Chapter 1

Family Business & Entrepreneurship

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The Concept

"As an entrepreneur, you're taking calculated risks, you're trying to do things differently than they have ever been done before" – *Richard Branson*

In the universe of micro and small enterprises, entrepreneurship, family business and self-employment are closely linked together. At the very least, the entrepreneur is an independent spirit and a risk taker. At the very best, he or she is a creator and innovator. While few owner-managers of family businesses could ever aspire to emulate Richard Branson's spectacular success, most could justly claim the distinction of being considered as true entrepreneurs, irrespective of the place they occupy along the entrepreneurial spectrum.

The concept of entrepreneurship has wide-ranging implications and has been the subject of numerous discussions and as many definitions. No single definition adequately encompasses the subject with all its ramifications. Entrepreneurship may be defined as the process by which a unique package of processes and skills are harnessed and implemented to successfully exploit a given business opportunity. The major characteristics most frequently used to define the nature of true entrepreneurs are: (1) risk-taking; (2) commercial initiative; (3) the ability to create new technologies, products and services (creativity); and (4) the ability to develop new ways of handling systems, products and services (innovation). Baumol (1993:2) defines the entrepreneur as:

"at once one of the most intriguing and one of the most elusive in the cast of characters that constitutes the subject of economic analysis... [I]n the writings of classical economists the appearance of this important figure was frequent, but shadowy, without clearly defined form and function".

This paper looks at the role that family businesses play within the local framework of an entrepreneurial and economic culture that, while expressing a need for enhanced entrepreneurial activity, often penalises entrepreneurial effort through unwarranted bureaucracy and lack of understanding of the day-to-day realities of business management experienced by micro and small enterprises that form the backbone of business activity in both developed and developing countries.

SMEs & Family Businesses

A 2002 Observatory Report of the European Commission states that in 19 countries of the European Economic Area plus the 12 EU accession states, there are some 26 million non-primary private enterprises of which 99% are crafts and small businesses employing less than 50 employees. Moreover, crafts and small businesses employ more than 53% of the EU workforce and are responsible for 50% of the EU total turnover (European Commission, 2002).

With few exceptions, family businesses generally fall within the category of micro-and small enterprises (UEAPME, 2002:2). Within the European Union these create 60 to 80 % of all new jobs every year. In the light of this scenario, family businesses are often said to form the backbone of economic activity within any country. They are hailed for their dynamism, their strong entrepreneurial spirit (especially for their disposition to take risks) and their resilience and ability to survive and thrive in often adverse economic and regulatory environments. The challenge is how to understand their needs, how to simplify their working environment so that they can grow and thrive and not just survive. Erkki

Liikanen, EU Commissioner for Enterprise and Information Society, has this to say of SMEs in a globalised environment:

"We are all aware of how rapidly the economy is changing the world in which we live. Attitudes and motivation, economic processes and structures, public perceptions and policy orientations are all constantly being redefined. This poses certain challenges to those of us who have to respond with new policy measures and practical assistance to SMEs. It cannot be any less challenging for entrepreneurs themselves, and for those who work in smaller enterprises" (Liikanen, 2002).

New entrepreneurs need to be well prepared before they venture into the world of business. Apart from having good business ideas, they need to develop good business plans and secure access to capital. Moreover, they need to be adequately trained in business management and properly supported when dealing with bureaucratic processes, ranging from permits to taxation.

Conscious of the challenges facing SMEs operating in a globalised market environment, the European Commission launched the Candidate Countries Business Environment Simplification Task Force (CC BEST) to encourage the creation of SME-friendly environments by removing unnecessary bureaucratic processes and by pro-actively facilitating the promotion of entrepreneurial activity through the provision of adequate training, access to capital and focused support programmes (European Commission, 2001). This initiative emerged as a direct result of the Charter for Small Enterprises adopted by the Member States at Santa Maria de Feira in June 2000 and subsequently ratified by the Candidate Countries in Slovenia in April 2002.

In April 2002, the Austrian Federal Chamber of Commerce hosted a seminar organised jointly by DG Enterprise and the Institute for Small Business Research (IFGH). The purpose of the seminar was to discuss the findings of a research study into the support services provided to various micro, small and sole proprietor businesses. The study throws some very interesting light on the state of affairs concerning support to micro and small enterprises in particular. In a nutshell, the study concludes that in most countries support policies have developed in a very haphazard manner, creating what Sonja Sheikh, co-ordinator of the project, terms as a "confused SME policy jungle" (Sheikh, 2002:4). In reality, the findings of this study revealed nothing new about the environment in which micro and small enterprises have to struggle for survival. It did, however, serve to dispel misconceptions that developed countries were better organised to serve the needs of these enterprises. It also helped to confirm the need for a more focused and user-friendly approach towards supporting SMEs and enhancing their competitiveness.

The upshot of all these initiatives has been a renewed collective consciousness to create a more user-friendly environment for micro and small businesses. This has been reinforced by a commitment undertaken by both EU member and candidate countries to implement measures and to report on the same on a regular basis. Malta's commitment in this regard is reflected in the work jointly undertaken by the Ministry of Finance & Economic Services, together with the Employment and Training Corporation (ETC) and the Institute for the Promotion of Small Enterprise (IPSE). The simplification of the trade licensing process by the Small Business Unit (SBU), the creation of specialised training programmes for first-time entrepreneurs by the ETC and the introduction of business incubation facilities and specialised programmes of assistance for start-ups by IPSE reflect a more focused and practical approach to the question of enterprise support.

In the near future, it is foreseen that most of these initiatives will be given an even bigger boost with the creation of Malta Enterprise that shall bring together the Malta Development Corporation (MDC), the Malta External Trade Corporation (METCO) and IPSE to create a sort of 'one-stop-shop' where enterprise support initiatives are better co-ordinated and focused on the creation of successful enterprises capable of competing in a global context.

What is a Family Business?

Most big businesses today started off as small businesses and in most cases as family businesses. Burns (1996:3) describes small business according to the following criteria, namely:

- In economic terms, a small firm is one that has a relatively small share of the market.
- It is managed by its owners or part-owners in a personalised way.
- It is independent in the sense that it does not form part of a larger enterprise and that the owner/managers should be free from outside control in taking their principal decisions.

A family business therefore is a unique form of commercial activity. It is the product of a dream. It is the fruit of a desire to earn a living by running a commercial or industrial activity; to be your own boss; to be accountable for your own mistakes and to reap the rewards of your own efforts. A family business provides us with an example of entrepreneurship at its best. Rather than seeking to eat humble pie by seeking employment with others, the husband, wife or both together opt for pot luck and decide to venture into the world of business often armed only with their small savings and fortified by their dream to build something for the future that they could then pass on to their children.

A family business is strongly characterised by a couple of virtues that would be most desirable in much larger and more sophisticated enterprises. The first of these is the element of commitment and dedication to the business. In a family business, this tends to be total and uncompromising, and it couldn't be otherwise when the created enterprise is viewed as if it were offspring brought to light after a long gestation period and with no small amount of pain and sacrifice.

The second important virtue is that of loyalty. In the case of husband and wife partnerships, loyalty is taken for granted, barring, of course, internal marital problems that could wreck the business. Loyalty also tends to run right through the organisation. The owner-manager looks at his/her workers (most of whom are handpicked in the first place) as members of the business family. The owner-manager cares and worries about their welfare and their future when the business goes through rough times. In my work as an SME counsellor and business support officer, I have often come across owner-managers of micro and small enterprises who spend sleepless nights whenever they have to lay off workers due to a drop in business. I have also met others who allowed their business to incur losses for a significant amount of time in order to keep on paying their staff in the hope that things would get better. Such an approach may not always stem from a totally selfless and philanthropic attitude on the part of the owner/manager. Good workers are hard to find and the re-training of future new employees can be a very expensive venture.

I myself passed through this experience in 1993 while managing a German firm here in Malta. Business had taken a steep downturn due to a severe recession in Germany. This necessitated a cost cutting exercise that could have meant laying off a number of highly skilled workers. Fortunately, the German firm happened to be a family business that appreciated both the skills and the loyalty of the workforce and the decision was taken to save the jobs. This strategy, although painful at the time, paid off large dividends when the industry recovered to the extent that over the following 7 years the company expanded its labour force four-fold to 154 full time employees.

Thus, in the best scenarios, experience has shown that, when properly managed and looked after, the workers consider themselves as part of the 'business family' and they tend to reciprocate in full the care and trust that is vested in them by the owner-manager. Small family businesses are rarely unionised and disputes are settled in a person-to-person manner.

Human Resources & Human Relations

Unfortunately, the situation isn't always that idyllic and rosy. Owner-managers of small family businesses do not normally possess any formal human resource (HR) skills to speak of. Instead they generally tend to rely on their personalities for their industrial relations, as indeed they do for their customer care as well. The lack of formal awareness of basic HR issues can be a source of otherwise avoidable difficulties for the owner-manager of the family business. The correct application of recruitment and retention strategies and methodologies could save a great deal of unnecessary strife and hassle.

A 1989 Cranfield survey concluded that 83% of owner-managers ranked employing key staff as either their No. 1 or No. 2 business problem. Of the respondents, 29% were from the manufacturing industry, 44% from the service sector, 7% from wholesaling and 10% from the retail sector (Barrow, 1993:151). An analysis of the figures shows that the more HR-sensitive the sector is, like services, the more acute the problem of recruitment becomes. The 'photocopy-of-myself-syndrome', where the owner-manager looks for a carbon copy of his/her own personality, dedication, skills and drive, is more strongly felt the smaller the enterprise is.

Very few owner-managers realise that paying a "good salary" and setting a good example by working harder than anybody else may not be enough to motivate the workers to give of their very best. When the 'pater/mater familias' approach works, then it does so very well. When it doesn't however, or when it is replaced by a domineering 'I am the boss' approach, this creates a potentially explosive formula rife with misunderstanding and discord.

The problem is that owner-managers by the very nature of their jobs live too close to the trees. Their demanding daily routines rarely afford the possibility to view the global picture of their business. Moreover, the lack of a supporting management structure has a debilitating effect on the owner-manager who spends a disproportionate amount of his/her working day fire fighting bureaucratic, administrative, marketing and financial problems. In such a harassing and stressful scenario the workers are sometimes viewed as another source of problems rather than a valuable resource.

This brings us to the highly debatable issue of training or, as it is more formally referred to, "investment in human resources". Owner-managers of small businesses are often accused of not investing enough in the training and upgrading of their workforce. Some of this criticism is quite valid especially in traditional non knowledge-based sectors such as manufacturing, retail and some traditional service sectors such as auto repair, where learning by doing and watching is the time-honoured method.

Two reasons are generally brought forward by owner-managers for this apparent lack of investment in HRD. First of all, there is the question of outlay. Training is not generally considered as an investment but as a cost that could easily be done without. Secondly, small business owners are scared by threat of competition from their own workers who, in some instances, also become infected by the entrepreneurial bug and set up their own business, often in close proximity to their erstwhile employers.

Returning to the question of management, we need to ask ourselves why family businesses lack supporting management structures. For very small businesses (employing less than 10 full timers) the answer is fairly obvious. Such businesses cannot afford the cost of having dedicated financial, marketing and/or production managers. A less obvious but equally valid answer is that owner-managers of small family businesses are generally reluctant to share or relinquish control of the day to day running of the business, preferring instead to be in the driving seat all the time despite the huge cost they have to pay in terms of personal well-being, family relations and business effectiveness.

Owner-Manager Types

Another Cranfield study into the behaviour of owner-managers and their relationship with key staff concluded that owner-managers can be clustered into the following four dominant types: heroes, artisans, meddlers and strategists, the latter category being the most desirable (Barrow, 1993:157).

Heroes may be described as the classical risk-takers; those entrepreneurs who pursue a business idea with a great deal of determination and enthusiasm, but with very little planning. They are workaholics, always in the thick of things, trying to be everything to everybody. Recruitment of staff for these people is viewed as a necessity and not part of a strategic investment in human capital. Having a poor understanding of the HR role, and of the need to invest in personal training and that of their employees, they often complain that finding good workers is like looking for the proverbial needles in haystacks. As a result, the relationship with the workforce is often marked by crisis.

Artisans are a different breed of entrepreneur. They are less bothered with the growth of the business than with the pursuit of excellence in the product or service they offer. They are characterised by a deep sense of pride in what they do. Client satisfaction, due to the bespoke nature of the relationship, is almost taken for granted. By their very nature, artisans are very careful in their selection of workers. They look for skilled or gifted people worthy of inheriting the skills that would be handed down with so much love and care. The bond thus formed with the employees (often family members) is that of 'Meister and Apprentice' where training and mutual respect become essential ingredients of the relationship. Artisans do not necessarily make good businesspersons in the classic sense of the word; but generally succeed in making a good living from their trade.

Meddlers, like the heroes, are extremely hard working but equally inefficient in their management of time and people. While recognising the need for the support of a sound management team, they ruin everything by spending extra time checking and overseeing the work they are already paying others handsomely to do. They are control freaks and their meddling generally results in a sharp rise in overheads and a correspondingly severe drop in motivation. Barrow (1993:7) describes meddlers thus:

"Either the boss has picked the wrong team, in which case [s]he has a recruitment problem, or else the team is not being managed and motivated properly. More likely still, the boss simply does not know how to stop working and start thinking."

Strategists are the paragon of all entrepreneurs. They succeed and grow because they plan. They are strategic thinkers who take a proactive approach to managing change. Moreover they are owner-managers who invest in training themselves and their teams and who place employees as well as customers in the centre of their strategic thinking and planning.

Future research may yet establish how Maltese owner-managers fit within this typology, and with what consequences for their workers, their clients and their businesses.

Why Family Businesses Die

The family business brand of entrepreneurship, like most other forms, is deeply rooted in the sense of pride of the individual. This is further reinforced by a strong desire for autonomy, one of the five 'career anchors' identified by Schein (1998). When this is combined with vision, energy and dedication, then everything becomes possible. Unfortunately, more new businesses fail than succeed in our very competitive market place (Moorman & Halloran, 1993:4). It is calculated that, in the U.S., 24 out of every 100 business start-ups fail within the first 2 years, and more than 60% within the first 6 years. Why does this happen? The most common reason cited is a lack of adequate planning and preparation before jumping in at the deep end. A second explanation is a lack of creativity, one essential ingredient for best practice entrepreneurship. The reason why some businesses offering the same product or service succeed while others do not is because they succeed in doing something better and more innovatively than the competition.

A 'copy cat' approach can prove detrimental for a family business that lacks the creative skills to turn its product or service into a unique selling proposition. Just opening a pizza place because other pizza places in the same area are doing a roaring trade may be as short-sighted as it is dangerous. If catering is seen as a vocation then the family business should try and explore a market niche, a product or service that the competition is not yet catering for.

In her study on family businesses in Ireland, Goodman (2000) claims that, despite the high business mortality prevalent in Ireland as in all competitive markets, owners of family businesses tend to be quite sanguine about their ability to survive. Moreover, they are less concerned about growth and more concerned about such matters as non-family business owner counterparts, about losing control and about getting outside funding.

In essence, family businesses tend to be more concerned with maintaining stability. Because of this, they are mostly worried by disputes with business partners and spouses and with the adverse effects that these can have on the business. This sense of caution is one of the important characteristics of family business concerns and forms one of the pillars of their economic stability. This does not mean that family businesses are not on the constant look-out for new opportunities. It simply means that, because of their tendency for self-reliance, especially when committing their personal funds, they are less likely to expose themselves in a reckless fashion, preferring to err on the side of caution.

Family Business in Malta

The great majority of Maltese indigenous businesses, whether large or small, are family businesses. Setting aside the traditional activities of farming and fishing, the predominant business activities have traditionally been trading and retailing.

Manufacturing activities were mostly limited to the crafts sector that thrived on village-core proximity markets.

Today's scenario is quite different. Its challenging and dynamic nature reflects the economic development and upheavals that the Maltese Islands have gone through over the past forty years. The rise and growth of the tourist industry has given birth to a plethora of hospitality and entertainment businesses, reflecting a strong shift towards a service-oriented economy. Other fast-growing sectors such as financial services, communications and information technology are also giving rise to a new breed of family businesses run by highly qualified professionals whose technical and managerial skills are more in line with modern best practice than those found in the traditional crafts and indigenous manufacturing sectors. The latest officially published data suggests that there are some 23,781 small and medium sized enterprises in Malta, of which 22,523 (94.7%) employ less than ten persons *(see Table 1 on page 20).*

Thus, at one end of the spectrum we have micro and small businesses which are ingrained in traditional trading cultures to which the process of change is both alien and threatening. These are businesses which got used to thriving only in highly protected environments where it has been customary for governments, often through political expediency, to come to their rescue with blood transfusions in the guise of grants, soft loans, cheap factory space and trade barriers.

At the other end, we have some truly entrepreneurial initiatives whose drive, vision, creativity and willingness to risk offer the perfect ingredients for a successful and competitive new generation of business activity. Despite their praiseworthy qualities, however, such enterprises are still penalised by the limitations of a small market economy and an insensitive, burdensome bureaucracy and a banking system that is anything but business-friendly. These deficiencies were identified in the Rambøll Report (MDC & FOI, 1996). Although focusing mainly on the restructuring sector, this report identified deficiencies that could be applied across the board to other SME sectors.

With this scenario in mind, and as a direct result of the Rambøll Report and its 1997 subsequent Action Plan, a number of initiatives have been launched recently with the specific aim of addressing the issues mentioned above, especially the challenges of restructuring and of business development. The Institute for the Promotion of Small Enterprise (IPSE) was specifically established to proactively facilitate the restructuring of Maltese enterprises, assisting them to become more competitive; as well as to stimulate and support the formation of local SMEs, as declared in its mission statement.

Although restricted by its remit to the manufacturing and ancillary sectors, IPSE's innovative, holistic philosophy has marked a significant departure from the traditional reactive approach to business support. By offering a combination of business counselling, focused training and financial assistance linked to business planning, IPSE is endeavouring to bring about a badly needed cultural change amongst local entrepreneurs. IPSE's role is seen as that of facilitator and catalyst for change. IPSE champions the cause of SMEs by assisting them with their restructuring process, enabling them to put their house in order to enhance their competitiveness and long-term sustainability. It also promotes the creation of new enterprises and the growth of existing ones through specially designed programmes of assistance that include: business incubation, business development and export networks.

In an effort to continue upgrading the quality and effectiveness of its programmes of assistance, IPSE launched a number of sector studies, including furniture, jewellery, printing, wine and agro-food products (IPSE, 2000-2001). Despite the obvious diversity linked to the specific nature of each sector, these studies revealed certain common factors relating to the nature and quality of Maltese entrepreneurs, particularly in terms of their planning capabilities and quality as business managers. In essence, Maltese enterprises demonstrated the following basic characteristics:

- Low productivity
- Insensitiveness to market demand
- Poor standards of design and quality
- Product, rather than client focused strategies
- Wide portfolio of products (Fragmentation and lack of focus)
- Virtually nonexistent marketing policies

It was further discovered that most micro and small enterprises are undercapitalised, poorly managed and, if not totally resistant to change, at a loss on how to manage the change process in order to achieve competitiveness. Furthermore, overall planning is poor and strategic thinking conspicuous by its near total absence. It is fair to state at this point that many of these findings were quite predictable, judging by the quality of the first attempts at business planning carried out by IPSE clients, and from the feedback gleaned by IPSE Business Managers in their counselling work.

Acting on the results and recommendations of these sector studies, IPSE embarked on a number of strategic action plans, one for each sector, that have given rise to some very effective and successful initiatives the results of which started to come to fruition in the course of 2002. Some of the major initiatives are:

- Setting up of trade associations (Furniture, Printing and Jewellery).
- Formation of export consortia.
- Creation of new programmes of assistance for start-up enterprises.
- Creation of new programmes of assistance for 'proximity or village-core enterprises'.
- Publication of simplified business planning handbooks (in English & Maltese) for start-up enterprises.
- Publication of a 'road map' (in English & Maltese) offering simple guidelines on how to set up a new business.
- Creation of specialised training courses designed to provide

small entrepreneurs with basic skills in business planning and management.

- Introduction of mentoring services to hand-hold new entrepreneurs through the crucial initial phase of their business.
- The facilitation of access to capital through the introduction of the Technology Venture Fund and a new Loan Guarantee Scheme.

Family Business in SWOT

Having been an owner-manager myself in partnership with my wife, I feel I can speak with some experience, if not authority, on the strengths and weaknesses as well as the opportunities and threats that are inherent in this type of business activity.

Taking each aspect in a logical order, I shall start by taking a look at the positive aspects: the so-called 'strengths' of having your own business. When analysing why people want to start their own business, Barrow (1993:35) states:

"More important than riches to many an entrepreneur, though, is the freedom which comes from being your own boss. Proprietors are totally independent and can plan the business and run it on a day-to-day basis in the way they want. It also gives them the opportunity to work in a field they really enjoy."

Satisfaction does not come without its price, however. Recalling the 'weaknesses', one shudders to remember a nightmarish list of problems (it is fashionable to call them challenges nowadays) that contributed to many a sleepless night. Like most small family businesses, shortage of funds and chasing after debtors to maintain a health cash flow were constant thorns in our side. Access to capital in the start up stage was further aggravated by the less than friendly attitude adopted by the banks towards small businesses which they consider to be too risky. The problem is further compounded by the absence of a track record. Even the best laid business plans pale into insignificance in the bank's eyes when presented by a small enterprise in its start-up phase. My personal experience in this respect reflects the common heritage of past and current small family businesses.

'Opportunities' in family businesses, on the other hand, are the direct product of the innate flexibility and determination of this type of enterprise. The decision-making mechanism is fast. Consensus for or against a particular proposition is facilitated by a 'management structure' that is vested in the owners themselves and relies on their instinctive feel for what can or cannot be achieved with the available resources. Some entrepreneurs, of course, are led astray by their overriding ambition and bite off more than they can chew. Others shelter behind the walls of caution and end up with half-hearted attempts at new ventures which cost them money and lead them nowhere, or with totally missed opportunities. The third group are the ones who get it right by embracing the change process and basing their decisions on sound deliberation, careful evaluation of resources and good advice.

The greatest 'threat' to family business is lack of understanding and appreciation of the significant contribution they make to the economic development of the country. Family businesses are generally taken for granted and often dismissed as small fry whose survival, growth and /or demise provoke no more earthshaking repercussions than the trampling of a few ants. It is not that lip service by policy makers, economists, trade unionists and financial institutions is by any means lacking. On the contrary, there is no shortage of reports and conferences on the importance of recognising the economic worth of small businesses and of supporting them by every possible means. Things are changing but the process of creating business-friendly environments is still painfully slow.

This is borne out by the still relatively limited awareness of these services by potential users on the one hand, and by the equally limited uptake of these services on the other. The lack of sufficient uptake of support services is ascribed to four main factors, namely:

- Lack of awareness of available services.
- Insufficient or unreliable provision of high quality external advice.
- Mismatch between services available and SME requirements.
- Slow and burdensome delivery of service (Sheikh, 2002).

The end result is that policy makers find it difficult to pinpoint well-established and well-proven policies and best practices for promoting entrepreneurship and supporting SMEs. Furthermore, it has been found that micro and small enterprises often do not have the capacity and competencies to identify the problems affecting their performance, let alone to identify their real needs and develop the necessary strategies to overcome their difficulties. This situation is further complicated by the fact that the needs of small businesses tend to be very heterogeneous and quite difficult to predict.

Conclusion

An old Anglo Saxon proverb says that "the trees last longest that bend to the wind". The winds of change can be ruthless and unforgiving. They can also prove beneficial if they succeed in bringing about a change in mindset and in the way micro and small enterprises plan for and operate their business. Barrow (2002: 4) argues:

" [the] inability to recognise the phases of growth and managing the transition through them is the single most important reason why most owner-managed firms fail to achieve their true potential, let alone their founder's dreams".

If we accept this statement to be as true of Maltese enterprises as it is for their British counterparts, then the way forward poses interesting challenges for the fields of Human Resource Management and Human Resource Development. Positive changes are taking place, but these need to be managed and guided through a strategic process of information and formation. In order to create successful enterprises, enterprise support organisations need to create better entrepreneurs. To do this we need to:

- Provide accurate and up to date information about every aspect of business from marketing to human resource management. Such information should be both generic and sector specific.
- Create a more enterprise-friendly environment through the removal of excessive bureaucracy, duplication of effort and fragmented use of resources.
- Provide one-stop-shop facilities that drastically reduce the administrative load on owner-managers.
- Train business consultants in the provision of effective mentoring and coaching services that truly reflect the needs of their clients.
- Train entrepreneurs in the art of strategic thinking and planning.
- Conduct business development programmes, whereby teams of entrepreneurs across various sectors learn and develop by sharing experiences under the guide of professional trainers and practising businesspersons.

Some of the initiatives listed above are already being addressed by IPSE and ETC with the valuable support of the Foundation for Human Resources Development (FHRD). They will also be incorporated in the vision for the upcoming Malta Enterprise. This envisages a prosperous Malta where energies, capabilities and resources are uniquely applied with impact to targeted niches and where the right environment for successful enterprise is created.

This is a brief profile of the realities of family business as I see them, having myself set up and run such a business successfully for over ten years. The few brush strokes that make up this essay cannot do justice to the satisfaction experienced in running your own business, nor do they portray with sufficient poignancy the heartache and hardship that sometimes threaten to turn dreams into nightmares. In the final analysis, creating and running one's own business is a rewarding and enriching experience.

Table 1: Micro, Small & Medium Sized Firms in Malta: By Size & Economic Sub-Sector

Sector	Micro Firms	Micro Firms	Micro Firms	Small Firms	Small Firms	Small Firms	Small Firms	Medium -Size Firms	Medium -Size Firms	Medium -Size Firms	Medium -Size Firms	Medium -Size Firms	Total
No. of Employees	1-4	5-9	Total	10-19	20-39	30-49	Total	50-74	75-99	100-199	200-250	Total	
Agriculture & Fisheries	2084	15	2099	11	4	1	16	0	0	0	0	0	2115
Oil Drilling & Quarrying	125	9	134	3	2	1	6	0	0	0	0	0	140
Manufacturing	3334	313	3647	192	74	77	343	32	14	33	7	86	4076
of which:													
Food, Beverages, Tobacco	*556*	*54*	*610*	*26*	*8*	*18*	*52*	*2*	*5*	*8*	*1*	*16*	*678*
Textiles, Clothing, Footwear	*245*	*19*	*264*	*15*	*3*	*10*	*28*	*5*	*3*	*10*	*3*	*21*	*313*
Wood, Furniture, Fixtures	*750*	*61*	*811*	*28*	*13*	*3*	*44*	*3*	*1*	*2*	*0*	*6*	*861*
Paper & Printing	*107*	*16*	*123*	*12*	*10*	*5*	*27*	*2*	*3*	*2*	*1*	*8*	*158*
Transport Equipment	*637*	*32*	*669*	*17*	*6*	*6*	*29*	*5*	*1*	*1*	*0*	*7*	*705*
Construction	2092	82	2174	36	12	7	55	6	3	2	0	11	2240
Wholesale & Retail Trade	6131	325	6456	138	46	21	205	7	4	4	1	16	6677
Banks, Insurance, Real Estate	204	33	237	19	7	7	33	6	3	1	1	11	281
Transport	2171	85	2256	45	18	15	78	8	3	6	1	18	2352
Community & Business	2313	190	2503	96	32	41	169	16	8	11	7	42	2714
Hotel, Catering, Recreation	1475	115	1590	57	24	18	99	13	10	15	8	46	1735
Other Personal Services	1397	30	1427	11	7	3	21	2	0	1	0	3	1451
Total:	21326	1197	22523	608	226	191	1025	90	45	73	25	233	23781

Source: Employment & Training Corporation (1997).

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