

# Preface

This is a book about enterprise and entrepreneurship and their relationship to small business. Throughout history many people have been enterprising and small businesses have been with us for many years. Recently however they have been seen as particularly economically beneficial. The world has been changing, and the role of the individual has become increasingly more important, with individual entrepreneurship becoming ever more necessary for economic success. This process has been referred to as the development of an enterprise culture and its benefits have been widely sought. Enterprise and its associated concepts of entrepreneurship and small business have therefore all been widely promoted and their development supported.

In many countries in the closing decades of the last century a new industry developed. It was the industry of enterprise promotion and support. It was developed by government departments, by local economic and enterprise agencies, by community initiatives, by private organisations and by academic institutions. This process is also being repeated in other countries, such as those of Central and Eastern Europe, with less well-developed market economies and where enterprise development is seen as a key route to economic growth.

For those working in this field, especially when they are new to it, there can be considerable confusion about what is involved. The language used is not clearly defined and many key words, with the word 'enterprise' itself being a prime example, have more than one meaning and are used differently by different people or in different contexts. The new industry has developed theories, policies and practices of its own, often without a clear objective or strategy. This may be typical of an emerging field but for those unfamiliar with it, and even for many who have some familiarity, it is hard to grasp what is being done and why. Nevertheless the industry will continue to grow and employment in it is already substantial, so that those working in it or close to it need to try to make sense of it.

Until relatively recently comprehensive overviews of the subject have not been available. A lot of research has been done, but it has of necessity been rather specialised, often not very widely published and usually of a piecemeal nature. The books and pamphlets, guides and courses that were available on the subject of enterprise and small business often focused mainly on how to start a business: a relevant subject for those who are thinking of doing just that, but not so useful for those seeking a wider insight into enterprise and its associated concepts in order better to understand, promote or support it. This book therefore attempts to address their needs.

## Who should read this book

This book is targeted at students of enterprise at universities, business schools and other further and higher education establishments; at researchers and teaching staff; at policy makers and staff of business support organisations; and at the informed public. It aims to provide a foundation text for the study of enterprise and entrepreneurship and a perspective on broader aspects of enterprise. It seeks to be helpful both to those who might, at some stage, want to start a business and to those who might want to work with, but not in, such businesses. It has been written in the UK but much of its content should be relevant in all countries where people, for whatever reason, wish to know more about enterprise and its context. It seeks to present them with a sound introduction to the key concepts and issues as a grounding for understanding and work in this area, and as a starting point for further explorations of more specialised elements.

Aspects of the book have been specifically written for students who need a broad introduction to the whole field of enterprise, such as those doing an entrepreneurship option on a Bachelors or Masters course. It provides students and lecturers with cases and questions, summaries and suggestions for further reading. The three parts of the book, covering different aspects of the subject, may have different relevance to different students. Those wanting an introduction to the subject should read Part I; those wanting also to know about entrepreneurship and small businesses should use Part II; and those wanting also to know about the promotion of, and support for, enterprise should study Part III.

## The structure of the book

A word about the structure of the book might also be helpful. We have tried, in all the main chapters, to start by summarising the contents and the key concepts covered in the chapter together with, for those who are using the book for study, a list of the key learning objectives of the chapter. Where, in addition

to text, the chapter contains relevant material in table or figure form this is described as such and separately numbered. Three other types of information are, however, also used. Additional illustrative material which is thought to be relevant as an accompaniment to the text, but not an integral part of it, has been placed in a box and numbered as an illustration. Where this additional material is in the form of an example of something described in the text which can be used as a case for subsequent questions to test or reinforce understanding, this has also been boxed but separately labelled as a case study. The third type of material is stand-alone quotations which we have also used to add examples or emphasis. We hope that in this way we have provided relevant illustrations and examples in a way which gives the reader some choice and variety instead of just more unadorned text.

We have not started, however, with any definitions. Despite a desire on the part of some readers to start with an explanation of the terminology, in this field we are dealing with words which can and do have more than one meaning or use. Because we are looking at enterprise as it is, rather than as we might wish it to be, we should not try to impose our own interpretation or our own vocabulary on it. Therefore in Chapter 2 we explore how the words 'enterprise', and associated concepts such as 'entrepreneurship', are used by different people and what they appear to mean in different contexts. Chapter 6 offers some of the more commonly found definitions of a small business.

## Changes in the second and third editions

This is the third edition of our book, written some ten years after the first edition and five years after the second. In these periods there have been new developments in enterprise thinking which we have on each occasion endeavoured to include. In the second edition we tried to recognise the continuing increase in attention being given to entrepreneurship and the focus now being directed by some people onto the entrepreneur instead of the business. We also recognised the distinction now being drawn between entrepreneurship strategies, with their focus on more business starts, and small business strategies with their focus on maintaining and growing the existing business stock. We also included a summary of the findings of the Global Entrepreneurship Monitor (GEM), which has recently been researching differences in the levels of entrepreneurship amongst countries and their implications. For the third edition, in addition to updating some of the earlier material, we have recognised the increasing focus being given to entrepreneurship as well as to small businesses. This appears to be not only because greater recognition is being given to the importance of the entrepreneur, but also because of a tendency to use the word 'entrepreneurship' not just to refer to the process of business start-up, but in a wide sense almost synonymously with 'enterprise'. Thus there seems to be a greater emphasis on entrepreneurship in government policy statements and in naming initiatives, but this sometimes seems to reflect an evolution of language, rather than a change of emphasis. We have also in the third edition given more attention to social enterprise and social entrepreneurship (in Chapter 5) and we have restructured Part II to give a clearer coverage of the distinctive features of small businesses in Chapter 6 and of the various stages of the entrepreneurial process of business formation and development in Chapters 7 and 8.

We have also made some changes to our broad conclusions, in particular about the effectiveness of many interventions designed to promote enterprise. Earlier we had noted comments that, 'despite an increase in academic knowledge, or even perhaps because of it, there has also been a growth in ignorance about entrepreneurship and small and medium enterprises.'<sup>1</sup> We had concluded that, while there appeared to be no strong body of evidence to say that intervention worked, there was also no clear evidence that it didn't. Now, however, we feel that the balance of the evidence is that much intervention has not worked and has not had any significant effect on its overall targets such as levels of entrepreneurship or of business performance.

## Thank you

One other significant change from the second to the third edition is that Stan Cromie has now retired and wants to follow other pursuits. We are very grateful for all the work he put into the first two editions and for letting us take forward that work into the third. Simon and Ken are also grateful to Frank Martin for agreeing to take his place.

In our work of writing, and re-writing, this book we have been conscious of many people who have helped and encouraged us. We owe them considerable thanks. We would like especially to highlight the patience and support shown by our wives, and to some extent our work colleagues, who have had to put up with our application to this instead of to other tasks, and who have tolerated the many phone calls and interruptions which do not seem to reduce for later editions. We are very grateful to all of them.

Simon Bridge  
Ken O'Neill  
Frank Martin  
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## Reference

1. A. A. Gibb, 'SME Policy, Academic Research and the Growth of Ignorance, Mythical Concepts, Myths, Assumptions, Rituals and Confusions' *International Small Business Journal*, 18(3) (April-June 2000), p.31.