak at the society such as Lord Sugar, Sir Stelios, the late Dame Anita Roddick. I was very much thinking about enterprise and being inspired by entrepreneurial people at all times.

What suggestions would you give students at university?

Join your enterprise society, get involved with the committee and start creating your network of contacts early on. Do not underestimate the power of networking or reaching out to well-known people; even though you may be a student you'd be surprised by how receptive so-called 'celebrity' entrepreneurs/business figures can be towards approaches for advice by aspiring entrepreneurs.

Lucian Tarnowski (www.bravenewtalent.com)

What first got you interested in entrepreneurship?

I started my first business selling apples grown in my garden to my neighbours at the age of five. I have known since I can remember that I wanted to run my own business. To me, work is a hobby – it's a lifestyle. While at the University of Edinburgh I decided that I would begin testing the waters of entrepreneurship. I wanted to create something that people wanted, something that was game changing, something that benefited the lives of those that used it.

What ideas did you consider at university?

BraveNewTalent was not, however, my first attempt to start a business. I started by spreading myself very thinly, trying to start numerous different businesses. Later I learnt the importance of focus. While at university I had a difference business idea for every day of the week. Life is so full of opportunities and I wanted to execute on them all! A year after university I dropped all the other business concepts and focused in on BraveNewTalent – it had the most amount of potential. It is such a simple concept but it is surprising that there was nothing that built connections directly between employers and jobseekers.

What suggestions would you give students at university?

University is a great time and place to explore opportunities. Students don't have the same pressures to drive immediate revenue. This is also a unique time for Generation Y – for the first time in history the youngest people entering the workforce are an authority on something that really matters – technology, social media, and the web. We are innovating everything and are therefore in a good position to be starting businesses around the phenomenal change that technology is having in every sector and industry.

Hermione Way (www.newspepper.com)

What first got you interested in entrepreneurship?

My older brother had his own business from a young age, so I am very lucky to have been exposed to the entrepreneurial mind set at a young age, too. I have always been able to grasp concepts quickly and been able to see where innovation can simplify a process or spot where to do something in a

different way. Most of my business ideas come from me wanting to solve problems that I encounter in my daily life and thinking 'Why aren't they doing it like that?'

What ideas did you consider at university?

I started my first venture Newspepper.com during my second year of university. The idea was born out of anger and frustration over what my university were teaching me at a time when I was witnessing my industry rapidly changing. I was doing a degree in Journalism and was only being taught newspaper journalism, at a time when newspapers were (and still are) in decline and print was going digital. By the time I graduated my company was earning enough revenue for me to run it full time and I have been in business ever since and am about to start my third venture!

What suggestions would you give students at university?

There's never been a better or easier time to start a business and if you aren't open to entrepreneurship you will be left behind. Graduate unemployment has soared in the recession and the advent of the Internet is having an effect and changing industry across every sector. My advice would be to start a business while at university as you will have the resources and talent around you to start and the risk factor will be much lower at this time than during the rest of your life. I learned more in my first year in business than the entire three years of my degree taught me.

Source: In compiling this case, we are grateful for the assistance of the National Consortium of University Entrepreneurs (NACUE), a grassroots organization that supports and represents university enterprise societies and student entrepreneurs to drive the growth of entrepreneurship in the UK (www.nacue.com).

▶ Practical activities

1. How entrepreneurial do you think you are? Complete the questionnaire at one of the websites listed on the Online Resource Centre, or one recommended by your tutor, and obtain the results of the assessment.

@ **online resource centre** 'How Entrepreneurial Do You Think You Are?'

Do the findings reflect your own assessment of your entrepreneurial abilities and/or potential, and that of your friends and family? Do you think you can increase your capacity to act entrepreneurially by studying the subject in this way? Did these results affect your view?

2. What do the entrepreneurs say? Conduct a quick search for written accounts in which entrepreneurs talk about their experiences (NB you can use the Further reading guide and web links as a starting point). Select one account and find out about the person's motivations and how these have influenced the kinds of ventures they have created. You can use the following questions as a guide, but feel free to adapt them, or to add your own questions: (a) Why did you want to become an entrepreneur? (b) What kind of activities are you engaged in? (c) Who else is involved

in the venture? (d) What are your ambitions for the future? (e) What lessons have you learned along the way? Summarize your findings in the form of a 1,000 word report or a short presentation.

3. What's happening in your area? Conduct a web search of your city, town or region to identify: (a) five successful entrepreneurial ventures, including a mix of social and commercial enterprises; (b) five organizations encouraging or supporting entrepreneurship and enterprise-related activities, including commercial, public sector, and voluntary sector providers. Prepare a table, with summary information on each organization, including their history and objectives.

💬 Discussion topics

1. Why am I studying entrepreneurship? Based on previous experience, we guess that you are probably starting this exploration of entrepreneurship with one, or possibly several, of the following thoughts in your mind:

- I already consider myself to be an entrepreneur, but think it might be useful to fill some gaps in my experience or to 'test out' a venture concept;
- I definitely want to set up my own business but feel the need to gain some relevant skills and get some ideas for potential ventures;
- I am wondering if I have 'what it takes' to be an entrepreneur, and want to find out in a 'safe' environment.
- I want to know how entrepreneurship links into other subjects, such as strategy and economics (e.g. how it relates to economic growth and competitive advantage);
- I am mainly interested in the social and cultural aspects of entrepreneurship (e.g. the role of gender, ethnicity, family background);
- I am basically critical of entrepreneurship, and see it doing lasting damage to societies and the natural environment.
- To be honest, my main reason for selecting this course was: (a) someone recommended it; (b) it fits my timetable; or (b) there is no exam!

Spend a few minutes thinking through **your** reasons for studying entrepreneurship, then discuss with others. Is there a common pattern? Do you think your initial motivation might change as you study the subject further? Keep a record of this discussion, and refer back to it once you have completed your course and/or this book.

2. What does it take to be an entrepreneur? This chapter has highlighted the many different qualities that have been associated with 'being an entrepreneur', and the wide variety of activities that have been defined as 'entrepreneurial'. Prepare three lists stating what you consider to be the minimum requirements needed in order for someone to:

- be a prospective entrepreneur?
- act entrepreneurially?
- become a successful entrepreneur?

After completing your three lists, compare them and see if there are any differences. How did you identify these requirements? Retain your list and review it again, when you have completed most of the book and/or your course of study.

📖 Further reading guide

As you begin to explore entrepreneurship, you will find several different types of reading material, which you may find helpful for particular purposes. First, there are sources of practical information and advice, which can be combined with the information and advice given in Part One of this textbook. For example, Williams (2009) is a well-established guide to setting up a new small business, now published annually, while Yates (2009) is written by a serial entrepreneur and focuses on entrepreneurial start-up ventures. Allen (2007) does a similar job for those with an interest in setting up an ethical enterprise. These books reflect their UK origins to some extent (e.g. rules and regulations), so readers based in other countries may prefer to seek out local publications. Second, there are accounts of the lives of entrepreneurs, and of entrepreneurial ventures. Entrepreneurs' biographies and autobiographies can inform and inspire you. They can also contain useful advice, but do remember who is telling the story. Examples include Bannatyne (2007), Bounds (2009), Branson (1999, 2008), Caan (2009), Dyson (2003), and Grimson and Mitchell (2008). Third, there are introductions to entrepreneurship research. One of the best ways to approach this is through edited collections and handbooks. Of the former, we recommend Swedberg (2000), a collection of classic readings with a very informative introduction. The *Oxford Handbook of Entrepreneurship* edited by Casson e*t al.* (2008) covers many of the research approaches introduced in Part Two of this textbook. Another good source are the critical literature surveys, which appear from time to time in leading journals such as *Entrepreneurship Theory and Practice, Entrepreneurship and Regional Development, International Journal of Management Reviews*, and the *International Small Business Journal*. Additional suggestions can be found in the chapter and in other Part Two chapters.

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