

Introduction

This book seeks to introduce the concepts of enterprise, entrepreneurship and small business and their interrelationships. It is not intended to be a comprehensive theoretical study, but instead tries to provide a practical guide to these subjects for those working in this field, be they students, promotion and support agency staff, civil servants, advisers, counsellors, trainers or academics. It aims to provide a guide to the key facts, ideas, concepts, theories and thinking about enterprise and entrepreneurship, to look at their relationship to small businesses, and to consider the methods that are used to promote them.

The word 'enterprise' is much used in a variety of contexts and with a wide range of meanings. Within this range there are narrow meanings of the word specifically related to business, and there are wider meanings indicating a way of behaving that can apply in a variety of contexts, including business. The narrower meanings are closely linked to business entrepreneurship, and in turn the concepts of enterprise and entrepreneurship embrace much that would be considered to be expressions of small business activity. Indeed, the words enterprise, entrepreneurship and small business often appear to be used interchangeably; but it is also argued that there are many small businesses that do not demonstrate much enterprise.

The variety of uses made of the words 'enterprise' and entrepreneurship and the variety of contexts in which they are applied are indicative of the appeal of the concepts and their various applications. Evidently, one of the main reasons for this appeal is jobs. Small businesses are frequently net creators of jobs, more so than big businesses. Those, therefore, who wish to encourage and promote more jobs are interested in small businesses and often in what can be done to develop more of them. It is this process of business formation and development that is often referred to as entrepreneurship, which therefore forms, for many people, an important sub-set of enterprise.

The book consists of three parts. Part I starts with a largely historical examination of why the concepts of enterprise and entrepreneurship have been presented by many people as things that are desirable and worth pursuing in practice. It then explores the variety of ways in which the words are used and the spectrum of meanings they can have. In particular it refers to the narrow and broad definitions, which see enterprise respectively as being just business entrepreneurialism or as the qualities which enable people to be creative and adaptable in the face of economic and social change. It presents a number of theories about enterprising behaviour in individuals, looking at the external environment in which individuals and groups operate and at the influences that cultural, economic and political conditions can have on enterprise. The link between entrepreneurship and economic success is also explored.

Part II focuses on the narrow but important view of enterprise as small businesses and their formation and development. This is often the reason why people are interested in enterprise. There are many varieties of small business, which differ from each other as much as they differ from larger businesses. Small businesses should not be viewed, however, as smaller versions of large businesses. They have many

distinctive features, and those who wish to understand and influence the development of small businesses need to be aware of these distinctions. As businesses are formed and developed they face different issues, first in the stages of their formation and start-up and then in their subsequent development through survival and growth and/or decline and termination. Mature businesses can also benefit from corporate entrepreneurship, or 'intrapreneurship', which is the application of enterprise inside larger businesses. If enterprise, entrepreneurship and small business are beneficial then there will be a wish that there should be more of them. In Part III the issues of reasons and ways to promote enterprise are explored. A distinction is made between the concepts of entrepreneurship policy and small business policy, where the former can be said to focus mainly on business formation and the latter on business development. Small businesses are important for a variety of reasons including their contributions to economic diversity, social stability and support for other businesses.

Attention has been focused on small businesses in particular because of the indicated links between them and job creation. Governments, especially in times of high unemployment, want more jobs and are prepared therefore to intervene to secure the development of more enterprise.

Part III starts by considering the reasons for intervention and the benefits sought from it. It then considers a number of theories and assumptions about the nature of the enterprise process in order to see how intervention might work and what interventions might be successful. The possible areas for intervention and the forms it might take are examined; this is followed by a look at the issues of evaluating interventions and the results indicated by some of the relevant research.

An important theme highlighted in the book is the need to look at enterprise and small business formation and development from the perspective of the individual entrepreneur who is the agent of change, instead of using only the business as the main focus of attention. The final chapter in the book therefore attempts to take a wider view of what has been presented on enterprise and its relevance to the economic future of individuals.