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University of Huddersfield

**THE MARKETING-ENTREPRENEURSHIP INTERFACE:
A CONTEXTUAL AND PRACTICAL CRITIQUE OF THE
ROLE OF ENTREPRENEURSHIP**

John Day

**A thesis submitted to the
University of Huddersfield
in partial fulfilment for the degree of Doctor of Philosophy
PhD by published work**

**Volume One of Two
Volume Two is a Portfolio of work**

August 2015

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ACKNOWLEDGEMENTS

To all those people who have helped make this thesis possible, there are more of you than you can imagine: colleagues at the University; doctoral students; those whom I have written with and those who have graciously let me write with them; those whom I have presented with at conferences and at workshops; and, in particular those colleagues attending the UK and the USA entrepreneurial marketing workshops and seminars.

In the words of Sir Isaac Newton in a letter to Robert Hooke (1676), “If I have seen further it is by standing on the shoulders of Giants” and, I hope that the frequency and the bruising has not been too alarming!! Thank you all

To my friend and research colleague, Dr Paul Reynolds without you ... I would not have started.

To my Supervisor, Professor John Anchor ... without your support and patience ... I would not have finished.

To my Examiners for their recommendations and advice.

DEDICATION

To Peter Lawford Day and Mary Day

To Janine

ABSTRACT

In the late nineteen eighties, Hills proposed that marketing scholars should pay far more attention to entrepreneurship and the smaller enterprise. He founded an annual research symposium and associated proceedings published under the title of Research at the Marketing/Entrepreneurship Interface. The symposia and proceedings still flourish and both the Academy of Marketing in the UK and the American Marketing Association have special interest groups for this area.

This thesis is concerned with the contribution that entrepreneurship can make to understanding this interface. Without a robust definition of entrepreneurship, the interface simply becomes a study of a very common and disparate organisational form - Small to Medium Sized Enterprises (SMEs). There is no shame in this for they deserve our interest, support and help. Without an understanding of the entrepreneurship component of the interface that help and support might be less effective than we, and they, would desire. Small business is not a little large business, they operate in very different circumstances with very much fewer resources to hand, and, because of who they are may have very different motivations and skill sets. Not necessarily worse but different. So entrepreneurial marketing might offer different insights, and help, compared to a standard academic approach to small business.

This is a PhD by published work and twenty-three submissions are organised into four themes and form a core for discussion. The first theme considers appropriate definitions of entrepreneurship and the role they play in conceptualising the interface. The second theme considers how adopting an entrepreneurial marketing approach could guide and inform the SME in two particular respects: addressing critical situations and developing and maintaining appropriate relationships. This theme is considering entrepreneurial marketing within the SME. The third theme considers firstly entrepreneurial marketing extended away from the SME to larger organisations in both public and private ownership and to a particular form of public art where participants can be small or large and in either public or private ownership. Secondly the experience of organisations within a cluster and SMEs within a conflict zone are considered. The distinguishing focus of this third theme is that it extends the interface away from the traditional focus on SMEs. Whilst it was natural for the interface to arise out of a desire to understand a neglected organisational form in marketing – it can be applied in other contexts. The final theme considers how the author's conceptualisation of the interface has informed their teaching and the implications for practical business support.

A fundamental argument that is made in respect of understanding the role of entrepreneurship within entrepreneurial marketing is that we should not treat entrepreneurship as an absolute attribute which would direct us into classifying people simply into entrepreneurs as opposed to non-entrepreneurs. Entrepreneurs range from the exceptional 'stellar' entrepreneur to those who are imitative of current market offerings and we should work across this range appropriately.

Having discussed both an appropriate definition and role for entrepreneurship within the marketing-entrepreneurship interface the implications of such a view are illustrated through considering the different contexts discussed in themes two and three above and reflecting upon the delivery of teaching programmes based partly or wholly on the notion of the marketing-entrepreneurship interface.

The work is a critique of the role of entrepreneurship within the interface. The contexts selected and discussed draw out practical lessons for a wide range of individuals from undergraduates through SMEs to larger organisations in either private or public ownership.

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Aim

Through the author's published work and accompanying commentary to:

- (a) evaluate the role played by entrepreneurship in the conceptualisation of the marketing-entrepreneurship interface;
- (b) consider the implications of extending the traditional domain of the marketing-entrepreneurship interface into other contexts.

Objectives

- (1) To argue that insufficient attention has been paid to the entrepreneurship component of the marketing-entrepreneurship interface.
- (2) To accept that the marketing-entrepreneurship interface is the confluence between two disparate but interlinked academic disciplines and to introduce the most common visual metaphor of the interface – the two circle Venn diagram;
- (3) To extend this metaphor to a three circle Venn diagram that encompasses different contexts in which the interface can occur;
- (4) To articulate four themes, where:
 - 4.1 Theme One: introduces and discusses the marketing entrepreneurship interface, and, in particular, the appropriate role for entrepreneurship in understanding the behaviour of small to medium sized enterprises (SMEs) compared to entrepreneurial small to medium sized enterprises (eSMEs).
 - 4.2 Theme Two: considers how an entrepreneurial marketing paradigm in the context of the SME / eSME would guide and inform with respect to:
 - 4.2.1 *Addressing critical situations*: crises, crisis pricing & tracking signals;
 - 4.2.2 *Relationships*: leverage; relationship marketing; counsellors; and, family business.

- 4.3.1 Theme Three (*Operating as*) demonstrates the effectiveness of the entrepreneurial marketing paradigm when extended into three less traditional contexts:
 - 4.3.1.1 Large organisations in private ownership;
 - 4.3.1.2 Large organisations in public ownership and, in particular, CCT in the UK;
 - 4.3.1.3 Public Arts (T-PASTs) which encompasses both large and small organisations.
- 4.3.2 Theme Three (*Operating within*) demonstrates the effectiveness of the entrepreneurial marketing paradigm when extended into two wider contexts:
 - 4.3.2.1 Large organisations within a geographical cluster and researched through a methodology that interfaces both marketing and entrepreneurship;
 - 4.3.2.2 A geographical conflict zone.
- 4.4 Theme Four: considers how the author's conceptualisation of the entrepreneurial marketing interface has informed their teaching of both entrepreneurial marketing and entrepreneurship to undergraduates and postgraduates in their University. It considers also implications for business support.

This thesis will use the term 'marketing entrepreneurship interface' as a broad descriptor and this will also be referred to as the 'interface'.

'Entrepreneurship' and 'Marketing' will be used independently particularly when justifying why there is an interface, and when considering them in the context of their separate literatures.

'Entrepreneurial marketing' will be used to signify action, for example, 'small firms should be encouraged to practice entrepreneurial marketing'.

The ordering of the descriptors in the term - 'marketing entrepreneurship interface' not 'entrepreneurial marketing interface' probably has a significant historical connotation, in that the two academic interface innovators, firstly Professor Hills in the USA, and later Professor Carson in Europe were marketing professors.

Given the lively debate over the decades about the interface it is not surprising that there is variety of views on the individual role and relative contribution of the two host disciplines but there has been no particular disagreement about the ordering of the host disciplines in the universal descriptor. We might perhaps have more concern about whether we are talking about SMEs (small to medium sized enterprises) or entrepreneurial small businesses (eSMEs).

In this thesis, ten articles; one book chapter; nine conference proceedings and three conference papers have been submitted that reflect the author's work over the last twenty years. Six of the conferences proceedings are in the *Research at the Marketing / Entrepreneurship Interface* annual proceedings edited by Professor Gerald Hills and colleagues. These published volumes represent the consistent primary dissemination of interface work since 1987. Two out of the three of these conference papers were presented at the accompanying annual conference/workshop.

CHAPTER ONE

PERSONAL COMMENTARY: The Author's entry into the marketing entrepreneurship interface and the justification of the four broad themes

Given this is the start on my academic journey (and I am not embarrassed to use that old but reliable metaphor), just for this section I have ignored the convention of writing in 'third person'. It might seem odd to frame a discussion concerning entrepreneurship with history but whilst history may often provide an unreliable guide to the future, it at least informs us why we are where we are now.

When I first started teaching, my interests were in public sector economics and my first degree was in economics (1969-1972) albeit what today would be considered more of a business studies degree. I followed an elective module in marketing which at that time in the UK was not the mainstream business subject that it is now. Indeed, Huddersfield University ran one of the very first marketing degrees in the UK and that only started to graduate students in the early 1970s.

I had a subsidiary interest in small business and taught a practical business module on the Higher National Diploma – Company Secretarial Practice which involved considering management and governance of small business. I was also teaching on a module, Business Problem Seminars, which today would be described as creativity and student enterprise. This later became one of the few undergraduate residential junior management programmes within UK Universities. My interest in practical business issues continued with my involvement in student business placements over the period 1974 to 1981 which including running the unit for a short period. My interest in enterprise continued through the use of the *UK Young Enterprise* practical start-up scheme on another HND module and the extensive use of practical cases and exhibition presentations by students on a further HND module – Leisure Services and Leisure Management.

Despite seeming an obvious oxymoron, my work experience at the Greater London Council (1972-1974) exposed me to entrepreneurial behaviour. I worked with engineering and architectural colleagues getting to grips with organisational change; a change in political power; and, the abolition of the plans for the inner and outer ring roads around London on which they had spent years as sub-contracted designers. In the

broadest sense, being comfortable with the notion of market failure and noting the entrepreneurial behavioural of the great public figures, such as the Victorian civil engineer, Sir Joseph William Bazalgette, my continued interest in public sector entrepreneurship is hardly surprising. My Masters degree in the 1980s being in public sector economics.

My main interest in entrepreneurship arose out of co-authoring a module on entrepreneurship (Business and the Entrepreneur) in which I was originally going to contribute a public policy perspective but my co-author moved and I have run and taught the module ever since. I would like to think that my short but fascinating secondment in the Summer of 1984 to Hanson Transport in Huddersfield was only out of my interest in, and awe of, that great entrepreneur, but rather more prosaically, it had everything to do with gaining experience in transport ahead of teaching on a transport degree and that they were the largest local haulier! Interestingly, the company was ring fenced within Hanson Trust and run more as a family business. The company had been started by Mary Hanson in 1848 to provide a regular transport service for the Huddersfield and surrounding Pennine woollen industry.

My increasing academic interest in entrepreneurship was accompanied by becoming the Regional Director of the Yorkshire and Humberside Graduate Enterprise Programme (GEP) which was designed to encourage young graduates to start up their own business on graduation. We ran recruitment briefings across the region, followed by two day 'taster' business skills and planning events with successful graduates continuing to complete a twelve week business planning course. Within which there was 20 days of intensive start-up training over the summer in the year in which they graduated with the rest of the time being spent on practical start-up activities. The Graduate Enterprise Programme (GEP) originated at Stirling University in Scotland for the 1983/4 academic year, then Cranfield University in 1984/85 before being extended to nine University and Regional centres in England, Wales and Northern Ireland from 1987. From 1991 onwards the programme was reduced to only the Awareness Seminars and the Two Day Workshops. Robert Brown the Cranfield University GEP Director discussed programme philosophy and outcomes in Brown (1988; 1993; 1995; see also: Fletcher, 1999) and Brown and Burnett (1990). Robert Brown was an influential figure in the national operation and credibility of the programme and I will always be especially indebted to

Robert Brown along with the GEP Director for Wales, David Kirby (now Professor Kirby), for my understanding of practical small business entrepreneurship. Barrow, Barrow and Brown (2015) in *The Business Plan Workbook* now in the eighth edition draw extensively upon the experience of their student entrepreneurs and many of these will have been in their Graduate Enterprise cohorts. Kirby's book on entrepreneurship (2003) is still a key text for my classes.

From 1990 to 1992 I was seconded to run the Business and Manager Development (BMD) unit within the School of Business which was part of our 'Business Connection' initiative. Our core day-to-day business consisted of government funded programmes through the local TEC (Training and Education Council). Apart from GEP, there was the Business Skills Seminars programme. This was targeted at start-up and young companies up to two years old; established companies over two years old who were looking to survive and grow; and given the interest of one of my colleagues, a gifted amateur, and later, professional water colourist – programmes for young art, craft and design businesses. We also promoted a range of short business development courses drawing upon colleagues' skills and interests and carried out some consultancy projects. Overall we worked with around 700 Business Skills Seminar clients and engaged with about one thousand undergraduates for GEP, delivered around 400 two day workshop places and 100 full programmes. This attrition rate being in line with the programme ambitions. We always felt that whilst the two day taster workshop in the Easter vacation was about encouraging anyone with even a small desire for starting their own business that many would come to realise at that stage in their career, self-employment was not for them. These workshops functioned as a serious selection process. As Regional Director I felt that it would be appropriate to partner with another university as a co-deliverer of the taught element and we were pleased to work with the Business School at the University of Sheffield.

In 1992, Business and Manager Development took on a consultancy project for a 'high-end' bespoke timber and joinery company who had spare capacity and were looking for viable market niches in the UK. The principal market researcher on this project was Paul L. Reynolds and it was this project that was the start of our long standing collaboration. With the agreement of the company, our market research data was the core of our first collaborative paper which we started to write having no knowledge of

Professor Gerald E. Hills *Research at the Marketing/Entrepreneurship Interface Symposia*, which would come to play such an influential role in our research. Our second collaborative paper was taking that paper to his American Symposium.

By 1993, I had moved away from BMD and the 'Business Connection' initiative and returned to teaching full time. The 1995 newsletter (Figure One) marks an important watershed: the initial crisis pricing work; and, the presentation of the work at the first two conferences, of which the latter was our introduction to the marketing / entrepreneurship interface group.

Figure One: Business Connection Newsletter, Summer, 1995.

BUSINESS CONNECTION
THE UNIVERSITY
QUEENSGATE
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TEL (01484) 472711
FAX (01484) 516151
e.mail p.n.bissell@hud.ac.uk

THE UNIVERSITY OF HUDDERSFIELD

**business
connection**

Newsletter of the University's services to business and industry

Summer 1995

Issue sixteen

Marketing scores over crisis pricing

Many struggling or start-up businesses use crisis pricing as a strategy for survival. University research shows it is more likely to be a recipe for extinction, and that the right answer is marketing.

Hard times mean hard bargains, but too many small businesses don't consider other options before cutting their prices in an attempt to keep order books lull. More would survive if they did, as crisis pricing - working at or below cost in the hope you'll still be around when business picks up - rarely succeeds.

New research by Paul Reynolds and John Day at the School of Business suggests that attitudes towards pricing can reveal a great deal about a firm's entrepreneurial capability. They studied crisis pricing in the UK timber and joinery industry, a traditionally low-margin sector worse hit than most by the recession.

Looking for reasons for the weakness of so many firms, they found that many were poor at selling prices and behaved as though price was all that mattered. "That makes them vulnerable to customer pressure," says John Day. "and gets them into a hole that some then dig deeper by trying to skimp on contracted quality or labour."

Lesson

A decisive factor was how good firms were at marketing. The more sophisticated employed specialists to promote benefits such as on-time delivery, quality, reputation and customer care. These firms had less need to cut prices and could even raise them.

Naive firms by contrast did little or no marketing, leaving them undifferentiated from the mass and with only one desperate shot in their locker when the going got rough - price cuts.

The lesson for all small businesses is that smarter marketing is a better survival strategy than price cutting. "In the long run, crisis pricing gets you nowhere," says Paul Reynolds. "But for firms to have any choice they need to make a commitment to marketing, and most will be better advised to employ a specialist than attempt it themselves."

The School of Business offers marketing and entrepreneurial guidance to businesses and is preparing a one-day seminar for professionals who advise small companies. For more details contact John Day on (01484) 472078.

Source: Huddersfield University

The research themes outlined in this PhD are drawn from both intended and unintended decisions and experiences. Given my background in marketing, and that Paul Reynolds and I share the same view that often marketing can be viewed as applied economics, and his interest in economics as well as marketing, alongside mine in entrepreneurship and practical SME start-up, it is not that surprising that we developed our joint interest in entrepreneurial marketing. I am surprised though that I have developed interests in public art displays, entrepreneurs in conflict zones in Pakistan, and entrepreneurial role models in an Indonesian University. An interest in family business grew out of the fact that they are a large sector of the small business community.

The first diagram of our very first paper (Figure Two) still informs and underpins my teaching and research philosophy. At the core is simple firm 'life-cycle' model of small business growth from inception to death. As such, and it shares this in common with the product life cycle notion, it is a human metaphor applied to a business entity. The variant chosen (Scott and Bruce, 1987) alludes to crises having to be addressed at the boundary of each stage which differentiated it from other similar approaches, although at that time there were there were few choices. (Hanks, Watson, Jansen and Chandler, G. (1993). An obvious extension of such a schema would be to consider events prior to the starting up of the business, and to push the human metaphor into attraction, liaison and conception. Such an approach would now be more commonly referred to as nascent entrepreneurship. The model adopted for the left hand quadrant drew upon a classification from Cooper (1991) used by Birley (1989). We often abbreviated the amalgamated model title to the modified Scott/Bruce/Cooper Schema. This model is discussed further later in this thesis but even if one had no particular faith in a life stages approach, the Scott and Bruce (1987) variant had an accompanying matrix considering how generic challenges varied across the business lifecycle. It reminds us that the environment, opportunities and constraints facing the new young business are different to the larger business and helps to start to segment the target group. Whilst most statistical and academic sources would support the notion that approximately 95% of businesses are small to medium sized enterprises (SMEs) this does not help us refine our understanding of this heterogeneous group. A stages model does at least segment directly by one variable – age, and indirectly by size.

At the very least, given that my final defence of a stages approach is that it is an appropriate and useful metaphor and Cardon et al. (2005) which postdates my choice, offers a 'parenting' metaphor (not the only one available) and metaphors give insights into how we see the world (see, most recently, Lundmark & Westelius, 2014).

There was resonance with my experience to that point that made this a particularly appropriate choice:

- (1) The left hand addition drew on my GEP and BMD experience of treating different client groups differently. Training nascent undergraduate businesses required a very different approach to that we used for non-graduate but equally young entrepreneurs, and, working with our older more experienced clients. Obviously there were differences within the broader groups, for example, art and design students on GEP were often natural networkers and accepting of debate and criticism, which came out of their experience from having been taught in a shared and critical studio environment.
- (2) One of the underlying philosophies of GEP was that graduate businesses were more likely to grow than non-graduate businesses. In practice they mirrored the wider small business population with some rapid growing businesses (one of our businesses had three retail units within two years), others had more modest but none the less laudable, objectives. By the end of our association with GEP, we argued that the benefit of the programme was that it brought undergraduates into the marketplace earlier (in their personal lifecycle) than might otherwise be the case and helped them to survive by exploiting the advantages of youth whilst mitigating the disadvantages caused by age, inexperience and the lack of fully formed business networks.
- (3) The work that Reynolds and I were doing on SMEs in the timber and joinery industry was born out of an immediate 'crisis' to be addressed – the client's need for finding more customers to keep their business in work.
- (4) Not all the work in BMD was with small business. We also ran courses for two large multinational engineering companies and so this framework that allows

moving from small business to large business without having to make out a case for treating small business separately was attractive. My Business and the Entrepreneur module deals with entrepreneurship in the round – some of which is expressed in SMEs, some in larger companies, and, some in social enterprises.

Whilst considering somewhat the external issues needing to be addressed to the extent that they require internal actions, it certainly does not take any account of entrepreneurship. Hence the addition of 'entrepreneurial opportunity and foresight'. Such is reflected in my subsequent work by the discussion of the entrepreneurial small business (eSME) compared to the SME; considering entrepreneurship and marketing together; the extension of entrepreneurial marketing outside of the traditional realm of the SME; measuring competitive aggression often using traditional entrepreneurial scales (Lumpkin and Dess, 1996, 2001). Opportunity recognition is a key part of my small business, entrepreneurship, and, entrepreneurial teaching.

Figure Three has two purposes, firstly, it illustrates the key outputs and influences prior to my crossing the interface. Secondly, because that experience and the approach in this thesis are so intimately linked, the lower part of the diagram is a visual representation of the work within four themes. The first theme contains work on the background and rationale of the interface, and is itself preceded by a chapter on entrepreneurship, marketing and the interface. The next two themes consider the context(s) in which the author discusses their work in the interface, and, the final theme contains work that discusses and illustrates the implications predominantly for teaching but with some commentary on business support. Figure Four is a schematic of the four themes in more detail. In Figure Three, the original visual metaphor of the two circle Venn diagram (Gardner, 1994:43) has an additional category added – *context*. The addition could simply have been the most obvious organisational context that has been traditionally the interest of the interface, the SME. However, the author wants to signal an interest wider than that and so the descriptor used is context. This allows not only the discussion of just the SME but also moving away to a wider viewpoint. Theme Two (Focus down) concerns looking more deeply into two sub themes both of which concern the SME. Theme Three argues firstly for a widening of focus away from the SME to larger, and in one case local government, organisations. Secondly for a consideration of the broader environment in which the SME operates alongside other organisations. Finally, the

author hopes that their teaching covers themes from all three components of the Venn diagram, and this is represented by the encircling of the whole Venn diagram.

EXHIBIT 1

THE MODIFIED SCOTT/BRUCE/COOPER SCHEMA

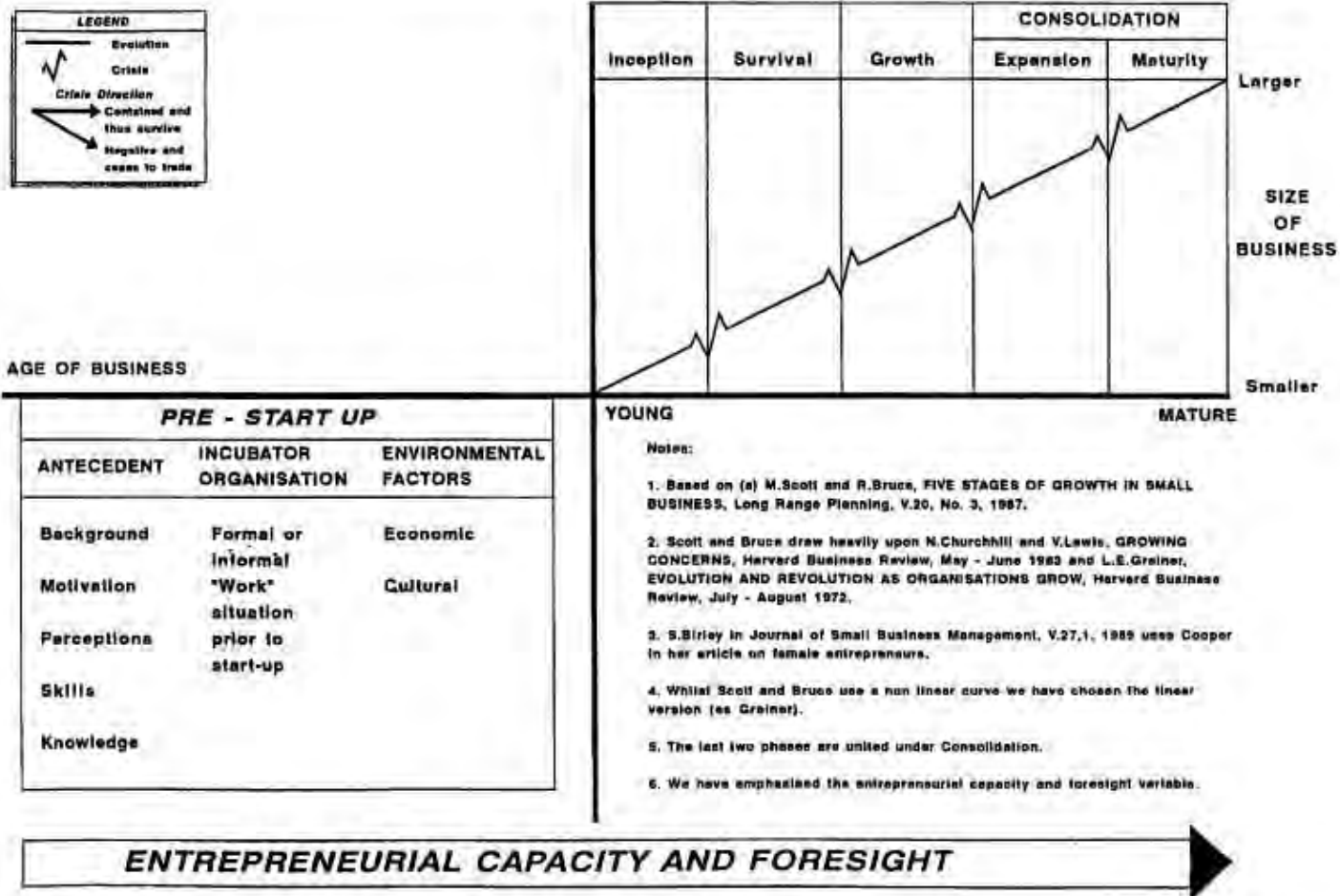


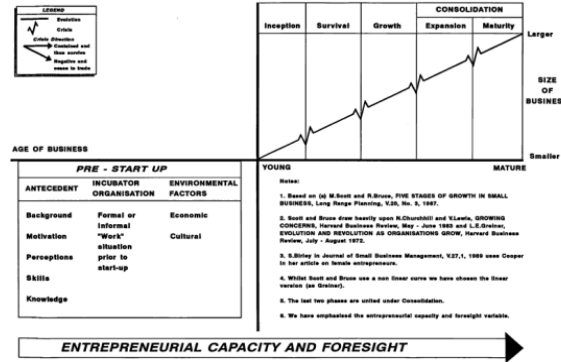
Figure Two: The Modified Scott / Bruce / Cooper Schema

Source: Author

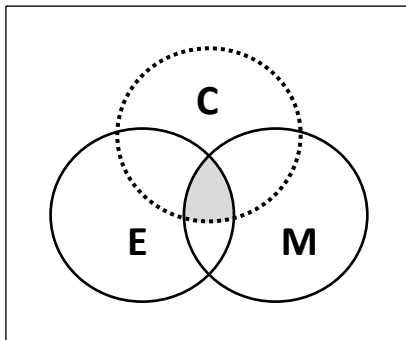
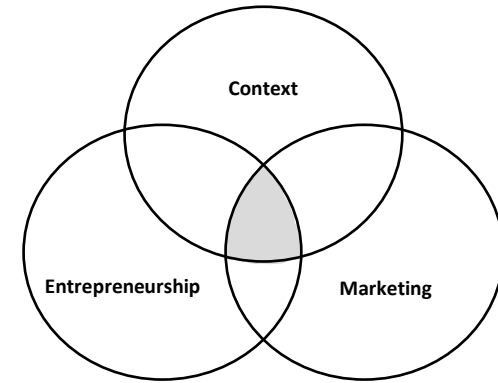
- Greater London Council
- Hanson Transport Ltd.
- Regional Director: Graduate Enterprise Programme
- Business & Manager Development, particularly the SME work

- Public Sector teaching
- What we would now call: 'Enterprise' teaching
- Business and the Entrepreneur

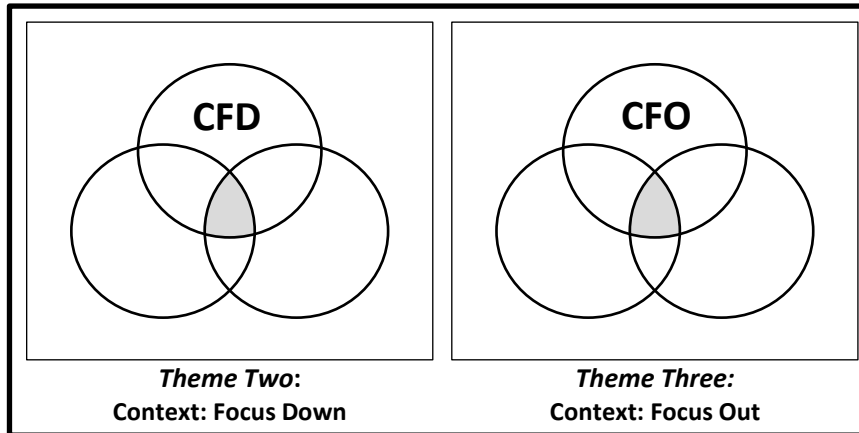
- Moving towards and crossing the boundary – 3 pieces of work:
 - 1995: Chrysalis Group
 - 1993: Crisis Pricing in Times of Recession
 - 1993: Pricing for Survival - Crisis Pricing in Small Firms as a Survival Strategy.



Source: Author

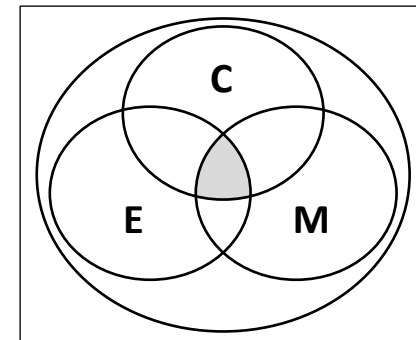


Theme One:
Marketing Entrepreneurship Interface



Theme Two:
Context: Focus Down

Theme Three:
Context: Focus Out



Theme Four:
Contribution to UK HE Education & business support practice

Set-up

CONTEXTS

Contribution to academic and support practice

Figure Three: Crossing the Interface Boundary (early-mid 1990s) and the four themes to be justified and developed

Figure Four: Schematic of the four themes

	First Level	Second Level	
Theme One	THE MARKETING ENTREPRENEURSHIP INTERFACE History, purpose & development	1.0	Appropriate role for entrepreneurship; the three circle Venn diagram; scope of work at the interface; Small business (SME) vs. the entrepreneurial small business (eSME)
Theme Two	CONTEXT: FOCUS DOWN How does an eM paradigm guide & inform the SME & the eSME	2.1.	Addressing critical situations: Crises; crisis pricing & tracking signals
		2.2.	Relationships: Leverage; Relationship Marketing; Counsellors; Family business
Theme Three	CONTEXT: FOCUS OUT How does an eM paradigm extend & inform in wider & less traditional contexts	3.1	Large organisations in private ownership
		3.2	Large organisations in public ownership and, in particular, CCT in the UK
		3.3	Public Arts (T-PASTs) which encompass both large & small organisations
		3.4	Within a geographical cluster and researched through a methodology that interfaces both marketing and entrepreneurship
		3.5	Within a geographical conflict zone
Theme Four	CONTRIBUTION TO HE EDUCATION IN THE UK, AND BUSINESS SUPPORT PRACTICE Good practice	3.6	Teaching entrepreneurship & entrepreneurial marketing to undergraduates and postgraduates Business support

Notes:

eM: entrepreneurial marketing ;

CCT(UK): Compulsory Competitive Tendering for local authorities in the UK;

T-PASTs: temporary public art sculpture trails

Source: Author

CHAPTER TWO

2.1 SUMMARY

This chapter defines and considers an appropriate definition and scope for entrepreneurship and then places entrepreneurship within the context of the interface through reporting and reflecting upon the origins and several key milestones within the entrepreneurial marketing literature. A detailed historical review of marketing is not provided as this thesis focuses specifically on the role of entrepreneurship within the interface

This chapter provides a broad background to the four thematic groups of published work that follow. The first theme elaborates both the development of the interface and the theory. Themes Two and Three review the published work in various contexts and Theme Four considers mainly teaching implications.

It is argued that it is vital to embrace the notion of transparency in accepting and understanding multiple viewpoints about entrepreneurship and that to consider individuals as simply being either entrepreneurial or not entrepreneurial is too crude an understanding and therefore entrepreneurship should be viewed as a continuous not a dichotomous scale of human behaviour. The ends of the scale can be anchored by ‘stellar’ (Schumpeterian) and ‘none’ where that would be the imitative of current offerings.

The chapter concludes by stating seven propositions consistent with the author’s views about the nature and appropriate role of the interface in theory and practice.

2.2 ENTREPRENEURSHIP

Entrepreneurship is complex and multi-faceted. It can be a simple descriptor, ‘x’ is an entrepreneur; it can be a behaviour and a process and it can be used in a pejorative sense. In 1994, The Economist newspaper ran a front cover photograph that was both ironic and playful to accompany an article entitled: What Britain Thinks about entrepreneurs (1994:13). It featured the actor George Cole in his role in the TV Series ‘Minder’, where he played a minor and not particularly successful ‘spiv’, opening his camel hair coat to reveal numerous watches and timepieces, all for sale and presumably

of doubtful heritage. Whilst more sympathetic to the entrepreneur, Pinchot's original concept of the intrapreneur contrasts the strengths and weaknesses of corporate managers with the strengths / weaknesses of the entrepreneur. Such weaknesses make them unattractive to the corporation despite allegedly needing them! Pinchot initially introduces the reader to five alleged myths and then proceeds to demystify them to try to convince the reader that there is a mediated position – the intrapreneur. The myths are:

Myth #1: The Entrepreneur's Primary Motivation Is a Desire for Wealth

Myth #2: Entrepreneurs Are High-Risk Takers

Myth #3: The Entrepreneur "Shoots from the Hip" Because He or She Lacks Analytical Skills

Myth #4: Entrepreneurs Are Amoral

Myth #5: Entrepreneurs Are Power-Hungry Empire Builders"

(Pinchot, 1985: 65-74)

Rationality suggests that where situations are complex and multi-layered, insight and resolution can be gained through applying an appropriate heuristic which can also be described as taxonomy. Consider the following five quotations respectively from Kilby (1971); Mintzberg et al. (1998); Gartner (2001); Low (2001); and, Pavord (2005).

Kilby (1971:1 & footnote) sets out the basic issue for which a possible resolution is either agreement on a single unifying theory of entrepreneurship or for academics to recognise and value differing approaches (and probably cross disciplinary work). Irrespective of that outcome respect for differing opinions and transparency of approach become paramount.

"The search for the source of dynamic entrepreneurial performance has much in common with hunting the Heffalump. The Heffalump is a rather large and very important animal ⁽¹⁾ He has been hunted by many individuals using various ingenious trapping devices, but no one so far has succeeded in capturing him. All who claim to have caught sight of him report that he is enormous, but they disagree on his particularities. Not having explored his current habitat with sufficient care, some hunters have used as bait their own favorite dishes and have then tried to persuade people that what they caught was a Heffalump. However, very few are convinced, and the search goes on.

⁽¹⁾ See A.A. Milne, Winnie-the-Pooh (London: 1926), Ch.5, and The House at Pooh Corner (London: 1928). "

Both Mintzberg, Ahlstrand and Lampel (1998:2-3) and (Gartner, 2001:27) draw on the metaphor (fable) of the blind men and the elephant where a phenomenon can only be resolved through an understanding of individual perception and a willingness to share. Each blind man touches a different part of the elephant and assumes their narrow focus represents the whole creature. For example, the trunk implies a snake and the tusks a spear. For Mintzberg et al., the elephant is greater than the sum of the parts. For Gartner unless we reveal and debate our conscious and unconscious assumptions we will only ever understand part and not the whole (see pp. 34 and 35).

Mintzberg, Ahlstrand and Lampel (1998:2-3)

“A fable to begin, often referred to, seldom known:
THE BLIND MEN AND THE ELEPHANT
By John Godfrey Saxe (1816-1887)

It was six men of Indostan
To learning much inclined.
Who went to see the Elephant
(Though all of them were blind)
That each by observation
Might satisfy his mind.....”

(first verse only of the nine verses quoted)

(Gartner, 2001:27)

“In the farthest reaches of the desert there was a city in which all the people were blind. A king and his army were passing through that region, and camped outside the city. The king had with him a great elephant, which he used for heavy work and to frighten his enemies in battle. The people of the city had heard of elephants, but never had the opportunity to know one. Out rushed 6 young men, determined to discover what the elephant was like. (Gartner)”

Low (2001) further illustrates the problem by telling the anecdote that when preparing for the paper ‘The Adolescence of Entrepreneurship Research: Specification of Purpose’ he asked a talented graduate student to help him prepare for the article by reviewing the trends of published articles in Entrepreneurship Theory and Practice and the Journal of Business Venturing during 1987-88 and compare and to contrast them to the themes in 1998-89. “The exercise nearly drove us both mad. Our best effort resulted in a 6x20

matrix, where one axis listed major subjects (new ventures, venture capital/angels, entrepreneurs, corporate venturing, small/family business and “other”) and the other axis listed primary focus such as decision making, performance, gender, geography etc.).”

Low pointed out also that “we needed a 120 cell matrix to classify a total of 131 articles!”

More prosaically, from Pavord in the Naming of Names (2005:395), we have the botanical analogue of our entrepreneurship classification problem, and, in the context of an exceptional entrepreneurial period of plant hunting.

“And somewhere we have to nod to Carl Linnaeus (1707-1778), the Swedish botanist who described his own book, *Species plantarum*, published in 1753, as ‘the greatest achievement in the realm of science’. Enthroned as professor of medicine at the University of Uppsala, he called his students ‘apostles’. Like Mattioli, he had the good fortune to publish the right book at the right time. He captured the *zeitgeist*, understood what was required and, with the ruthless efficiency of a computer programme, imposed brisk two-module name tags on nearly 6,000 plants. Since 1725, the Society of Gardeners had been meeting regularly in London to look at plants, especially those then pouring in from the Cape and the East Indies, in the hope of bringing some order to their naming. Novelties commanded high prices. Nurseries competed savagely for new plants and sent them out to rich customers under whatever name they fancied. The brilliant glory lily, which created a sensation when it was first brought into Europe from the tropics, had been ‘*Methonica*’ to one nursery, ‘*Lilium zeylanicum superbum*’ to another, ‘*Mendoni*’ to a third. Linnaeus decreed that it should henceforth be called *Gloriosa superba*, one of its earliest names. And, surprisingly, the rest of the world eventually agreed. Just in time, order had been wrested from chaos. Between 1730 and 1760, the number and variety of plants being grown in England increased fivefold.”

Concerning entrepreneurship the author of this thesis contends that our heuristic is either too simple, and so fails to capture the subtlety of this actor and action, or is too complex especially when layered with competing academic disciplines and schools of thought. William B. Gartner has made seminal contributions to our understanding of entrepreneurship and the depth of this contribution can be seen in the awarding of the 2005 FSF-Nutek Global Award for Entrepreneurship Research. (see, Hjorth and Johannisson, 2005; Gartner, 2005). For this thesis, four of those seminal pieces are relevant (1989, 1990, 1994, 2001). The recognition that entrepreneurship is better understood as a behaviour (not, for example as a trait or characteristic); entrepreneurs are what they do not who they are; that there are wide variations in their stories, where

they are to be found and how they behave; and that to understand we need to ‘simplify’. His simplification which is discussed further in a later section is to argue that anyone who starts a business is an entrepreneur, this allows the researcher to propose a sequence of appropriate questions, for example (and paraphrased): what do entrepreneurs do to enable organisations to come into existence?; what kind of activities do entrepreneurs perform?; what kinds of information are processed and how?; what are the distinguishing characteristics of the entrepreneurial approach?; and how are entrepreneurial decisions made? (Gartner, 1989:27)

He is well aware of the costs of such a focus, and that to solve one problem another is created “The purpose of this paper is not to substitute one highly specific entrepreneurial definition for another”, and,

“Entrepreneurship is the creation of new organizations is not offered as a definition, but rather, it is an attempt to change a long held and tenacious viewpoint in the entrepreneurial field. So we move to understanding entrepreneurship as a behaviour”. (1989:28).

He argues that “However it is clear that entrepreneurship ends when the creation stage of the organisation ends” (1989:26) and he means creation not creativity. He recognises that entrepreneurs can turn into managers as the organisation grows and that entrepreneurship is not just for the SME. Huefner and Hunt (1994), discussed later, remind us that Gartner (1990) very clearly recognises entrepreneurial behaviour in a wider context. The problem with Gartner’s position that the entrepreneurial act *is the creation of an organisation* is that whilst that is something that all SMEs do, not all SMEs are entrepreneurs.

Essentially though many heuristics give us only two categories -those who behave as entrepreneurs and those who do not. We could however consider a heuristic that distinguishes the entrepreneurial from the non-entrepreneurial organisation at a point in time and where this continuum is not dichotomous (you are either an entrepreneur or you are not). What would stop us doing that would be if we perceived entrepreneurs to be unique individuals with, in the terminology of the resource based view, specific and not generally available human and social capital and particularly where appropriate knowledge was tacit rather than explicit. Casson (1982) argues such a case strongly and that repeated practice in making correct judgemental decisions adds to their uniqueness.

Schumpeter (1934:74) argues that what distinguishes the entrepreneur from the non-entrepreneur is that the former carries out ‘new combinations’. Blue Ocean Strategy (Kim and Mauborgne, 2002) seeks to identify fundamental value innovation, there is, for example, to use one of their favourite examples- just the one Cirque du Soleil performance company. If entrepreneurs were ‘born not made’ we would back to a dichotomous position, however, the work by Nicolaou, Shane, Cherkas, Hunkin and Spector (2008) and Nicolaou, Shane, Adi, Mangino and Harris (2011) on identical twins, genetics and entrepreneurship, and, their predisposition towards entrepreneurial activity suggests that both nature and nurture have roles to play.

We could propose a scale that has ‘Stellar’ entrepreneurs at one end and more modest market makers at the other end. Steve Jobs and Apple; Sony and the Walkman; Netflix; would be stellar creative destructors at one end of the scale whilst subsequent and successful imitators would lie towards the other end of the scale. At a macro level Babson GEM (2014) supports variation in entrepreneurial human capital across nations. This author has often used the Omura, Rogers and Schmidt, (1994), grid which can be seen both as an integrator of entrepreneurship and marketing and as continuum with ‘not entrepreneurial’ and ‘Schumpeterian entrepreneurial’ anchoring the opposite ends and a Kirznerian response to market opportunities somewhat in the middle. We could recognise as Chell (1993) or Thompson (1999) that the continuum ranges from managerial functions through to entrepreneurial functions. He considers a continuum encompassing incompetent entrepreneurs, three types of competent entrepreneurs and two types of manager (‘Cowboy’ Entrepreneurial Manager; Entrepreneur; Adventurer Entrepreneur; Bureaucrat / Administrator; Manager). Chell (1993) considers a range of competency from ‘caretaker’ to entrepreneur..

..” . . . Now anyone who sets up a business, be it a small shop on the High Street, a social enterprise or a nursery is designated an entrepreneur. Once we talked about the ‘petite bourgeoisie’, small business owner-managers’, ‘the self-employed’, ‘caretakers’ and ‘professional managers’ of enterprises: we differentiated and looked at the context and the motivations of founders, successors to, or people who bought into or inherited an enterprise (c.f. Chell et al., 1991 for further references) . . .”
(Chell, 2014:4; see also Chell and Haworth, 1993:13)”

Ramaglou (2013) considers both entrepreneurs and non-entrepreneurs in an intriguing response to the classic Gartner (1989) position on who is the entrepreneur. Or as Pinchot (1985) in respect of intrapreneurship, that the continuum is anchored at one end by managers (who maintain the status quo) with entrepreneurs at the other end who disrupt and intrapreneurs who combine somewhat both behaviours. This latter view also being consistent with the Mintzberg School of entrepreneurial strategy where entrepreneurs are disruptors and once having moved the organisation along leave it to the managerial team to manage that new direction (Mintzberg, et al. 1988).

Schumpeter (1934:74) initially appears to take a liberal view of where and how entrepreneurship takes place in an organisation arguing that entrepreneurs carry out ‘new combinations’ and that this can include “ ‘dependent’ employees of a company like managers, members of boards of directors, and so forth” Schumpeter (1934:75). He argues that entrepreneurial action is ‘mixed up’ with managerial behaviour such that managers may have entrepreneurial episodes (1934:78):

“But whatever the type, everyone is an entrepreneur only when he “carries out new combinations” and loses that character as soon as he has built up his business, when he settles down to running it as other people run their business. This is the rule, of course, and hence it is just as rare for anyone always to remain an entrepreneur throughout the decades of his active life, as it is for a businessman never to have a moment in which he is an entrepreneur, to however modest a degree.”

However the nature of these new combinations is likely to restrict dramatically the number of eligible actors:

“Development in our sense is then defined by the carrying out of new combinations . . . This concept covers the following five cases: (1) The introduction of a new good- that is one with which consumers are not yet familiar- or a new quality of a good. (2) The introduction of a new method of production, that is one not yet tested by experience in the branch of manufacture concerned, which need by no means be founded upon a discovery scientifically new, and can also exist in a new way of handling a commodity commercially. (3) The opening of a new market, that is a market into which the particular branch of manufacture of the country in question has not previously entered, whether or not this market existed before. (4) The conquest of a new source of supply of raw materials or half-manufactured goods, again irrespective of whether this source already exists or whether it has first to be created. (5) The carrying out of the new organisation of any industry, like the creation of a monopoly position (for example through trustification) or the breaking up of a monopoly position.” (1934:66).

And furthermore he argues that:

“To undertake such new things is difficult and constitutes a distinct economic function, first, because they lie outside of the routine tasks which everybody understands and, secondly, because the environment resists in many ways that vary, according to social conditions, from simple refusal either to finance or to buy a new thing, to physical attack on the man who tries to produce it.” (1943:132)

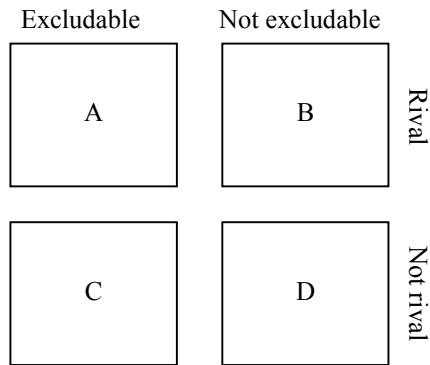
“To act with confidence beyond the range of familiar beacons and to overcome that resistance requires aptitudes that are present in only a small fraction of the population and that define the entrepreneurial type as well as the entrepreneurial function. This function does not essentially consist in either inventing anything or otherwise creating the conditions which the enterprise exploits. It consists in getting things done”. (1943:132)

Not to mention, the often quoted metaphor from his later work (1943:84) where in the chapter on creative destruction mainly concerning the role of large organisations – “It (*business strategy*) must be seen in its role in the perennial gale of creative destruction”

It is vital that we separate out the act of entrepreneurship from the organisational form in which it is conducted. The Schumpeterian ‘everyone can be an entrepreneur’ is not a literal statement, it is there to emphasise that in society there is not a formal pre-ordained entrepreneurial class by birthright or through a pre-determined natural (or constructed) social stratification. Smith (1776) in the *Wealth of Nations* offers us one of the mechanisms through which an entrepreneur can operate – the ‘invisible hand’ in the marketplace. Pure selfish action and the wish to survive will ensure that producers and consumers irrespective of their feelings one for the other will enter into economic exchanges. The proper economic role for government is to address either complete or partial market failure (for example, public goods). Coase (1937) gives us the institutional context by arguing that exchange in the marketplace is often more efficiently organised by bundling resources together in an organisational structure. So we should start with the act and then move to structure and type of output. Some entrepreneurs are selling private goods and services but some are social entrepreneurs marketing public or quasi-public goods. The common bond is that they are -but with a wide variability -‘beyond the range of familiar beacons’ (Schumpeter, 1943:132). Whether social entrepreneurship is seen as a complementary or replacing activity to a private business model is an important but secondary consideration to classifying the entrepreneur. Again (see later) we should not be surprised that Huefner and Hunt (1994)

want to see consumers as entrepreneurs given that action is independent of a *particular* organisational form. So one can consider entrepreneurs operating within any of the following contexts:

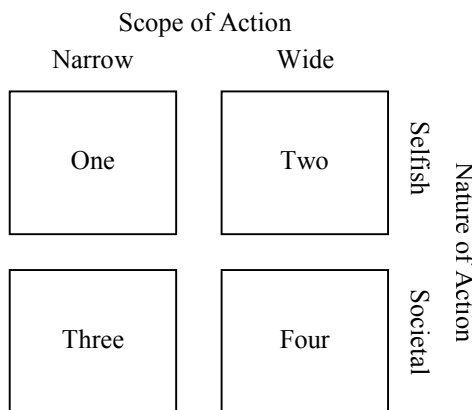
Figure Five: Type and scope



The excludable dimension means that you can stop people from consuming the good unless they pay for the good or service. Rival means that consumption by one consumer leaves one less unit for the next consumer. In these situations, markets work effectively and efficiency. Case (A).

A piece of beautiful countryside is an example of not rival since enjoyment by one person of the natural beauty leaves no less for other consumers. If it a true open access space then we cannot exclude anyone from it. Case (D). The classic argument would be that such 'public goods are more effectively and efficiently managed by a public, not-for-profit body.

(B) & (C) are intermediate scenarios. (B) is not excludable but rival .. the classic crowding out case; (C) we can exclude people but the experience is not rival.



One: Narrow / Selfish
Pure profit occupying small market space (local/regional)

Two: Wide / Selfish
Pure profit occupying large market space (national / international)

Three: Narrow / Societal
Social enterprise occupying small market space (local / regional)

Four: Wide / Societal
(national / international)

Source: Author

A fundamental proposition of the marketing-entrepreneurship interface is that small firms behave very differently to large firms and this is a consistently recurring argument in the commentary in the Chapter that discusses Theme One.

SMEs differ from their larger counterparts in both their physical and human capital resource base. As recognised by the 'Bolton Committee' (1972) they are likely to have less resources and to serve a small part of what is often a niche market. Internally they

are likely to have a small number of employees, flatter organisation structures and a higher degree of both owner manager and immediate family member formal (or informal) influence. Eggers, Kraus, Hughes, Laraway, & Snyckerski (2013) state in their study of Austrian SMEs that perhaps 80% are family businesses and that this figure is probably roughly correct across Europe. Most SMEs do not grow with perhaps less than ten percent that do grow. (Anyadike-Danes, Bonner, Hart, & Mason, 2009.) They are though by head count the most numerous firm type in the world.

“In all countries most business are micro-enterprises, i.e. firms with less than ten employees; between 70% and 95% of all firms are micro-enterprises. In half of OECD countries, micro-enterprises account on average for more than 90% of total enterprises, with the highest proportion of micro-enterprises being found in the services sector.” (OECD, 2014).

As Hills (1994) argues “just as a child is not a little adult, a new venture (the) SME is not a little Fortune 500 firm” and White (1981) also emphasises this viewpoint, so it is possible both that the marketing function is not a scaled down version of that practiced, and practiced formally, by large companies. However being resource constrained does not necessarily lead to a poor outcome. Edwin Land and the post-World War Two development of the Polaroid instant picture camera arose from a simple question by his daughter as to why she could not see the photograph now, and so Land moved photography away from a ‘hobbyist’ technical pursuit to an activity that centred upon the emotional element of photography. He overcame his relative lack of resources by a clever choice of manufacturing subcontractor and what we would recognise now as a smart entrepreneurial marketing campaign (Bello, 1959).

Very few SMEs are as entrepreneurial as Edwin Land, we have the Birch elephants, mice and gazelles, where only the latter are entrepreneurial (see: Henrekson, & Lundstrom, 2009; Landström, n.d.); the Babson Global Entrepreneurship Monitor (GEM) distinction between opportunity and necessity entrepreneurship; and commentators (for example, Casson, 1982:20) that see the entrepreneur only as the radical, and scarce, Schumpeterian bringer of creative destruction.

Having argued for transparency the author’s teaching framework for entrepreneurship is described below. So far, this chapter has concerned itself with the notion of heuristic and taxonomy rather than defining the entrepreneur, per se, but as can be seen below clearly a

multiple definition of the entrepreneur is preferred but if a single definition was chosen, the preference would be: “Entrepreneurship is the process by which individuals pursue opportunity without regard to the resources they currently control” (Stevenson & Jarillo, 1990).

The author in their teaching uses a ‘three C’ mnemonic, this is intended to explore and to suggest a framework by which to consider different academic positions. It would be hypocritical to place value on ‘transparency’, and then to enforce uniformity. Initially the context is considered: this consists of: the type of organisation; the level of action; a recognition of the location of the organisation in the life cycle; and, entrepreneurial ability. Figures Six and Six (a) below, Figure Five immediately previous to this section and the life cycle diagram (Figure Two) are all used.

Figure Six: Level of Action (Source: Author)

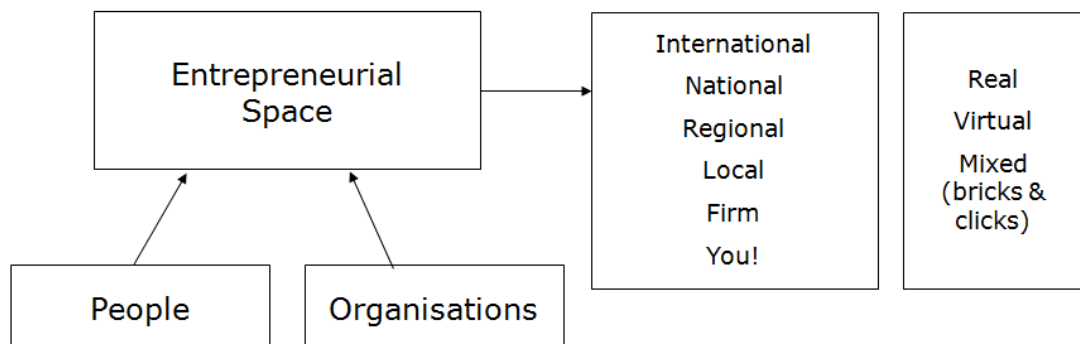
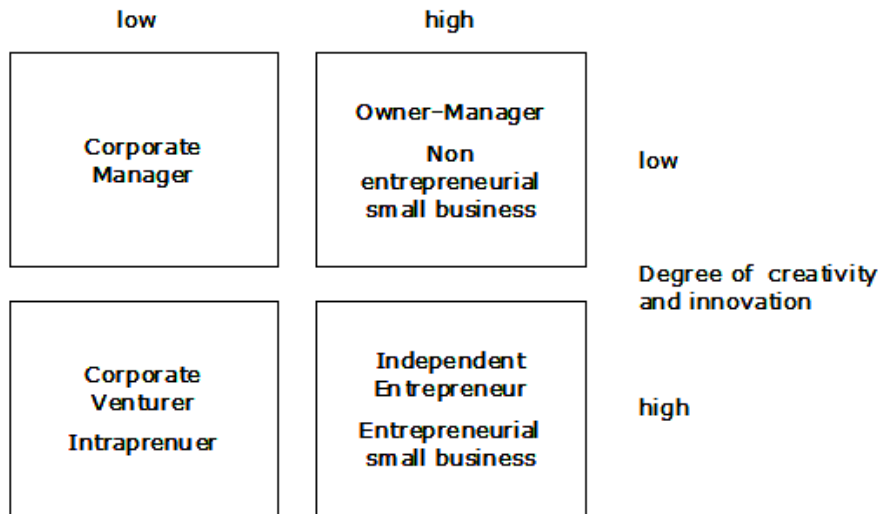


Figure 6(a) Person Matrix

Decision autonomy and flexibility



Source: Ginsberg & Hay, adapted from Ginsberg and Buchholtz, 1989

Ari Ginsberg, Michael Hay, Confronting the challenges of corporate entrepreneurship: Guidelines for venture managers, *European Management Journal*, Volume 12, Issue 4, December 1994, Pages 382-389, page 384.

A. Ginsberg, A. Buchholtz, Winter, 1989, Are Entrepreneurs a Breed Apart: A Look at the Evidence, *Journal of General Management* (Winter, 1989), pp. 32-40

Secondly, compatibility with the author's research values, that their definition:

- (1) is compatible with economic perspectives of the entrepreneur;
- (2) differentiates between the truly entrepreneurial small business and the more common usage of the term entrepreneurial;
- (3) is comparable in explanatory power to the better behavioural theories;
- (4) is compatible with, and sympathetic to, the marketing/entrepreneurship interface;
- (5) has a wider organisational application and validity;
- (6) can be seen in terms of a business model perspective.

Thirdly, compliance with one of four broad literature bases:

Trait: this is a starting point from which to move to the next category but one interpretation of Gartner (1989) is that strong meaningful traits are acceptable but not those naïve and irrelevant traits that have no impact upon behavioural outcomes.

Personality and behavioural: seeking a definitive entrepreneurial personality is rather more subtle and helpful than considering traits. Here we can consider type and behaviour. Since the three Cs mnemonic is used both on entrepreneurship and entrepreneurial marketing programmes we consider entrepreneurial competencies through the use of entrepreneurial orientation alongside specific entrepreneurial marketing competencies; the entrepreneur as innovator; opportunity recognition; the creation and the enacting of entrepreneurial business models; and effectuation.

Strategic management: is there to capture more formal aspects such as planning as well as behaviour in large organisations. Despite the paucity of entrepreneurial language in many mainstream strategic textbooks, the literature shares common concerns such as success, innovation and growth. Also Mintzberg et al. (1998) formally consider strategy and entrepreneurship.

Economic: this considers firstly those who advocate a single explanation for entrepreneurial behaviour, for example, Schumpeter (1934) innovation; Knight (1921) uncertainty; Kirzner (1985) the entrepreneur as an alert arbitrageur. Then those who advocate a synthesis, for example: Binks and Vale (1990); Omura et al. (1994); Casson (1982).

The author then concludes by offering five definitions that they consider offer complementary insights. If only one could be chosen then it would be Stevenson and Jarillo (1990) since this considers entrepreneurship as a process. This process might or might not be understandable to non-entrepreneurs but it takes us away from considering entrepreneurship to be luck, serendipitous and ‘all nature and no nurture’.

Schumpeter, 1934:	Entrepreneurs carry out one or more of five actions.
Kirzner, 1973:	They spot opportunity & bring buyers and sellers together in markets that are in turmoil.
Drucker, 1986:	They innovate.
Stevenson and Jarillo, 1990:	Entrepreneurship is the process by which individuals pursue opportunity without regard to the resources they currently control.
Chesbrough, & Rosenbloom, 2002, Osterwalder, 2010:	Entrepreneurs invent a new business model, or, rework an existing business model to deliver novel outcomes

Finally, and returning to Heffalumps, after 40 years do we still need Kilby (1971) and a clear heuristic. Moorz and Hindle (2012) would argue that we do and their study of thirty-two extant models of entrepreneurship led them to argue that the field is still highly fragmented and that their test of the relevancy of an appropriate and universal entrepreneurial process model – it offers generality of application in the explanation of the entrepreneurship process (what always happens) whilst also delivering distinctiveness – what never happens in any other type of process.. is failed. They argue for:

an urgent need to synthesize what can be taken from the extant body of entrepreneurial process models as one component of a concerted attempt to derive and test what might be called a “harmonizing” model of entrepreneurial process rather than a “unifying” model. We are in total agreement with Van Maanen (1995) when he writes about our search for meaningful answers to important questions (p. 139):

The answers-if indeed there are any-must come from the polyphonic voices that comprise our highly diverse field. We must be willing to listen to each other and to listen with respect. The goal is not to control the field, increase our prestige, run a tight ship, or impose a paradigm for self-serving or utilitarian ends. The goal is to learn from one another such that our ink-on-a-page theories and consequent understandings of organizations can be improved. Too often we forget. (Van Maanen, 1995).

They dismiss any virtue of diversity that thirty odd process models might deliver, and,

We believe this inquiry shows that the field is badly in need of an instrument that is capable of harmonizing the best notes of “the polyphonic voices that comprise our highly diverse field.” . . . and . . . Sometimes, even in a field that values diversity, there can be simply too much polyphony and its discords can contain more noise than wisdom.

So forty years later there is still the heffalump and the challenge continues to find an appropriate heuristic that is neither too simplistic, restricting and unrealistic, nor so wide that it fails to provide focus. For this author, the heuristic that underlies their teaching and is drawn out of both their understanding and perception of entrepreneurship was discussed above.

2.3 ENTREPRENEURIAL MARKETING

This section considers in a very broad way, some key milestones in entrepreneurial marketing. Finer detail is explored in the chapters elaborating the four themes. The notion that entrepreneurship and marketing have some commonality of purpose was according to Hills (1994) somewhat overlooked and in his seminal text, the first five chapters are setting the context: “the first section of this book offers the richest statements ever written on defining entrepreneurship and the interface with marketing” (Hills, 1994:2). These five chapters are considered at the end of this section.

Carson (1995a) argued the inherent commonality case:

“There are similarities and dissimilarities between entrepreneurial decision making and formal marketing planning and management competencies and contact networks. Entrepreneurial decisions are inherently informal, haphazard, creative, opportunistic and reactive whereas marketing decisions are formal, sequential, systems orientated, disciplined and structured. On the other hand there are similarities in the construction and employment of personal contact networks between entrepreneurs and marketing managers.

Equally some of the skills required by entrepreneurs are those required by competent marketing managers, for example, analytical, judgmental and positive thinking, innovation and creativity.”

The two most common accompanying assumptions being that entrepreneurship is seen as an absolute and is most likely to be found only in the SME which given the context of the relative neglect of the SME in academic marketing is not surprising but unhelpful in respect of the wider picture. In Carson et al. (1995), the adaption of standard marketing approaches, if and where, appropriate is acceptable but the particular nature of the entrepreneur, along with their pivotal role and influence in their business suggests exploiting those attributes through say personal contact networking and competency development.

The first seminal journal article by Hills and LaForge (1992) was a deliberately broad discussion of “key tangencies” at the ‘marketing entrepreneurship interface’. They argued that the entrepreneurship “knowledge base for the emerging field of entrepreneurship” should be “interfunctional and interdisciplinary” but that it is only recently that marketing has contributed. It is easy to forget that despite the long academic history of entrepreneurship in some disciplines such as economics (Hébert, &

Link, 1982), the explosion in entrepreneurship education is essentially a phenomenon of the 1970s despite some notable earlier efforts, two of which that are commonly quoted as being Myles Mace at Harvard Business School in 1947 and Peter Drucker at New York University in 1953 (see Katz, 2003:286-290 for a full chronology). Even Babson College, one of the instigators of practical business programmes in the interwar period, and a well ranked university for entrepreneurship education, only claims “Babson introduced entrepreneurship as a discrete academic discipline nearly 50 years ago and it remains an integral part of our DNA” (Babson, 2004). For Europe, Chell (2014:4) comments that “In the UK, 1971, a ‘Committee of Enquiry on Small Firms’ was set up under the chairmanship of John Bolton. No University business schools included ‘Entrepreneurship’ as one of their offerings; now most do.” Marketing is equally a young academic discipline albeit that the *Journal of Marketing* and the *Journal of Retailing* started in 1936 and 1927 respectively, they were really professional journals with concern for selling. Some commentators argue that the University of Michigan was the first to offer an American marketing programme in 1902.

Hills and LaForge (1992) distinguish between the entrepreneur, and the process, and this allows an intermediate linkage between marketing and entrepreneurship which in their case is the process of marketing planning. Gardner (1994) uses information acquisition as the intermediary. Carson et al. (1995) use innovation and opportunity in that role. Hills and LaForge (1992) set the opening agenda for much of the following decade. It is clear though that their primary concern is entrepreneurship is the early firm stage.

They argue that marketing management is the process of scanning the environment, analysing market opportunities, designing marketing strategies, and then effectively implementing and controlling marketing practices (Cravens, Hills, & Woodruff, 1987). They then define entrepreneurship as: “the process of assembling resources to create and build an independent enterprise, encompassing creativity, risk taking, and innovation (Harwood, 1982)”. It is helpful to separate the "entrepreneur" (a person) from "entrepreneurship" (a process). Although study of the entrepreneur should perhaps reside primarily in the management discipline, the study of new venture development and entrepreneurship as a process (and the study of the early stages of the business life cycle) belong as much or more to the marketing discipline as to any other business function” (Hills & LaForge, 1992:34).

Key points from their opening arguments have been reset in table below.

The marketing discipline is an important resource for entrepreneurship researchers

SINCE

1	The underlying philosophy and orientation of the discipline are attuned to markets and customer needs, which have direct applicability to entrepreneurship	This orientation is of obvious importance to new business creation and to seeking and evaluating opportunities
2	There is a major body of literature regarding marketing research methodologies for evaluating new venture and new product ideas.	Part of entrepreneurial opportunity seeking is to evaluate ideas using market opportunity analysis, concepts and techniques.
3	Marketing "behavior" and "entrepreneurial behavior" are similar in nature	They are both boundary spanning, involve extensive interplay with the environment, require the assumption of risk and uncertainty, and inevitably interface the complexities of human behavior with commercial and other endeavors.
4	When entrepreneurship encompasses innovation,	The marketing discipline offers relevant insights regarding diffusion, adoption, and buyer behavior.
5	And most obviously, marketing as a business function is universally important to new business creation and growth.	It seems clear that marketing should be treated as a major domain within the entrepreneurship field.

Source: Hills and LaForge (1992, Spring: 33). Their opening text reset as this table

Chaston (2000) in his book selects a deliberately wider definition, "The behaviour exhibited by an individual and/or organisation which adopts a philosophy of challenging established market conventions during the process of developing new solutions".

Morris, Schindehutte and Laforge (2002) abbreviated definition of entrepreneurial marketing is: "the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leverage and value creation" They argue entrepreneurial marketing itself ranges along a continuum from highly entrepreneurial to risk adverse as measured by frequency and degree of action.

Bjerke and Hultman (2002) in their book focus entrepreneurial marketing around the small firm – because these are numerous and are bringing forward the economic changes that they believe are important and interesting. They are interested in small firms that are growing through innovative marketing and entrepreneurship.

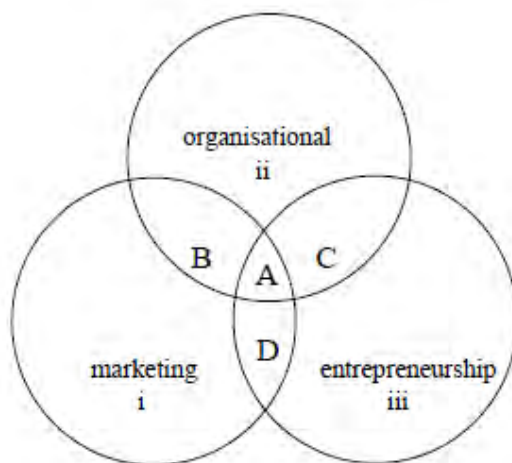
In the latest book on entrepreneurial marketing (Zubin, Jones, & Harrington, 2013) adopt the fuller Morris et al. (2002) definition: “an integrative construct for conceptualising marketing in an era of change, complexity, chaos, contradiction, and diminishing resources, and one that will manifest itself differently as companies age and grow. It fuses key aspects of recent developments in marketing thought and practice with those in the entrepreneurship area into one comprehensive construct. “

Hills and Hultman (2006) noting that “Carson (2005) elegantly summarises the discussion of separate standpoints and at the same time indicates directions for the future: “I think that we need a holistic interpretation of the domain, rather than focussed on an ‘either / or’ scenario. It is important to realize that, although the SME is an important part of the domain, it does not preclude research into issues in the larger firm, as well. Therefore the domain has the potential to embrace issues at the corporate level right down to one person businesses”

Dilani et al (2014), summarise the Carson / Coviello position that small firms’ practices are essentially different from the conventional marketing, the words in parenthesis being their interpretation of the original phrasing.

“practices espoused in textbooks which cater largely for larger firms. Marketing decision making in small firms is simplistic and haphazard (i.e. it is immediate and reactive to circumstances), undisciplined and spontaneous (i.e. predominantly intuitive), unstructured and short term.” (Carson, 1998; Coviello et al., 2000).”

Figure Seven below is the previously introduced author’s three circle Venn diagram. There is a difference between arguing for a commonality between entrepreneurship and marketing and how that relationship works in practice. The following section considers that one can use a marketing orientation and an entrepreneurial orientation to further consider the interaction.



ATTACHED SEGMENTS

A	Full integration at the <i>Interface</i>
B	Organisation and marketing interaction alone
C	Organisation and entrepreneurship interaction alone
D	Traditional marketing and entrepreneurship

UNATTACHED SEGMENTS

i	Marketing alone
ii	Organisational issues alone
iii	Entrepreneurship alone

Figure Seven: The Three Circle Venn Diagram (Source: Author)

Treating the interface as a metaphor not an operationalised model leads on to consider exactly how entrepreneurship and marketing interact in practice. For example is EO an antecedent to MO, or vice versa, or do they combine together as an entrepreneurial marketing orientation that can be measured? Whilst SMEs may market differently because of who they are and the resource that they have, or do not have, they may also use more formal marketing practices. Just as entrepreneurial competence varies across the business population, so does marketing competency. Equally how academics understand and codify what is marketing practice need not correspond to actual practice. Taking the Romano & Ratnatunga (1995) position that marketing can be cultural / strategic / cultural, an SME could hold a mainstream cultural position – the central importance of the customer but when asked to explain their tactics might not articulate this through a formal marketing mix.

One seemingly obviously way to understand segments (A) and (D) would be to look at studies of entrepreneurial and marketing orientations. Keeping (ii) as organisations then there is a great deal of work on both EO and MO (for example: Miller 2011; Morris and Paul, 1987) whilst classifying (ii) as SMEs dramatically narrows down the amount of focussed work and much of the work falls into segment (d) rather than (a). Provided that EO and MO theories have some currency for how SMEs actually behave then we can learn from work in (d). The majority of work on MO and EO is quantitative.

Alternatively we can investigate how SMEs actually market through qualitative approaches and see whether common frameworks appear (see for example, Morrish & Deacon, 2011; O'Donnell, 2011; Parrott, Roomi, and Holliman, 2010; Gilmore, Carson and Grant, 2001; Coviello, Brodie and Munro 2000; Hill 2001). Or we could start with theory and consider what might be appropriate orientations as did Jones and Rowley (2009) with the EMICO scale that captures- innovation orientation, entrepreneurial orientation, marketing orientation and customer orientation.

So one option to consider is using a standard entrepreneurial scale and a marketing orientation scale, either MARKOR (Kohli, Jaworski and Kumar, 1993) or MKTOR (Narver and Slater, 1990). The former might be considered more appropriate for a large organisation given its particular focus on intelligence gathering, dissemination and responsiveness whilst the latter which concentrates on culture through considering customer orientation, competitor orientation and interfunctional co-ordination more suitable for use with the SME. Lafferty and Hult (2001:100) suggest that both scales have a common concern for placing an emphasis on the customer, acknowledging the importance of information, interfunctional co-ordination and taking action.

The choice of which scale to use requires judgement given that as with the Entrepreneurial Orientation scales, these scales were developed initially for use with larger more formally structured and departmentalised organisations. Adoption of a marketing orientation would vary by, at least, the size of the SME, the internal structure, the stage of the life cycle, and the industry sector, and the human capital of the owner manager (and employees). Following Carson et al. (1995) the very young SME is more likely to be resource constrained, locally focused and embracing an intuitive management style. As, and if, the SME progresses through the firm life cycle it will become more departmentalised and able to afford and employ specialists (Cuevas, 1994).

Matsuno, Mentzer and Ozsommer (2002) in their seminal article consider the extent to which EO and MO are opposing behaviours. The opening sentence of their paper being: "In his book *Innovator's Dilemma*, Christensen (1997) argues that well managed companies often fail to innovate precisely because they are rightfully preoccupied with

the market – existing or potential – they know” followed by: “ The contention is an unnerving one for managers who believe in a marketing orientation”.

Christensen’s proposition, in extremis, concerns only those firms that are not Schumpeterian innovators and who use a marketing orientation only to become even more knowledgeable about their existing customers. This being reinforced when those customers have no sound knowledge to share about the future state of the market. So again this author argues for defining entrepreneurship as relative not an absolute.

Matsuno et al. (2002) define as a construct - entrepreneurial proclivity “viewed as an organization’s predisposition to the three entrepreneurial dimensions” which they define as “as an organizations predisposition to accept entrepreneurial processes, practices, and decision making, characterized by its preference for innovativeness, risk taking, and proactiveness”. Market orientation is defined as: “A set of behaviours and processes related to continuous assessment of external environments”. Out of their plausible hypotheses, three broad ones are of immediate interest to the interface relationship: that entrepreneurial proclivity (EP) directly affects business performance; that EP directly affects marketing orientation (MO) which affects performance; that EP influences organisational structure which itself affects MO which affects performance. Their results indicated that entrepreneurial proclivity has not only a positive and direct relationship on market orientation but also an indirect and positive effect on market orientation through the reduction of departmentalization. The results also suggest that entrepreneurial proclivity's performance influence is positive when mediated by market orientation but negative or non-significant when not mediated by market orientation.

Whilst Matsuno et al. gives legitimacy to considering the interface through EO and MO, and their interactions, the sample is not exclusively the small business and certainly not the micro small business. Their final usable response was 364 from a sample frame of 1300 American manufacturing companies (38.76%). Matsuno et al. (2000) reported the size distribution in their sample frame, 51% had between 100-249 employees; 1.3%, - 99 or less; and 42% between 250-499 employees.

Hills, Hultman, Kraus, & Schulte, (2010) offer a table of EM evolutionary milestones (see below). So the interface has progressed since the beginning and would appear to be

confident enough to consider moving into non SME areas albeit that work is still likely to reside predominantly within the SME sector. Kraus et al. (2012) in their citation analysis suggest the interface has gathered enough critical mass to look away from the SME to other organisations and contexts.

Figure Eight: Kraus et al., Table 1: EM evolutionary milestones

Table 1: EM evolutionary milestones		
1982	First marketing and entrepreneurship research conference	(G. Hills)
1985	First empirical study of the marketing and entrepreneurship interface in <i>Frontiers of Entrepreneurship Research</i>	(G. Hills)
1986	First <i>Journal of Marketing</i> publication: 'Missing the boat and sinking the boat: a conceptual model of entrepreneurial risk'.	(P. Dickinson and J. Giglierano)
1987	'The relationship between entrepreneurship and marketing in established firms', published in the <i>Journal of Business Venturing</i>	(Morris and Paul).
1989-1991	AMA Task Force (1989) and later. Special Interest Group is established for the marketing and entrepreneurship interface.	
	First EM tracks are created in the AMA summer (1990) and winter (1991) conferences.	(G. Hills)
	Also Academy of Marketing Science Congress track in Singapore (1989)	
	Best paper in summer AMA conference	(P. Braden and R. Merz)
1995	Carson, Cromie, McGowan and Hill published a textbook, <i>Marketing and Entrepreneurship in SMEs: An Innovative Approach</i>	
	First Academy of Marketing Symposium (U.K.)	(D. Carson, A. McAuley).
	Slater and Narver's market orientation and the learning organisation, published in <i>Journal of Marketing</i> .	
1999	<i>Journal of Research in Marketing and Entrepreneurship</i> founded	(J. Day, P. L. Reynolds; also D. Carson, G. Hills)
2000	Special issue of the <i>Journal of Marketing Theory and Practice</i> on the marketing and entrepreneurship interface	(M Miles)
2002	Bjerke and Hultman publish <i>Entrepreneurial Marketing: The Growth of Small Firms in the New Economic Era</i> .	
2008	Schindehutte, Morris and Pitt publish <i>Rethinking Marketing</i> .	

Source: Kraus, et al., 2012

Notes: Redrawn; P Reynolds changed to P. L. Reynolds

This would be an appropriate point to consider in more depth the five starting chapters in the original Hills (1994) volume when the interface was in its infancy. These are grouped as contributions to a definitional debate.

1	Marketing and Entrepreneurship: The Domain	<i>Gerald E. Hills</i>
2	Defining and Conceptualizing Entrepreneurship: A Process Approach	<i>Neil C. Churchill and Daniel F. Muzyka</i>
3	Where's Entrepreneurship? Finding the Definitive Definition	<i>William B. Gartner</i>
4	Marketing/Entrepreneurship Interface: A Conceptualization	<i>David M. Gardner</i>
5	Broadening the Concept of Entrepreneur The Entrepreneurial Consumer	<i>Jonathan C. Huefner and H. Keith Hunt</i>

Hills in the first seminal text on the interface (1994) argued that: “Market opportunities and marketing may be the two most important elements underpinning successful business creation, but scholarly attention to this interface has occurred only in recent years” He then goes on to argue that there was clear neglect by marketing scholars on both start-up and small firms. This is supported by the lack of work in both the Journal of Marketing from 1936 to the mid-1990s and the Journal of Retailing from 1927. Citing Hisrich (1989) that contemporary entrepreneurship literature hardly addressed marketing (perhaps less than 2% of the time).

In discussing the domain once again it is clear where Hills (1994) interests lie: “The time has come to also study firms at their inception and in the early stages of the business lifecycle”. He chooses a broad view of marketing – the American Marketing Association definition and a definition by Stevenson and Jarillo-Mossi (1986) of entrepreneurship that has opportunity and value creation as key components of the definition which that it is the process of creating value by combining resources to exploit an opportunity. He argues that for academic research, small business is simply the size variable directing our focus to the lower end of the scale. To locate the interface he argues that there is congruence between a schematic marketing management model and entrepreneurship; for example, business plan development sits between market opportunity analysis and marketing strategy formulation.

He then argues that in defining the research interface it may be important to look beyond narrow definitions of entrepreneurship and seek to evaluate the importance of other factors or variables. We thus have SMEs behaving differently because of who

they are and what they are, and the factors that he cites for these differences fit comfortably with the 1971 UK Small Firms (Report of the Committee of Inquiry on Small Firms) description of the world of the SME.

So the marketing function would be both viewed differently and performed differently from functions in the mature firm, and, “Just as a child is not a little adult, a new venture or smaller firm is not a little Fortune 500 firm”. Finally he cites Morris and Paul (1987) who argue that more entrepreneurial firms should be more marketing orientated.

In the next chapter, Churchill and Muzyka review some of the history of entrepreneurship history and argue for an operational conceptualisation of entrepreneurship. As with Hills they are driving down from a broad domain to an operational level:

“A *process* that takes place in *different environments* and settings that causes changes in the *economic system* through *innovations* brought about by *individuals* who generate or respond to *economic opportunities* that *create value* for both those individuals and society”.

Gartner’s contribution is to place his work on ‘who is the entrepreneur’ into the context of the interface. His conclusion is that if you are going to talk about entrepreneurship, offer a definition. Yet, recognise that a definition can never be definitive and that we should be conscious that our chosen definition will be useful for helping others. In drawing to that conclusion, he offers three tenets:

“Entrepreneurship is complicated: therefore simplify” but recognise that if one simplifies to a unidimensional (single discipline) we lose insight but if we are too general and accepting of all viewpoints we lose focus and explanatory power”.

“That entrepreneurship is equivocal: therefore specify”.

Gartner is responding to the Churchill and Muzyka definition above and he draws from Weick that equivocal events can be interpreted in several ways and it is therefore difficult to understand what inputs generated the outcome. Opportunities are only opportunities once successful exploitation leads to the obvious conclusion that is what they were. Gartner after Hippel asks who is the more entrepreneurial, the founding

team or the first buyer of the unproven product. He concludes that we have to accept the paradox that we have to accept “equivocality described in non-equivocal terms.”

“Entrepreneurship is ‘large’: therefore make it smaller.” This is the seminal argument for both a behavioural and an intensely narrow focus and the proposition that entrepreneurs ‘create an organisation’

“A solution to this trend to increase the scope of entrepreneurship to include larger and larger chunks of human activities is to make entrepreneurship “smaller”. “My campaign to specify entrepreneurship as the creation of organisations should be viewed as an attempt toward smallness. I am not suggesting that other activities are not entrepreneurial; rather, I am, for my own purposes as a researcher, attempting to find a domain of human activities that can be studied, and, hopefully, understood.” (Gartner, 1988)

Gardner provides the visual metaphor that this author has drawn upon. He argues that marketing has always been influenced by, and welcomes contributions from, other disciplines and asks whether entrepreneurship should be the next influencer. He argues for an Austrian view of the entrepreneur, firstly a Schumpeterian, secondly, a Kirznerian position as evinced by his citing of Casson (1982) on the exploitation by entrepreneurs of asymmetric information in the market place. He defines marketing as bringing innovation to the market and by using Schumpeter avoids the potential debate on the difference between entrepreneurship and innovation. His interface is between entrepreneurial behaviour and the market and interestingly he allows for a wide view of entrepreneurship, as sources of entrepreneurial behaviour are not only the individual entrepreneur but also the intrapreneur and entrepreneurial organizations. However his immediate concern is the small business as he concludes the chapter:

“From marketing comes the concepts and tools to implement the strategies to successfully take innovation to the market. But, although entrepreneurial behaviour needs to learn to address the issues of the market, marketing needs to develop concepts that allow it to better understand the early stages of the life cycle where the most entrepreneurial behaviour takes place”.

He moves from the market to marketing by adopting the Casson (1982) view that entrepreneurs recognise and exploit information asymmetry in markets and so both recognise and enact opportunity, a skill in which they specialise and thus develop as a component of their unique human capital. Given that marketing is concerned with

market opportunity and the exploitation of information, those marketing concepts that concern information gathering and processing form the interface, and, these are: the marketing concept itself; market segmentation; time, place and possession utility (by which he means delivering appropriate outputs to the right people at the right time); the product life cycle; and, strategic planning.

Huefner and Hunt in the final chapter in this first section of Hills book is for this author the most overlooked by interface academics but understandably so. Gartner actually introduces the same notion but then shifts the focus. He was trying to get the entrepreneurship academy to focus on a small and so identifiable and thus researchable part of entrepreneurship; whilst accepting that such a focus excludes a more universal understanding of entrepreneurship. He was not denying that entrepreneurship could happen in other contexts. Gartner also has a wider view of entrepreneurship in that, for example, he includes intrapreneurship as one of the entrepreneurial behaviours. Huefner and Hunt returned to Gartner but to his 1990 article that is less cited than the 1988 ‘Who is the entrepreneur ...’ (Harzig Publish or Perish records 969 cites for the former article and 3315 for the latter) and suggest that out of the eight major issues and concerns that Gartner argued constituted entrepreneurship as a field of study – only one (the owner-manager) was limited solely to business applications. They then went on to discuss two of their own studies on the entrepreneurial consumer.

It is understandable that Hills and colleagues would have been more concerned with establishing an interface with SMEs, it is clear from both the Preface and the Introduction that the concern is with “ ... largely ignored entrepreneurship and new ventures (Preface) and later in the Introduction failed to “ Identify any titles directed wholly toward marketing and new ventures or firm size” and on the collection of chapters “... it provides a ‘school of discovery based collection of important research ideas that if pursued, could truly make a difference in existing knowledge about *new venture formation and growth* and the role of marketing “[italics added].

This author’s argument is that by adding a context dimension to the two circle Venn diagram, it allows the context to be better specified. We can define entrepreneurship along with a size variable and being cognisance of the life cycle stage, our focus would be that of Hills above: new venture formation. Then either a pure Schumpeterian

definition of entrepreneurship or a Kirznerian one would determine the novelty (or not) of the new venture offering. Marketing is preferred to market as the latter in the Gardner model applies to “both the structure of the market and all the elements of supply and demand”. Marketing implies the action of marketing within a market. This is little more than a semantic difference, Gardner easily gets the reader to functional marketing through information management whilst marketing presumably can only happen within a market. Separating out context allows us to factor in an ownership variable such as public or social entrepreneurship more precisely.

2.4 IS ENTREPRENEURIAL MARKETING A PARADIGM?

“a philosophical and theoretical framework of a scientific school or discipline within which theories, laws, and generalizations and the experiments performed in support of them are formulated”

Hills in the Foreword to the latest book on entrepreneurial marketing by Sethna, Jones and Harrington - defines entrepreneurial marketing as:

“EM is a spirit, an orientation as well as a process of passionately pursuing opportunities and launching and growing ventures that create perceived customer value through relationships by employing innovativeness, creativity, selling, market immersion, networking and flexibility.” (2013: xix)

To date this is his strongest and most focussed definition and is a long way from the more tentative early days when the interface was in its infancy. Kraus et al. (2012) argued in their citation and co-citation analysis that the domain was underpinned by three research streams -management research, entrepreneurship and marketing and that the community was clear about what is the nature and particular approaches for executing marketing within SMEs and new ventures.. He goes on to propose that we have a new school of marketing thought and sees it as fundamentally different from other marketing schools. The key underpinning for Hills is that entrepreneurial marketing links entrepreneurial orientation and marketing orientation inside a culture of opportunity recognition. It seems that the interface has found a new confidence alongside an alignment with mainstream theories such as effectuation and opportunity recognition. Certainly one is more likely to find qualitative than quantitative work in the interface and we seem now to want to be less replacing of a standard Kotler APIC

approach and happier to live with what works. The roster of winners for the G.E. Hills Best Paper Award from the AMA Entrepreneurial Marketing SIG is interesting and instructive.

“Gerald (Gerry) E. Hills is widely recognized for his research and expertise in entrepreneurial marketing, especially for his work on opportunity recognition. In addition, Gerry initiated and continues to organize a symposium on entrepreneurial marketing since the eighties. In fact, Gerry was one of the AMA leaders who initiated the Special Interest Group concept. The Entrepreneurial Marketing SIG is pleased to continue to present a best paper award in recognition of Gerry's lifetime contributions to the field.

Award Criteria:

The Gerald E. Hills Award Best Paper on Entrepreneurial Marketing award is presented annually (usually during the Summer AMA) to the author(s) of the "best paper" who have made a significant impact on the marketing/entrepreneurship interface research. The domain of nominated articles would be papers published in the previous 10 years in any refereed publication.

Previous Winners:

Inaugural 2009 award: Saras Sarasvathy (University of Virginia) for "Causation and Effectuation: Toward a Theoretical Shift from Economic Inevitability to Entrepreneurial Contingency," *Academy of Management Review*, 2001, (2), 243-263.

2010: Helena Yli-Renko (University of Southern California), Erkkö Autio (Imperial College), and Harry J. Sapienza (University of Minnesota) for "Social Capital, Knowledge Acquisition, and Knowledge Exploitation in Young Technology-Based Firms," *Strategic Management Journal*, 2001, (22), 587-613.

2011: Ken Matsuno (Babson College), Tom Mentzer (University of Tennessee), and Aysegül Ozsomer (Koc University) for "The Effects of Entrepreneurial Proclivity and Market Orientation on Business Performance," *Journal of Marketing*, 2002, 66(3), 18-33.

2012: Michael H. Morris (Oklahoma State University), Minet Schindehutte (Syracuse University), and Raymond W. Laforge (University of Louisville) for "Entrepreneurial Marketing: A Construct for Integrating Emerging Entrepreneurship and Marketing Perspectives," *Journal of Marketing Theory and Practice*, 2002, Fall, 1-18.

2013: Nicole E. Coviello (Wilfrid Laurier University) for "Network Dynamics in the International New Venture," *Journal of International Business Studies*, 2006, 37(5), 713-731. Reprinted: 2009 in *Entrepreneurship and Globalization*, Volume 5, RB McNaughton and J Bell (eds.), London: Sage Publications, 151-176.

2014: Marc Gruber (École Polytechnique Fédérale de Lausanne (EPFL), Lausanne), Ian C. MacMillan (University of Pennsylvania) and James D. Thompson (University of Pennsylvania): "Look Before You Leap: Market Opportunity Identification in Emerging Technology Firms", *Management Science* 54, 9 (2008) 1652-1664."

The selection of work by the adjudicating panel is interesting since their mandate in no way restricts them to work only found in particular journals but rather to consider all contributions including those which were not purposed for an interface readership target. The inaugural award to Sarasvathy, demonstrates that effectuation theory and practice is a good fit to the interface. Morris et al. and Coviello are established writers in

the interface. Sarasvathy, and Matsuno & Mentzer, work is compatible and fundamental to the interface. The selection of Gruber seems to acknowledge that the interface still has an ongoing interest and concern with new technology ventures. A recent paper by Lam and Hardaker (2013) on taking an integrated view of the interface uses effectuation to good effect.

One of the first papers that I wrote which is included in the portfolio, featured David Carson's thoughts about whether there was, or would be, an entrepreneurial marketing paradigm. So do we have enough philosophical and scientific traction for an entrepreneurial paradigm. Reviewing the very first call for papers for the journal which was drafted by Reynolds and myself it was relatively wide, and the journal was particularly welcomed as placing entrepreneurial marketing in existing journals was not the easiest of tasks. Now it is more common to find work on the interface across small business and entrepreneurship journals as with Lam and Hardaker above. I have no particular recollection of drafting the original call but I assume that I had some hand in it as co-managing editor but it would have been highly influenced by the entrepreneurial marketing 'interfacers' at the time. Today the call is shorter but it is still fundamentally the same, namely:

Editorial Scope (2012)

The journal welcomes contributions from around the world that adopt innovative approaches as well as those that draw on standard methodologies. While papers submitted for consideration may address any pertinent topic, the following are deemed especially integral to the study of entrepreneurial marketing: networking, word-of-mouth marketing, creativity, marketing/entrepreneurship orientation, SME marketing and entrepreneurship, corporate entrepreneurship and educational issues. Of continuing general interest are:

Opportunity recognition

The relationship between marketing strategies and financial performances within entrepreneurial firms
New methodologies for the analysis of entrepreneurial firms
Case studies that focus on entrepreneurial firms.

IN MORE DETAIL (1999)

The objective of this Journal is to encourage and disseminate work that is truly at the marketing entrepreneurship Interface. The Interface historically is rooted in the study of SME behaviour, however in line with it's development, work covering other organisational forms and ownership is encouraged.

We have no wish to force on authors a singular view of what constitutes the Interface but articles submitted must defend a coherent and robust definition of what their author(s) believe to constitute the Interface.

One of the tenets of the Interface is that we need to understand better the relationship between marketing and entrepreneurship and its practice in organisations, and for this to inform our work as teachers, researchers and consultants. Therefore authors must draw out the practical lessons from their work.

The Editorial Board will ensure the coherence of the Journal theme by not selecting articles that are solely about entrepreneurship or solely about, say, the SME.

The primary positioning of this journal is not cross disciplinary, however, work drawn from the social sciences & management disciplines will be welcomed if they contribute to our particular concerns.

Shaw and Carson (1995) argue that for the Interface to be a paradigm it needs to address new realities, raise and answer new questions, embrace new themes and legitimise new research methods. Thus:

- (i) work that does this will be particularly welcomed.
 - (ii) case study and qualitative methodology will be particularly valued.
 - (iii) work that transfers best practice into the arenas of teaching (including teaching cases) and SME performance will be especially welcomed.
 - (iv) an acceptance of valid research methodologies from traditional positivist to Post modernist.
- Whilst not wishing to predispose prospective authors to a particular view of the Interface, we now turn to some more specific guidance. One might consider that the interface is concerned with making good the deficit of work on marketing and the smaller enterprise, particularly the entrepreneurial enterprise. Or one might take the view above that it constitutes a new paradigm. One might consider the following notions about the Interface:

- 1 A particular organisational form: the particular application of marketing to the SME, or the micro business. However, studies concerned with intrapreneurship, whole nations or the public sector would be of interest to the Editors.
- 2 Putting entrepreneurship into marketing: marketing & entrepreneurship are not necessarily one and the same, so what constitutes the art and practice of entrepreneurial marketing?
- 3 Putting marketing into entrepreneurship - how do successful entrepreneurs market their product and services?

"Good marketing is inherently entrepreneurial. It is coping with uncertainty, assuming calculated risks, being proactive and offering attractive innovations relative to competitors . . . and good entrepreneurship is inherently marketing orientated. A customer focus by everyone in the enterprise is a way of life and the implementation of marketing strategies that generate customer satisfaction is essential to survival. " (Hills)

- 4 Relevant competencies:

Authors such as Hills and Carson would argue that at the heart of both marketing and entrepreneurship are common competencies. Although one can then proceed to distinguish entrepreneurial from non entrepreneurial competencies outside of that core.

- 5 Similar and dissimilar characteristics and behaviour:

" other hand there are similarities in the construction and employment of personal contact networks between entrepreneurs and marketing managers. Equally some of the skills required by entrepreneurs are those required by the competent marketing manager, for example, analytical, judgmental and positive thinking, innovation and creativity." Carson, (1993).

There are similarities and dissimilarities between entrepreneurial decision making and formal marketing planning and management competencies and contact networks. Entrepreneurial decisions are inherently informal, haphazard, creative, opportunistic and reactive whereas marketing decisions are formal, sequential, systems orientated, disciplined and structured. On the

In addition to the above the Interface seeks also to understand many issues that are of general concern to SME researchers, for example, we are comfortable with, and keen to promote debate on views such as:

- addressing appropriate competencies for the entrepreneur
- the role of entrepreneurship (and as appropriate intrapreneurship) in organisational development

- organisational life cycles; firm growth stages and the distinguishing, and understanding, of critical episodes
- external help, support and personal contact networks
- relationships between SMEs and larger firms that will inform the debate about how SMEs can deal successfully with larger firms and how they in turn can manage their relationships with SMEs.
- strategic and management issues related to marketing as tactics, management or culture.
- cultural & sociological perspectives on the entrepreneur
- cross cultural studies & work on developing economies

In considering the above list we would appreciate authors recognising as Hills (1993) that small business is simply the 'enterprise size variable' and that to understand SMEs and entrepreneurship we must consider those constraints (or opportunities) that are unique to the SME itself. Again to emphasise we are not seeking general contributions on SMEs and/or entrepreneurship.

Papers about larger concerns should pay due regard to those factors have made them grow and/or what is the actual entrepreneurial context that sets them apart. If the paper is dealing with other organisational forms, such as the public sector, then what is the entrepreneurial behaviour that merits reporting and discussing and/or in what sense is the marketing function entrepreneurial ?

So the mission of the interface as reflected through the journal editorial calls has remained consistent since the first call for papers in 1999, the interface has both maintained and built an identity and so the use of the term entrepreneurial marketing paradigm in this thesis is appropriate

2.5 CONCLUSION

This chapter has considered entrepreneurship in some detail and provided an overview of the role of entrepreneurship within the marketing-entrepreneurship interface. As a conclusion the following seven propositions are consistent with the approach taken:

- P1: Marketing and entrepreneurship are key behaviours but they are not the same construct;
- P2: They are however complementary through sharing a common interest in meeting consumer needs by addressing opportunity irrespective of whether that opportunity is found or created (effectuated);
- P3: It is necessary to define and understand what is entrepreneurial behaviour but that:
 - P3a entrepreneurship is complex and there is no requirement to seek a singular academic discipline to provide explanation and insight;
 - P3b Entrepreneurial behaviour is not a dichotomous variable; entrepreneurial ability can be located along a continuous range from 'stellar' to none;
- P4: A more nuanced understanding of entrepreneurial behaviour can be gained by considering the location of the organisation in a firm life cycle model;

- P5: If P3b holds then it implies that entrepreneurship is partly learnable or transmittable between individuals and/or organisations so activities such as education, training, mentoring, and, advising will have some (but variable) impact on the recipients;
- P6: Whilst the starting point for entrepreneurial marketing was to address an unintentional, or perhaps intentional, neglect of SME marketing practice, there is no reason to consider that entrepreneurship can only occur in the for profit SME;
- P7: That one of the first visual metaphors of the interface, the two circle Venn diagram, is more insightful when viewed as a three circle Venn diagram.

CHAPTER THREE: THE FOUR THEMES

THEME 1.0

THE MARKETING ENTREPRENEURSHIP INTERFACE (History, purpose & development)

The appropriate role for entrepreneurship; the three circle Venn diagram; scope of work at the interface; Small business (SME) Vs. the entrepreneurial small business (eSME).

Three conference proceedings; two journal articles.

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|---|---|
| Exhibit 111
Conference proceedings
1996 | Day, J. with Reynolds, P.L. (1996). Reviewing and Defining the Marketing / Entrepreneurship Interface: Progress and Developments from the Research at the Marketing / Entrepreneurship Symposia, 1987-1994. In G.E. Hills, R.D. Teach, & G.M. Guerson (Eds.) <i>Research at the Marketing/Entrepreneurship Interface</i> (pp.331-342). Chicago, IL: Institute for Entrepreneurial Studies, University of Illinois at Chicago. |
| Exhibit 112
Conference proceedings
1997 | Day, J. with Reynolds, P.L. (1997). Considering the Marketing / Entrepreneurship Interface: Approaches and Directions, 1987 to 1995. In G.E. Hills, J.J. Giglierano, and C.M. Hultman (Eds.) <i>Research at the Marketing/Entrepreneurship Interface</i> (pp.97-111). Chicago, IL: Institute for Entrepreneurial Studies, University of Illinois at Chicago. |
| Exhibit 113
Journal article
1997 | Day, J. (1997). Editorial by the Special Editor: Special Issue on the Marketing/Entrepreneurship Interface: Setting the Context. <i>Marketing Education Review</i> , 7(3), 1-10. |
| Exhibit 114
Conference proceedings
1998 | Day, J. (1998). Defining the Interface: A Useful Framework? In B. Hulbert, E. Shaw, & J. Day (Eds.) <i>Proceedings, 1996-1998, Academy of Marketing / UIC-AMA- Symposia on the Marketing and Entrepreneurship Interface</i> (pp.1-21). Northampton, UK: Nene University College. |
| Exhibit 115
Journal article
2000 | Day, J. (2000). Commentary: The Value and Importance of the Small Firm to the World Economy. <i>European Journal of Marketing</i> , 34(9/10), 1033-1037. |

Chapter Two took a broad approach to key themes for the interface and considered the relative role of entrepreneurship alongside a commentary on selected entrepreneurial marketing developments. This theme develops these broad arguments in greater depth.

These five papers came after the paper on Crisis Pricing (in Theme 2.1 following) which was the first paper presented at the UIC/AMA Workshops. The papers in this theme reflect the author's interest in what colleagues were presenting at the 'interface' and this interest helped them to understand better the nature and scope of the interface. The detailed appendix attached to that paper serves to both emphasise the diversity and depth of work since the inaugural proceedings and was the base for the subsequent content analysis. The third, fourth and fifth papers take the work to three different audiences. Exhibit 113 was a special issue of that journal; Exhibit 114 was the opening paper in the first substantive UK proceedings on behalf of the Special Interest Group of the UK Academy of Marketing; and, Exhibit 115 was directed at the wider marketing audience for the European Journal of Marketing. Exhibit 111 mapped the landscape of contributions to the *Research at the Interface Proceedings* over the period 1987 to 1994. It sought to draw out key topic areas and to use the three circle Venn diagram to organise these. "In order to give the paper a structure the authors suggest that the interface is the interaction of organisational, entrepreneurial and marketing factors. Entrepreneurship is defined in the strict economic sense" Returning to the Heffalump metaphor, in the early days the author did want colleagues (including themselves) to be transparent about their definitions of entrepreneurship but clearly wants their strictly economic defined heffalump to be the one chosen! The diversity in definitions is clearly shown by Tables One and Two below.

Table One: Definitional Variation in Research at the Marketing/Entrepreneurship Interface Proceedings, 1987-1994.

none	71	high tech	05
not applicable	19	opportunity	04
bespoke	31	technology	03
create	12	strategic	03
innovation	11	entrepreneurial consumers	03
new product development	08	emerging	02
growth	08	corporate entrepreneurship	02
organisational	06	network relationships	01
information/disequilibrium	05	competence distinctiveness	01
			TOTAL 193

Source: Day and Reynolds, 1997 (from Exhibit 112)

Table Two: Indication of 'Bespoke' definitions (a-z ordering)

- *Affluent established family businesses*
- *Award winners*
- *Capture a new market ahead of the competition, attempt to*
- *Case studies- entrepreneurial company, individual with high net worth*
- *Compare & contrasts distinct definitions of entrepreneurship, intrapreneurship & small business*
- *Creating opportunity in risky and uncertain environment*
- *Critiques common myths in describing the entrepreneur e.g. high risk takers, capitalise themselves, become wealthy*
- *Entrepreneurial behaviour linked to market planning, risk, opportunity, creativity*
- *Entrepreneurs create wealth*
- *Entrepreneurs who view business as extension of their social values Vs traditional profit orientated entrepreneurs*
- *Executives in a dynamic industry*
- *Founders, directors, participants in industry-university co-operative research centres*
- *Generic human behaviour rather than solely a business phenomenon*
- *Growth or more professional approach were major goals (self-reported characteristic*
- *Industrious, self driven individuals*
- *International marketing is entrepreneurial - creation of business or change*
- *Marketing as the process that delivers entrepreneurial outcomes*
- *Meeting customer needs*
- *Participants of a university entrepreneurship programme*
- *Personal and situational factors that predispose to entrepreneurial acts*
- *Risks, achievement driven, proactive, innovative*
- *Successful existing businesses excludes failures & 'caretakers'*
- *Successful market entry into mature business and growth*
- *Synonymous with small business*
- *Unique experience and characteristics that set them apart from small business owners*
- *Vision*
- *Volatile, fragmented industry*
- *Wide range of approaches; wide ranging set of behavioural values.*

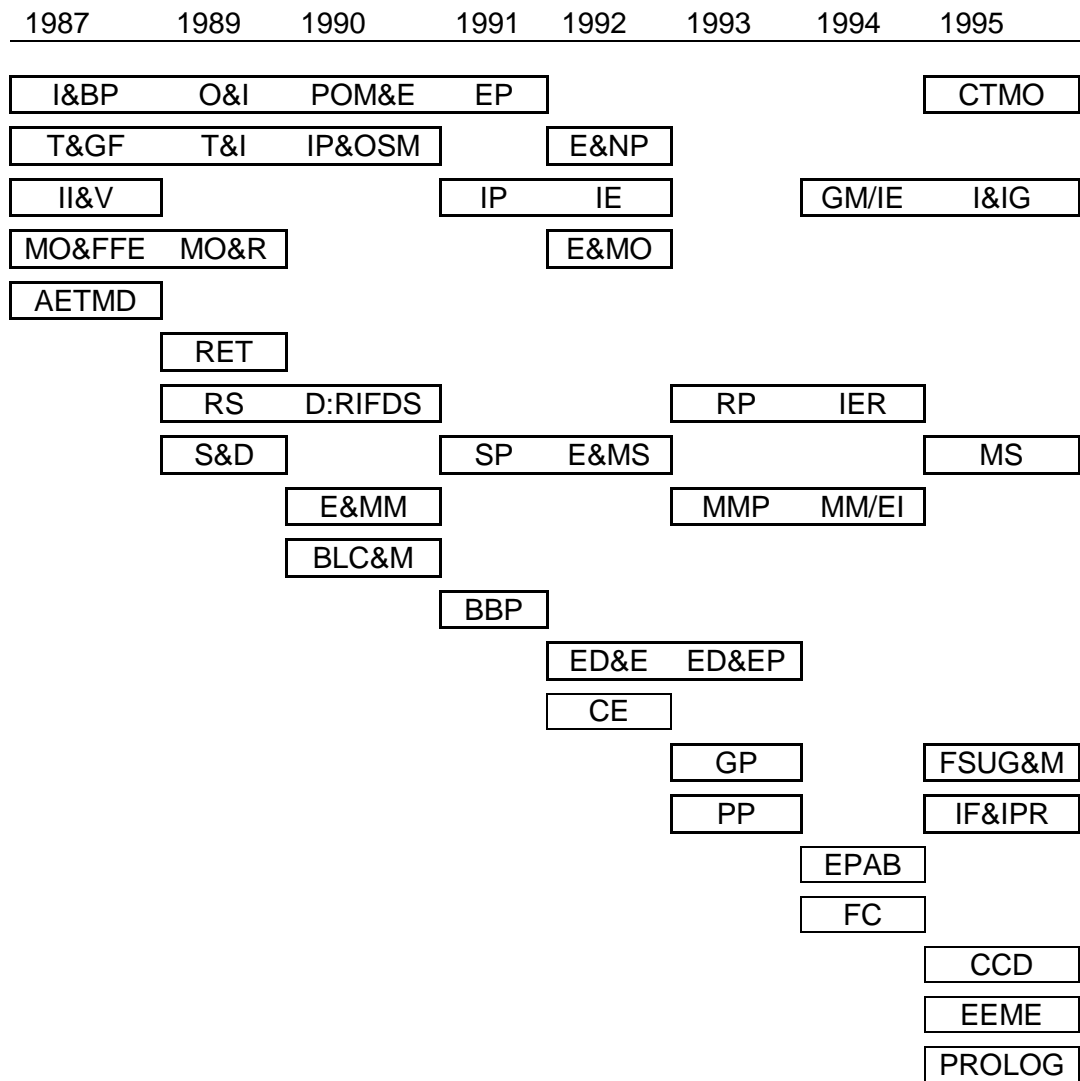
Note: n=28, the purpose of the table is to list all definitions in this category that are distinct from each other, not to list each of the 31 definitions.

Source: Day and Reynolds, 1997 (from Exhibit 112)

For the illustrative 'bespoke' definitions we did not want to over categorise and so allowed them to show the diversity and the sometimes subtle variations in the definitions of entrepreneurship in the papers. That diversity is shown also by the 'No definition category' used where authors were drawing upon samples from the general small business population. In addition to the Venn diagram, three figures were added that recur consistently in the author's work and teaching. Firstly the Binks and Vale Synthesis of entrepreneurial types. It is one of the few frameworks that explicitly includes a Leibenstein perspective of the entrepreneur, whereby such an entrepreneur is capable of organising their resources in an effective and entrepreneurial way. The Omega entrepreneurial type was a reflection of the time the book was written when redundant workers had limited opportunities for employment and so, often as a last resort became self-employed, and, had more in common with small businesses rather than entrepreneurship. (see Stanworth and Stanworth, 1990 for a review of one particular policy measure, The Enterprise Allowance Scheme introduced in the UK in 1982). Secondly, the Omura, Roger & Schmidt (1994) grid that employs Schumpeterian and Kirznerian definitions of entrepreneurship to separate out the concept of marketing from entrepreneurship and then to demonstrate an appropriate interface. Thirdly the Thompson (1993) E-V-R congruence model that considers the interplay of the external environment, resources and values, the latter which can easily be defined, as Thompson does in later versions of the model as entrepreneurial culture.. Three broad categories of questions were raised in this paper concerning: definitions, implications and coverage and these were drawn from both the debate in the wider interface community and Day and Reynolds concerns. They are returned to in several of the papers either explicitly or implicitly.

Paper 112 works with the same database as the previous paper but uses the content headings in the Research at the Interface Proceedings to map the develop of broader themes and these are shown in Figure Eight below.

Figure Eight; Themes and ‘family’ mapping



Short generic grouping title	Short title	Full title
OVERVIEW & INSIGHTS	I&BP O&I POM&E EP CTMO	Introduction and basic perspectives Overview and Insights Perspectives on marketing and entrepreneurship Entrepreneurship perspectives Challenging the market orientation
NEW PRODUCTS & TECHNOLOGY	T&GF T&I IP&OSM E&NP	Technology and growth firms: research issues Technology and innovation Innovation, products and organisation size / maturity Entrepreneurship and new products
INTERNATIONALISATION	II&V IP IE GM/EI I&GE	International issues and viewpoints International perspectives International entrepreneurship Global marketing/entrepreneurship interface Internationalisation and Global expansion
MARKET OPPORTUNITIES	MO&FFE MO&R E&MO	Marketing opportunities and forecasting future events Market opportunities and research Entrepreneurship and market opportunities
ADVANCES	AETIMD	Advancing entrepreneurship in the marketing discipline
RETAILING	RET	Retailing
RESEARCH SUMMARIES	RS D:RIFDS RP IER	Research summaries Domain(The): Research issues from discussion sessions Research perspectives Impact of entrepreneurship research
STRATEGY	S&D SP E&MS MS	Strategies and decisions Strategic perspectives Entrepreneurship and marketing strategy Marketing strategy
MARKETING MANAGEMENT	E&MM MMP MM/EI	Entrepreneurship and marketing management Market management perspectives Market management / entrepreneurship interface
BUSINESS LIFE CYCLE	BLC&M	Business life-cycle and marketing
BUYER BEHAVIOUR	BBP	Buyer behaviour perspectives
EDUCATION, ECONOMIC DEVELOPMENT	ED&E ED&EP	Education and entrepreneurship Economic development and education perspectives
CORPORATE ENTREPRENEURSHIP	CE	Corporate entrepreneurship
GROWTH	GP FSUG&M	Growth perspectives Frameworks to study start-up, growth and maturity
PARTNERSHIP & INTER-PERSONAL PERSPECTIVES	PP IF&IPR	Partner perspectives Inter-firm and interpersonal relationships
PROFILES & BEHAVIOUR	EPAB	Entrepreneurial profiles and behaviour
FINANCIAL CONSIDERATIONS	FC	Financial considerations
CROSS CULTURAL DIFFERENCES	CCD	Cross cultural differences
EMERGING ECONOMIES	EEME	Entrepreneurship in emerging market economies
PROLOGUE	PROLOG	Prologue

1987	1989	1990	1991	1992	1993	1994	1995	totals	
10	15	7	9				7	48	OVERVIEW & INSIGHTS
5	8	4		5				22	NEW PRODUCTS & TECHNOLOGY
4			3	2		5	6	20	INTERNATIONALISATION
3	3			5				11	MARKET OPPORTUNITIES
3								03	ADVANCES
	2							02	RETAILING
	12	4			2	1		19	RESEARCH SUMMARIES
	4		9	4			6	23	STRATEGY
		5			9	17		31	MARKETING MANAGEMENT
		7						07	BUSINESS LIFE CYCLE
			2					02	BUYER BEHAVIOUR
				3	5			08	EDUCATION, ECONOMIC DEVELOPMENT
				1				01	CORPORATE ENTREPRENEURSHIP
					7		4	11	GROWTH
					4		5	09	PARTNERSHIP & INTER-PERSONAL PERSPECTIVES
						2		02	PROFILES & BEHAVIOUR
						2		02	FINANCIAL CONSIDERATIONS
							5	05	CROSS CULTURAL DIFFERENCES
							6	06	EMERGING ECONOMIES
							2	02	PROLOGUE
25	44	27	23	20	27	27	41	234	

The quotation below demonstrates three of the Author's principal concerns. Firstly a precise definition of entrepreneurship with an implied emphasis on transparency and but unlike Exhibit 111 no propagandising for their preferred economic definition. Secondly, the need to recognise the differences between the SME and the entrepreneurial SME; and, thirdly, a desire to consider entrepreneurial marketing outside of the traditional and logical starting point, the SME.

In a previous paper we asked whether such a range of definitions was merely a healthy reflection of a pluralist and diverse approach or a reflection of an Interface that is in some (definitional) confusion. Equally one might argue that the driving force should be to research and disseminate work on entrepreneurship without too much concern for definitional niceties. On balance though we would argue for a precise definition of entrepreneurship if only because there is a major difference between the truly entrepreneurial SME and the 'entrepreneur' when this term just describes just any SME. Whilst valuing the work on SMEs and this is after all the starting point of the interface, we do need to recognise that entrepreneurship occurs in other organisational forms. Comparison of the 1995 volume to the earlier volumes and Exhibit One show that the interface is itself moving in this direction. One avenue left relatively unexplored is the early argument by Keith Hunt et al. (1989, 1990) that marketing involves not only the consumer and there is reason that the latter might also behave in an entrepreneurial way. (Exhibit 112)

Paper 113 was the first ever special issue of the Marketing Education Review and the author was asked by the UK Academy of Marketing and the USA American Marketing Association Special Interest Group (SIG) to manage a special issue focussing on educational issues related to marketing and entrepreneurship. Apart from Teach and Miles most contributors were from the UK SIG although the majority of contributors were also familiar presenters at the US SIG.

Chart One (from Coviello and Carson, 1995) demonstrated how successfully Professor Hills was in widening the Interface outside of the United States. Two papers provide interesting milestones: Stokes is one of the few authors at the interface with an interest in public sector entrepreneurship; and, Hulbert, Berman and Adams are early UK writers and researchers in the interface on opportunity recognition and contemporary with Hills and his various co-authors in the area. The paper discusses the articles in an appropriate framework. (Figure Three in that paper).

Exhibit 114 (Defining the Interface: a useful framework?) developed the familiar approach in the previous papers by reviewing work submitted to the 1998 Academy of Marketing / American Marketing Association (AMA) / University of Illinois at Chicago (UIC) Special Interest Group on the Marketing and Entrepreneurship Interface and comparing the approaches and directions to the UIC *Research at the Interface Proceedings* over the period 1987 to 1994. It considered Interface notions, the extent to which the Interface could have been considered a paradigm and illustrated that with two diagrams derived from the Editorial by Carson in the 1995 Special Issue the European Journal of Marketing on the marketing-entrepreneur interface. Sectors studied and methodologies are compared and discussed and the Ratnatunga and Romano classification of marketing as tactics / strategy / culture applied (1995). A broad generalisation would be that the research focussed on cross sectional work and that personal interviews and questionnaires were the predominant research instruments. From the limited sample of the UK 1998 papers, case study research was more likely to be used in the UK than the USA. Finally Exhibit Thirteen in that paper considered the location of the papers on the three circle Venn diagram.

The intention of the final Exhibit 115 (The value and importance of the small firm to the world economy) was to reach a wider and more general audience and to highlight differences in SME behaviour, acknowledge their importance and to consider differences in their marketing approach through examples of work by colleagues in the interface to the wider audience of that journal.

“Given the world wide predominance of the small to medium sized enterprise (SME) we should consider whether we need to segment and target our marketing knowledge, practice and attitudes towards this business type. It is argued that we need to be able to develop entrepreneurship within the context of marketing, and marketing within the context of entrepreneurship in order that we are able to understand fully that most common of business forms - the small firm. This implies that we should consider how much of our existing marketing knowledge is appropriate to the SME and how much needs to be rethought and adapted. The body of work by colleagues in what could be described as the “marketing entrepreneurship interface” demonstrates both appropriate concerns and potential solutions. As such it represents a solid start to a debate in which we hope that many of our marketing colleagues will join.” (2000:1003)

The debate was focussed deliberately on the SME as most interface work at that time concerned itself with the SME (and still does). Interestingly the Academy of Marketing

Special Interest Group in the Marketing and Entrepreneurship Interface, later changed their name to: the Entrepreneurial and Small Business Marketing Special Interest Group. The final sentence of the conclusion is still relevant today:

In this commentary we argue that we need also to be able to develop entrepreneurship within the context of marketing, and marketing within the context of entrepreneurship in order that we are able to understand fully that most common of business forms –the small firm. (2000)

THEME 2.0 [2.1]

CONTEXT: FOCUS DOWN

How does an entrepreneurial marketing paradigm guide and inform the SME or eSME concerning?

2.1: Addressing critical situations: Crises, crisis pricing & tracking signals;

One conference proceedings; three journal articles; one book chapter.

- | | |
|--|---|
| Exhibit 211
Book chapter
1995 | Day, J. (1995). Chrysalis Group, Case 15. In C. Clarke-Hill & K. Glaister (Eds.). <i>Cases in Strategic Management</i> (2 nd ed.), (pp. 304-335 and Teachers' Note). London: Pitman. ISBN 0-273-60380-9. |
| Exhibit 212
Conference
proceedings
1994 | Day, J. with Reynolds, P.L. (1994). Pricing for Survival - Crisis Pricing in Small Firms as a Survival Strategy. In G.E. Hill & S.T. Mohan-Neill, (Eds.), <i>Research at the Marketing / Entrepreneurial Interface</i> (pp.300-313). Chicago, IL: Institute for Entrepreneurial Studies. University of Illinois at Chicago. |
| Exhibit 213
Journal article
1994 | Day, J. with Reynolds, P.L. (1995). The Commercial Health Monitoring of Entrepreneurial Firms Using Process Control Techniques. <i>Small Business and Enterprise Development</i> , 2(1), 19-30. |
| Exhibit 214
Journal article
2001 | Day, J. with Reynolds, P.L., & Lancaster, G.A. (2001). Moving towards a control technique to help small firms monitor and control key marketing parameters: A survival aid. <i>Management Decision</i> , 39(2), 113-120. |
| Exhibit 215
Journal article
2007 | Day, J. with Reynolds, P.L., Kovalev, A., & Kovalev, V. (2007). A Bayesian approach to forecasting decisions in small firms. <i>The Herald of Omsk University Quarterly Academic Periodical, International Business Series, (Omsk State University, F. M. Dostoyevsky)</i> , 2, pp. 80-91. |

Exhibit 211

Book chapter

Day, J. (1995). Chrysalis Group, Case 15. In C. Clarke-Hill & K. Glaister (Eds.).

Cases in Strategic Management (2nd ed.), (pp. 304-335 and Teachers' Note). London: Pitman. ISBN 0-273-60380-9.

A case study on a single successful music company that had developed diversified interests in music related and leisure industries. This case study concerned crises in a wider sense than just crisis pricing alone and certainly illustrates a company that can be understood by analysing it within the life cycle framework adopted in this thesis. Although not the framework within it was analysed originally, the problem faced by the traditional recording companies was the changing business model particularly for the delivery medium. Whilst the challenges thrown up by digital downloading were still to be faced, the popularity of the CD over vinyl was proving a major challenge and digital copying from CDs was possible. Chrysalis were an entrepreneurial company who recognised that they were a media company not just a record company and so had diversified into visual media and radio.

It is interesting to reflect on just how fundamentally this industry and its associated technology has changed and developed. The simple business model of artists contracted to a fixed number of albums with their record company controlling both the marketing and the artist's career is long gone. The convergence of personal computing and music along with the ability to make quick and cheap digital copies is a fundamental change. A change that one suspects that even Steve Jobs of Apple did not see, or did not choose to see as a key strategic issue as evidenced by his agreement with The Beatles and their holding company Apple Corp over the use of an apple logo for which they held previous rights. This arrangement worked well enough until that digital convergence took place. The author's interest in the industry was because we used it as the major case study in our early off campus residential undergraduate management programme, and it gave us the excuse to ask students to make a professional promotional video for a record company. Again to illustrate the pace of technical change, to make that video involved loading up a five ton lorry with cameras, lights, video recorders and mixing desks. Today we would use handheld cameras, even phone cameras, and laptop PCs for the editing.

This book chapter concerns a critical period in the company that started life as the Chrysalis Record Label. Chris Wright had been the archetypal music business nascent entrepreneur arranging the booking of pop groups on behalf of his student union. Upon graduating he managed well known pop groups and launched the record label in 1968 with Terry Ellis into what has always been and continues to be a fast paced market with often fickle customers and a bruising short product life cycles for single records – less so for successful albums (Belinfante & Davis, 1978; Monopolies and Mergers Commission, 1994). Chrysalis were an entrepreneurial company that grew and diversified and by the time of this case study had fundamental internal and external problems to address. Two major external problems being firstly whether a company should focus solely on recorded music or diversify; secondly, that the industry structure favoured either very small record companies or very large record companies and whilst Chrysalis was very successful it was a medium sized player. Whilst many businesses cannot flourish without paying due regard to creativity and trying to manage risk, the recording industry is a particularly peculiar mix of artistry, creativity and hard-headed business sense. Business scenarios that the company had to deal with then are still prevalent in the industry today. (see, for example, Seifert and Allegro, 2006; Hougaard and Tuede, 2010; Drew, 2014; Morris, 2014).

Exhibit 212

Conference proceedings

Day, J. with Reynolds, P.L. (1994) Pricing for Survival - Crisis Pricing in Small Firms as a Survival Strategy. In G.E. Hill & S.T. Mohan-Neill, (Eds.), *Research at the Marketing / Entrepreneurial Interface* (pp.300-313). Chicago, IL: Institute for Entrepreneurial Studies, University of Illinois at Chicago.

This paper was a development of the original MEG paper

Telephone interviews provided an in-depth discussion with a small number of companies in each of sixty-seven segments of the UK timber and joinery industry. Interviews reached ‘saturation’ at around five companies per sector. The focus was primarily on the pricing policies during a time of economic recession but set within a wider marketing mix framework.

- The size of segments (£s at 1992 manufacturers prices)
- Their general appraisal of growth or decline in their segment over the last five years

- Expectations for growth or decline in their segment over the next five years; margins; export opportunities, imports etc.
- The degree of competition within their segment (size, power and number of firms)
- Manufacturers' margins (gross and net)
- The composition of customer decision making units including specifiers and influencers

An understanding of their pricing policy often had to be established by indirect means as many of the respondents did not actually have a coherent policy or if they did they were unable to articulate it. This was particularly true of smaller, unsophisticated firms where the 'management' were often skilled craftsmen rather than professional managers.

The findings suggested that many of the firms surveyed did not adhere to any established model or method of fixing price. This was particularly true of the smaller, newly created embryonic firms which displayed the greatest lack of sophistication. Many firms, particularly in the 'service' sector, where it was more likely they would have to price by competitive tender, appeared to have little or no systematic method for arriving at the final tender price.

Evidence would suggest that during the survey period (April 1992 to January 1993) many firms, especially the smaller firms, faced a 'distress' situation. Desperate to secure work in order to meet payroll and interest servicing obligations many firms resorted to distress or 'crisis' pricing techniques. This generally took the form of pricing below cost in the hope that although they were losing money on a current contract that would, at least, allow them to meet some current financial obligations such as wages and so to survive long enough to secure more, and hopefully more profitable, contracts; or that overall some contracts might make a profit and subsidise the other loss making contracts. Participants in ten of the sectors were observed to follow this behaviour that the authors termed 'crisis pricing'.

Whilst the work had started off as a market research exercise for a client it rapidly extended into an academic piece of work as well. The client was happy for us to do this, and, we always made it clear to the companies surveyed that this was market research on behalf of a client. For those respondents who were prepared to articulate

their pricing policy our fascination was in the variation in sophistication of their decision making. Some clearly realised that they were (crisis) pricing whilst others had no such strategy. So perhaps pricing could be seen as a proxy for the overall marketing competency of a company, particularly given the academic support that setting and managing pricing is a particularly difficult part of the marketing mix.

Putting the work into a wider context, the notion of a firm lifecycle model and in particular a variant that explicitly articulated crisis points seemed a rational choice. There is debate about the validity of life cycle models and a surprisingly large number of variations on the appropriate 'life' stages (Hanks et al., 1993, and, later, Levie and Lichtenstein, 2008). Some commentators would see it as too *anthropomorphic* an approach, others as it being too rigid a model if a logistic curve is used to represent the life cycle (Bygrave, 1994:200-216). Perhaps it is better considered as a metaphor, there is resonance with the Cardon, Zietsma, Saporito, Matherne and Davis (2005) parenting metaphor. However like the product life cycle it does provide us with some guidance as to how a business may proceed. The Scott and Bruce (1987) variant provided some guidance as to problems to be addressed at each stage and the author's experience of the GEP participants would support a model where the participants had to overcome specific barriers both to survive and grow. Day and Reynolds have always had a preference for variants that allowed for 'fluidity', Eggers, Leahy and Churchill (1994) allow for 'back sliding' from a stage and skipping stages; Carson et al. (1995:162) by allowing for initially increasing, then declining entrepreneurial zeal, argue that the entrepreneur in the initial survival period needs to decide if they wish to embrace the resultant turmoil and change that would accompany moving into the growth stage. Scott and Bruce (1987) by adopting notions from Greiner (1972) and Churchill and Lewis (1983) and building crisis points into their conception remove the mechanistic assumption that firms move through all stages and do so in some kind of linear and predictable fashion. By taking the stages model to be metaphorical and a convenient organising 'skeleton' rather than a deterministic model allows one to draw upon the advantages of this approach whilst seeking more complex explanations of firm growth such as provided by Wiklund, Patzelt and Shepherd (2009). Further examples of where a stages model provide useful insights are: Dodge, Fullerton and Robbins, 1994; Watts Cope and Hulme, 1998; Basu, and Goswami, 1999; Hill, Nancarrow and Wright, 2002; Rutherford, Buller and McMullen, 2003; Moy, & Luk, 2003; Masurel & Van

Montfort, 2006; Phelps, Adams and Bessant, 2007; Lester, Parnell and Menefee,(2008); Moreno and Casillas, 2008; Peltier and Naidu, 2012; Eggers, Kraus, Hughes, Laraway and Snycerski, 2013

Our initial results suggested that even when firms recognised crisis points they might be driven to the single solution of fierce price competition; so resulting in negative returns. The evidence would suggest that many of the small firms in this industry are incredibly poor at setting prices in a highly competitive market. Such firms did not seem to view price as an intrinsic part of the marketing mix and seemed to have little or no conception of ‘market orientated pricing’.

This paper as presented at the UIC Symposium on Marketing and Entrepreneurship and published in the ‘Blue Book’ considered what is meant by crises. These could be internally generated or externally imposed and whilst the Scott and Bruce (1987) model assumes that they occur at the boundary between stages, they could equally occur within a stage. The author starts to consider the nature of entrepreneurship in more detail. As well as the primary dataset, a secondary dataset was analysed, and the reporting of both these datasets drew the conclusions illustrated as Figure Nine following.

Figure Nine: Selected Headline Findings: Pricing and Crisis Pricing

Table 2: 'Headline Findings' – Primary and Secondary Data

Exploratory Primary Research: Pricing and Crisis Pricing

General Comments about the firms:

- Many are incredibly poor at setting price in this highly competitive sector and/or do not adhere to any established model of fixing prices and this lack of pricing sophistication is a key reason for their often 'lacklustre' performance and even failure.
- In times of crisis, price and value for money are paramount, however, value for money is not simply the lowest price and firms are poor at non price differentiation.
- The smaller, newly founded firms lacked pricing sophistication and some of them applied crisis pricing as a method of obtaining work at any cost.

Service Firms in particular:

- Many are small with about half of them having less than ten employees.
- Firms in the service sector often had to compete by competitive tender.
- Those heavily linked to the UK construction industry, particularly where competition is by competitive tender, appear to have no formal method of arriving at final price at least in the context of standard textbook good practice.
- This sector had the poorest performance in respect of gross and net margins.

Crisis Pricing in the Services Sector:

- Many firms showed evidence of knowingly quoting for work at less than direct cost and achieving negative gross margins. Such pricing was often claimed to be an anticipation of competitors' actions.

Often rationalised as:

- Under crisis conditions caused by severe recession, pricing at a loss was seen as the only hope for survival.
- Always the hope that they would at least break even over several contracts, even where they did not know the extent, existence and timing of future work.

Whilst some would:

- Exploit to the full any contingency element in the contract.
- On securing a contract the management of some firms would attempt to source materials at lower than the contract quote.
- In a distress situation some service firms would 'skimp' on time, labour, quality and possibly materials particularly for hidden parts of the construction.

Source: Day and Reynolds , 1994 (from Exhibit 1994)

Exhibit 213

Journal article

Day, J. with Reynolds, P.L. (1995). The Commercial Health Monitoring of Entrepreneurial Firms Using Process Control Techniques. *Small Business and Enterprise Development*, 2(1), 19-30.

Exhibit 214

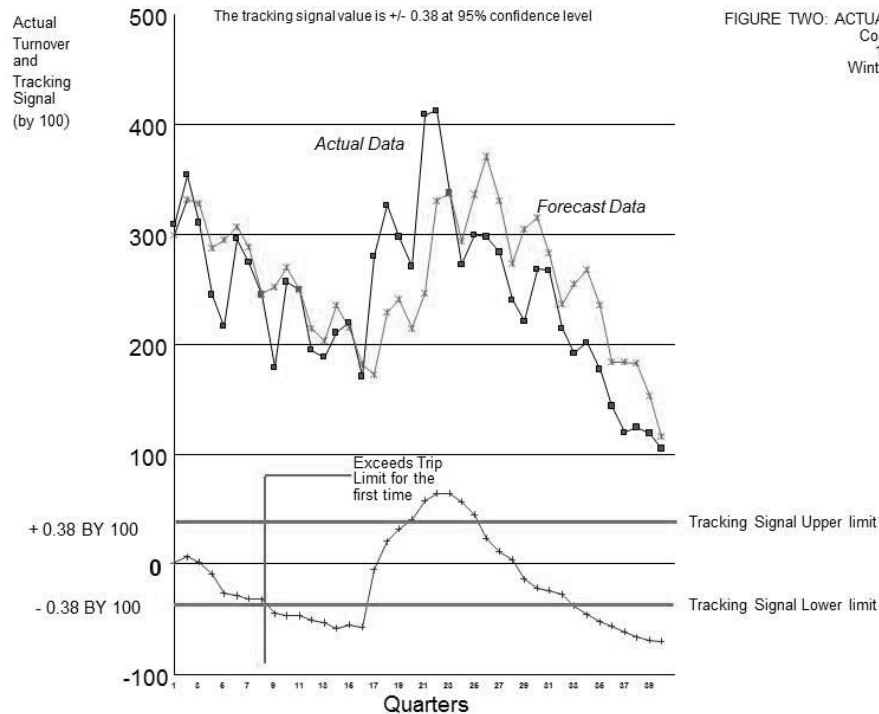
Journal article

Day, J. with Reynolds, P.L., & Lancaster, G.A. (2001). Moving towards a control technique to help small firms monitor and control key marketing parameters: A survival aid. *Management Decision*, 39(2), 113-120. Considers life cycle theory in a little more depth

Exhibits 214, 215 and 216 use the same computer / statistical simulation for five of the scenarios and have one run of a ten year time series for an actual SME.

These two articles introduce the idea of commercial health monitoring through adapting and applying a well-used forecasting procedure that would generate exception messages when a selected indicator moved outside of a predetermined upper or lower limit. The substantial contribution of my co-author was that he was the statistician and in earlier work had simulated tables for a more accurate tracking signal and associated confidence limits (Greatorex & Reynolds, 1986). In the chart below, the tracking signal is picking up the discrepancy between actual and forecast data, and, for a 95% confidence level (that there is a change significant enough to consider taking some remedial action), the associated limit value is +/- 0.38). Conceptually, and practically if there is enough data, and given that the estimation procedure is relatively simple, we now have a way to monitor discrepancies and take remedial action. Taking account of the extension into whether entrepreneurs are Bayesian thinkers, this theme is supported by just over 130 individual citations, of which the majority (82) concern the statistical justification and development of the technique. This author's interest has only ever been in the potential of this application in relation to lifecycle models particularly crisis points and SME survival. The Management Decision article revisits the lifecycle / tracking notion with more emphasis on survival as an objective of the monitoring process.

Figure Ten: Example of tracking signal methodology



Source: Authors, 1995, Exhibit 213

Exhibit 215

Journal article

Day, J. with Reynolds, P.L., Kovalev, A., & Kovalev, V. (2007). A Bayesian approach to forecasting decisions in small firms. *The Herald of Omsk University Quarterly Academic Periodical, International Business Series, (Omsk State University, F.M. Dostoyevsky), 2*, pp.80-91.

This paper considers the nature and role of sales planning primarily from a sample of fifty-four Omsk and one-hundred and fifty-four Yorkshire SMEs.

This links to the previous work in that despite the simplicity of the proposed health monitoring procedures if SMEs are not disposed to planning then they would not be responsive to any suggestion of monitoring. If they were, then the most obvious, inviting and easily available would be data on sales, and, so the authors considered sales planning behaviour. The Bayesian notion is that of the principal co-author (Reynolds) and follows on from his interest in statistical forecasting and he argues that the very foundation of Bayesian statistics is the selection of a subjective probability of an action (Reynolds, & Lancaster, 2007; Vallejo-Torres, Steuten, Buxton, Girling, Lilford, &

Young, 2008; Aven & Eidesen, 2007; McKinlay, Lin, Freund & Moskowitz, 2002). This can be seen in decision trees where the participant might give an informed guess that there is, say, a better than 50/50 chance a product will sell enough to break even. So a decision tree can be started off with a subjective guess at of, say, a 60/40 success/failure prediction.

There are four points of resonance with the entrepreneurship and entrepreneurial marketing literature:

- (1) Do SMEs plan and if so what planning do they undertake;
- (2) If they consciously, or unconsciously, plan – would their planning be better described as subjective, or intuitive, and so consistent with a Bayesian viewpoint;
- (3) Some contemporary commentators on the interface embrace the Sarasvathy (2008) effectuation perspective which proposes a more subjective way of behaviour, and by implication planning.
- (4) It is also consistent with one of the dilemmas in entrepreneurship that we often talk about entrepreneurs taking risks, and indeed, standard entrepreneur orientation scales use the term risk and responses to those questions often ‘load badly’ if, and when, factor analysis is run (Knight, G. 1987). Frank Knight (1921) more accurately describes the entrepreneurial function as dealing with uncertainty not risk. He argued that risk is insurable and this reduces it to simple business proposition making it more attractive to the businessman but less attractive to the true entrepreneur. So a Bayesian approach is very consistent with viewing the entrepreneur as someone who recognises and exploits uncertainty not risk.

THEME 2.0 [2.2]

CONTEXT: FOCUS DOWN

How does an entrepreneurial marketing paradigm guide and inform the SME or eSME concerning

2.2: *Relationships*: Leverage; relationship marketing; counsellors; and, family business.

Two conference proceedings; two journal articles.

Exhibit 221
Conference proceedings
1995

Day, J. with Reynolds, P.L. (1995). A Low Cost and Low Risk Scheme For Small Entrepreneurial Firms to Enable Them To Increase Both Sales and Profitability from their Existing Customer Base. In G.E. Hills, D.F. Muzyka, G. Omura, & G.A. Knight (Eds.) *Research at the Marketing / Entrepreneurship Interface* (pp.551-556). Chicago, IL: Institute for Entrepreneurial Studies, University of Illinois at Chicago.

Exhibit 222
Journal article
1998

Day, J. with Reynolds, P.L., & Dean, A.A. (1998). Relationship marketing: Its key role in entrepreneurship. *Long Range Planning*, 31(6), 828-837.

Exhibit 223
Journal article
2006

Day, J. with Reynolds, P.L., & Lancaster, G.A. (2006). Entrepreneurship and the small to medium-sized enterprise: A divergent/convergent paradox in thinking patterns between advisers and SME owner-managers. *Management Decision*, 44(5), 581-597.

Exhibit 224
Conference proceedings
2005

Day, J. with Day, J.C. (2005). Fanning the Flames of Family Business: A case Study of Two Long Surviving West Yorkshire (UK) Small Businesses. In G.E. Hills, R. Teach, J. Monllor, & S. Attaran (Eds.) *Research at the Marketing / Entrepreneurship Interface* (pp.38-61). Chicago, IL: Institute for Entrepreneurial Studies, University of Illinois at Chicago.

This theme considers four types of relationships: developing a deeper relationship with a key customer to leverage more sales from that customer; a more traditional consideration of relationship marketing; the actual and potential relationship with advisors; and the role of relationships in small family businesses.

Exhibit 221

Conference proceedings

Day, J. with Reynolds, P.L. (1995). A Low Cost and Low Risk Scheme For Small Entrepreneurial Firms to Enable Them To Increase Both Sales and Profitability from their Existing Customer Base. In G.E. Hills, D.F. Muzyka, G. Omura, & G.A. Knight (Eds.) *Research at the Marketing/Entrepreneurship Interface* (pp.551-556). Chicago, IL: Institute for Entrepreneurial Studies, University of Illinois at Chicago.

Two case studies are discussed that illustrate the effectiveness of conducting and making use of customer appreciation surveys and set a background for considering the idea of 'leveraging'. One case study concerns a local Electrical Wholesaler and the other is a regional department store. Both businesses were located in Yorkshire, UK.

This paper considers that one particular feature of small business is that they need to adopt low cost marketing research given their relative lack of resources. This is an example of the small firms behave differently 'because they have fewer resources' argument. This does not imply that they behave less effectively than larger firms. The paper then argues that there is potentially a virtuous circle whereby the SME employs low cost market research techniques in the area of service evaluation and acts upon the results to prioritise the sales effort, increase sales and improve margins. The notion of 'business to business leverage' was introduced. The argument is that if the SME is selling to customers who source from several suppliers to secure their supply chain, then the impact of a small percentage increase in demand by that customer will be disproportionately more beneficial to the SME. Once again the concept of crisis points in the early stages of the life cycle of small entrepreneurial firms is considered and 'leverage' is seen as a cost effective way to mitigate potential crises by, crudely, 'working the existing customer base harder'

The paper suggests that whilst the suggestions will be of benefit to any small business, that those SMEs seeking to grow rapidly, who are described as entrepreneurial, may be more careless about managing their existing customers as they seek out new customers and so the notion of 'leverage' would suggest that they might want to reconsider the unfulfilled sales potential in their existing client base.

Exhibit 222

Journal article

Day, J. with Reynolds, P.L., & Dean, A.A. (1998). Relationship marketing: Its key role in entrepreneurship. *Long Range Planning*, 31(6), 828-837.

A local West Yorkshire sample covering a single industry (printing, marketing and computer services). From a sample frame of 102 SMEs, Sixty SMEs responded of which twenty were selected at random and participated in face to face in-depth semi-structured interviews.

Marketing and entrepreneurship are related ideas, good entrepreneurs practice marketing, and some of the best marketing behaviour is entrepreneurial-but they are not the same. This article argued that it is the combination of both a marketing and an entrepreneurial orientation that drives success. Whilst there are well established measures of a broad marketing orientation, the argument here is that what is particularly important is a subset of that orientation – relationship marketing.

To give structure to our argument we used the (then) emerging marketing entrepreneurship paradigm as a framework which had two advantages: firstly, it did not assume that marketing and entrepreneurship were the same – otherwise the interface would simply be an oxymoron; secondly, it allowed for an appropriate consideration of entrepreneurship and marketing definitions, their relationship-and linkage. Prior to discussing the questionnaire used we reviewed in general the idea of entrepreneurship both as part of the interface and as a control variable. In order for our “best practice” ideas to be of use we wanted to persuade the reader that entrepreneurship can be learned, so that less entrepreneurially inclined SMEs can not only recognise good practice but can also implement it. This author has always argued that entrepreneurship is not an absolute and is partly learnable, followers can imitate but not perfectly, albeit that many imitate very imperfectly. This theme is returned to later when considering the work in this thesis in the context of the wider entrepreneurial marketing literature.

The managerial outcomes are onerous. The self-perception of the participants was that they practiced relationship marketing and the research instrument was deliberately designed to report self-perception. The main conclusion was that those SMEs which were demonstrably more entrepreneurial engaged in a much more measured, calculated

and effective approach to what is at the heart of relationship marketing – customer retention and development. On the one hand, believing that entrepreneurship is not an absolute suggests that SMEs can improve their entrepreneurial performance; on the other hand the onerous conclusion is that very successful SMEs create a competitive advantage by successfully managing two difficult corporate cultures – effective relationship marketing, and, being entrepreneurial.

Exhibit 223

Journal article

Day, J. with Reynolds, P.L., & Lancaster, G.A. (2006). Entrepreneurship and the small to medium-sized enterprise: A divergent/convergent paradox in thinking patterns between advisers and SME owner-managers. *Management Decision*, 44(5), pp. 581-597.

This paper and subsequent articles developed from a general interest in the relationship between advisors and small businesses. Although SMEs can engage with a wide range of advisors often one such relationship is with their bank. This might be voluntary such as presenting a business plan proposal or involuntary concerning the calling in of an overdraft. What is clear is that this particular relationship can be fraught and the Macmillan Committee, as early as 1931, noted the difficulty of SMEs in obtaining bank finance partly because of their reluctance to lend to growing business (Macmillan, 1931; Frost, 1954). In 1994, a feature article in the *Yorkshire Post* (1994) conveyed, a then, not atypical attitude:

The banks, for their part, blame business collapses - particularly among small to medium-sized enterprises - on poor management and the failure of company directors to educate themselves on the need for sound financial management. If only business people, especially the smaller ones, would construct proper financial plans, say the banks, they would get the loans they ask for. After all, they insist, there is plenty of money sloshing around. The real problem is finding a worthwhile business to lend to...

In 2013 the ‘Tomlinson Report’ was published and in November 2014 a decision was made by the UK Competition Market Authority to issue a Market Investigation Reference into SME banking. The cause of this long standing gap could be predominantly be the fault of the banks (see, for example, Scott and Newton, 2007) or the borrowing preferences of small business away from commercial bank sources (see, for example, Hamilton and Fox, 1998).

So the notion of crisis pricing, SME relationships with, inter alia, bank advisors and this author’s experience with a national bank providing our regional GEP programme with advice (which was in this instance well directed and insightful) led to us to consider in a little more depth the interaction between these parties. It was decided that

we would consider the entrepreneurial stance of each party and four simple combinations that could be surmised. The paper wanted also to consider whether there might be a parsimonious way of measuring entrepreneurial behaviour by reference to thinking patterns. The work argued that the way in which true entrepreneurs think is synonymous with what psychologists call divergent thinking. This can often be perceived to be less logical and well structured than convergent patterns of thinking particularly by convergent thinkers. However divergent thinking is generally associated with highly creative individuals. Such individuals rarely subscribe to the 'conventional wisdom' and tend to be something of a 'free spirit', often reluctant to 'follow the crowd'. In contrast convergent thinkers display the totally opposite characteristics. Elements of this debate have a certain commonality with the work of marketing colleagues on the actual practice of marketing in entrepreneurial SMEs; namely that marketing in practice is often more flexible, intuitive and informal than as codified in the standard accepted texts (for example, Kotler, 1994).

A small local sample of twenty-five small businesses were asked to discuss their recent involvement with mentors and/or advisors - whether of a formal nature, e.g. government small business advisors, commercial bank advisors, voluntary advisors from, say, a charitable trust, or informally, e.g. a business associate.

Our initial interest was whether the sample of small firms sought advice voluntarily, and if so, did they choose the advisors or did they have little choice in the nature and source of the advice. If they initiated the process then what conditioned their choice of advisor and the nature of the advice sought. For some types of advice they might choose to form a dyadic relationship with people of similar mindsets whilst in other situations the natural choice could be an advisor of the opposite mindset. In any case we sought to understand how and to what extent they acted upon the advice. For our sample we were not working directly with the advisors but relying upon the SMEs' evaluation of their advisor's mindset.

A simple test of divergent thinking (Torrance Test of Creativity) was administered alongside questions that considered their degree of visionary thinking.

For practitioners there are interesting insights into whether the advisor and small business owner need to have complementary mindsets. Should divergent entrepreneurs only be matched to divergent advisors or will the matching of a convergent advisor to a divergent entrepreneur result in gains through their different perspectives. In respect of start up situations what would be the consequences of a divergent entrepreneur receiving advice on start up finance from a person with an opposite mindset?

Exhibit 224 Conference proceedings 2005	Day, J. with Day, J.C. (2005). Fanning the Flames of Family Business: A case Study of Two Long Surviving West Yorkshire (UK) Small Businesses. In G.E. Hills, R. Teach, J. Monllor, & S. Attaran (Eds.) <i>Research at the Marketing / Entrepreneurship Interface</i> (pp.38-61). Chicago, IL: Institute for Entrepreneurial Studies, University of Illinois at Chicago.
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The authors became interested in the survival of family-owned businesses in their local area when in 2002 a number of firms advertised their 150th anniversary in 2002. A little later Rogoff and Heck (2003) wrote an editorial for a special issue of the Journal of Business Venturing, to quote:

“Entrepreneurship is like fire—rapid, dramatic, and powerful. Sometimes its destructive side decimates standing forests of great, old industries; sometimes its power carries innovation throughout the world like a firestorm. Research in entrepreneurship has similarly sought to identify the magic substance that feeds entrepreneurship—its phlogiston. Some scholars investigated the personal characteristics of entrepreneurs, trying to find that “fire in the belly” that many ascribe to entrepreneurs; however, no personal characteristic unique to entrepreneurs has ever been found to date. Others have focused on the creative force of innovations and technology, but again, no one has identified a specific, magic ingredient.

From a contextual standpoint, these decades of investigation have, however, taught us the same lesson that Lavoisier proved with regard to fire—entrepreneurship does not take place in a vacuum. Just as fire is fed by oxygen, entrepreneurship is fed by the oxygen of financial resources, human resources, education, economic conditions, and family. Although family permeates most business ventures, surrounding virtually every entrepreneur, contributing financial and human resources for most ventures, and providing a major source and origin of education and values that are critical to entrepreneurs, research into entrepreneurship has generally sidestepped investigating family as a source of oxygen for the entrepreneurial fire, seeking instead to identify a magic, unique, phlogiston-like substance to explain entrepreneurship”.

This enthusiastic analogy engaged us, albeit with a certain amount of reservation since most businesses are small (at least as defined by number of employees) and many of

these are family owned but given that most SMEs are not entrepreneurial (in the strictest sense) *understanding family* might not add greatly to our understanding of entrepreneurship. But understanding family would be interesting and worthwhile. A small university research grant in 2003 permitted the study to take place using an experienced and empathetic ex-small business owner to identify multigenerational family businesses and then to undertake structured interviews with as many as possible. The use of a member of the local business community initially influenced the businesses contacted. Four were initially identified from the publicity in 2002, however not all of these were willing to take part in the survey. The consultant identified a number of other family businesses from personal contacts; from that point the consultant used the local informal family business network to identify other multigenerational businesses in the area. To anchor the face-to-face discussions, three orientation scales were employed: marketing, entrepreneurial and family first / business first. This paper reported on two companies founded in 1541 and 1740 respectively. So one has survived sixteen generations and one eight generations.

THEME 3.0

CONTEXT: FOCUS OUT

How does an entrepreneurial marketing paradigm guide, extend and inform in wider and less traditional contexts?

- 3.1: Large organisations in private ownership;
- 3.2: Large organisations in public ownership and , in particular, CCT in the UK;
- 3.3: Public Arts (T-PASTs) which encompass both large & small organisations;
- 3.4: Within a geographical cluster and researched through a methodology that interfaces both marketing and entrepreneurship;
- 3.5: Within a geographical conflict zone.

Three conference papers; one conference proceedings; two journal articles

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| Exhibit 311
Conference
paper
2003 | Day, J. with Al-Mohammad, S.M. & Cook, J. (2003, August). <i>Considering the Role and Impact of Market Orientation and Entrepreneurial Orientation on the Performance of Marketing Information Systems (MkIS) within Large Organisations: A Case Study of UK Financial Services</i> . Paper presented at the American Marketing Association and the University of Illinois at Chicago – UIC Symposium on Marketing and Entrepreneurship, Chicago, IL. |
| Exhibit 312
Journal article
1998 | Day, J. with Reynolds, P.L., & Lancaster, G.A. (1998). A marketing strategy for public sector organisations compelled to operate in a compulsory competitive tendering environment. <i>International Journal of Public Sector Management</i> , 11(7), 583-595. |
| Exhibit 313
Conference
paper
1999 | Day, J. with Reynolds, P.L. (1999, August). <i>The Marketing of Public Sector Building Services in a changing Regulatory Framework – Does ‘Best Value’ Herald a Visionary Future?</i> Paper presented at the American Marketing Association and the University of Illinois at Chicago – UIC Symposium on Marketing and Entrepreneurship, San Francisco, CA. 6 th - 7 th August. |
| Exhibit 314
Conference
paper
2011 | Day, J. with Day, J.C. (2011, May). <i>Public sculpture themed projects as entrepreneurial marketing</i> . Paper presented at the GSCM - Montpellier Business School European Entrepreneurial Marketing Summit, Montpellier, France. 12 th - 13 th May. |
| Exhibit 315
Journal article
2010 | Day, J. with Kuah, A.T.H. (2010). Measuring Clustering Benefits and Competitiveness: What Do Players Really Value? <i>Singapore Management Review</i> , 32 (2), pp. 1-24. |
| Exhibit 316
Conference
proceedings
2012 | Day, J. with Muhammad, N. (2012, November). Growth and Entrepreneurial Orientation Behaviours of SMEs in a Conflict Environment: Swat Valley Pakistan. In <i>ISBE: Creating Opportunities through Innovation: Local Energy, Global Vision</i> . November http://www.isbe.org.uk/ Muhammad12 |

The previous theme focussed *inwards* into the SME and remained true to the predominant original research impetus – the consideration of the SME. This theme broadens the scope of the analysis by considering five broader contexts.

Firstly, large private sector organisation (Exhibit 311). Here the authors (Al-Mohammad, Day and Cook) are concerned with how and under what organisational behaviours, financial service companies utilise market information delivered by their marketing information systems (MkIS); and to what extent this can be considered entrepreneurial. Entrepreneurship literature often argues that the entrepreneur has the ability to use different information, superior information, and to assemble and manipulate existing information differently from competitors (Casson, 1982). Much opportunity (seeking) literature follows this line of thought, see, for example Hills and Shrader (1998). This study sought to extend our knowledge about the use and effectiveness of MkIS by considering Market Orientation and Entrepreneurial Orientation.

In particular, this paper is concerned with how larger organisations, who should be information rich given their investment in MkIS, use information. Fieldwork consisted of both a postal questionnaire and a detailed case study involving several interviews with senior managers. The authors agreed to anonymity for the case study organisation but it was within UK financial services. The paper investigates the association between certain organisational characteristics and behaviours and how MkIS users perceive the performance of their system. Extant literature at the time had addressed the influence of a number of organisational factors on the development and sophistication of MkIS but this study added to the literature by arguing that both market orientation and entrepreneurial orientation were strongly associated with the perceived performance of MkIS, and, a model was proposed representing the proposed associations between MO, EO and MkIS. The major conclusion from this study was that whilst it is important to acknowledge (as do previous studies) that the quality of market information is a strong indicator of the perceived performance of MkIS, users perceptions about the quality of this information are strongly influenced by other factors such as market orientated values, entrepreneurial orientation, and market orientated behaviours. The perception of the quality of the information delivered, in turn, affects their willingness both initially to use, and subsequently how to use that data. One management action

suggested by the study was the need for entrepreneurial champions but perhaps not by that name since we found that the primary case organisation was more comfortable viewing such activity as innovative rather than entrepreneurial.

There is no particular reason not to consider entrepreneurial marketing in the context of large companies, the relative inattention to large company behaviour by the interface is more a reflection of the desire to address the perceived under researching of the SME. It is conceivable that the entrepreneurial spirit is only found in the early stages of the firm lifecycle but this is not an absolute certainty and firms may go through periods where managerial priorities dominate entrepreneurial priorities and vice versa (Mintzberg, Ahlstrand and Lampel, 1998). Schumpeter was ambivalent about whether the source of innovation was from the small or the large firm (Dolfsma, & van der Velde, 2014). The concept of intrapreneurship is easily seen as only being relevant to the large organisation given that the originator, Pinchot (1985) made out the seemingly counter intuitive case as to why an entrepreneur, or a particular class of entrepreneur, would work within a large company, and they, in turn, would be accepting of such. To support his argument the term intrapreneur was introduced and this individual would work in a particular way, crudely assembling resources across department structures and hiding from traditional authority as much as possible. Such a notion described both the development of Art Fry's 3M Post-it-notes well and one point in the corporate history of Toshiba laptops (Abetti, 1997; Robinson, 2001) but is not the only corporate culture that would produce such outcomes. Ginsberg and Hay (1994), Tiessen (1997), Miles & Covin (2002), Åmo, & Kolvereid (2005), offer equally effective structures and cultures. But by implication, intrapreneurship remains the property of the large organisation. However, Carrier (1994, 1996) in her seminal pieces convinces the reader that intrapreneurship is appropriate at the point at which the owner grows the business and so has to develop functional structures and teams. In essence, moving along the firm life cycle. However the process and the rewards have to be different to the classic Pinchot (1985) doctrine.

For competitive tendering in the public sector, the watershed of concern was when it became Competitive Compulsory Tendering. (Exhibits 312 & 313). Whilst the marketing academy has expanded effort into non-profit and social marketing as reflected by the American Marketing Association ever widening definition of

marketing, there are issues peculiar to the public sector. One of these might be whether public goods and services can be subject to the same marketing philosophy as private goods and services, an argument conditioned by the fact that many goods provided by the public sector are actually private or quasi-public goods. Entrepreneurial behaviour can arise either through delivery of new services or new ways of doing things or through the reduction of Leibenstein x-inefficiency and so reducing costs. The introduction of private sector competition through CCT could well have increased the level of entrepreneurship either through substitution of an outside provider or through a change in behaviour of the in-house incumbent if it won and retained the contract for the service provision. For these local authority building and land professionals it was natural that they might see marketing as a panacea and something novel to their public sector culture and that Day and Reynolds would see as an interesting extension away from an SME centric entrepreneurial marketing. The change away from CCT to 'Best Value' gave Day and Reynolds another opportunity to interact with this group and to reflect upon the role that relationship marketing could play in their strategy.

Thirdly this theme broadens entrepreneurial marketing into the analysis into temporary public art sculpture trails (T-PASTs) (Exhibit 314) where there is both public and private sector engagement ranging from small local organisations through to large international operators. This extension draws its inspiration from the work of (mainly) McAuley and Fillis who have consistently offered studies about both artists as small businesses and art as an appropriate vehicle through which to consider entrepreneurial creativity and innovation (Fillis, 2000; Fillis and McAuley, 2000; Fillis and McAuley, 2005; Fillis, 2002a; Fillis 2002b; Fillis 2004; Fillis 2006; Fillis and Renschler, 2006). The added fascination with T-PASTs is that the population ranges from locally based small environmental groups (such as: Leaping Trout, Phoenicia, New York State) to international operators such as CowParade. In terms of entrepreneurial action from Schumpeterian -the original CowParade, to the Kirznerian imitators.

Clustering (Exhibit 315) bestows a beneficial environment by providing potential access to valuable local resources and favourable conditions that contribute to creating competitive advantage for firms both large and small. Two research frameworks were employed and integrated, one from economic geography and one from country

marketing planning, to measure the benefits and competitiveness of the Singapore Financial Centre. This combination of a general benefits analysis and an importance performance analysis highlighted the existence of important relationships and captured the needs of players within this cluster. Thirty-three personal interviews provide the exploratory dataset and illustrated the approach. The analysis offers an insight into how a financial cluster behaves and provides for its players in general and for the Singapore Financial Centre in particular. There are clearly some sources of competitive advantage in this location, such as the provision of skilled and specialised labour for financial services institutions as well as the buzz for new businesses and customers. Without a doubt, clustering bestows a beneficial environment by providing potential access to valuable, and by implication, difficult to replicate local resources that, in turn, leverage the competitive advantage of firms within that cluster. While the dataset has a specific focus on a financial centre, some of the lessons on what is most important to an industry are transferable to other financial centres or indeed other clusters in the process of development. One key advantage of IPA is that it lends itself to a simple visual representation. As has been shown recently by Day and Schoemaker (2005) on peripheral vision, and Kim and Mauborgne (2002) on strategy canvasses, reducing complex situations to simple and visual frameworks is hugely insightful. The output from an IPA can provide diagnostic information to help regional planners consider not only how much resource to allocate for cluster development but also where to focus that allocation. Data were sourced from a sample of 33 respondents to demonstrate the use of the approach in this exploratory study. There were six directors, 20 senior managers, and seven junior managers, all of whom had more than five years experience of working in that cluster and coming from a diversity of financial institutions.

The final paper (exhibit 316) in this section explored not just potentially a harsh and unforgiving business environment but a harsh and unforgiving conflict environment replete with life threatening events. It explored growth and entrepreneurial orientations and the impact of a conflict environment on small manufacturing firms in North West Pakistan operating in this highly uncertain environment. The two main objectives of this paper were to consider the key literature in the area of small firm growth, and to find out empirically how growth is being defined by those firms who operate businesses in developing and conflict environments. Secondly, to consider which dimensions of entrepreneurial orientation prevail, and which do not, in a conflict environment, and,

what features of an entrepreneurial orientation assist firms in handling uncertainty. The sample was split into growing and non growing SMEs. Both quantitative and qualitative data was collected through survey and interviews from small manufacturing firms in the Swat region, which has been severely affected by terrorism and extremism. In the survey sample, 110 firms were included, 80 firms stated their firms were growing and 30 stated they were struggling. Sixteen semi-structured interviews were conducted to investigate more deeply the quantitative findings.

Preliminary results revealed that prior to this conflict environment, some growth elements had been achieved by growing firms, and some struggling firms sought to grow. Our results also pointed out that growing firms have a more entrepreneurial focus compared to struggling firms, as measured by: innovativeness, pro-activeness, risk-taking and competitive aggressiveness. However, there is no difference in terms of the employees' autonomy. Furthermore, due to operating in a conflict environment, innovation, proactiveness, risk-taking capability and competitive aggressiveness have been lost. However, employee autonomy still exists and has been increased due to conflict environment, which has a somewhat positive impact on entrepreneurial activity. Entrepreneurs stated that they had to give more authority, flexibility, and to trust their employees more than ever before in order to handle this conflict situation.

THEME 4.0

CONTRIBUTION TO HE EDUCATION IN THE UK, AND BUSINESS SUPPORT PRACTICE

Teaching entrepreneurship and entrepreneurial marketing with undergraduates and postgraduates; business support outcomes.

Two conference proceedings; one journal article.

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| Exhibit 401
Conference proceedings
2011 | Day, J. with Reynolds, P.L. (2011). Exploring the marketing - entrepreneurship interface: bringing an understanding of small business marketing into the curriculum. In University of Huddersfield Annual Learning and Teaching Conference (pp.102-115). Huddersfield, UK. Retrieved from: http://eprints.hud.ac.uk/id/eprint/9667 |
| Exhibit 402
Conference proceedings
2011 | Day, J. with Rahman, H. (2011). The Potential Influence of Entrepreneurial Role Models in the Teaching of Entrepreneurial Marketing: I Want to be Like ...? In G.E. Hills, C. Hultman, F. Eggers, & M.P. Miles (Eds.) <i>Research at the Marketing/Entrepreneurship Interface</i> (pp.37-49). Bradley, IL: Global Research Symposium on Marketing and Entrepreneurship. |
| Exhibit 403
Journal article
2014 | Day, J. with Rahman, H. (2014). Involving the Entrepreneurial Role Model: A Possible Development for Entrepreneurship Education. <i>Journal of Entrepreneurship Education</i> , 17(2), 163-171. |

At the heart of the entrepreneurial marketing paradigm is that understanding is gained through interaction with the subject. In the founding period of the interface that would be SMEs. The author has made contributions as an educator; a facilitator; and to the literature on entrepreneurial marketing. However any such contributions owe a debt to all those who have influenced and guided him – undergraduates and post graduates; organisations and individuals who have provided research data; and colleagues within the interface.

Given the symbiotic relationship between teaching and research, this section is anchored by three pieces of work where the author has reflected upon their teaching. The first piece considers their module in entrepreneurial marketing that has run since the 2002/2003 academic year and been taught to just over 1300 final year undergraduates. The second piece considers the best use of entrepreneurial role models as part of entrepreneurial marketing, whilst the third piece considers the same topic but in a wider entrepreneurship arena. To provide further detail, four current undergraduate modules are considered: Small Business and Enterprise Planning; Business and the Entrepreneur; Marketing for Small Business; and, the Business Enterprise Dissertation. Then at the postgraduate level, three previously taught MSc modules: Entrepreneurial Marketing; Net Entrepreneur; and Actioning Entrepreneurship are considered along with the author's involvement with seventeen current and/or previous doctoral supervisions. Finally, there is some reflection on the implications of their work for business support.

The reason that the author felt comfortable joining colleagues in the marketing/entrepreneurship interface was that it was compatible with his professional development up to that time. Much of his teaching was about helping students to become more enterprising and this was coupled with an interest in SMEs. The Business Problem Seminar programme for our second year undergraduate business studies students was originally an on-campus module taught through weekly seminars but from 1980 (and until the mid-1990s) it was developed into a one week junior management offsite residential programme. Practical time management and team building activities (both intellectual and physical) during the first two days of the programme were the precursor to a creative project on the music industry which itself was set against challenging time constraints. To use the Cunningham (1999) terminology, it was more 'andragogic' than 'pedagogic', more 'action learning' than 'traditional learning'.

Professor Cunningham's work was introduced to us by Professor David Carson and that along with the work by Carson himself and colleagues from the University of Ulster was a dominant influence on myself and Reynolds particularly in the design and delivery of our undergraduate marketing of small business module. Table Three demonstrates that all of the assessments have a large component of experiential learning. The full module specifications are in the Appendix.

Supervising Rahman was interesting as it brought to the fore four key issues: should we teach enterprise and/or entrepreneurship (or both); the appropriate use of role models; the implied notion of a supply chain of entrepreneurship teaching that exploits student experience prior to university whilst creating links and channels both during and after their university programme; and, lastly, the role of culture.

The most recent (2012) UK QAA guidance for UK Higher Education Providers offers sound 'definitions and distinctions' (p.8-9) that distinguish between enterprise and entrepreneurship; learning 'for' and learning 'about'; the small business owner and the entrepreneur. Interestingly they identify the intrapreneur separately from the entrepreneur not by a different skill set but by the size of the organisation they will create or work within. This is a position that this author endorses wholeheartedly. The initial bringing of the notion of the intrapreneur into the mainstream by Pinchot (1985) was fundamental but given that Entrepreneurial Orientation was originally and still is mainly applied at the corporate and not the individual level there is a case for simply using an EO measure to understand entrepreneurial behaviour in the larger organisation. Furthermore Carrier (1996) offered a convincing argument that intrapreneurship, albeit in a mutated form is equally to be found, needed and encouraged in the smaller organisation. As supported by Carson et al. (1995:160-167), and compatible with the stages life cycles, at some point the entrepreneur has to decide whether to remain small or to grow, and growth issues require addressing. This is not to deny that the Pinchot (1985) intrapreneur can exist as a separate entity to either entrepreneurs or managers but the Art Fry (3M Post-it-Notes) stereotypical intrapreneur is thin on the ground (at least in respect of academic case studies). Abetti (1997) interestingly does provide a robust example whilst Amo & Kolvereid (2005) and Tiesen (1997) endorse intrapreneurship but offer different corporate cultures and structures to achieve entrepreneurship within the larger organisation.

It is important that as educators we design our programmes with regard as to whether they are firstly, ‘for’ or ‘about’; secondly, at their core are they concerning enterprise or entrepreneurship; or, thirdly is the focus on the small business or the entrepreneurial small business. None of these three possibilities are more or less honourable than the other. But just as the paper (Exhibit 223) argues for the appropriate matching of advisors and counsellors depending upon entrepreneurial competencies and desired outcomes so we need to match student capabilities, desires and competencies against identifiable outcomes. The QAA definitions and those in the All-Party Parliamentary Group for Micro Business, Fifth report – An Education System fit for an Entrepreneur (2014) argue for a first and second level approach in that we should encourage and enable all students to become more enterprising and some of those will then become entrepreneurs. The most focussed ‘for’ programmes taught by this author have been Graduate Enterprise and the Business Enterprise Dissertation module on the Enterprise Development degree .. in both cases we have expected participants to behave as both graduands / graduates and entrepreneurs. So role models become important and have a significant role to play. In Marketing of Small Business, the live case studies, in effect, act as role models for the investigating students. In Business and the Entrepreneur part of the module is informed by marketing theory and practice and students write a case study about an entrepreneur, usually from secondary data. However considering role models and culture does remind us that no student comes to us a tabula rasa, their experience of entrepreneurship and influencers predates the classroom and we may want to exploit that in more complex ways than just inviting along an articulate entrepreneur into the classroom. Our educational role is not to take students from a ‘zero base’ and make them creative or enterprising (since they are already) but to help them to become *more* creative and enterprising. This turns us full circle back to a key argument in this thesis, the world is not composed of entrepreneurs or non-entrepreneurs – we have a graduated scale with absolutes only acting as end anchors, SMEs can be positioned between SMEs or eSMEs; Entrepreneurs between stellar or really not very good; or more theoretically between Schumpeterian or Kirznerian; students are located between enterprising or entrepreneurial. Nicolaou et al. (2008; 2011) persuade us that genetics are only part of the story. Drucker (1985:138) offering that:

“But entrepreneurship is not ‘natural’; it is not ‘creative’. It is work ... that entrepreneurship and innovation can be achieved by any business. But they must be consciously striven for. They can be learned, but it requires effort. Entrepreneurial businesses treat entrepreneurship as a duty. They are disciplined about it, they work at it they practise it.”

Even Sarasvathy (2008) allows effectual entrepreneurs to be small scale, they may create the market but it can be a very marginally different market and enabled through very limited funding. Finally the work of Edmunds (2004) needs to be acknowledged as he was the first person to bring the notion of a supply chain for entrepreneurship education both backwards and forwards to this author.

The next section considers the author’s broad contribution and is then followed by a more detailed discussion and then Table Four which considers implications for the interface, entrepreneurship theory, and practice for each of the pieces of work submitted. At a broad level, the author has contributed as:

An Academic:

The author has published work across all four theme areas and for the first area they have helped colleagues reflect upon the direction of the interface in the early days. Work on large organisations, the public sector, the blending of relationship marketing and entrepreneurial orientation is now more commonplace. Hopefully commentators will see some of the work as exhibiting novel features, for example, the work on crisis pricing, the link between MkIS and marketing and entrepreneurial orientations, the work on relationship marketing. Published work has appeared in appropriate journals and in the annual Research at the Marketing Entrepreneurship Proceedings, a primary outlet for work at the interface.

A Facilitator:

Here the author helped to start and run the Journal for Research in Marketing and Entrepreneurship. He was joint managing editor until 2003 and remains on the Editorial Board. . . . JRME is now in its 16th volume. The author was an active co-editor of the first substantial AM SIG proceedings published in UK and hosted the annual workshop in 1997. At that time he was also a member of the UK Academy of Marketing Steering

Group of the Special Interest Group on Entrepreneurial and Small Business Marketing (previously, the Special Interest Group for Marketing and Entrepreneurship) and served on the Marketing Entrepreneurship Interest Group Committee of the American Marketing Association (AMA).

An Educator:

At Huddersfield University, the Marketing of Small Business final year module remains consistently popular currently with between 70-80 students each year. It has deliberately not been branded as an entrepreneurial marketing module but as can be seen in the Appendix, it is underpinned and driven by that philosophy. The more general Business and the Entrepreneur final year module draws substantial content and approach from an entrepreneurial marketing perspective. Small Business and Enterprise planning (a second year undergraduate core module) is in many ways an introduction to entrepreneurial marketing and encourages students to meet a challenging business planning brief.

The author is currently supervising seven PhD students who are all working on some aspect relevant to SMEs. Of the ten who have been awarded their PHDs, six are in areas of relevance to entrepreneurial marketing, and, four are co-authors in the submitted work portfolio. Eight of these colleagues are in University posts in the UK or abroad.

These contributions are discussed in finer detail in (a)-(e) below.

- (a) Their mentoring and supervision of postgraduate researchers;
- (b) Business support;
- (c) Adding to the traditional entrepreneurial marketing literature that underpins our understanding of small business
- (d) Extending the traditional entrepreneurial marketing literature into non-traditional areas.
- (e) Their teaching to undergraduates and postgraduates and encouraging students to be more enterprising;

The author is currently supervising seven PhD students who are all working on some aspect relevant to SMEs. Of the ten who have been awarded their PHDs, six are in areas

of relevance to entrepreneurial marketing, and, four are co-authors in the submitted work portfolio. Eight of these colleagues are in University posts in the UK or abroad.

Tables Three and Four show this in detail. The first table considers contribution by context and the second table is a chronological listing of supervisions. These demonstrate contributions to understanding: how SMEs behave; franchising; how clusters operate; and management in large organisations and the public sector.

Table Three: PhD Supervisions by theme

SMES <i>Survival and growth in a harsh social and physical environment</i>	Understanding the growth behaviour and available support for small to medium sized manufacturing firms in a conflict and poor infrastructure environment. The perspective of entrepreneurs in Swat Valley, Pakistan.	MS complete JA	Looking at SME & eSME growth and survival in a harsh physical environment in contemporary NW Pakistan
SMEs <i>e-commerce adoption</i>	E-Commerce Adoption by Small and Medium- Sized Enterprises in Indonesia: An Empirical Study of Influencing Factors.	MS IP	SMEs and innovation in SMEs marketing. Despite the universality of e-commerce, the behaviour of Indonesian SMEs; the expectation of their customers; the cultural context; and, geography lead to a very different pattern of usage and adoption than found in other countries.
SMEs <i>Relationship marketing in SMEs</i>	An Investigation into the Development of a Framework for Aiding Entrepreneurial SMEs to Achieve Growth with Minimal Risk through Pursuing a Strategy of Retaining, Developing and Acquiring Targeted Customers.	SS Complete JA	The role of relationship marketing in entrepreneurial marketing by SMEs
SMEs <i>Female owners</i>	The Role of Women in Establishing and Developing Small Business Projects: A Field Study of Small Business Projects in Libya.	MS IP	Understanding the start-up and development of female SMEs in this particular culture.
SMEs <i>Family</i>	Entrepreneurial succession and sustainability issues in Nigerian family businesses.	SS IP	Family business, SMEs and cultural context.
SMEs <i>Family and internationalisation</i>	The relationship between entrepreneurial orientation and internationalization: A study in second-tier city Chinese family firms.	MS IP	Family business, SMEs, culture, and, international entrepreneurial orientation.

FRANCHISING	Optimising the knowledge assets of franchise organisations. The systemic benefits of franchisees 'tacit' knowledge.	MS IP	Looking at from both the franchisor and franchisee perspective . Concerned with how explicit and tacit knowledge is created and shared. Using an EO scale to relate to the entrepreneurial stance of both franchisee and franchisor.
CLUSTER <i>Focussed on regions</i>	A Theoretical and Empirical Study of Regional Development and Economic Proximity in Vietnam	SS IP	The role of economic agglomeration on manufacturing industries in Vietnam and Indonesia within and across locations, five-digit sectors and firms.
CLUSTER <i>Focussed on small urban enclaves</i>	A Cross National Comparative Study of Immigrant Entrepreneurship in the UK, Norway and Denmark: A Qualitative Exploration of Motives and Forms of Capital for New Venture Creation.	MS IP	Comparison of Pakistani SMEs and eSMEs across three established urban enclaves.
ENTREPRENEURIAL EDUCATION <i>The entrepreneurial university</i>	The role of entrepreneurial learning in strategic renewal: A study of Senior Administrators in UK Universities	MS IP	To identify and evaluate selected principal indicators of what it is to be an entrepreneurial university. To see the extent to which good practice is transferable to a country with a less developed university ecosystem. To concentrate on the internal perception of students and senior administrators and therefore less interested in the current 'triple helix' debate.
ENTREPRENEURIAL EDUCATION Teaching role models	The Influence of Entrepreneurial Role Models on Entrepreneurial Motivation. (A Study of Indonesian Undergraduate Students in the Faculty of Economics of Andalas University in Padang -Indonesia.	MS Complete JA	Entrepreneurship course design and relative role for role models.

LARGE COMPANIES	The Influence of Managers' Entrepreneurial and Marketing Orientations on the Performance of Marketing Information Systems: An Empirical Study of the Behaviour of Senior Managers in the Contemporary UK Commercial Banking Industry.	SS complete JA	Integration of EO, MO and MkIS scales and investigating the use and collection of data by large firms.
PUBLIC SECTOR <i>Decision making</i>	We'll all Take the High Road. Is there Evidence of an Evolving Partnership Approach to the Management of 'Highway Works'?	SS complete	Public sector study of private/public sector relationship
PUBLIC SECTOR <i>Decision making</i>	The Impact of Traffic Management on Small Tourist Businesses: an investigation of stakeholder relationships and personal contact networks.	MS complete	Public sector decision making
PUBLIC SECTOR <i>Environmental</i>	The contribution of economics to understanding environmental cost: A case study of the Libyan cement industry, 1988-2008	CS complete	Public sector interest through an environmental focus

Notes:

Source: Author

IP: in progress

MS: main supervisor; CS: co-supervisor; JA authorship and output included in portfolio.

TABLE FOUR: TEACHING AND SUPERVISION

CURRENT PhDs			
Student	Research Topic	Commonality with this submission	Joint Author
Rita Rahuya	E-Commerce Adoption by Small and Medium-Sized Enterprises in Indonesia: An Empirical Study of Influencing Factors.	SME and innovation in marketing and cultural context.	no
Samya Eljamel	The Role of Women in Establishing and Developing Small Business Projects: A Field Study of Small Business Projects in Libya.	Understanding the role of female SMEs in this particular culture and context.	no
Hani Okoroafor	Optimising the knowledge assets of franchise organisations. The systemic benefits of franchisees ' tacit' knowledge.	Looking at from both the franchisor and franchisee perspective concerned with how knowledge is created and shared. Using EO scale to relate to entrepreneurial stance of both.	no
Roberto Ercole	A Theoretical and Empirical Study of Regional Development and Economic Proximity in Vietnam	Essentially about clusters and clustering.	no
Benson Akume	Entrepreneurial succession and sustainability issues in Nigerian family businesses.	Family business, SMEs and cultural context.	no
Alvin Aldawood	The role of entrepreneurial learning in strategic renewal: A study of Senior Administrators in UK Universities	First few months of the study and is becoming more focused on entrepreneurial universities and particular delivery aspects.	no

Student	Research Topic	Commonality with this submission	Joint Author
Jia Hu	The relationship between entrepreneurial orientation and internationalization: A study in second-tier city Chinese family firms	SMEs, eSMEs, EO, internationalisation, and family business	no
AWARDED PhDs			
Naveed Yasin 2014	A Cross National Comparative Study of Immigrant Entrepreneurship in the UK, Norway and Denmark: A Qualitative Exploration of Motives and Forms of Capital for New Venture Creation.	Comparison of behaviour across three established enclaves. Sample being Pakistani SMEs and eSMEs	no
Mohamed Ali Mohamed 2014	Diversification Prospects for Sustainable Libyan Economic Growth.	None	no
Hafiz Rahman 2014	The Influence of Entrepreneurial Role Models on Entrepreneurial Motivation. (A Study of Indonesian Undergraduate Students in the Faculty of Economics of Andalas University in Padang -Indonesia.	Entrepreneurship Education	yes

Student	Research Topic	Commonality with this submission	Joint Author
Noor Muhammad 2013	Understanding the growth behaviour and available support for small to medium sized manufacturing firms in a conflict and poor infrastructure environment. The perspective of entrepreneurs in Swat Valley, Pakistan	Looking at SME & eSME growth and survival in a harsh physical environment in contemporary NW Pakistan	yes
Sean Patrick Fisher 2013	We'll all Take the High Road. Is there Evidence of an Evolving Partnership Approach to the Management of 'Highway Works'?	Public sector study	no
Yusef Yakhlef Masoud 2012	The contribution of economics to understanding environmental cost: A case study of the Libyan cement industry, 1988-2008	Public sector interest through the environmental focus	no
Najeb M.H. Masoud 2009	Libya's Economic Reform Programme and the Case for a Stock Market	None specific	no
Stephen Dawson <i>MPhil Registration</i> 2004	The Impact of Traffic Management on Small Tourist Businesses: an investigation of stakeholder relationships and personal contact networks.	Public sector interest	no

Student	Research Topic	Commonality with this submission	Joint Author
Samer Al-Mohammad 2003	The Influence of Managers' Entrepreneurial and Marketing Orientations on the Performance of Marketing Information Systems: An Empirical Study of the Behaviour of Senior Managers in the Contemporary UK Commercial Banking Industry.	Use of EO, MO and MkIS scales and looking at the collection and use of data in large firms.	yes
Aftab Ahmed Dean 2002	An Investigation into the Development of a Framework for Aiding Entrepreneurial SMEs to Achieve Growth with Minimal Risk through Pursuing a Strategy of Retaining, Developing and Acquiring Targeted Customers.	Entrepreneurial marketing particularly concerned with relationship marketing	yes

(a) Business Support

Practical conclusions can be drawn from the published work. The work on pricing and crisis pricing offers guidance in particular to SMEs, on what would be a sensible pricing strategy. Some industries knowingly behave in this way, for example, record companies and film producers often play the odds and hope that a ‘winner’ will off-set accumulated losses on less successful ventures. But there is difference between adopting crisis pricing as a rational strategy and adopting it by default through ignorance. The work on relationships should encourage SMEs to pay proper regard to their existing customers; the work on the contribution of relationship marketing to success coupled with the finding that the more successful SMEs are also more entrepreneurial raises key questions about internal culture. The work on commercial health monitoring, and Bayesian forecasting should encourage SMEs to use simple but effective forecasting. The paper on Singaporean financial clustering uses another technique – Important Performance Analysis ... which can be offered to SMEs as a simple way to think about their competitiveness and to position themselves against competitors. Whilst there is no shortage of literature on competing in harsh commercial environments there is (sadly) a contribution to be made in understanding how SMEs survive and even grow in locations subjected to civil unrest. Finally, the idea of matching not only the competencies of advisors to SMEs but paying regard to the entrepreneurial abilities and ambitions of both parties should lead to better and more appropriate advice.

Some of the author’s support to business has been more direct in particular Graduate Enterprise, and the small business skills seminars. Most of this contribution dates to when the author was seconded to run Business and Manager Development as part of the University Business Connection. Our programme brochure was designed to showcase the potential training programmes that we could offer to local business and organisations. These were mainly short programmes over a small number of days and there were potentially about thirty on offer. In practice a typical revenue breakdown in 1992 was: consultancy, 09%; training to non-SMES 28%; the Graduate Enterprise Programme 33%; TEC (Training and Enterprise Council) funded small business programmes 30%. Our work on CCT came out of assuring local authority architects that they could gain the marketing skills to compete in new markets and our original work on timber and joinery developed from trying to help an SME find new markets.

- (b) Adding to the traditional entrepreneurial marketing literature that underpins our understanding of small business

This would cover the work on the reviewing and defining the interface (Exhibits 111-114) particularly concerning extending the Venn diagram and the discussion about the appropriate definition for entrepreneurship.

- (c) Extending the traditional entrepreneurial marketing literature into non-traditional areas.

As discussed elsewhere there is every reason why entrepreneurial marketing should remain close to its academic roots, for without the interest of Professors Hills and Carson, and their colleagues, particularly at the University of Ulster and later Professors Bjerke and Hultman, in SMEs, the Interface would have developed a different trajectory. But there is no reason why we should not extend the interface into other organisational forms and ownership modes. This author's interest in T-PASTs came out of the work by Fillis and McAuley on arts and craft SMEs and the 'arts' in general. One of the arguments as to why we should consider entrepreneurial marketing as a paradigm is the work by Kraus et al. (2012) that argued that the interface academy now has a strong understanding of what is entrepreneurial marketing. That suggests we can afford to consider extending out from a consideration just of the SME.

(d) Their teaching to undergraduates and postgraduates

The more general discussion about teaching above in the context of the three submitted articles is supplemented by the table following which considers the assessment modes used in the seven most relevant modules for this submission.

All of these encourage (or encouraged) students, even in formal examinations, to be creative. Penaluna et al.

“It has been noted elsewhere that an idea is acknowledged to be creative if it is novel, or surprising and adaptive. So how does that fit with education's desire to measure student performance against fixed, consistent and predicted learning outcomes? This study explores practical measures and theoretical constructs that address the dearth of teaching, learning and assessment strategies to enhance creative capacity in enterprise and entrepreneurship education.”

This author has heard this argument before from Penaluna and Penaluna at a previous annual teaching conference at his University. Albeit the argument was more nuanced towards that since business problems are never well specified why do we insist in over specifying assessment briefs? Sharing this view and coupled with Cunningham's (1999) influence on my teaching design explains the assessment designs in the table. The two strongest examples being the Business and the Entrepreneur portfolio where I set clear boundaries but no not detail content or approach on the basis that such statements say more about my creativity than my students' creativity. Secondly, the issue about whether business planning and writing business plans has anything to do with teaching entrepreneurship is resolved (at least in my mind!) by encouraging students to construct entrepreneurial business plans. Watson et al. (2014) specify the problem but in this module students are encouraged to consider Brown (2001) that we should put creativity back into marketing, and presumably by extension, marketing planning, albeit that planning may be more informal and haphazard and opportunistic in nature.

Business and the Entrepreneur and Marketing of Small Business are long standing modules in the School of Business, the former was the first dedicated undergraduate module on entrepreneurship. Within Marketing of Small Business the experiential 'live

case study' is fundamental to the values and ethos of the module. Net Entrepreneur was the first (and only) dedicated masters module linking ecommerce and entrepreneurship. It had a short but fascinating product life cycle. It was launched as a part-time masters programme in e-commerce at a time when many people still saw the internet as something important to be understood. The early cohorts were challenging to teach due to the wide range of student backgrounds. At one end of the spectrum we had a senior content manager for Europe of a well-established multinational and, at the other end ... students who saw the internet as the future and wanted their organisations to adopt such. The product life cycle declined as quickly as it grew as e-commerce and e-business became an integrated component of both undergraduate and postgraduate courses across HE.

Table Five: Modules taught illustrating experiential / action learning assessment

Title	UG or PG	Total students enrolled & over the academic period	Assignment One Assignment Two Assignment Three		
Marketing for Small Business Long, thin, 3 rd year 20 credits	UG	1328 04/05 -to on going	Individual ten minute classroom presentation on a topic relevant to entrepreneurial marketing.	1000 word critique of an academic article that inspires their understanding. On any aspect of entrepreneurship, marketing, entrepreneurial marketing.	Preferably in small groups. A live case study of an SME of their choosing. Strong underlying framework for guidance but one that encourages creativity and choice of approach. Sharing of outcome between groups.
Business and the Entrepreneur Long, thin, 3 rd year 20 credits	UG	736 02/03- to on going	Case study on an entrepreneur of their choice with the expectation that it is most likely to be from secondary sources. Have to submit an accompanying creative portfolio supporting their academic case.	Formal closed book examination that always has in the first section an unseen and practical entrepreneurial case study. Examination structure then allows them to specialise and focus on two substantive topics in the subsequent two sections. Section one case studies have a strong entrepreneurial underpinning, the previous two cases have been: Kusmi Tea setting up their first UK shop in a fast developing high end retail shopping enclave in London; Jo Malone’s relaunch of her perfume business in London.	A planned case study of the potential for Japanese style ‘cat cafes’ in Hong Kong for when this module is taught again in Hong Kong Autumn 2015.

Title	UG or PG	Total students enrolled & over the academic period	Assignment One Assignment Two Assignment Three		
<p>Small Business and Enterprise Planning</p> <p>Long, thin, 2nd year</p> <p>20 credits</p>	UG	<p>1562</p> <p>04/05 -to on going</p>	<p>Term One is a standard business planning exercise where students analyse a given case study for which they are presented with all the required data. So they analyse the case within the confines of the case scenario</p>	<p>The Term Two case study simply represents the starting point from which to develop a believable and entrepreneurial business plan. The sector is deliberately chosen as one in which they are not likely to be mainstream consumers and so that will take them out of their comfort zone – so they need to work hard to understand and engage in this market place.</p>	<p>A creative and entrepreneurial business plan is encouraged through three tutorial presentations to build their confidence and extend their creativity; a portfolio that builds their skills from which they can then author a business plan and lectures that discuss entrepreneurship; encourage them to think as entrepreneurial marketers. Lecture topics cover appropriate competencies, postmodernist marketing entrepreneurial business models; Blue Ocean Strategy; and, Effectuation.</p>
<p>Business Enterprise Dissertation</p> <p>Long, thin, 3rd year</p> <p>40 credits</p>	UG	<p>35</p> <p>11/12- on going</p>	<p>Students on this programme were always intended to be treated as graduates and entrepreneurs. In their final year this requires a dissertation particularly focussed on their business or nascent business along with a reflective commentary demonstrating how the dissertation topic and dissertation process has helped them as entrepreneurs.</p>		

Title	UG or PG	Total students enrolled & over the academic period	Assignment One Assignment Two Assignment Three
Entrepreneurial Marketing Twelve two-hour seminars over one term 15 credits	PG	06 02/03-02/04	One piece of individual work (approximately 5,000 words). Full time students will consider a business with which they are either familiar, or can become familiar and then, drawing from the material and topics covered in this module, present their recommendations for an integrated marketing plan for the successful development of their chosen product, service or business unit. Part-time students will be asked to select one of their organisations' products, services or business unit.
Actioning Entrepreneurship Eighteen two-hour seminars over two terms 15 credits	PG	21 04/05-08/09	30%, 2000 words. To read one bibliography, or autobiography, or business history - of an entrepreneur or an entrepreneurial organisation - and to critique the work in respect of the insight it gives about that entrepreneur, and to compare it to a relevant entrepreneurial taxonomy. Two-thousand word critique, and to be placed upon HUBS Blackboard in an appropriate form that is both creative and likely to generate some debate amongst fellow students. 70%, 3000 words A written case with an appropriate electronic portfolio that illustrates and elucidates an entrepreneurial scenario with confidence and creativity in the approach. The students should show either substantial secondary, or primary research in the core of their work. The case study and approach would be negotiated individually with the module leader. Appropriate responses could be: a detailed case study with an actual entrepreneur who they have interviewed; a detailed case study of a local/regional/national provider of help to entrepreneurs; a detailed examination that adds value to existing secondary data, e.g. the use and efficacy of the Entrepreneurial Orientation scale, or, a consideration of how culture impinges on entrepreneurship; a critique of what can really be learnt from contemporary business success books. Students should also place on Blackboard a creative summary of their work designed to create discussion.

Title	UG or PG	Total students enrolled & over the academic period	Assignment One Assignment Two Assignment Three
<p>Net Entrepreneur</p> <p>Twelve two-hour seminars over one term</p> <p>10 credits</p>	PG	<p>95</p> <p>00/01-02/03</p>	<p>Students will be required to deliver on the University Intranet one 7,500 word (guide minimum) report that either:</p> <ul style="list-style-type: none"> ○ investigates and substantiates an e-commerce idea of their own; ○ is a case study based upon an existing business for which they can demonstrate substantial internal knowledge of the operation; ○ or, is a case history of an entrepreneurial e-commerce business, <p>They will be expected to have due regard both to a suitable academic framework and an appropriate research methodology; and to be sympathetic towards, and exploit, the medium through which they are delivering this assignment. They might choose the individual route if their subject is commercially sensitive – however, the assessment criteria will remain the same. <i>It is suggested that this be completed as a small group exercise (2/3 students) however students may choose to submit this as an individual piece of work.</i></p>

4. RESEARCH PHILOSOPHY AND METHODS

The submissions in this work span over twenty years and more than one research design has been used. There is no one single research design that is common to all of the submitted material. However the research designs used for each piece of work were considered the most appropriate at the time of writing. Additionally the author values, and enjoys, working with colleagues which in itself yields different research designs. A detailed description of each research design is available in each of the submissions.

Reynolds (2012), my main research colleague argued that:

“There was no dominant methodology because when (he) started researching in this field there was no methodological ‘dominant logic’ in the field of marketing for small business. At the time the researcher chose an appropriate methodology given the nature of the data required, time and budget constraints and issues of likely compliance by firms and individuals . . . In some projects a mixed method approach was used.”

Table Six summarises the research method and samples for each piece of submitted work. That this work has been accepted for publication and is now in the public domain demonstrates that the choice of research design used was considered rational, appropriate and acceptable by the reviewers of conference papers or the editorial boards of journals.

As a comparator, this research design discussion is set against those more commonly used in the broader entrepreneurship / small business literature and the entrepreneurial marketing literature. The former favours more quantitative methods and the latter more qualitative approaches (see, for example, Gilmore, 2012 on entrepreneurial marketing in particular, and, Chell and Karatas-Özkan (2014) on the wider use, or not, of qualitative methods in entrepreneurship research. In respect of ontology the author veers towards being constructivist as they are happy to accept “the notion of multiple reality (accepting) that each individual constructs their own reality as they interpret and their own world” (Hill and McGowan, 1999). Given the author’s work background, it is hardly surprising that they see no reason why the public sector should not be entrepreneurial. One of the outcomes of this thesis is that they have become much more familiar with Gartner’s views on entrepreneurship over and above the seminal ‘Who is the wrong question’. His contemporary story telling approach (2010) fascinates me and is very much at odds with the research philosophy of a positive (undergraduate and post

graduate) economist. Teaching and understanding entrepreneurship through metaphor suggests that this author is happy with multiple realities. Equally as a convert to effectuation theory then they should have an ontological preference consistent with the notion that opportunity is created by entrepreneurs and not found simply by the diligent. But not all opportunity is like that (see, for example, Ramoglou & Zyglidopoulos). Whilst metaphors are individual and constructed, all societies have a core of metaphors that promote a common understanding and interpretation. Lingren and Packendorff (2009), Refai, Klapper and Thompson, (2015) provide a rationale for being a social constructionist. Given that research methods should at least reflect or be consistent with research philosophy then like many (see, McDonald, Gan, Fraser, Oke and Anderson, 2015) I am somewhat of a positivist but using very small sample sizes and approaches that bring with them interpretation. For example, Papers (222) & (402) asked respondents about their understanding of ‘being entrepreneurial’, this was then coded post interview. Paper (224) for all respondents used a conventional Entrepreneurial Orientation scale but the interviewer in face to face sessions discussed the Likert scaled research instrument with the participant, added interview comments and allowed for boundary positions. Whilst having used an Entrepreneurial Orientation scale (Papers / Exhibits: 311 and 316), the author is often more comfortable with the recent view stated by Miller (2011) that the original ethos and purpose of the scale was more qualitative in nature than contemporary quantitative analyses might want to acknowledge. I value and use case studies. However to some degree, this author is still enticed by the concept of critical realism,

“Critical realists thus retain an ontological realism (there is a real world that exists independently of our perceptions, theories and constructions) while accepting a form of epistemological constructivism and relativism (our *understanding* of this world is inevitably a construction from our own perspectives and standpoint).” (Maxwell, 2012:5).

But on reflection I am better labelled as a social constructionist. Moving on to methodology, the table below gives details that for all the submissions in this work.

Table Six: Methodology, Sample Description and Respondents for Submitted Work

Piece of work submitted	Method	Sample Description	Respondents
1996 Reviewing and Defining the Marketing / Entrepreneurship Interface: Progress and Developments from the Research at the Marketing / Entrepreneurship Symposia, 1987-1994.	Listing and content analysis of all the so called 'Blue Book' Proceedings: 1994 (1993); 1993 (1992); 1992 (1991); 1991(1990). Each book is published the year following the conference.	Research at the Marketing / Entrepreneurship Interface Chicago, IL: Institute for Entrepreneurial Studies, University of Illinois at Chicago. 1991-1994.	99 papers over four volumes
1997 Considering the Marketing / Entrepreneurship Interface: Approaches and Directions, 1987 to 1995.	Listing and content analysis of all the so called 'Blue Book' Proceedings to the paper date: 1994 (1993); 1993 (1992); 1992 (1991); 1991(1990); 1990 (1989); 1989 (1988). No volume in 1988 (1987). Each book is published the year following the conference.	Research at the Marketing / Entrepreneurship Interface Chicago, IL: Institute for Entrepreneurial Studies, University of Illinois at Chicago. 1987-1994..	234 papers over eight volumes
1997 Editorial by the Special Editor: Special Issue on the Marketing/Entrepreneurship Interface: Setting the Context.	Literature review and discussion of the articles included in this Special Issue.		
1998 Defining the Interface: A Useful Framework.	Literature review.		

Piece of work submitted	Method	Sample Description	Respondents
2000	Commentary: The Value and Importance of the Small Firm to the World Economy.	Literature review.	

Piece of work submitted	Method	Sample Description	Respondents
1995	Chrysalis Group, Case 15.	Secondary data; company material; some discussion with industry experts.	Company case study. One
1994	Pricing for Survival - Crisis Pricing in Small Firms as a Survival Strategy.	Telephone interviews and analysis of UK financial database.	UK market sectors involved with timber & joinery maximum four detailed representative telephone interviews per sector. 70 sectors Maximum four detailed representative completed telephone interviews per sector.
		SMEs in timber and joinery drawn from a UK company financial database.	439
1994	The Commercial Health Monitoring of Entrepreneurial Firms Using Process Control Techniques.	Production of cumulative frequency tables for the smoothed error tracking signal by Reynolds (1986) and Reynolds & Greaterox, 1988). Step and ramp (gentler) changes generated.	Simulated data set. Five Secondary dataset for a UK SME that had demonstrated some variation in financial performance over a ten year period. Turnover used as the variable. One

Piece of work submitted		Method	Sample Description	Respondents
2001	Moving towards a control technique to help small firms monitor and control key marketing parameters: A survival aid.	Production of cumulative frequency tables for the smoothed error tracking signal by Reynolds (1986) and Reynolds & Greaterox, 1988). Step and ramp (gentler) changes generated.	Simulated data set. Secondary dataset for a UK SME that had demonstrated some variation in financial performance over a ten year period. Turnover used as the variable.	Five One
2007	A Bayesian approach to forecasting decisions in small firms.	Reconsideration of one existing dataset (Case Study One) and one new dataset (Case Study Two and Three).	Case Study One: Data collected from SMEs within the Kirklees and Calderdale local authorities. Case Study Two: West Yorkshire. Case Study Three: Omsk, Russia.	1200 respondents and some focus groups. 170 respondents 54 respondents
1995	A Low Cost and Low Risk Scheme For Small Entrepreneurial Firms to Enable Them To Increase Both Sales and Profitability from their Existing Customer Base.	Two qualitative case studies.	Family owned electrical wholesaler. Regional department store.	One One

Piece of work submitted	Method	Sample Description	Respondents	
1998	Relationship marketing: Its key role in entrepreneurship.	Postal questionnaire.	Local to the University SMEs in a single sector with 10-99 employees and who had been trading for more than three years.	60
		In-depth semi-structured interview.	Drawn from the respondents.	20
2006	Entrepreneurship and the small to medium-sized enterprise: A divergent/convergent paradox in thinking patterns between advisers and SME owner managers.	Conceptual but illustrated with a short SME / High Street Bank case study from secondary sources. A previous conference paper (1995) had used a conventional divergent thinking test based upon brainstorming.	SMEs in the local area (the Kirklees district of West Yorkshire England) chosen randomly from a Dunn and Bradstreet listing.	25

Piece of work submitted	Method	Sample Description	Respondents
1998 A marketing strategy for public sector organisations compelled to operate in a compulsory competitive tendering environment.	Self-completion postal questionnaire following a seminar.	Architectural / building /design professionals in the South and West Yorkshire Local Authority Training Consortium, 1995.	15
1999 The Marketing of Public Sector Building Services in a changing Regulatory Framework - Does 'Best Value' Herald a Visionary Future?	Self-completion postal questionnaire following a seminar.	Architectural / building /design professionals in the South and West Yorkshire Local Authority Training Consortium, 1999.	16
2003 Considering the Role and Impact of Market Orientation and Entrepreneurial Orientation on the Performance of Marketing Information Systems (MkIS) within Large Organisations: A Case Study of UK Financial Services. Second dataset from a wider population of financial service providers.	Taped interviews with primary case study of one national UK bank. Mailed questionnaires with primary case study of one national UK bank. Shorter recorded one hour interviews. Mailed questionnaires.	Managerial level. Employees at managerial level and having responsibility for marketing. Other financial service providers. Financial service providers unconnected to the primary case organisation.	Several 66 (out of 350 sent out) 5 49 (out of 90 sent out)
2011 Public sculpture themed projects as entrepreneurial marketing.	Case studies, Secondary data & limited observation.	USA; Macau.	7 cases

Piece of work submitted	Method	Sample Description	Respondents
2010 Measuring Clustering Benefits and Competitiveness: What Do Players Really Value?	Interviews with Directors/Managers in the Singapore Financial Services cluster.	All had over five year's experience of working in that financial cluster.	33 6 Directors; 20 Senior Managers; 7 Junior Managers.
2005 Fanning the Flames of Family Business: A Case Study of Two Long Surviving West Yorkshire (UK) Small Businesses.	Semi-structured interviews with interviewer guidelines and family first and entrepreneurial and marketing orientation scales also used. Two cases analysed out of 59 respondents (cases).	Huddersfield based SMEs all 59 respondents had been in business for at least three generations.	Two
2012 Growth and Entrepreneurial Orientation Behaviours of SMEs in a Conflict Environment: Swat Valley Pakistan.	Postal questionnaire. Semi-structured face-to-face interviews.	Growing and non-growing SMEs in a conflict region – Swat Valley, Pakistan.	80 growing and 30 not growing (ex post classification). 16

Piece of work submitted	Method	Sample Description	Respondents
2011 Exploring the marketing - entrepreneurship interface: bringing an understanding of small business marketing into the curriculum.	Reflection upon student authored case studies of actual SMEs and teaching programme by the two teachers (Day and Reynolds).	1999: Final year undergraduate module. 2010: Final year undergraduate module.	46 SME case studies 14 SME case studies
2011 The Potential Influence of Entrepreneurial Role Models in the Teaching of Entrepreneurial Marketing: I Want to be Like ...?	421 eligible students drawn from a population of 2000 undergraduates (there were some screening conditions and then students selected at random). 52 students invited to attend a face-to-face interview.	Final year undergraduate students in the Faculty of Economics at Andalas University in Padang, West Sumatra-Indonesia.	291(questionnaire) 38 (interviews)
2015 Involving the Entrepreneurial Role Model: A Possible Development for Entrepreneurship Education.	421 eligible students drawn from a population of 2000 undergraduates (there were some screening conditions and then students selected at random). 52 of respondents invited to attend a face-to-face interview.	Final year undergraduate students in the Faculty of Economics at Andalas University in Padang, West Sumatra-Indonesia.	291(questionnaire) 38 (interviews)

LIMITATIONS AND FUTURE RESEARCH

The samples used are often small scale and focussed within a local area. This may simply be the nature of researching small business within a locally bounded market. However it does underplay some broader themes, for example, there is a lot of output on culture but comparisons tend to be within obvious groups, e.g. Russian vs, Polish SMEs but not Polish vs. Pakistani entrepreneurs. Data is mainly cross sectional whereas longitudinal would provide other insights. As Reynolds (2102) has pointed out as entrepreneurial marketing researchers much of our focus has been on selected elements of the marketing mix.

For future research, a focus on T-PASTs is planned, apart from being fascinating in itself it is fertile area in respect of creativity driving the work alongside the representative mix of players from individuals through to international organisations and many of whom are social entrepreneurs. The research on family business which was a cross sectional study can be extended and rethought by returning to the original participants and collecting long term data. Whilst particularly excited by teaching entrepreneurship and entrepreneurial marketing, and the author hopes this reflected in the commentary, they have actually written very little in that area. The most likely way that will change is in the supervision of the work on the entrepreneurial university. This thesis deliberately focussed commentary more narrowly on specific modules. Finally there is the potential of cross cultural research with colleagues in Hong Kong.

5 CONCLUSION

This thesis has drawn out four coherent themes from twenty-three pieces of work written by the author over the last twenty years. The themes both consolidate a traditional view of the entrepreneurial marketing interface and offer an extension into areas written about less, such as large organisations and the public sector. The work of the pioneers in the interface acknowledged that there would be interesting areas to pursue other than SMEs.

However the relative neglect by scholars of marketing and entrepreneurship for SMEs alongside the need to establish entrepreneurial marketing as a viable paradigm meant that the SME became the dominant focus. Now that the interface has survived, developed and achieved academic status, colleagues are able to research both traditional and novel interface academic areas.

The interface is still diffusing through the academic community but has strong supporters out of its original home the USA in Europe and Australasia.

The debate over exactly who is an entrepreneur and what is entrepreneurship will continue both because of the nature of entrepreneurs themselves and the diverse academic contributions from different disciplines that seek both to describe and understand, however, we should embrace this diversity. We should also avoid simply categorising people as either entrepreneurs or non-entrepreneurs and so consider entrepreneurial ability as a gradated not absolute attribute.

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Appendix One: Syllabi and Marketing of Small Business Outline

1. Module Code	BHK 0015
2. MODULE TITLE	MARKETING FOR SMALL BUSINESS
3. Schools involved in delivery	Business School
4. Name of Course(s)	BA (Hons) Marketing BA (Hons) Advertising & Marketing Communications BA (Hons) Sports Promotion & Marketing BA (Hons) Marketing with Public Relations BA (Hons) Business & Journalism BA (Hons) Business with Design BA (Hons) Business Administration & Management (Top-Up) BA (Hons) Global Business and Logistics Management BA (Hons) Business Management BA (Hons) Business & Psychology BA (Hons) Business & Financial Services BA (Hons) International Business BA (Hons) European Business BA (Hons) Global Politics & International Business BA (Hons) Law & Business BA (Hons) Entrepreneurship and Business
5. Module Leader	John Day
6. Location for delivery	Queensgate
7. Module Type	Core: BA (Hons) Entrepreneurship and Business Optional: BA (Hons) Marketing BA (Hons) Advertising & Marketing Communications BA (Hons) Sports Promotion & Marketing BA (Hons) Marketing with Public Relations BA (Hons) Business Studies (Full & Part-time) BA (Hons) Business & Journalism BA (Hons) Business with Design BA (Hons) Business Administration & Management (Top-Up) BA (Hons) Global Business and Logistics Management BA (Hons) Business Management BA (Hons) Business & Psychology BA (Hons) Business & Financial Services BA (Hons) International Business BA (Hons) European Business BA (Hons) Global Politics & International Business BA (Hons) Law & Business
8. Credit Rating	20
9. Level	Honours
10. Learning Methods	Lecture /seminar: 48 hours Self directed study: 152 hours
11. Pre-requisites	None
12. Recommended Prior Study	None
13. Co-requisites	None
14. Professional Body Requirements	None
15. Barred Combinations	None
16. Graded or Non Graded	Graded

17. Synopsis

This course will initially focus the student on the marketing / entrepreneurship interface and the unique view this offers on the realities of marketing for the SME.

The student will progress sequentially through opportunity recognition; market research activity; competency development; growth and life cycles; monitoring; control and forecasting; relationships with advisors; surviving crises; and the role of multi level marketing and franchising to both expand the franchisor's business and to create opportunity for the new small business.

18. Outline Syllabus

- The marketing / entrepreneurship interface; why SMEs are important and the need to differentiate our marketing approach.
- Opportunity recognition.
- Market Research for the SME.
- Competencies and skills for the entrepreneurial SME. Marketing Vs. entrepreneurial orientations.
- Using customer surveys as a marketing tool.
- The growth process and life cycles.
- Monitoring & control - forecasting and monitoring using time series models and tracking signals. Commercial & health monitoring of SMEs.
- Relationships with advisors.
- Building the business through syndicating - franchising and multi level marketing.
- Difficult trading conditions - addressing and surviving crises.
- Strategic Marketing Planning in SMEs - applicability and differences compared to large firms.

19. Learning Outcomes

Knowledge and Understanding Outcomes

On completion of this module students will:

- 1 Appreciate the importance of the small firm sector to the national economy.
- 2 Understand the workings and constraints of small businesses.
- 3 Critique the crucial role of marketing and its strategic and tactical application within small firms.
- 4 Critically appraise conventional marketing principles when applied to the smaller enterprise.
- 5 Analyse and synthesise the functional areas that a small business should integrate with a marketing orientated business planning framework. Additionally be able to appreciate and advise (as appropriate) on a relevant skill set.

Ability Outcomes

On completion of this module students will be able to:

- 6 Develop practical skills arising from the learning vehicles used: the interactive presentation and the student authored case study.
- 7 Gain a balanced appreciation of those specific factors, opportunities and limitations in enacting marketing management and planning for the smaller business.
- 8 Develop a practical understanding of the contemporary marketing and business issues that affect smaller firms.
- 9 To demonstrate the sympathetic application of marketing models and analysis to the SME or entrepreneurial SME.

20. Assessment Strategy

20.1 Formative assessment

A range of formative devices typically in-class tests, formative feedback on summative assessments, reviews of files and folders etc., will be used by tutors to aid learning. The exact nature of these assessment devices is at the discretion of the module tutor.

20.2 Summative Assessment

Assessment tasks (including assessment weightings)

Individual presentation (15 minutes) & Written report (3-4000 words) (Eligible for tutor reassessment, covers learning outcomes 2,3,4,6,7)	50%
Group case study/business report (5,000 words) [final assessment] (Not eligible for tutor reassessment, covers learning outcomes 1-9)	50%

No assessment element is subject to anonymous marking.

Assessment Criteria

The assessment for criteria is as set out in the Business School Assessment Guidelines. The guidelines provide criteria for the assessment of both coursework's and examinations.

21. Learning Strategy

One lecture and one tutorial per week. Early tutorials will consider case study material and thus help students author their practical case studies. Students will be asked to debrief their learning points and the marketing implications from their case studies. Students may exceptionally be sole author of their SME case study.

MARKETING FOR SMALL BUSINESS

BHK 0015

Indicative Reading (latest editions)

Books:

Bjerke, B. and Hultman, C., *Entrepreneurial Marketing: The Growth of Small Firms in the New Economic Era*, Cheltenham: Edward Elgar Publishers.

Carson, D., Cromie, S. McGowan, P. and Hill, J., *Marketing and Entrepreneurship in SMEs: an innovative approach*, Hertfordshire: Prentice Hall.

Carson, D. et al., *Qualitative Marketing Research*, London: Sage.

Carter, S. and Jones-Evans, D., *Enterprise and Small Business: Principles, Practice and Policy*, Harlow: Pearson Education.

Chaston, I., *Entrepreneurial Marketing - competing by challenging convention*, Basingstoke: Palgrave.

Hills, G. and various (Eds.), *Research at the Marketing/Entrepreneurship Interface*, Proceedings from the UIC/AMA annual research symposium, Chicago, VIC.

Hulbert, B., Day, J. and Shaw, E. (eds.), *Academy of Marketing, UIC/ MEIG-AMA, Symposia on the Marketing and Entrepreneurship Interface, 1996-1998*, Northampton: Nene University College.

Jones, O. and Tilley, F., *Competitive Advantage in SMEs: Organising for Innovation and Change*, Chichester: John Wiley & Sons Ltd.

Storey, D. and Greene, F.J., *Small Business and Entrepreneurship*, Harlow: Pearson.

Wickham, P.A., *Strategic Entrepreneurship*, London FT Prentice Hall.

Journals:

Journal of Research in Marketing & Entrepreneurship

Marketing of Small Business BHK0015

Academic year 2013 - 2014

Paul L Reynolds and John Day

ASSESSMENT

OPTION CHOICE TALK MATERIAL

BACKGROUND ARTICLE

MODULE SPECIFICATION

MARKETING OF SMALL BUSINESS: ASSESSMENT BRIEF

2013-2014

PAUL L REYNOLDS and JOHN DAY

YOUR ASSESSMENT CONSISTS OF THREE TASKS – QUESTION ONE; QUESTION TWO; QUESTION THREE

Component	Hand-in	To where?
QUESTION ONE Individual presentation / supporting presentation pack	The day of the presentation or within ten working days	Via Turn-it-in, via module site. Given that you will be mixing PowerPoint and Word you will probably hand this in as an Adobe file. Any audio or audio-visual material (e.g. YouTube, company videos etc.) should either be accessible from this file as an actual file or hyperlink. Alternatively you can email us this material.
QUESTION TWO 'Academic piece' 1000 words maximum	Along with Question Three Thursday 08th May, 2014	Via Turn-it-in, via module site.
QUESTION THREE 'Live Case Study'	Along with Question Two Thursday 08th May, 2014	Via Turn-it-in, via module site. All material in Appendices must be scanned and digitised – unless this is impossible – in which case they must be referenced in the case study and handed in physical form to John Day

We will feedback within the University three teaching week period with the exception of the Individual Presentation where we feel better able to mark your work if we have seen 3 weeks worth of presentations.

QUESTION ONE	An individual 10 minute PowerPoint anchored presentation on an allocated topic. A reflective commentary on that presentation. INDIVIDUAL
QUESTION TWO	A 1000 word response to the academic topic below. INDIVIDUAL
QUESTION THREE	The Live Case Study. SMALL GROUP (INDIVIDUAL to THREE STUDENTS)

Mark Weighting

Question One	30%
Question Two	20%
Question Three	50%

QUESTION ONE: INDIVIDUAL CLASS PRESENTATION AND PRESENTATION PACK

Presentation packs must be handed in on the day of the presentation or within ten working days.

(1) A verbal presentation that engages the audience somewhat in your presentation. Presentations from start to finish are 10 minutes maximum.

(2) A presentation pack

Which should be organised in an appropriate format and order. This should contain your supporting material used in the presentation –e.g. PowerPoint slides, supporting material, transcriptions or recordings of interviews with small business etc.

It should have a front page giving your topic, name and date of presentation. The next page should be an index page.

This pack should contain in addition to the above, sections that:

- (a) Discuss what you set out to achieve in your presentation – and how you set about doing that – what was your plan/strategy to enable your goals for the presentation.
- (b) What you gained from the exercise, what went well, less well.
- (c) How did you decide to engage the audience and how was that designed to support and enhance your presentation.
- (d) Show how you have used contemporary academic sources (journals and books) to help you build your knowledge, frame your analysis and drive out your recommendations and conclusions. *Please append the abstracts of your journal articles.* For books, a short 'publishers description' should be included.
- (e) How has the presentation helped with your personal knowledge about marketing in the small business and your personal and professional development?
- (f) Are there any lessons and themes that could be helpful in completing your second assessment – or depending upon the timing of the assessments – have you been able to use any material from your live case study in the presentation.
- (g) What have you learnt from one of your colleague's class presentations?
- (h) A full set of references.

Apart from (d) which will of necessity be longer; and (h) for which the guidance is not necessary – we imagine that each of these sections would be about one-half to one page.

You are welcome to add any other material and observations over the above.

Because you are final year students, we expect you to have the ability to understand, interpret and run with the above brief. However, we are looking for a technically competent presentation; imagination and creativity in the writing and delivery of the work; sound and evidenced academic research; competent and thoughtful reflection; and a professional and appropriate presentation pack.

QUESTION TWO: ACADEMIC 1000 words (maximum)

Select an article that you feel has made a major contribution to your understanding and/or enjoyment of entrepreneurial marketing.

Critique the article and show why you chose that article and the contribution that it has made for both yourself and the entrepreneurial marketing interface.

Should you have considered taking one of the articles written by Paul and myself – thank you for the courtesy – but please do not ... we would like your reading to inform and broaden our perspective.

QUESTION THREE: LIVE CASE STUDY

'Individual to three' students

In the spirit of this course, we want you to go out and find, and then talk in depth with an actual small business.

We are not particularly concerned about what constitutes small - but typical definitions would include firms up to 250 employees, whilst the natural skew in SME size suggests you are more likely to meet up with SMEs around 25 employees or less.

The main selection criteria are that they will talk to you about how they do business and you can enter into some meaningful dialogue. This is what we expect you to do; you are not there as 'quasi consultants'. Unless you create a very good relationship - some aspects of the business are likely to be off limits, for example, company accounting data.

This is not meant to be an easy piece of work - it counts, after all is said, to your final degree classification and is in place of the more traditional examination.

To do this piece of work successfully you will need to work as a team, find a willing SME, persuade them to talk to you on several occasions and then write up the exercise in a professional manner. Along the way you will need to exercise judgement, tact, perception and be able to integrate your academic learning from this module and others into the analysis of the case. Thus it makes sense that you operate as a team - this will allow you to develop and share experience and skills, and you can give each other moral support as well.

Our suggestion is that you operate individually or pairs or threes (to share the work and gain moral support!) Neither the brief nor the marking will be altered to reflect team size.

Once you have found an SME we would like to have some contact details so that we can thank them for their help and introduce ourselves etc. If you need any formal documentation or verification before then, please ask. Alternatively give them our contact details (j.day@hud.ac.uk; 01484-473355 direct telephone).

This is an innovative piece of coursework, and the eleventh time that we have used this approach. In addition, we have listened and talked to colleagues in Northern Ireland, Scotland and the States about similar schemes. You are very much ambassadors of our joint Departments, the Business School and the University.

Therefore, you need to behave in a business like fashion and to make very sure that the SME that you are talking to is aware of the boundaries and goals of this exercise.

Presumably, you are going out to find reasonably successful SMEs and so we can expect that they know how to conduct their business. We can also expect you to have a whole toolbox of tools gathered from the marketing and strategy programmes that you have followed or are following, not to mention the material from this course. So you use those tools - SWOTs, PESTS, 4(7) Ps, PORTER etc. After all, they are how you understand the business world. Your problem is, and it is analogous to technology transfer, that your business will understand all too well their competitive environment but ask them to go through a Porter analysis with you will probably not be the best of ideas. Equally you will need to build up some trust and enthusiasm with the SME ... do not having said 'Hello' then ask them for their opinion of the GE Matrix and their response to each part of the matrix.

(Please note that we are unlikely to return your work as it is needed for External Examiner verification etc. ... so if you need a copy for yourselves or the SME we would be grateful if you would make a second copy for yourselves.)

FOR YOUR CHOSEN SME

ACTIVITY		FORMAT	WEIGHTING
1	Some basic demographic data: name; location; date started; size (e.g. number of business units); business sector; number of employees – full time and part time; number of owners; whether a family business.	written	gratis
2	Write a descriptive business history outlining the critical developments in their trading to date.	written	20
3	Clearly show the reader their relative position in their marketplace.	written	10
4	Produce a short brief containing secondary data on their market.	written	10
5	Write up a profile of the SME in a similar style to that which until recently could have been found in the Saturday supplement of the Financial Times - illustrations to be used as appropriate. Examples are available on the Unilearn site under FT MYOB EXAMPLES button.	written	10
6	Having developed a rapport with SME		
	a Consider the nature of how they plan	written	10
	b Select two areas of particular concern to them and critically discuss these	written	10
	c Consider the particular way in which they market their good or service - how is this constrained or facilitated by their being an SME?	written	10
	d Having done the above then compare the outcome to three marketing or strategy models with which you are familiar	written	10
	e Having stated what you believe entrepreneurial marketing is about – to what extent are these themes and issues realistic for your SME . This section must demonstrate that you are familiar with both the key textbooks for this module and appropriate journal articles. You must cite your sources clearly and accurately. That should go without saying – but it gives us a chance to follow up material that you will come across and that we have not.	written	10
7	Demonstrate that you have discussed, compared and contrasted headline findings for your SME with two other groups. The most basic way would be an A4 sheet of bullet points added to your report to demonstrate that you have done this. But feel free to be more creative.	written	None – has to be done – you will benefit immeasurably – what more incentive do you need?
Weightings are indicative but you must attempt all the tasks set out above.			

We will discuss and elaborate this brief in tutorials.

TUTORIAL TASKS 1- 8: 2013-2014

TASK 01	Demonstrate how a small business can survive, and prosper, in marketplaces where there are larger and seemingly stronger competitors, for example: estate agencies; pharmacies; courier delivery; bars; restaurants; and fast food. You may use additional or alternative examples. Talk to at least two SMEs.
TASK 02	If word of mouth marketing is both central and vital for an entrepreneurial SME, then surely, today, electronic word of mouth marketing is even more central and vital. Take a position as to what electronic word of mouth marketing is ... (we assume that ... at least ... it is social media and blogs, perhaps 'viral'). Appraise the use and effectiveness of electronic word of mouth for three SMEs. Demonstrate that you have talked to at least two of them.
TASK 03	How many franchised companies are there in Huddersfield Town Centre? Draw up an illustrated list. Demonstrate that you have talked to one of them about the operation of their franchise. (for example, the costs involved, and the claimed marketing advantages to operating under their franchise, rather than as an independent entrepreneur). Also, select one franchise from the British Franchise Association - <i>Provisionally Listed Companies</i> list -and appraise its potential for an aspirant small business owner. This should be based on secondary data.
TASK 04	How well do small firms communicate to their customers? Look at the variety of small businesses in Huddersfield and/or a selected locality. Assemble a portfolio of images that illustrate how well they do, or do not, communicate their business to actual & potential customers. Develop a coherent framework for evaluating their communication effectiveness. Demonstrate that you have talked to at least two of the businesses.
TASK 05	How can the small firm on a tight budget make particular use of public relations to market their business? Choose a locality and use examples to illustrate the points made. Please talk to at least one actual company and see what they do and how effective is their PR. How would you, and they, judge what is successful PR?
TASK 06	Find five smaller companies that have grown rapidly/quickly in the last two to three years. How have they done this? What comparative lessons (if any) can be drawn? You may rely on secondary data for three of the SMEs provided that you have talked to two local companies.
TASK 07	To what extent has the internet allowed the small firm to be a truly international business? Look at how five small businesses have exploited this opportunity. What lessons can be learnt and are there any common lessons to be drawn? Choose examples from both products and services and select your examples from five different business sectors. You should talk to one company in some detail and report in detail on their activities.
TASK 08	We all understand the notion of opinion leaders in consumer marketing in the context of a diffusion of an innovation through a population. In business markets, one might consider that larger firms fulfil the role of opinion leaders for small firms. Does this notion have any relevance for how the small firm behaves in respect of product, processes etc? As well as theory some practical insights would be good ... talk to at least one small business.
Notes	<p>The above tasks can, of course, be discussed with Paul and John. They describe the minimum threshold of activity. Where we ask you to talk to an SME -you can talk to more than one if you want. Where we say 'local' .. we mean local to yourselves ... this need not be Huddersfield.</p> <p>An important part of the work is to be creative and engage the class in the presentation.</p> <p>As students on this module, you learn through lectures, through your own endeavours and through tutorials as both presenters and as an audience. We therefore insist that you commit to being an active and enthusiastic audience throughout the whole year.</p> <p>Most students decide to present in term two but you can present later in term one if you want. Once you have your allocated slot – the date is final and not movable UNLESS there is a serious clash in your life (illness / job interview etc. etc.).</p> <p>We want to have each of the eight topics represented across the tutorial group – so you do not have a free choice of topic. Once you have a topic that determines the date of presentations. We are likely to allocate topics to students by a random draw.</p> <p>Topics are not scheduled for presentation in the order listed above. It makes no sense to allocate tutorial topics until the numbers on this module and in each tutorial have settled down – this likely not to be until week seven (Teaching week three)</p>

1. Module Code	BHS 0011
2. MODULE TITLE	Business and the Entrepreneur
3. Schools involved in delivery	University of Huddersfield Business School
4. Name of Course(s)	<p>BA (Hons) Business Studies P/T BA (Hons) Business Suite including:</p> <p style="padding-left: 40px;">Business Studies with Environmental Management Business with Financial Services International Business Business Information Management Entrepreneurship and Business European Business Individualised Programme (Business) Business & Journalism</p> <p>BA (Hons) European Business (Top-Up) BA (Hons) Marketing BA (Hons) Business Management Suite BA (Hons) Business and Management BA (Hons) Global Business and Logistics Management BA (Hons) Business & Journalism BA (Hons) Enterprise Development BSC (Hons) Economics Suite</p>
5. Module Leader	John Day
6. Location for delivery	Queensgate
7. Module Type	Core: BA (Hons) Entrepreneurship and Business Optional: All other courses
8. Credit Rating	20 Credits
9. Level	Honours
10. Learning Methods	Lectures: 24 hours Seminars: 24 hours Guided Independent Study: 152 hours
11. Pre-requisites	None
12. Recommended Prior Study	None
13. Co-requisites	None
14. Shared Teaching	None
15. Professional Body Requirements	None
16. Barred Combinations	None
17. Graded or Non Graded	Graded
18. Synopsis	

To understand the process and practice of entrepreneurship in both large and small organisations – both nationally and internationally.

19. Outline Syllabus

What do we know about entrepreneurs from our experience and previous academic study?
The entrepreneurial personality, the entrepreneurial act, sustaining organisational environments.

The entrepreneurial personality - traits versus behaviour debate.

Marshalling existing knowledge and developing new insights - the entrepreneur in economic theory; the entrepreneur in behavioural, managerial, organisational and strategic theory and contexts; theories that attempt a synthesis across schools of thought and disciplines. New developments in understanding entrepreneurship such as the marketing / entrepreneurship interface. Work by authors such as Casson, Drucker and Peters.

Growth of the organisation and entrepreneurship. The role, scope and reality of the intrapreneur and corporate venturing.

Selected contemporary debates e.g. female entrepreneurs; effectuation; opportunity recognition; clusters; comparative national propensity for entrepreneurship; government support for enterprise.

The nature and extent of small business enterprise in the UK and compared to mainland Europe. Success factors for the small business - management and strategy issues. The marketing / entrepreneurship interface. Entrepreneurial Vs. non entrepreneurial competencies for the SME. Developing the growth model from start up through opportunity recognition, product / service selection, crises and servicing. The role of external advisors. The applicability of stage models of growth. Franchising. The contribution of small business to the level and quality of entrepreneurship in the UK. The role of Government policy and support.

20. Learning Outcomes

Knowledge and Understanding Outcomes

On completion of this module students will:

1. Understand and assess the significance of the entrepreneur in contemporary business and society. Articulate frameworks by which to understand the entrepreneur and entrepreneurial acts that are based upon economic, non-economic and synthesising theories.
2. Recognise the role of entrepreneurship in larger organisations (Intra Corporate entrepreneurship) and through understanding the growth process have a coherent view of entrepreneurship from the SME through to the large corporation.
3. Appreciate the significance of contemporary 'niche' debates in this field e.g. female entrepreneurs, the marketing / entrepreneurship interface, appropriate government policy.
4. Show understanding of the general business strategy of several contemporary entrepreneurs but for one entrepreneur of their choosing to demonstrate that in particular detail.

For the SME to:

5. Define them in both statistical and behavioural terms.
6. Understand the precise nature of the small business and the environment within which it operates.
7. Be familiar with the key success factors pertaining to the small business.
8. Appreciate the particular competencies required by the SME.
9. Have developed an appreciation of the real world in which the small business operates, the crises that they face and issues of survival.

Ability Outcomes

On completion of this module students will be able to:

10. Use appropriate theory to understand and interpret the behaviour of entrepreneurs.

11. Critically analyse the role of non-economic theories and their link to economic theories. Appreciate the insight economic theory can give to understanding the SME.
12. Select and analyse appropriate data and research and adjudicate between conflicting approaches. Recognise the significance and distinction between behavioural and statistical definitions of the SME.
13. Evaluate and interpret a wide range of studies and research based upon differing academic approaches to understanding the behaviour of small firms.
14. Articulate a reasoned view about the role of small business in the entrepreneurial process.

Personal

On successful completion of the module the student will be able to have further enhanced:

15. Their verbal skills, presentation skills, and electronic media skills

21. Assessment Strategy

21.1 Formative assessment

A range of formative devices typically in-class tests, formative feedback on summative assessments, reviews of files and folders etc., will be used by tutors to aid learning. The exact nature of these assessment devices is at the discretion of the module tutor.

21.2 Summative Assessment

For the course participants it is crucial that they try to be both reflective and active – rather than remain passive about entrepreneurial activity and behaviour.

Assessment tasks (including assessment weightings)

50% - Creative Case Study Portfolio (5,000 words) – (covers all learning outcomes). Eligible for tutor re-assessment. Not anonymously marked.

50% - Three hour examination – (covers learning outcomes 1-15) Not eligible for tutor re-assessment, anonymously marked. Final assessment.

Assessment Criteria

As set out in the Huddersfield University Business School Assessment Guidelines. The guidelines provide criteria for the assessment of both coursework and examinations.

22. Learning Strategy

Lecturers will provide basic information and a theoretical framework. Seminars will provide students with the opportunity to present detailed and relevant case studies written by them on contemporary entrepreneurs. Seminars may also be used for appropriate discussion and critique of academic themes, practical issues and published case studies.

Appendix 1

Indicative Reading – Latest Versions

<https://library3.hud.ac.uk/myreading/lists/BHS0011>

1. Module Code	BIS 0009
2. MODULE TITLE	Small Business Enterprise and Planning
3. Schools involved in delivery	The Business School
4. Name of Course(s)	Undergraduate Business Suite including: BA (Hons) Business Studies BA (Hons) Law & Business BA (Hons) International Business BA (Hons) Business Studies with Environmental Management BA (Hons) Entrepreneurship & Business BA (Hons) Business Information Management BA (Hons) Business & Journalism BA (Hons) Undergraduate Individualised Programme BA (Hons) Business with Financial Services BA (Hons) European Business BA (Hons) Business Studies Part-Time BA (Hons) Enterprise Development BA (Hons) Global Business Management BA (Hons) Accountancy BA (Hons) Accountancy & Finance
5. Module Leader	Janine Day
6. Location for delivery	Queensgate
7. Module Type	Core: BA (Hons) Business Studies BA (Hons) Law & Business BA (Hons) International Business BA (Hons) Business Studies with Environmental Management BA (Hons) Entrepreneurship & Business BA (Hons) Business Information Management BA (Hons) Business & Journalism BA (Hons) European Business BA (Hons) Enterprise Development BA (Hons) Business Studies Part-Time BA (Hons) Global Business Management Option: BA (Hons) Accountancy & Finance BA (Hons) Accountancy BA (Hons) Undergraduate Individualised Programme BA (Hons) Business with Financial Services
8. Credit Rating	20
9. Level	Intermediate
10. Learning Methods	Lectures: 24 hours Seminars: 24 hours Guided Independent Study: 152 hours

11. Pre-requisites	None
12. Recommended Prior Study	None
13. Co-requisites	None
14. Shared Teaching	None
15. Professional Body Requirements	None
16. Barred Combinations	BIS0004 - Entrepreneurship and Planning
17. Graded or Non Graded	Graded

18. **Synopsis**

Business Planning:

Understanding the relationship between strategy and planning. Identifying the best tools and techniques to use in the production of a business plan. Including methods of internal and external analysis. Understanding the role and methods of forecasting and the different methods of planning.

SME Management:

The nature, structure and environment of the SME. Comparison to the one-person business and the micro business. Marketing vs. Entrepreneurial vs. Quality orientation. SME managerial competencies and a comparison with entrepreneurial competencies.

19. **Outline Syllabus**

Business Planning:

The relationship between strategy and planning; setting targets and performance standards for profit making and non profit making organisations; simple forecasting; cash flow forecast; financing the plan; alternative sources of finance; assessing viability of the long term projections (profit and loss and balance sheets). Producing a business plan; integrating the activities of marketing, purchasing, manufacturing and human resources; relating the sub-objectives to the overall plan objectives. The tools and techniques used in internal and external analysis to identify areas of strengths and weaknesses, opportunities and threats. Monitoring and control systems; periodic reviews; contingency planning.

SME Management:

The student will progress sequentially through a business development cycle – opportunity recognition, product/service selection; competency assessment and development; network development; advisor relationships; understanding and managing the SME life cycle; nurturing an appropriate entrepreneurial culture; monitoring, controlling and forecasting; appropriate growth strategies, surviving crises; developing through franchising.

Defining and categorising small business, the particular environment, opportunities and threats germane to the SME. Looking at the following areas.

Entrepreneurship and the SME; the marketing/entrepreneurship interface.

Entrepreneurial, marketing and quality orientations.

SME competencies and the particular competencies for the entrepreneurial SME. The importance of networking.

The business development model elaborated.

20. Learning Outcomes

Knowledge and Understanding Outcomes

On completion of this module students will:

1. Have a clear understanding of the nature and potential of an SME.
2. Understand the appropriate academic context within which to study an SME.
3. Understand the role of entrepreneurship within an SME, and perhaps as appropriate, in themselves.
4. Have a critical understanding of the techniques to facilitate improved business performance
5. Understand the techniques to critically analyse industries and companies.

Ability Outcomes

On completion of this module students will be able to:

6. Develop and apply appropriate business models and research techniques.
7. Understand, process and critique case study situations.
8. At a cursory level consider their own personal creative and entrepreneurial tendencies and enhanced communications skills through group work.
9. Have improved his/her capability in the business related skills outlined in the module aims

21. Assessment Strategy

21.1 **Formative assessment**

A range of formative devices typically in-class tests, formative feedback on summative assessments, reviews of files and folders etc., will be used by tutors to aid learning. The exact nature of these assessment devices is at the discretion of the module tutor.

21.2 **Summative Assessment**

Assessment tasks (including assessment weightings)

30% - 50 Minute In-Class Test (under coursework conditions), covers learning outcomes 4 – 7.
Tutor reassessment applies and not anonymously marked.

70% - 4 – 6,000* word Group Assignment, covers learning outcomes 1 – 3 & 6 – 9.
Final assessment, not eligible for tutor reassessment and not anonymously marked.

* Word Count depends upon the size of the group.

Assessment Criteria

Set out in the Huddersfield University Business School Assessment Guidelines. The guidelines provide criteria for the assessment of both coursework and examinations.

22. Learning Strategy

The module will adopt a range of learning strategies, though essentially students will learn by experience.

Lectures and tutorials will provide basic information and enable exploration of the planning issues and opportunities for analysis. Students will be expected to work in groups. Use will be made of the University Unilearn system for dissemination of materials and links to relevant Internet sites.

The SME Management focus will be delivered by one lecture and alternative week tutorials with students' "contracted" to produce "deliverables" to help them understand the reality and constraints that small business face.

Appendix 1

Indicative References (Latest Versions)

<https://library3.hud.ac.uk/myreading/lists/BIS0009>

1.	Module Code	BHS0028
2.	MODULE TITLE	Business Enterprise Dissertation
3.	Schools involved in delivery	Huddersfield University Business School
4.	Name of Course(s)	BA (Hons) Enterprise Development
5.	Module Leader	John Day
6.	Location for delivery	Queensgate
7.	Module Type	Core
8.	Credit Rating	40 Credits
9.	Level	Honours
10.	Learning Methods	Seminars: 20 hours Guided Independent Study (including regular meetings with supervisor): 380 hours
11.	Pre-requisites	None
12.	Recommended Prior Study	None
13.	Co-requisites	None
14.	Shared Teaching	None
15.	Professional Body Requirements	None
16.	Barred Combinations	BHK0023; BS0013; BHS0014; BHS0018
17.	Graded or Non Graded	Graded
18.	Synopsis	

Students are encouraged to work in any area of particular interest as long as it is salient to entrepreneurship. The expected word limit for the dissertation is 12,000 words with a 3000 word reflective commentary. Normally we would expect a minimum of 10,000 words on the substantive dissertation element. These word limits exclude appendices. Primary research and a reflective component are compulsory elements.

The module aims to:

Enable students to undertake a substantial piece of empirical research within a topic area of their own choosing related to this course.

Enable students to identify a specific research question, review the literature in that area, select and justify using a particular research methodology to collect data, and analyse and interpret findings appropriately.

Allow students to demonstrate their ability to carry out a piece of work requiring an element of original inquiry. This must include both primary and secondary data collection.

Enable students to write a report which will be concise, competent, fully referenced and presented to professional standards.

Enable students to demonstrate their learning and understanding of entrepreneurship within an academic context; and importantly, to make sense of their experience in starting and running a business within the context of the academic literature that forms the body of their dissertation.

19. Outline Syllabus

A series of six to eight research methods seminars reprising the basics of research methodology will take place in preparation for the programme of self managed study with guidance from their Business Enterprise Dissertation Supervisor.

20. Learning Outcomes

Knowledge and Understanding Outcomes

On completion of this module students will:

1. Have developed a critical understanding of the relationship between theory, research methodology and interpretation of findings.
2. Be competent to conceptualise detailed knowledge and understanding of a particular problem within the entrepreneurship domain related to the topic of their choosing.
3. Be reflective about, make sense of, and articulate their experiences in starting and running a business by drawing from published academic studies.

Ability Outcomes

On completion of this module students will be able to:

4. Create a feasible research proposal which includes a critical review of an area relevant to their pathway, explicating the implications of that review for a specific research question for further investigation.
5. Systematically develop the research proposal into a formal empirical investigation; using a research methodology to gather data for analysis and critical interpretation, culminating in the writing of a research report to professional standards.

21. Assessment Strategy

21.1 Formative Assessment

Formative assessment is included through formative feedback, reviews of work and folders and regular meetings with a dissertation supervisor.

21.2 **Summative Assessment**

Assessment Tasks (including assessment weightings)

One 10 -12,000 word business enterprise dissertation (learning outcomes 1, 2, 4 and 5) and one 2000-3000 word reflection (learning outcome 3).

10,000 - 12,000 word dissertation 80%
2,000 - 3,000 word reflective component 20%

Assessment Criteria

The assessment for criteria is as set out in the Huddersfield University Business School Assessment Guidelines. The guidelines provide criteria for the assessment of coursework.

The principal qualities that markers and examiners are looking for are:

1. Analytical quality and awareness of implications of conclusions and recommendations.
2. The method of approaching the problem. (Here credit is given for suitability of the methodology adopted and acknowledgement of the limitations).
3. Familiarity with relevant literature.
4. Quality and relevance of primary research.
5. Elegance and clarity of exposition and presentation.
6. Elegance, clarity and insight shown by the reflective component.

22. **Learning Strategy**

Short series of basic research methodology lectures and individual supervision sessions.

APPENDIX 1

Indicative Readings (Latest Editions)

<https://library3.hud.ac.uk/myreading/lists/BHS0028>

Focussed and prescribed reading will be discussed and agreed between the student and the supervisor. All students will receive a copy of a business enterprise dissertation manual prior to the commencement of the final year.

Module Code	BMS 0009
MODULE TITLE	ENTREPRENEURIAL MARKETING
Module Scheme	Postgraduate
School involved in delivery	Huddersfield University Business School
Name of Programme(s)	MSc Entrepreneurship
Module Leader	J Day
Location	Department of Management & Marketing Department of Economics & Business Studies
Module Status	Dedicated
Module Type	Compulsory
Module Rating	Masters 15 credits
Learning Methods	Seminars: 24 hours Student Study: 126 hours
Pre-requisites	None
Recommended Prior Study	None
Co-requisites	None
Professional Body Requirements	None
Barred Combinations	None

Module Aims

To examine the entrepreneurial origins and the history and development of modern marketing and its application in different types of organisations e.g. SMEs, not for profit, service organisations, international firms etc.

To investigate the relationship between the subjects of marketing and entrepreneurship, the similarities and differences between the two subjects and how these can be better linked to provide a more entrepreneurial based marketing paradigm.

To encourage students to consider current debates in the marketing literature that extend beyond an operational / marketing management perspective, for example, postmodernist marketing, the role of creativity in marketing, the contribution of Kotler to the development of the subject.

Module Synopsis

The influences on modern marketing thought and practice are examined e.g. entrepreneurship, economics, psychology, sociology, statistics, information science. The entrepreneurial nature of the marketing concept is considered and the relationship between marketing and entrepreneurship is examined in depth from both a conceptual and empirical perspective. Whether marketing is 'formal sequential, systems orientated, disciplined and structured' whilst entrepreneurship is 'informal, haphazard, creative, opportunistic and reactive'. The commonalities between good marketers and good entrepreneurs – personal contact networks, creativity, analysis and judgement. Marketing as a codified form of entrepreneurship. The extent

to which the 'classical' school as epitomised by Kotler, does or does not properly integrate creativity into the process.

The differences between the practice of marketing by organisations and the philosophical rationale and nature of the subject as a business philosophy and discipline is examined and critically appraised. The practice of marketing within organisations is considered from a philosophic, strategic, tactical and operational standpoint. A critique of the practice of modern marketing is provided and an examination of how the subjects of entrepreneurship and marketing can be better integrated into what might be called 'entrepreneurial marketing'. The extent to which there is sufficient critical mass for entrepreneurial marketing to be considered a paradigm.

Outline Syllabus

Entrepreneurship within the marketing literature. Marketing as codified, systemised entrepreneurship. Conventional marketing and its links with entrepreneurship. 'Entrepreneurial marketing paradigms' and their applications to different types of organisations e.g. SMEs, not for profit, service providers' etc. The process of intrapreneurship. Opportunity recognition. Personal contact networking. SME verses (Entrepreneurial) SME competencies. Successful and appropriate entrepreneurial practices. Marketing management, marketing planning, innovation and new product/ service development from an entrepreneurial perspective. Entrepreneurial aspects of marketing communications and distribution.

Learning Outcomes

Knowledge and Understanding

On completion of the module the student will:

- 1 An understanding of the classical and postmodernist marketing concepts and their application in business;
- 2 An understanding of the relationship between the marketing and the entrepreneurial orientation;
- 3 For students to appreciate the entrepreneurial nature of marketing as a business philosophy

Ability

On completion of the module the student will be able to:

- 4 To be able to critically evaluate current marketing practice in many organisations and to be able to formulate possible improvements by examining the marketing entrepreneurship interface and the entrepreneurial marketing approach.
- 5 To integrate themes and issues on this module with, in particular, the module in Entrepreneurship.
- 6 To be able to engage competently, and forcibly, in a debate about what constitutes the entrepreneurial marketing paradigm.

Assessment Strategy

One piece of individual work (approximately 5,000 words) weighted at 100%. Covers all learning outcomes.

Full time students will consider a business with which they are either familiar, or can become familiar and then, drawing from the material and topics covered in this module, present their recommendations for an integrated marketing plan for the successful development of their chosen product, service or business unit.

Part-time students will be asked to select one of their organisations' products, services or business unit.

Learning Strategy

To develop the pedagogic approach by use of formal lectures, seminars and tutorial discussions. The pedagogical aspect of the module is literature based and students will be expected to carry out extensive reading of the available literature. Much of this will be made available to them electronically. The andragogical approach will take the form of individual and small group project work using actual firms and case study materials.

Conventional lectures and the use of seminar discussions, tutorial discussions, individual and group presentations, investigative practical exercises and the use of case studies.

Where it is not possible for a student to do the first assessment with their own organisation, they may substitute another organisation with which they are, or can become, familiar.

Indicative References – Latest Editions

Armstrong, G. and Kotler, P.
Marketing an Introduction, Prentice Hall, Inc.

Chaston, I.
Entrepreneurial Marketing: Competing by Challenging Convention, Macmillan Press.

Carson, D., Cromie, S., McGowan, P. and Hill, J.
Marketing and Entrepreneurship in SMEs, Prentice Hall

Brown, S.
Postmodern Marketing, London: Routledge

Brown, S.
Marketing – The Retro Revolution, London: Sage

Chisnall P.,
Marketing Research, McGraw Hill.

Godin, S.
Permission Marketing, Simon and Schuster

Jobber, D.
Principles and Practices of Marketing, McGraw Hill.

Keegan, W.J. and Green, M.S.
Global Marketing, Prentice Hall Inc.

Lancaster, G.A. and Reynolds P.L.,
Marketing, Macmillan Press Ltd.

McKenna, R. *Relationship Marketing*,
London, Century Business.

Reichheld, F.F. and Teal, T.
The Loyalty Effect: The Hidden Force Behind Growth, Profits and Lasting Value, McGraw-Hill,
July.

Other Information

None

NET ENTREPRENEUR

Module Code:	BMP106
Name of Scheme:	Postgraduate
School Involved in Delivery:	Huddersfield University Business School
Semester:	Two
Name of Pathway(s):	MSc Electronic Business (FT and PT)
Module Author:	J Day
Module Leader:	J Day
Module Status:	Transferable
Module Type:	Acceptable / Unattached
Module Rating:	Master 10 Credits
Delivery:	Seminars: 24 hours Study / Distance Learning: 96 hours
Pre-Requisites:	None
Recommended Prior Study:	None
Co-Requisites:	None
Professional Body Requirements:	None
Barred Combination:	None

Module Aims

This syllabus considers both the nature and process of entrepreneurship in general, and, how that process is informed and mutated in an e-commerce environment. This is done by particularly emphasising those aspects of entrepreneurship theory and practice which are especially germane to this marketplace, for example, opportunity evaluation, as well as considering some more formal links between entrepreneurship and e-commerce.

Outline Syllabus

The entrepreneur as opportunity seeker, innovator, information processor and creator of appropriate organisational structures. Individual entrepreneurial behaviour and the process of entrepreneurship – what roles, function and strategy are enacted by the entrepreneur.

Particular theories of entrepreneurship that:

- emphasise the role of information seeking and processing environments where information is asymmetric (Kirzner and the Austrian School);
- identify the entrepreneur as the lone agent of change in turbulent and discontinuous commercial environments (Schumpeter);
- portray the entrepreneur as an administrative, a managerial or technical innovator (Drucker). Setting creativity, vision and entrepreneurial behaviour into the appropriate context.

The lifecycle/stages approach to the growing entrepreneurial firm: nascent entrepreneurship, start-up and stages of development through to maturity. A particular consideration of opportunity recognition and evaluation. Understanding the growth process in its managerial and strategic context. The role of personal contact networks in

enabling and sustaining the business. Business to business compared to business to consumer networks. Keeping an entrepreneurial culture in place and maintaining the 'garage' culture – the nature, and maintenance of intrapreneurship and / or intra-corporate venturing.

E-commerce and entrepreneurship interaction: the speed, depth, diversity and quality of information and the adaptation of information seeking and information processing skills; the nature of the appropriate organisational structure and the impact of (economic) transaction costs on start up opportunities and the competitive offering; the marketing / entrepreneurship paradigm – the synergistic linking together of marketing and entrepreneurship as two key drivers in this marketplace; appropriate relationship marketing strategies – the role of entrepreneurship in marketing and the marketing activities of entrepreneurs; the interaction between entrepreneurial style, marketing as a function and philosophy, and, organisational structure.

Using qualitative research to understand and make sense of, actual business situations and business histories in e-commerce.

Learning Outcomes

Knowledge Outcomes

Upon successfully completing this module students will be able to:

1. Demonstrate an understanding of the entrepreneurial process in general, and, in particular entrepreneurial behaviour in this particular sector
2. Recognise the needs of entrepreneurial companies of all sizes through an understanding of the life cycle approach to firm development.
3. Recognise and critique 'best practice' contributions to the practical and theoretical debate surrounding successful e-commerce companies.
4. Confidently understand the relevance, contribution and application of new appropriate entrepreneurial paradigms, such as the marketing / entrepreneurship interface.

Skills and Competence Outcomes

5. Individual, and within their organisations, be able to act in a more enterprising / entrepreneurial manner
6. Understand entrepreneurship both at a philosophical and practical level
7. Acquire confidence in researching and presenting a business case study
8. Present that case study using appropriate electronic means.

Assessment Strategy (Including Weighting)

Evidence

One assessment will cover all Learning Outcomes.

Assessment Criteria

- Students will be required to deliver on the University Intranet one 7,500 word (guide minimum) report that either:
- investigates and substantiates an e-commerce idea of their own;
- is a case study based upon an existing business for which they can demonstrate substantial internal knowledge of the operation;
- or, is a case history of an entrepreneurial e-commerce business,

and ...

- is discernible from work that they may have completed for Colin Turner.

They will be expected to have due regard both to a suitable academic framework and an appropriate research methodology; and to be sympathetic towards, and exploit, the medium through which they are delivering this assignment. They might choose the individual route if their subject is commercially sensitive – however, the assessment criteria will remain the same.

It is suggested that this be completed as a small group exercise (2/3 students) however students may choose to submit this as an individual piece of work.

Assessment Weightings

100% to this single project of circa 7,500 words. The working assumption is that each group member will be awarded the group overall mark. If this is not their desired outcome, then peer group assessment will be offered to apportion the mark. Given that students are being asked to deliver this assessment electronically, then for a creative, visual presentation it would be acceptable for the work to run out at less than 7,500 words providing that the intended ‘gravitas’ of this assessment is achieved.

Learning Strategy

Seminars will be used to deliver the key concepts and techniques. Class discussion will be actively promoted by the use of short case studies and both student and lecturer practical experience. The course material for this module will be available on Virtual.Hud and the assessment may be delivered through this site.

Indicative References

Students will be required to read across three literature streams:

- entrepreneurship including general strategy and marketing;
- specific business work on electronic business; and,
- contemporary case material.

Berstein, P.L.	(1996)	<u>Against the Gods – The Remarkable Story of Risk</u> , John Wiley & Sons Inc: New York.
Bygrave, W.D.	(1997)	<u>The Portable MBA in Entrepreneurship</u> , 2 nd Edition John Wiley & Sons: New York
Carson, D Cromie, S McGowan, P Hill, J	(1995)	<u>Marketing & Entrepreneurship in SMEs: An Innovative Approach</u> , Prentice Hall: Hemel Hempstead
Drucker, P.F.	(1986)	<u>Innovation & Entrepreneurship</u> , Butterworth-Heinemann: Oxford
Easton, J. & Bezos, J.	(1998)	<u>Striking it Rich.Com</u> , McGraw Hill, Maidenhead
Hagel, J. Singer, M.	(1999)	<u>Net Worth</u> , Harvard Business School Press: Boston
Mason, J.	(1996)	<u>Qualitative Researching</u> , Sage Publications Ltd: London
Mintzberg, H. Ahlstrand, B. & Lampel, J.	(1998)	<u>Strategy Safari</u> , Prentice Hall: New York
Peppers, D. & Rogers, M.	(1999)	<u>Enterprise One to One: Tools for Competing in the Interactive Age</u> , Doubleday: USA
Shapiro, C. & Varian, H.R.	(1998)	<u>Information Rules: A Strategic Guide to the Network Economy</u> , Harvard Business School Press: Boston
Swisher, K.	(1998)	<u>Aol.com</u> , Random House: New York
Wickham, P.A.	(1998)	<u>Strategic Entrepreneurship</u> , Pitman: London

Familiarity with the two following annual series of research papers:

- Research at the Marketing/Entrepreneurship Interface, Hills et al. Chicago: UIC
- Frontiers of Entrepreneurship Research, Bygrave et al., Boston: Babson College.

Familiarity with journals such as: European Journal of Marketing, Entrepreneurship, Theory and Practice, Journal of Marketing, Journal of Marketing Management and Long Range Planning, will be expected.

A selection of appropriate Internet links follows:

VirtualHubs ://virtual.hud.ac.uk	Three of the module authors sites could be seen as an indicative introduction to this module. They are Marketing of Small Business, SME Management and Business and the Entrepreneur
Pinchot and Company ://www.pinchot.com	The person who started the intrapreneurship debate and approach. This web site has really interesting case study content. Address checked as working on 14.02.00
Babson College: Frontiers of Entrepreneurship Research ://www.babson.edu/entrep/fer	Takes you directly to this excellent Research Series and to the #1 College in the USA for Entrepreneurship

<p>eWeb Resource for Entrepreneurship ://www.slu.edu/eweb</p>	<p>eWeb – The resource for entrepreneurship education. Saint Louis University – one of America’s top entrepreneurship programs. Neither is an understatement – this is an excellent resource – use it often!!!!</p>
<p>The Institute for Entrepreneurial Studies ://www.uic.edu.cba/ies</p>	<p>The director is Professor Gerald Hills...hence why we have obviously added this link. “Our mission is to expand awareness and knowledge among students, entrepreneurs, professional, and academics regarding new venture opportunities, methods for creating and growing enterprises, and the role of entrepreneurship and new/smaller firms in economic development and the work economy. By combining academic excellence with practical research, IES is striving to become the premier entrepreneurial research and professional institute in the world.”</p>
<p>Marketing Entrepreneurship Interface Group ://meig.ama.org</p>	<p>This interest group of the AMA produces an appropriate and fascinating weekly newsletter. It is archived on this site, at present – (checked Spring 2001) – it has an excellent coverage on e-commerce. This site is permanently under construction – but is a good gateway to several areas – particularly this newsletter.</p>
<p>Entreworld ://www.entreworld.org/</p>	<p>Very good educational/commercial site – sign up to their monthly e-mail newsletter.</p>
<p>New York Times ://www.nytimes.com</p>	<p>Great newspaper site – good on USA ‘computing/technical’ developments. Has great weekend travel supplement!!</p>
<p>The UK Academy of Marketing http://www.stir.ac.uk/departments/Management/Marketing/Academy</p>	<p>UK equivalent of AMA – has some useful links to other marketing pages and the CIM</p>
<p>The American Marketing Association ://ama.org</p>	<p>The site of the American Marketing Association – useful academic and professional help</p>
<p>MCB University Press – ‘Emerald’ ://www.emerald-library.com</p>	<p>An excellent research/article database. Username is: huduni and Password is: info. These are case sensitive.</p>
<p>MCB University Press – ‘Anbar’ ://www.anbar.com</p>	<p>A great site from which to assemble bibliographies and to then, either find the material in our Library or to use Inter Library Loan. Password and User Name required and these are the same as for ‘Emerald’.</p>
<p>Amazon Book Company ://www.amazon.com</p>	<p>Useful for not only book purchases but also for searching out what is available. Often have good book reviews and you can make good use of the ‘what other readers like you read function’</p>
<p>Barnes and Noble Book Company ://www.barnesandnoble.com</p>	<p>Same logic and comments as for Amazon.com</p>

Module Code	BMS0027
MODULE TITLE	Actioning Entrepreneurship
Module Scheme	Postgraduate
School involved in delivery	HUBS
Name of Programme(s)	MSc Entrepreneurship (full-time)
Module Leader	John Day
Location	Department of Business Studies
Module Status	Dedicated
Module Type	Compulsory
Module Rating	Masters, 15 credits
Learning Methods	Lecture/Seminar: 36 hours Student self directed study: 114 hours
Pre-requisites	None
Recommended Prior Study	None
Co-requisites	None
Professional Body Requirements	None
Barred Combinations	None

Module Aims

Explore the practice of entrepreneurship through a thorough understanding of the contribution that a case study approach can make;

Encourage students to both appraise and critique appropriate published case studies;

Develop further frameworks and taxonomies of entrepreneurship compatible to those being established in modules running alongside this module;

Require students to author a case study of their own in which they are encouraged to consider using primary data and contacts;

Give them practical experience in feeding back to their colleagues in an innovative and creative way through the HUBS Blackboard facility.

Module Synopsis

This module develops appropriate frameworks and taxonomies within which to locate different forms of entrepreneurship, and thus to provide a coherent matrix from which to select case studies. Students will be encouraged to understand the use of a case study programme, and, to develop critical reasoning in respect of the validity of the case data they are being asked to appraise. The first assessment will both help them to do the former, and, then require them to write their own case

study preferably after contact with the case subject individual or organisation. Alternatively, they should focus on completing a sound review and analysis of an important academic area that contributes to the understanding of entrepreneurial behaviour.

Outline Syllabus

Myth, magic and mayhem: understanding entrepreneurs and the act of entrepreneurship through published sources such as biography, autobiography or published business history. Triangulating through other published sources and media.

Developing and consolidating taxonomies through which to understand entrepreneurs and entrepreneurship. Particular consideration of the literatures on entrepreneurial orientation, and culture - and how they interrelate. Internal organizational culture and architecture. Considering the international / national / regional / local / market landscapes within which the entrepreneur operates.

Developing and understanding the position of the entrepreneurial organisation within a life-cycle construct from nascence to maturity.

Using case studies and case histories (secondary and primary) to understand entrepreneurship both individually and within an organisational context.

Case studies for this module will be drawn from the following dimensions: new / young / growing / mature / declining organisations; local / national / regional / international operations; public / private, profit / not for profit; large / small, entrepreneurial / intrapreneurial; contemporary / historical. Cases will cover various industrial and service sectors and illustrate different theoretical perspectives of the defining entrepreneurial act. Cases will be drawn from Insead, Babson, Harvard and COLIS. In addition there will be cases authored for this module by the students and ourselves. Case selection will range from short notes to full case studies, and they will complement and enhance examples of entrepreneurs / entrepreneurship being used on other modules in this programme.

Learning Outcomes

Knowledge & Understanding:

On completion of this module the student will:

- 1 develop knowledge and understanding of the entrepreneur and the entrepreneurial process through further development of entrepreneurial taxonomies;
- 2 develop knowledge and understanding of the entrepreneur through the critical appraisal of case studies.

Ability:

On completion of this module the student will be able to:

- 3 become more adept at distinguishing fact from fiction in published work on entrepreneurs;
- 4 gain confidence and skills in writing their own case study - or literature review - and to develop confidence in their own judgement and intellectual capital;
- 5 develop basic skills both technical and creative that are germane to uploading an interesting HUBS Blackboard project.

Assessment Strategy

Assignment One, 30%, 2000 words.

To read one bibliography, or autobiography, or business history - of an entrepreneur or an entrepreneurial organisation - and to critique the work in respect of the insight it gives about that entrepreneur, and to compare it to a relevant entrepreneurial taxonomy. Two-thousand word critique, and to be placed upon HUBS Blackboard in an appropriate form that is both creative and likely to generate some debate amongst fellow students.

Meets learning Outcomes 1, 3, 5.

Assignment Two, 70%, 3000 words.

A written case with an appropriate electronic portfolio that illustrates and elucidates an entrepreneurial scenario with confidence and creativity in the approach.

The students should show either substantial secondary, or primary research in the core of their work. The case study and approach would be negotiated individually with the module leader. Appropriate responses could be: a detailed case study with an actual entrepreneur who they have interviewed; a detailed case study of a local/regional/national provider of help to entrepreneurs; a detailed examination that adds value to existing secondary data, e.g. the use and efficacy of the Entrepreneurial Orientation scale, or, a consideration of how culture impinges on entrepreneurship; a critique of what can really be learnt from contemporary business success books. Students should also place on Blackboard a creative summary of their work designed to create discussion.

Meets all Learning Outcomes 1-5.

Learning Strategy

Lecture and seminar programme that complements the theory, practice and cases being used in parallel by the other modules. Student centered learning through the critical reading of appropriate cases - and the authoring of one.

Indicative References – latest editions

Bourdain, A.	Kitchen Confidential <i>New York: HarperCollins</i>
Branson, R.	Losing My Virginity <i>New York: Random House.</i>
Casson, M.	The Entrepreneur: a radical theory <i>Oxford: Martin Robertson.</i>
Christensen, C.M. et al.,	Seeing What's Next <i>Boston: Harvard Business School Press.</i>
Collins, J.& Porras, J.I.	Built to Last: successful habits of visionary companies <i>New York: HarperCollins</i>
D'Aveni, R.A.	Strategic Supremacy <i>New York: Free Press.</i>
Drucker, P.	Innovation and Entrepreneurship <i>Oxford: Heinemann.</i>
Entrepreneurship: theory & practice	Special Issue on the state of entrepreneurship research

Foster, R. & Kaplan, S.,	Creative Destruction: Why Companies That Are Built To Last Underperform the Market - And How To Successfully Transform Them <i>New York: Currency/Doubleday.</i>
Hashemi, S. & Hasemi, B.,	Anyone Can Do It <i>Chichester: John Wiley and Sons Ltd.</i>
Hebert, R.F., Link, A.N.,	The Entrepreneur: mainstream views and radical critiques <i>New York: Praeger.</i>
Hultman, C. & Bjorke, B.,	Entrepreneurial Marketing: the Growth of Small Firms in the New Economic Era <i>Cheltenham: Edward Elgar Publishing.</i>
Kroc, R. & Anderson, R.,	Grinding It Out: The Making of McDonald, <i>Chicago: Contemporary Books</i>
Mintzberg, H. et al	Strategy Safari <i>New York: Simon & Schuster.</i>
Owen, D.,	Copies in Seconds <i>USA: Simon & Schuster.</i>
Peters, T. & Waterman, R.H.,	In Search of Excellence <i>USA: Profile Business.</i>
Wynbrandt, J	Flying High <i>New York: John Wiley and Sons.</i>

Other Information

None

APPENDIX TWO:

A full list of the author's publications which includes the work submitted for this thesis.

Day, J. & Rahman, H. (2014). Involving the Entrepreneurial Role Model: A Possible Development for Entrepreneurship Education. *Journal of Entrepreneurship Education*, forthcoming.

Day, J., & Rahman, H. (2013, October). Involving the Entrepreneurial Role Model: A Possible Development for Entrepreneurship Education. In Proceedings of the 13th Annual SEAAIR Conference – *Entrepreneurship in Higher Education and Institutional Effectiveness* (pp. 348-354). Jogjakarta, Indonesia.

Day, J. & Rahayu, R. (2013, October). *E-Commerce Adoption by Small and Medium Sized Enterprises in Indonesia: An Investigation of Influencing Factors and Benefits*. Paper presented at The 2nd AASIC, The International Conference on Business, Economic and Social Science (ICBESS). Bangkok, Thailand.

Day, J., & Muhammad, N. (2012, November). Growth and Entrepreneurial Orientation Behaviours of SMEs in a Conflict Environment: Swat Valley Pakistan. In *ISBE: Creating Opportunities through Innovation: Local Energy, Global Vision*. November <http://www.isbe.org.uk/Muhammad12>

Day, J. & Rahman, H. (2012, June). *Who is Your Role Model? The Relationship between Role Models and Student Entrepreneurial Motivation*. Paper presented at 57th ICSB World Conference, Track 4 Education: Training and Support, Wellington, New Zealand.

Day, J., & Rahman, H. (2011). The Potential Influence of Entrepreneurial Role Models in the Teaching of Entrepreneurial Marketing: I Want to be Like ...? In G.E. Hills, C. Hultman, F. Eggers, & M.P. Miles (Eds.) *Research at the Marketing/Entrepreneurship Interface* (pp.37-49). Bradley, IL: Global Research Symposium on Marketing and Entrepreneurship.

Day, J., & Reynolds, P.L. (2011). Exploring the marketing - entrepreneurship interface: bringing an understanding of small business marketing into the curriculum. In University of Huddersfield Annual Learning and Teaching Conference (pp. 102-115). Huddersfield, UK. Retrieved from: <http://eprints.hud.ac.uk/id/eprint/9667>

Day, J., & Day, J.C. (2011, May). *Public sculpture themed projects as entrepreneurial marketing*. Paper presented at the GSCM - Montpellier Business School European Entrepreneurial Marketing Summit, Montpellier, France. 12th - 13th May.

Day, J. and Kuah, A.T.H. (2010). Measuring Clustering Benefits and Competitiveness: What Do Players Really Value? *Singapore Management Review*, 32 (2), pp. 1-24.

Day, J., Reynolds, P.L., Kovalev, A., & Kovalev, V. (2009). A possible Bayesian solution to sales forecasting decisions in small firms: A UK and Russian Perspective. In *Proceedings of the International Scientific – Practical Conference, Omsk State University. F.M. Dostoevsk*. (Issue 14, pp. 97-108).

Day, J., Reynolds, P.L., Kovalev, A., & Kovalev, V. (2008) Forecasting Decisions in Small Firms: A Possible Bayesian Solution. In G.E. Hills, J.A. Downing, J. Moller, and G.T. Solomon (Eds.) *Research at the Marketing / Entrepreneurship Interface* (pp.184-205). Chicago, IL: Institute for Entrepreneurial Studies, University of Illinois at Chicago.

Day, J., Reynolds, P.L., Kovalev, A., & Kovalev, V. (2008, June). *Professional sales practice in small firms a UK and Russian comparison: An investigation into the relationship of sales competence with marketing and entrepreneurial orientations*. Paper presented at the University of Illinois at Chicago and American Marketing Association - UIC Symposium on Marketing and Entrepreneurship, Stockholm, Sweden. 14th -16th June.

Day, J., & Day, J.C. (2008, June). *Neither Fish nor Fowl: Public Sculpture projects as entrepreneurial marketing*. Paper presented at the University of Illinois at Chicago /American Marketing Association/ Swedish Business School Orebro - UIC Symposium on Marketing and Entrepreneurship, Stockholm, Sweden. 14th - 16th June.

Day, J., & Day, J.C. (2008, January). *Understanding family business survivors: using a marketing entrepreneurship interface framework*. Paper presented at the 13th Annual Symposium the AM SIG in Entrepreneurial and Small Business Marketing, Newport, Wales. Newport Business School, 9th-11th January.

Reynolds, P.L., Kovalev, A., & Kovalev, V. (2007). Forecasting decisions in small firms. (Competition in Regional Economics - Experience/Problems/Prospects), *Journal of Finance and Economics* (Institute of Economics and Finance, Siberia), 8, pp.8-16.

Day, J., Reynolds, P.L., Kovalev, A., & Kovalev, V. (2009). A Bayesian approach to forecasting decisions in small firms. *The Herald of Omsk University Quarterly Academic Periodical, International Business Series, (Omsk State University, F.M. Dostoyevsky), 2*, pp.80-91.

Day, J.C., Day, J., & Polyakov, E. (2007). Understanding Inter-Generational Family Business Success: A Qualitative Approach Using A Local Sample. In Omsk State University (Ed.). *Business and Economic Conference, School of International Business*, (pp.239-242) Omsk State University, April, 12th Readings. Omsk, Russia: Omsk State University.

Day, J., Reynolds, P.L., & Lancaster, G.A. (2006). Entrepreneurship and the small to medium-sized enterprise: A divergent/convergent paradox in thinking patterns between advisers and SME owner-managers. *Management Decision*, 44(5), pp. 581-597.

Day, J. & Kuah A.T.H. (2005). *Revisiting the Porter Diamond: Applying an Importance Performance Matrix to the Singaporean Financial Cluster* (Bradford University School of Management Working Paper, 05.39). Bradford, UK: University of Bradford.

Day, J., & Day, J.C. (2005). Fanning the Flames of Family Business: A case Study of Two Long Surviving West Yorkshire (UK) Small Businesses. In G.E. Hills, R. Teach, J. Monllor, & S. Attaran (Eds.) *Research at the Marketing/Entrepreneurship Interface* (pp.38-61). Chicago, IL: Institute for Entrepreneurial Studies, University of Illinois at Chicago.

Day, J. & Kuah, A.T.H. (2005, October). *Revisiting the Porter Diamond: Applying a Factor Competitiveness Matrix to the Singaporean Financial Cluster*. Paper presented at the INFER Annual Conference in Economic Research, Special Topic Track, Regional Economics: New Challenges for theory, empirics and policy, London. 07th-09th October.

Day, J., Day, J.C., Jennings, P., & Galio, C.M. (2005, January). Facilitators for the Workshop Session on Entrepreneurial Orientation, Marketing Orientation and Entrepreneurial Marketing Orientation. At the Academy of Marketing Special Interest Group on Entrepreneurial and Small Business Marketing, 10th Annual Research Symposium, Southampton, UK. 5th - 7th January.

Day, J.C., & Day, J. (2004, July). *Fanning the Flames of Family Business: A Case Study of two Long Surviving West Yorkshire (UK) Small Businesses*. Paper presented at the University of Illinois at Chicago and American Marketing Association - UIC Symposium on Marketing and Entrepreneurship, Metz, France. 1st – 3rd July.

Day, J., & Day, J.C. (2004, January). *Surviving Over 400 Years as a Family Business: A Preliminary Case Study of One of the Oldest Surviving Family Businesses in England*. Paper presented at the University of Stirling /Academy of Marketing Entrepreneurship and Marketing Symposium, Stirling, Scotland.

Day, J., Samer, M. Al-Mohammad, & Cook, J. (2003, August). *Considering the Role and Impact of Market Orientation and Entrepreneurial Orientation on the Performance of Marketing Information Systems (MkIS) within Large Organisations: A Case Study of UK Financial Services*. Paper presented at the American Marketing Association and the University of Illinois at Chicago – UIC Symposium on Marketing and Entrepreneurship, Chicago, IL.

Day, J., Al-Mohammad, S.M., & Cook, J. (2003). Exploring the Role and Impact of Market Orientation and Entrepreneurial Orientation on the Performance of Marketing Information Systems (MkIS) within Large Organisations: A UK Case Study. In Proceedings of the 8th AMA/AM Symposium of the Marketing and Entrepreneurship Interface (Abstract p.18). Gloucester, UK. University of Gloucestershire. 8th -10th January.

Day, J., Al-Mohammad, S.M., & Cook, J. (2003, January). *Exploring the Role and Impact of Market Orientation and Entrepreneurial Orientation on the Performance of Marketing Information Systems (MkIS) within Large Organisations: A UK Case Study*. Paper presented at 8th AMA/AM Symposium of the Marketing and Entrepreneurship Interface, Gloucester, UK. 8th -10th January.

Day, J., & Reynolds, P.L. (2002). Editorial. *Journal of Research in Marketing and Entrepreneurship*, 4(3), iv

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APPENDIX THREE: Validation of contribution

Firstly, this Appendix contains two comments by Professor Gerald Hills about the author's central role in the setting up and the early years of the Journal of Research in Marketing and Entrepreneurship.

Secondly, the author in 2006 received a „Distinguished Research and Leadership Award“ from The College of Business Administration of the University of Illinois at Chicago for an outstanding research and leadership contribution in the field of the marketing-entrepreneurship interface. This would have been mainly an acknowledgement of the work with setting up, editing and establishing the journal although I was also serving on both Special Interest Groups on entrepreneurial marketing, one for the American Marketing Association and one for the Academy of Marketing.

Thirdly, Kraus et al. (2012) conducted a detailed citation and co-citation analysis of what they refer to as the „entrepreneurial marketing domain“ (p.6). Whilst on page 14 they show the very detailed „citation network and topic clusters“ diagram shown on the next page. The author's work is cited on this network diagram a number of times. The work is linked mainly to Cluster 1 *Foundations of Management, Entrepreneurship and Management* and Cluster 2 - *The Interface of Marketing and Entrepreneurship*. Although this is not a definitive or comprehensive citation index it is the nearest thing available in this field. Kraus et al. state that; “the citation analysis produced a network of the most influential publications, which is shown in Figure 5.” This is evidence of the fact that the author's work is recognised internationally and is cited and rated by peer groups working in the field at other university institutions.

An Inaugural Commentary for the Journal of Research in Marketing and Entrepreneurship

An Inaugural
Commentary

5 - 7

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Abstract: The Author considers the rationale for the integration of entrepreneurship and marketing and how that should better inform us all as academics and practitioners. The argument is that not only are marketing and entrepreneurship fundamental business disciplines but that they are intertwined and consistent one with the other.

Marketing and entrepreneurship largely determines the fate of entrepreneurs and SMEs around the world - their success, their growth, and their profitability. And the creation of employment by SMEs is the economic engine driving the global quality of life. It is only appropriate, therefore, that a research journal be created to encourage the generation of new knowledge at the marketing/entrepreneurship interface. Although I announced that such a Journal would be launched several years ago, it was premature. My market research at the time concerning journal purchase intention yielded only lukewarm results. It is perhaps ironic in an entrepreneurship context, however, that measuring purchase intentions, much less creating a sales forecast for "new to the world" products and ventures, are fraught with inaccuracies. But we waited for the window of opportunity to open more widely in parallel with the growth of interest in the subject. David Carson and I continued to fully support the launch of this Journal, but this first issue would not exist if not for the entrepreneurial passion, extensive work, commitment and persistence of John Day and Paul Reynolds. The marketing/entrepreneurship research community must give enormous credit to them for the creation of this journal. Now to the fundamental rationale for this new publication.

Research has shown that venture capitalists often see marketing as the most highly rated success factor in new enterprises, along with the management team and financing. The recognition and evaluation of market opportunities, combined with their strategic and tactical pursuit, are at the heart of entrepreneurial success. This is indisputable.



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Research in marketing and entrepreneurship: a retrospective viewpoint

8

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Abstract

Purpose – The purpose of this paper is to reflect upon 13 years of the *Journal of Research in Marketing and Entrepreneurship* and developments in the field over that period.

Design/methodology/approach – The authors reflect upon the past and future of the marketing and entrepreneurship discipline.

Findings – There is an abundance of important research questions to fuel faculty and PhD student research for years to come.

Originality/value – This paper has value as a reflective piece which goes on to pose research questions of the future.

Keywords Marketing, Entrepreneurialism, Research, Journals

Paper type Viewpoint

Introduction

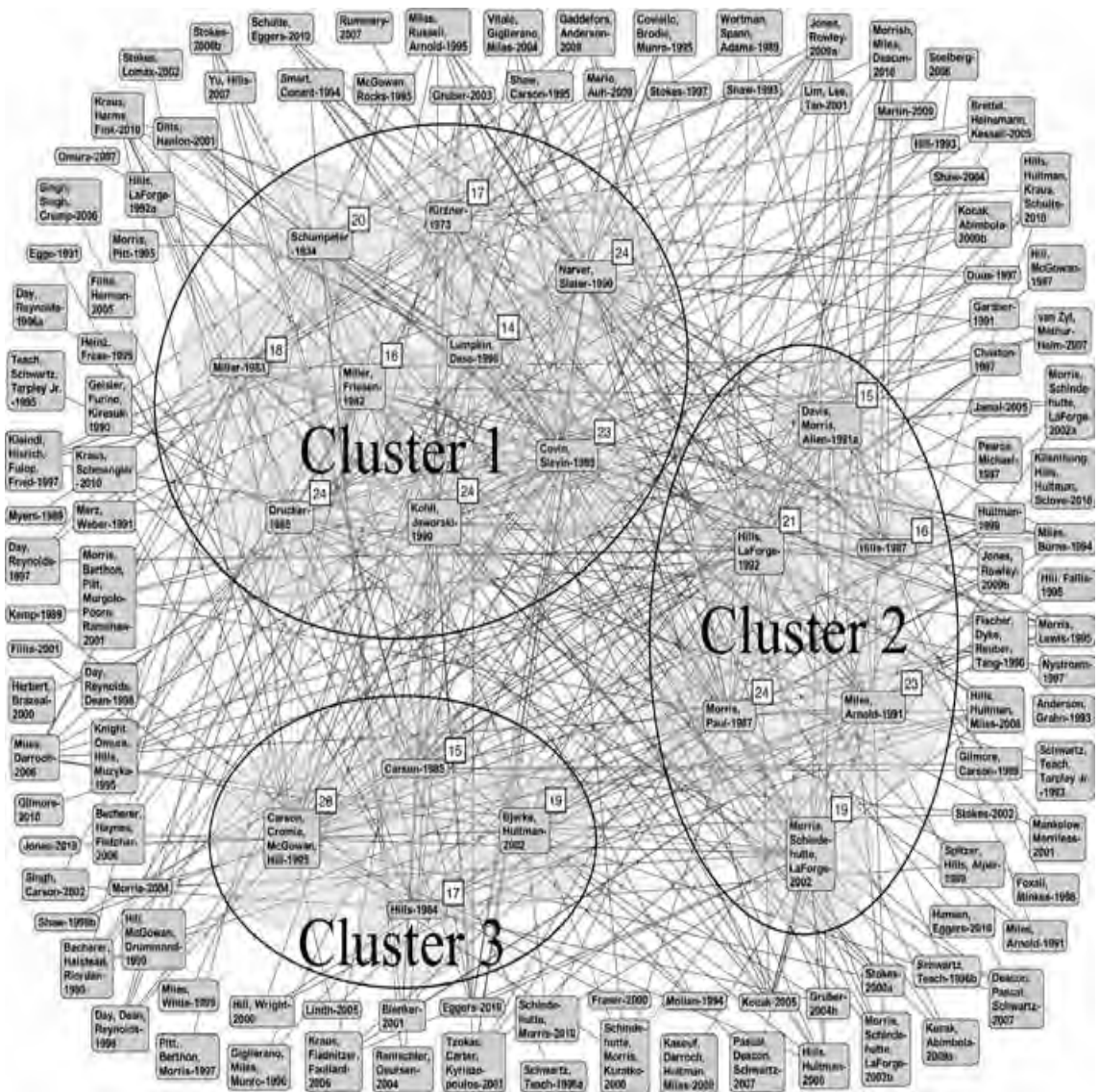
The *Journal of Research in Marketing and Entrepreneurship (JRME)* was launched more than a decade ago by pioneers John Day and Paul Reynolds at the University of Huddersfield. In the meantime, Robert Schwartz and Vince Pascal devoted years of effort to the success of the journal as well. It is appropriate to note that if we apply small business failure/success statistics to this venture, it has clearly been a success. It has been successful in several ways. The sheer existence of a journal at the marketing/entrepreneurship interface has helped to legitimize this academic domain and it has supported young scholars who must show new knowledge in refereed publications – now the quality of our work has supported moving the journal to a highly reputable publisher. I suggest that there is an emerging historical parallel with the *American Journal of Small Business* which became *Entrepreneurship Theory & Practice*, now one of the two top journals in the field of entrepreneurship. *JRME*, with its new publisher and new editor, Jonathan Deacon, will build upon the shoulders of its founders.

I was honored to write an “Inaugural Commentary” then and now, to share some retrospective thoughts after the passing of a decade. Looking to several observations



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Detailed citation and co-citation analysis of the „entrepreneurial marketing domain“ showing contribution to and place in the network. (Figure 5, p.6.)

Kraus, S., Filser, M., Eggers, F., Hills, G.E., & Hultman, C.M. (2012). The entrepreneurial marketing domain: a citation and co-citation analysis. *Journal of Research in Marketing and Entrepreneurship*, 14(1), 6-26.

**UIC Research Symposium on
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University of Huddersfield

**THE MARKETING-ENTREPRENEURSHIP INTERFACE:
A CONTEXTUAL AND PRACTICAL CRITIQUE OF THE
ROLE OF ENTREPRENEURSHIP**

John Day

**A thesis submitted to the
University of Huddersfield
in partial fulfilment for the degree of Doctor of Philosophy
PhD by published work**

**Volume Two of Two
(Portfolio of work)
(Joint Author Declarations)**

August 2015

SUBMITTED WORK

Theme One

THE MARKETING ENTREPRENEURSHIP INTERFACE:

The appropriate role for entrepreneurship; the three circle Venn diagram; scope of work at the interface; small business (SME) Vs. the entrepreneurial small business (eSME).

111	(CPR)	(with sample Abstract Appendix, and, Content Analysis spreadsheet)	01	-	90
112	(CPR)		91	-	106
113	(JOU)		107	-	118
114	(CPR)		119	-	139
115	(JOU)		140	-	145

Theme Two

CONTEXT: FOCUS DOWN:

How does an entrepreneurial marketing paradigm guide and inform the SME or eSME?

2.1: *Addressing critical situations:* Crises, crisis pricing & tracking signals.

211	(BK)		146	-	185
212	(CPR)		186	-	209
213	(JOU)		210	-	221
214	(JOU)		222	-	229
215	(JOU)		230	-	247

How does an entrepreneurial marketing paradigm guide and inform the SME or eSME?

2.2: *Relationships:* Leverage; relationship marketing; counsellors, and family business

221	(CPR)		248	-	262
222	(JOU)		263	-	272
223	(JOU)		273	-	289
224	(CPR)		290	-	306

Theme Three

CONTEXT: FOCUS OUT

How does an entrepreneurial paradigm guide, extend and inform in five wider and less traditional contexts?

311	(CP)		307	-	330
312	(JOU)		331	-	343
313	(CP)		344	-	361
314	(CP)		362	-	381
315	(JOU)		383	-	406
316	(CPR)		407	-	424

Theme Four

CONTRIBUTION TO HE EDUCATION IN THE UK, AND BUSINESS SUPPORT

Teaching entrepreneurship and entrepreneurial marketing with undergraduates and postgraduates; business support outcomes

401	(CPR)		426	-	442
402	(CPR)		443	-	456
403	(JOU)		457	-	465

JOINT AUTHOR DECLARATIONS

			466	-	485
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SUMMARY OF WORK AND TYPE

Journal Articles	(JOU)		10
Book Chapter	(BK)		01
Conference Proceedings	(CPR)		09
Conference Papers	(CP)		03

Total 23

THEME 1.0

THE MARKETING ENTREPRENEURSHIP INTERFACE (History, purpose & development)

The appropriate role for entrepreneurship; the three circle Venn diagram; scope of work at the interface; Small business (SME) Vs. the entrepreneurial small business (eSME).

Three conference proceedings; two journal articles.

- | | |
|--|---|
| Exhibit 111
Conference
proceedings
1996 | Day, J. with Reynolds, P.L. (1996). Reviewing and Defining the Marketing / Entrepreneurship Interface: Progress and Developments from the Research at the Marketing / Entrepreneurship Symposia, 1987-1994. In G.E. Hills, R.D. Teach, & G.M. Guerson (Eds.) <i>Research at the Marketing/Entrepreneurship Interface</i> (pp.331-342). Chicago, IL: Institute for Entrepreneurial Studies, University of Illinois at Chicago. |
| Exhibit 112
Conference
proceedings
1997 | Day, J. with Reynolds, P.L. (1997). Considering the Marketing / Entrepreneurship Interface: Approaches and Directions, 1987 to 1995. In G.E. Hills, J.J. Giglierano, and C.M. Hultman (Eds.) <i>Research at the Marketing/Entrepreneurship Interface</i> (pp.97-111). Chicago, IL: Institute for Entrepreneurial Studies, University of Illinois at Chicago. |
| Exhibit 113
Journal article
1997 | Day, J. (1997). Editorial by the Special Editor: Special Issue on the Marketing/Entrepreneurship Interface: Setting the Context. <i>Marketing Education Review</i> , 7(3), 1-10. |
| Exhibit 114
Conference
proceedings
1998 | Day, J. (1998). Defining the Interface: A Useful Framework? In B. Hulbert, E. Shaw, & J. Day (Eds.) <i>Proceedings, 1996-1998, Academy of Marketing / UIC-AMA- Symposia on the Marketing and Entrepreneurship Interface</i> (pp.1-21). Northampton, UK: Nene University College. |
| Exhibit 115
Journal article
2000 | Day, J. (2000). Commentary: The Value and Importance of the Small Firm to the World Economy. <i>European Journal of Marketing</i> , 34(9/10), 1033-1037. |

**REVIEWING AND DEFINING THE MARKETING /
ENTREPRENEURSHIP INTERFACE: PROGRESS AND
DEVELOPMENTS FROM THE RESEARCH AT THE
MARKETING/ENTREPRENEURSHIP SYMPOSIA, 1987 - 1994.¹**

John Day and Paul L. Reynolds, University of Huddersfield, UK²

ABSTRACT

This paper seeks to draw out some key issues as discussed in the series of published proceedings of the above symposia - *Research at the Marketing/Entrepreneurship Interface*. In order to give the paper a structure the authors suggest that the interface is the interaction of organisational, entrepreneurial and marketing factors. Entrepreneurship is defined in the strict economic sense. Whilst we do not discuss the correct and proper definition of marketing - we take that as a 'given' clearly the analysis could be extended by such a discussion. The organisational context is introduced to focus on whether we should be considering only selected organisations in respect of size and structure. The paper concludes by raising 23 questions that the authors consider to be germane to the debate. To illustrate the diversity and power of the contributions to this debate, particularly through the vehicle of the symposia, a full listing of all paper titles and detailed abstracts from the last four years are appended separately.

THE BEGINNING AND THE BACKGROUND

In the 1987 volume Gerald E. Hills stated "A spirit of entrepreneurship encompassed the conception and birth of the event that yielded the papers in this volume. The growing documentation and recognition that new ventures are of critical importance to a healthy economy lends new-found legitimacy to a topic long ignored in the marketing discipline. Attention by marketers to entrepreneurship and to smaller enterprises is truly in an embryonic stage. The contributors to the conference and to this volume are pioneers. The contents of this volume will be of value to the reader in search of ideas, concepts and research directions pertaining to marketing in new/or smaller firms... By design there are few answers, but rather questions, issues, and variables that should stimulate added

¹ Our thanks are due to Aftab Ahmed Dean who provided many of the abstracts for a previous draft of this paper.

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creativity. Again, it is a beginning. For the scholar, the shifting and sorting will be fruitful."

... and in the Foreword to the 1994 volume ... " This is the seventh volume reporting the results from the Symposium in Marketing and Entrepreneurship series. The papers in this volume were presented at the 1993 Research Symposium on Marketing and Entrepreneurship held in Boston. This volume continues to reflect the global flavour of the Chicago-INSEAD (France) volume. We have had contributions from researchers world-wide. This combination of international contributors and multi-cultural research makes the marketing/entrepreneurship interface an exciting intellectual journey"

In 1987 Hills in response to the paucity of work in the area had commented

"The situation presents an interesting paradox. Entrepreneurship and new ventures are clearly important to American society, yet there is a paucity of research on the subject. Why does this paradox exist? One possible explanation is that most assume that marketing is the same for small, new firms as it is for mature large businesses. This is the "non industry, non size, non stage of the business life cycle truths apply to all" hypothesis. Other possible propositions include:

- In academia, "small business" is by connotation a low status endeavour
- There is a record of mediocre quality research in this area
- There is greater potential for external funding from mature companies
- Sophisticated, specialised management practices reside in larger firms
- The functional organisation of business colleges artificially makes entrepreneurship a management discipline subject
- Secondary empirical data from new venture consulting projects is usually of a lesser quality than from work with mature companies
- In society, small is by connotation less worthwhile than large"

THE TRIPARTITE DEFINITION

Defining Entrepreneurship:

The purpose of this paper is to encourage colleagues to reconsider the work that has been undertaken since 1987 and to consider some broad issues. Whilst it is not the purpose of this paper to attempt to inculcate a particular definition of entrepreneurship in the reader, we felt the need to set out some kind of a reference framework, -particularly given the diversity of, and contentiousness, of entrepreneurship definitions. The definition that we are comfortable with is one of many possibilities, and elsewhere we have argued that it should be regarded as the correct definition but this is not the purpose of this paper.

Appendix One (A) illustrates this definition. The marketing / entrepreneurship interface is where there is coincidence between three factors and their respective definitions. Firstly that of entrepreneurship, secondly that of marketing and thirdly one that encompasses organisation size and type. However as this stands it is somewhat descriptive and hence it requires also a functional context, that is what do entrepreneurs do? Gardner in the 1987 volume sums it up succinctly by asking whether the interface is an intersection or an interaction. Our definition is in the direction of it being an interaction and thus it follows that there should be a unique discipline of entrepreneurial marketing or the marketing / entrepreneurship interface. The paradox however is that our definition potentially narrows the range of acceptable organisations worthy of study.

Appendix One (B) rehearses the arguments for defining entrepreneurship using Austrian or Schumpeterian concepts. Importantly this allows us to consider entrepreneurship in a dynamic way in the sense that not all businesses or individuals are permanently entrepreneurial in their outlook or actions, they move through entrepreneurial windows of opportunities.

Defining Marketing:

In order not to complicate the argument we have assumed that an acceptable definition of marketing can be found and accepted into common usage. Such a definition might be one that would be acceptable to the American Marketing Association. We are aware that there are different views on the correct definition of marketing, however since such a debate would not alter the general direction and validity of our arguments we have chosen to ignore them in this paper.

Defining Organisations:

Much of the early work, and indeed later work as well, concentrates on the SME (Small and Medium Sized Enterprise) and this is understandable. Later on larger organisations and governmental initiatives are reviewed but remain in the minority.

In summary then we are suggesting this tripartite definition of the interface as a reference point.

ENTREPRENEURIAL ORIENTATIONS

Scanning the proceedings suggests that there is a diversity of entrepreneurial definitions and one might argue that providing that we know and understand colleagues' definitions then no particular problems will emerge. Provided that

the definitions are transparent then we should avoid the light hearted trap set by Peter Kilby:

The search for the source of dynamic entrepreneurial performance has much in common with hunting the Heffalump. The Heffalump is a large and rather important animal. He has been hunted by many individuals using various ingenious trapping devices, but no one so far has succeeded in capturing him. All who claim to have caught sight of him report that he is enormous, but they disagree on his particularities. Not having explored his current habitat with sufficient care, some hunters have used as bait their own favourite dishes and have then tried to persuade people that what they have caught was a Heffalump. However very few are convinced, and the search goes on. (Kilby 1971 in Hebert & Link 1982)

However some of the more general definitions such as 'all small businesses are entrepreneurial' seriously weaken the integrity of the interface. The following generic definitions of entrepreneurs, can be seen in the proceedings:

Agent of Change	Actor and reactor in discontinuity
Consumer	Opportunity recogniser
Frontiersman	Corporate entrepreneur
Growth generator	General human behaviour
Innovator	Marketing functionary
Established firm	Marketing strategist
Small business	Start up company
Strategist	Visionary
Marketing but using unique approaches and techniques	New product developer - non traditional -seeking genuinely new products
New product developer -traditional using historical data	Information processor - economic, managerial, linking to marketing

THE PROCEEDINGS REVIEW

Available either as hard copy or on disk (Word 6) are abstracts for the 1993, 1992, 1991 and 1990 Symposium. Each published in the year following the symposium. The objective of this paper is to present these to the reader for their consideration rather than to discuss them in detail. However we would like to raise twenty three questions based on this review and the work itself. Some of these have already been successfully addressed whilst others await such action and several will continue to be contentious.

DEFINITIONAL

Do we need to have a rigorous definition of marketing? ... and of the entrepreneur?
What do we understand by the term entrepreneur, how does it differ from that of small business?
Does it matter that we often have no rigorous definition of the entrepreneur?
Can we survive on 'ex post' rationalisations and definitions of the entrepreneur? Is work on innovation the same as entrepreneurship?
Can we ever understand the true nature of entrepreneurship? (Mark Casson type definitions)?
Gardner/ Omura type of definitions rule out most of the traditional marketing literature but capture prime movers?

IMPLICATIONS

What damage, if any, does this discipline suffer if we define entrepreneurship in its general context as small business or the business owner?
What precisely is the marketing/entrepreneurship interface?
Should researchers have a clear concept of marketing, entrepreneurship, the interface and growth stages of the company?
Does it possess enough critical mass to be considered a distinct discipline?
Can the interface sustain a diversity of definitions & interests - is it capable of being 'niched'?
Or do we take a pragmatic view and go for small research areas without worrying about holistic perspectives?
Do entrepreneurs act differently from non entrepreneurs thus requiring us to either abandon traditional marketing or modify our approach? What implications does this have for practitioner training and academic courses?

COVERAGE

Other organisations than the SME?
What about large organisations and intrapreneurship? What is the internal transmission mechanism for enterprise?
International aspects and wider concepts of entrepreneurship across industries and economies?
Is high tech and new product development saturating other areas of equal interest and relevance?
Practitioner vs. academic contributions?
Sectors that we know very little about e.g. home based entrepreneurs?
Is there an 'European School' distinct from an 'American School' in respect of thinking, areas of interest and research methodologies
Diffusion of the subject until now and in the future?

CONCLUSIONS

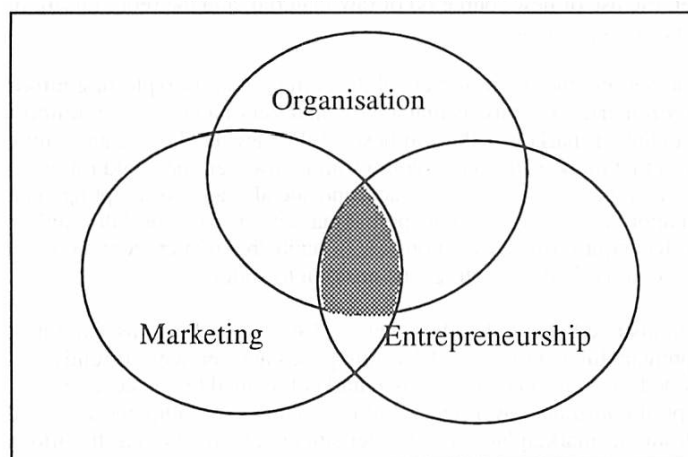
The intention of this paper has been to review the work published in the Symposia. In order to give this a frame of reference, a particular approach has been taken in respect of defining the interface. The authors have a preference for a definition that encompasses economic concepts of disequilibrium and discontinuity but the purpose of this paper is not to advocate such as definition as the only acceptable approach. It is however the aim of this paper to encourage colleagues, should any such encouragement be needed, to consider the depth and breadth of work contained in the Symposia. To this end we have listed the work published and provided detailed abstracts for the 1991 to 1994 Proceedings. Finally we have posed several questions arising from the published work, some of which have been answered and some of which remain to be answered. Doubtless there are many more that could be raised.

APPENDICES

One (A)	The Proposed Framework
One (B)	A Proposed Rigorous Definition of Entrepreneurship
Two	Titles and Subject Areas, 1987-94
Three	1994 Proceedings -1993 Symposium, Abstracts
Four	1993 Proceedings -1992 Symposium, Abstracts
Five	1992 Proceedings -1991 Symposium, Abstracts
Six	1991 Proceedings -1990 Symposium, Abstracts

Note to readers: Appendices 1 and 2 are attached, Appendices 3 to 6 are separate to this paper. If you do not have a copy then please contact the authors and we will be pleased to forward a set.

**APPENDIX 1(A)
THE PROPOSED FRAMEWORK**



Shaded area - Interaction or Intersection

**APPENDIX 1 (B)
A PROPOSED RIGOROUS DEFINITION OF ENTREPRENEURSHIP**

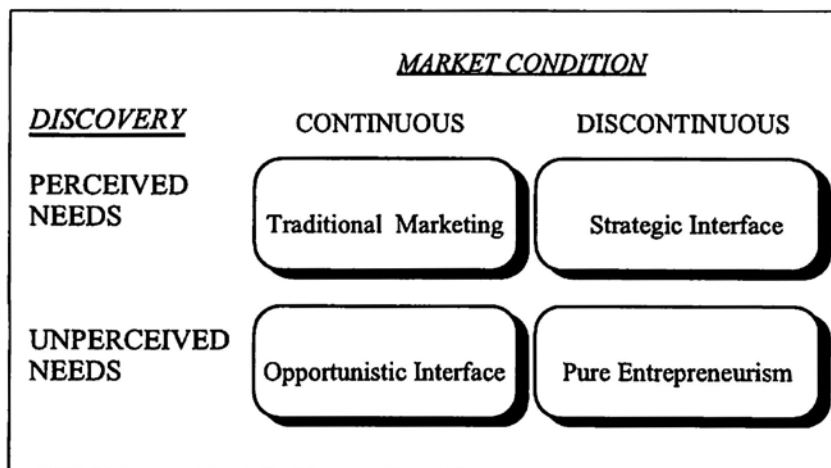
This Appendix defines the entrepreneur from an economic viewpoint and rather than add to the burgeoning and unresolved literature on the correct definition seeks to impose a minimum but workable one. Of the opposing possibilities - trait or behaviour, the latter is preferred to the first, although we accept that the two can be difficult to separate out (Gartner, 1989). It is clear that the very naive approach which concentrates simply on physical, family or mental traits is not acceptable. Secondly the definition must acknowledge that the entrepreneurial function is a discontinuous and not continuous activity, few businessmen (or corporations) are consistently entrepreneurial over their corporate lifetime. Thirdly there needs to be a clear recognition of what is an entrepreneurial action and finally, it would be reassuring if the economic definition chosen was compatible with other approaches. For these reasons we prefer a definition that emphasises innovation or perception and preferably both. For the former we advocate Schumpeter and for the latter Kirzner. Economists would argue that there is a fundamental difference in approach in that the Schumpeterian entrepreneur seeks to destroy an equilibrium situation whilst the Kirznerian entrepreneur is operating in a market assumed to be in disequilibrium, and therefore their role is to exploit the informational imperfections and to bring the market to eventual equilibrium. However if we consider the practical activities of each entrepreneur, the Schumpeterian

entrepreneur innovates in one of, or a combination of five ways: the introduction of a new product; a new method of production; the exploitation of a new market; the use of new source (s) of raw material, and the reorganisation of an industry or its processes.

For Kirzner and the Austrian School the entrepreneur is exploiting information asymmetries in markets that are by their very nature in disequilibrium. Such a view of markets is the antithesis of the view held by Adam Smith who believed that markets tended to equilibrium, however one could rationalise that as man preferring order to chaos, and social scientists adopting a Newtonian approach. Thus the concept that markets are in natural disequilibrium rather than equilibrium, whilst outside of mainstream microeconomics teaching, is not a particularly outrageous position to adopt

As demonstrated clearly by Omura et al, (1994), and shown as Exhibit One, entrepreneurship is not about delivering goods and services currently demanded by consumers, that is in a market bounded by the economists concept of consumer sovereignty, but in meeting as yet unperceived needs in a discontinuous marketplace. The former situation he refers to as traditional

**EXHIBIT 1:
OMURA 'GRID'- Marketing / Entrepreneurism Interface**



marketing and the second as pure entrepreneurship and his synthesis incorporates both Schumpeterian and Austrian viewpoints. Another synthesis by Binks and Vale (1990) considers a hierarchy of entrepreneurial activity and this is shown as Exhibit Two. In this model we, in effect, span from a Schumpeterian to a traditional marketing approach. The Leibenstein entrepreneur has the skill and ability to make more efficient the existing organisation; the Omega entrepreneur is introduced as an attempt to capture those reluctant small business start ups who are forced by lack of opportunity in the labour market to work for themselves.

Given the Schumpeterian view, or indeed, the behavioural view that entrepreneurship is about creating an organisation then the Binks and Vale scenario captures a wider perspective. An organisation may start off as catalytic and then settle down to refining behaviour and then at some stage re-emerge as catalytic. The allocating role is analogous to the Austrian viewpoint and one can see the similarities with the approach by Omura.

**EXHIBIT 2:
BINKS AND VALE SYNTHESIS OF ENTREPRENEURIAL TYPES**

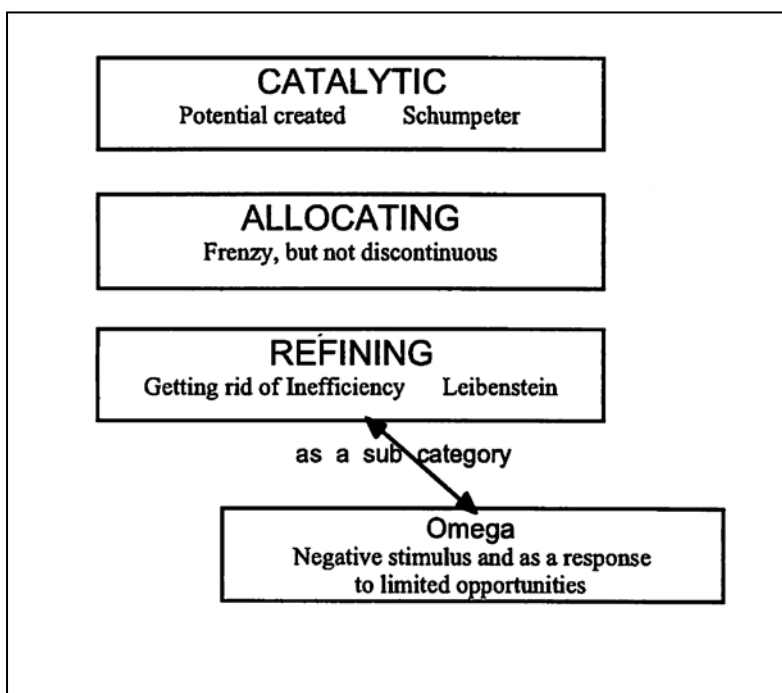


Exhibit Three illustrates some other contextual issues and given the increasing propensity of the strategic management literature to recognise entrepreneurial situations (Goddard & Houlder, 1995 & Jacobson, 1992) adds an entrepreneurial dimension to the EVR Congruence model (Thompson, 1993).

**EXHIBIT 3 (A):
ENTREPRENEURIAL DEFINITIONS: A CONCEPTUAL VIEWPOINT**

Behavioural	
Personality	<ul style="list-style-type: none"> • Entrepreneurial Personality • Wider context could apply to advisors and entrepreneur relationship
Competencies	<ul style="list-style-type: none"> • Equal, different to larger firms
Economic compliant	<ul style="list-style-type: none"> • Risk / uncertainty • Innovation / disruption • Informational asymmetry
	<ul style="list-style-type: none"> • Synthesis e.g. Casson, Binks & Vale, Omura

**EXHIBIT 3 (B):
ENTREPRENEURSHIP AND THE EVR CONGRUENCE**

E -V - R Congruence	resources	<ul style="list-style-type: none"> • capitalist Vs entrepreneur • limitations (SW of SWOT)
Differences in the entrepreneurial firm	values	<ul style="list-style-type: none"> • different, e.g. not use SWOT formally • personal / internal culture different
Strategy conditioned by the environment in which it is operating	environment	<ul style="list-style-type: none"> • environment (OT of SWOT) • scan it differently- Austrian view • only true entrepreneurs get it right

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Research at the Marketing / Entrepreneurship Interface. 1994, edited by, G.E. Hills &
Sumaria T. Mohan-Neill, Office for Entrepreneurial Studies.

Layout note:

This is a scanned and retyped version of the published 'Blue Book' Proceedings.

The proceedings were published as A5 softcover.

Six minor changes have been made that do not alter the substantive arguments.

On page 331, footnote, Hudderfield has been changed to Huddersfield.

On page 332, Forward changed to Foreword,

On page 332, enterepreneurship has been changed to entrepreneurship.

On page 337, FRAMWORK has been changed to FRAMEWORK.

On page 339, 340 Exhibits One and Two were transposed, they are now in the correct sequence.

On page 340 Exhibits 3(a) & (b) have been tidied up and errors concerning the location of bullet points and box lines when typeset into the 'Blue Book' corrected.

Sample Abstracts

(reset to these page margins, minor typos removed)

APPENDIX THREE: 1994 Proceedings – 1993 Symposium: Abstracts

We have endeavoured to make all abstracts as accurate reflection as possible of the authors' work, we apologise for any unintentional errors, omissions or misinterpretations. These abstracts are of variable length and no implications should be drawn from their relative word count.

	Authors and Titles Abstract Conclusions <i>Where extensive text in single column; where less text, the lhs column is abstract; the rhs column is conclusion</i>	
94-01	Romano, C, & Ratunatunga, J IDENTIFYING THE IMPACT OF JOURNALS, ARTICLES AND OTHER SOURCES ON CONTEMPORARY SMALL ENTERPRISE RESEARCH: A CITATION ANALYSIS	
	<p>Academic journals have played an increasingly important role in the dissemination of scientific information throughout this century, particularly in the last decade. This study explores the impact of journals, articles and other sources on contemporary small enterprise research through the examination of a sample of 725 articles and approximately 16,720 of their citations. A research contribution is measured as contemporary small enterprise research citations to a journal article, and contemporary small enterprise research is defined as all main articles published during 1986-1992 in the <i>Journal of Small Business Management, International Small Business Journal, Entrepreneurship: Theory and Practice, Journal of Business Venturing, Small Business Economics and Asia Pacific International Management Forum</i>. A general conclusion from the study is that the source journal articles as a group have had minimal from the study that management journals impact on contemporary small enterprise research. However, it was evident from the study that management journals (in particular, <i>Academy of Management Journal</i> and <i>Academy of Management Review</i>) have made a significant contribution to the development and advancement of contemporary small enterprise research.</p>	<p>Discusses the value, and further, uses of citation analysis in this field.</p> <p>Draws some detailed conclusions on the sample of journals (and books) used in the study.</p>

94-02	Ainkeeff, M A, , Sriram, V, & Sapienza, H J AGE , SIZE AND PRODUCT-MARKET STRATEGY IN A FRAGMENTED INDUSTRY: AN ANALYSIS OF REAL ESTATE DEVELOPERS	
	<p>Suggests questions for those interested in the study of firms in a fragmented industry in a volatile environment .The research questions (RQ) to be determined are :-</p> <p>RQ1a: Is there an association between firm age and product-market domain strategy?</p> <p>RQ1b: Is there an association between firm size and product-market domain strategy?</p> <p>RQ 2a: Is there association between firm age and performance?</p> <p>RQ2b: Is there an association between firm size and performance?</p>	<p>This study's findings contradict Hardy's (1986) developer life cycle model and seem to support Miles and Snow (1978) in that product-market domain decisions do not seem to be evolutionary. The lack of any association between either age or size and product-market domain suggests that this strategic choice may be made at any point in the firm's life.</p> <p>The results seem to point to the benefits of an entrepreneurial orientation and a lean organisational structure in a fragmented industry in a volatile market.</p>
94-03	Ardishvili, A, & Cardozo, R MAPPING THE NEW VENTURE GROWTH: IMPACT OF THE PRODUCT-MARKET STRATEGIES	
	<p>Conducted in-depth case study analysis of product/market strategies of a sample of 21 new ventures in order to better understand product-market changes and their relation to growth. The analysis allowed us to develop a modified product/market matrix which is applicable to analysis of the interdependence of product/market strategies and sales changes of high-growth and low-growth businesses. A number of research hypotheses have been developed.</p>	<p>The in-depth case analysis allowed us to develop a modified product/market matrix which is applicable to study of interdependence of product/market strategies and sales changes of high-growth and low-growth businesses. High- growth businesses in our sample seemed to prefer diversification strategy and used a more evolutionary approach to changes in product lines. Most of high-growth businesses expanded in new demographic markets rather than in new geographic markets.</p> <p>Hypothesis 1. High-growth businesses will be more likely to pursue the strategy of</p> <p>Hypothesis 2. High-growth businesses are more likely to pursue diversification</p> <p>Hypothesis 3. The majority of high-growth businesses will pursue level 2 market expansion strategy and add new demographic markets.</p>

94-04	Becherer, R C, & Riordan, E A ADVERTISING CUES AND THE DETERMINANTS OF NEW BUSINESS VENTURE CREDIBILITY	
	<p>Research examines how effective new business venture advertising is in establishing credibility and how this credibility relates to how favourably the new business is perceived.</p> <p>A new business's image or market presence has been identified as a key factor in promoting an entrepreneurial venture (Hills, 1987). Both advertising and public relations are prime communication elements which can play a role in establishing high credibility early in the marketing process.</p>	<p>The addition of the high credibility information cue significantly increased the perceived credibility of the business on one or more credibility dimensions.</p>
94-05	Capaldo, G, Pacelli, F, Raffa, M, Russo, C, & Zollo, G ORGANIZATION AND TECHNOLOGY IN THE KNOWLEDGE - INTENSIVE FIRMS	
	<p>Many organizational and managerial issues are related to the automation of activities that are mainly based on high technical and professional skills. This paper concerns the impact of CASE (Computer Aided Software Engineering) on organizations developing software products. The new technology modifies the individual tasks and the development process. The organizational set-up, criteria for management, and production choices are forced to change. The analysis of 8 firms shows an adaptation process to the new technology. The implementation process is formed by two cycles. During the first cycle the CEO focuses on professional skills to improve the of the production process. During the second cycle the main concern is represented by the organizational procedures in order to achieve a better quality of the product. During this period the firm begins to formulate marketing programmes, such as pilot program, product customisation and process differentiation. The results of our empirical study point out that the adoption of CASE has not always had satisfactory effects. To pass from technology programmes to marketing programmes, firms have to overcome a serious of cultural, professional, organizational and financial barriers that are often under-estimated in making the initial decision to introduce CASE methodology into software development.</p>	<p>Technology implementation in the knowledge intensive firms is based upon two concepts - peculiarity and autonomy.</p> <p>New technology by routinising has the potential to destroy competitive advantage and therefore the company must use the technology to emphasize and enhance individual skill.</p> <p>New technology can destroy the autonomy of professional activity, so it needs to be introduced such that the resistance of professionals to new technology is overcome by allowing them to rebuild their autonomy.</p>

94-06	Carson, D, Hill, J, & McGowan, P IN PURSUIT OF ENTREPRENEURIAL MARKETING MANAGEMENT COMPETENCIES	
	<p>Consideration of the management and marketing competency literature and subsequently speculates as to the appropriate competencies required for entrepreneurial marketing management decision making.</p> <p>Carson (1993) however, points out that there is little in the literature in relation to which competencies are most appropriate for marketing, particularly entrepreneurial marketing.</p> <p>Considering the appropriate small firm and entrepreneurship literature developed an "Entrepreneurial Marketing Management Decision Making Competency Spectrum".</p>	<p>The most important conclusion to be drawn is that these conceptual and speculative entrepreneurial marketing management competencies are important in relation to marketing management decision making in the entrepreneurial small firm</p>
94-07	Ennis, S MARKETING PLANNING AND THE GROWING FIRM: STYLE VERSUS SUBSTANCE	
	<p>Examined the role of marketing planning within the small, growing firm. He presents the main findings from three case studies that formed part of a larger investigation of how small, indigenous firms operating in the electronics sector in the Republic of Ireland utilised marketing planning within the context of overall business strategy for developing their business. The following factors determined the approach adopted by the individual company:</p> <ul style="list-style-type: none"> • The length of time the company was trading; • The nature of the product offering - high-tech, mid-tech or low-tech; • The propensity to export; • The management style of the managing director/owner manager; • The position of the firm on the small firm growth cycle; <p>CONCLUSIONS</p> <p>The case studies in general supported the hypotheses.</p> <ul style="list-style-type: none"> • Planning activities will be intuitive and informal in nature rather than formal and systematic - style will predominate over substance • As the company grows, a shift towards a systematic approach will occur • The personality/background of the owner-manager's will directly influence the approach adopted • Variation will occur in the owner-manager's understanding of the marketing concept and function • Short-termism will predominate over the longer-term considerations • Style tended to predominate over substance although this feature tended to balance out depending on the length of time the company existed. • The personality/ leadership qualities and background of the CEO directly influenced the approach to strategy development. 	

94-08	<p>Miles, M, & Burns, M O</p> <p>MARKETING AS ENTREPRENEURSHIP: THE RELATIONSHIP BETWEEN THE MARKETING ORIENTATION, THE ENTREPRENEURIAL ORIENTATION, AND ENVIRONMENTAL UNCERTAINTY REVISITED.</p>
	<p>The primary purpose of Miles and Burns study is to revisit and extend previous research pertaining to the relationship between marketing and entrepreneurial orientations and the environment (Morris and Paul 1987; Miles, 1989; Miles and Arnold 1991; Miles, Thompson and Arnold 1992).</p> <p>Achrol suggests that the marketing orientation may be augmented by the tenets of the entrepreneurial orientation including innovation and adaptive behaviour. Quern (1992) supports this augmented construct by stating that "the functional role of marketing in strategic management deals with the entrepreneurial work of the organisation and the organisational renewal and growth; in short, innovation."</p> <p>Achrol (1991) suggests that the "environment of the future will be characterised most notably by unprecedented levels of diversity, knowledge richness, and turbulence," which will force organisations to evolve and adapt both structure and strategy.</p> <p>Miles and Burns hypothesises that the marketing orientation and the entrepreneurial orientation are the same organisational response to strategic uncertainty.</p> <p>Selected Perspectives of the Marketing Orientation</p> <p>The central maxims of the marketing concepts are: (1) market focus, (2) customer orientation, (3) co-ordinated marketing, and (4) focus on profitability (Lamb and Crompton 1986). Hise (1965) defined the marketing concept as comprised of three aspects (1) customer orientation, (2) profitability of operations, and (3) organisational structure of the marketing department.</p> <p>A major empirical study of industry's adoption of the marketing concept was McNamara's (1972) scale. McNamara proposed that the marketing orientation construct can best be defined by the two sets of criteria: (1) criteria of adoption and (2) criteria of implementation.</p> <p>Parasuraman (1980) implies that a firm is marketing oriented if it behaves as if customers are its central focus.</p> <p>Narvin and Slater (1990) support Kohli and Jaworski (1990), suggesting that a marketing orientation is a multidimensional construct consisting of "three behavioural components: customer orientation, competitor orientation, and interfunctional co-ordination, and two decision criteria: long-term focus and profitability.</p> <p>Selected Perspectives of the Entrepreneurial Orientation</p> <p>Ginsberg (1985) describes the entrepreneurial orientation construct along the following five dimensions: (1) aggressiveness, (2) innovative logistics, (3) adaptiveness, (4) a high rate of new product/service introduction, and (5) an emphasis on product/service innovations.</p> <p>The common thread in all of the previous definitions of the entrepreneurial orientation construct is the willingness to accept risks to achieve objectives, a pro-active posture towards the micro, macro, and task environments, and a tendency to be innovative in developing solutions. This suggests that a firm which exhibits an entrepreneurial orientation would constantly scan the environment for profitable opportunities, accepting higher risks only when offered corresponding higher returns.</p> <p>Marketing and strategy scholars have purposed a relationship between environmental uncertainty and an organisation's propensity to adopt either a marketing or entrepreneurial or augmented marketing orientations (Hills 1987; Morris and Paul 1987).</p> <p><i>The study's apparent low response rate limited the authors to draw any definitive conclusions about the interrelationship between marketing and orientation, entrepreneurial orientation, and strategic uncertainty.</i></p>

94-09	Molian , D DECODING A BLACK BOX? EFFECTIVE MARKETING CONSULTANCY FOR SMEs AND ENTREPRENEURS	
	<p>Focuses his research on marketing consultancy.</p> <p>Evidence is mounting that public-funded consultancy aimed at helping small and fast-growth firms improve their marketing capability is often considered unsatisfactory by the client firms. Effective consultancy is examined here in the light of recent empirical findings from three streams of research: 1) small firms and marketing orientation; 2) life-cycle marketing development in small firms; and 3) marketing strategy and implementation. Propositions derived from these areas are developed to provide an analytic framework for assessing consultancy effectiveness and for predicting likely success in implementation.</p>	<p>THE PROPOSITIONS</p> <p>P1: That there is a significant link between a firm's satisfaction with the consultancy and an explicit shift in the firm's marketing practices and capabilities pre and post the consultancy.</p> <p>P2: The firm will be more likely to implement the marketing strategy if it perceives a close fit with current business practices and attitudes.</p> <p>P3: Tests the notion that, to be "implementable", strategy must fit - prevailing practices and attitudes.</p> <p>P4: The firm will report higher satisfaction levels with implementation policies that focus on a limited range of marketing activities and which can be fully funded within the constrained resources available to the SME.</p> <p>The fourth proposition draws from Bonoma's observation that firms which implement their marketing successfully tend to be "choosy" over which activities they promote, to give those activities substantial support, and to focus on performing one or two major aspects of the marketing task extremely well, whilst aiming for adequacy in other areas (Bonoma 1985).</p>
94-10	Pilcher, S, & Grant, G USING A SALES TRAINING AID TO BUILD A BUSINESS	
	<p>One of the elements behind any new business opportunity or venture is the ability to market the concept. The sales role within the marketing mix is critical to the success of marketing. This paper explores the belief that proper sales comprehension may play a significant part in the germination of a business/venture development. A Sales Comprehension test has been used as a major element in the growth of an Australian consultancy. In turn the test has been used with clients of the firm as an aid to the creation of new business for the clients. To date a number of organizational types and sizes representing a wide range of industries have been involved. The findings are encouraging from a qualitative aspect: the proposal is to formulate more quantitative research to test the proposition that effective selling is a critical element in the formulation of new business ventures.</p>	<p>The test has proven to date as a very aid in the development of the management consultancy Pilcher Partners and has been successful in aiding clients to build their own business opportunities. The sales element is seen as a critical element aspect marketing in development of new venture opportunities. There is no doubt that the entrepreneurial aspect of any business is dependent upon the match with the organization's resources to the market opportunities. This paper proposes that the sales comprehension test is a critical element in the success of any business. It is proposed that further research be done in the area of training of sales forces in the effective use of the themes of selling in the development of new businesses. There is an assertion that the sales aid can be very valuable in the development of any new business.</p>

94-11	Cadotte, E WHY USE BUSINESS SIMULATIONS IN ENTREPRENEURIAL TRAINING	
	<p>Discusses the use of business simulations in the context of classical Japanese writings and views on strategy particularly those of the great Samurai, Miyamoto Musashi. Discusses the principles laid down in his <i>Way of Strategy - A Book of Five Rings</i>. . Uses interviews with Faculty staff and student experience to develop the case for requisite strategic skills and then considers their achievement through business games and simulations.</p>	<p>Students might look upon their participation in business as playing on a soccer team. In preparation for the season, the athlete can stay in shape by running and using weights. The athlete can also practice ball handling on the soccer field by running through obstacle courses and making corner kicks, heel passes and angle passes of increasing difficulty. However, there is a limit to the skill which can be achieved through individual exercise.</p>
94-12	Carson D, & McGowan, P, & Hill, J EFFECTIVE MARKETING TRAINING PROVISION FOR SME EXECUTIVES	
	<p>MARKETING MANAGEMENT COMPETENCIES</p> <p>It is widely recognised that the development of management competencies is the key to improvement in management. Management education, training and development are concerned with the acquisition of knowledge and skill. Silver (1991), argues that the purpose of this is to improve the competence of managers' performance. Therefore it can be reasonably concluded that there is increasing recognition that the development of management competencies is the key to improvement in management. It is and has been argued that entrepreneurs and small firm owner managers have an inherent, common sense knowledge of the marketing concept which simply needs to be released through enhanced competency skills in management, Carson (1993).</p> <p>JOINT LEARNING</p> <p>Entrepreneurs focus on practical dimensions, are low on recent academic experience but strong on real experience. Entrepreneurs will question theory, will focus on their personal experience regardless of theory and see real marketing in intuitive terms, Carson (1993, p7). Joint learning can help managers to manage their own marketing learning, particularly as part of their on-the-job activities, Mumford (1980). The joint learning approaches adopted by the programme helped managers to manage their own marketing learning, particularly as part of their on-the-job activities.</p> <p>FUTURE DEVELOPMENT</p> <p>The exploratory programme outlined above has proved effective in developing entrepreneurs marketing decision making through innovation learning mechanisms. Future development is concentrated on an in-depth programme of 'Effective Marketing Implementation'.</p>	

94-13	<p>Liska, K, Weinrauch, J D, & Guimaraes, T</p> <p>EXAMINING THE CHALLENGES AND OPPORTUNITIES OF ENVIRONMENTAL SENSITIVITY AND GREEN MARKETING STRATEGIES FOR SMALL BUSINESS: AN EXPLORATORY SURVEY</p>	
	<p>Identifies and examine selected green marketing techniques adopted by small businesses; benefits and threats from environmental sensitivity; and perceptions from the overall impact of green/environmental programs to small business performance.</p> <p>OBJECTIVES</p> <p>One might speculate, if business and marketers are truly responsive to the marketplace, then one would see a genuine response to the environmental needs of society. Hence, the objectives of this paper are to:</p> <ol style="list-style-type: none"> 1. Identify selected marketing techniques and tools that small businesses are using and their impact on environmental issues. 2. Assess the effectiveness of marketing strategies that incorporate environmental sensitivity in meeting the goals of small firms. 3. Examine how environmentally sensitive companies are benefiting from their "green" efforts. 4. Observe the actual and potential threats that small business may experience from environmental issues. 5. Present research propositions that serve as a solid foundation for future research on environmental issues, challenges, opportunities, and 6. threats for the 	<p>RESULTS</p> <p>Marketing Techniques</p> <p>The marketing techniques most frequently used in combination with promoting/ implementing environmental programs. Most popular were communication to employees (used by 79 percent of the sample), and customer feedback (74 percent).</p> <p>Effectiveness of Marketing Tools</p> <p>Regarding the effectiveness of the marketing tools used and their contribution to organisation goals in the context of environmental sensitivity, 65 percent of the organisations report "consumer environmental education" as either "effective or extremely effective".</p> <p>Benefits of Environmental Sensitivity</p> <p>A significant percentage of the organisations surveyed (over 70 percent) are reporting "stimulated innovation" and "strengthened the company's image" as benefits from environmental sensitivity. Approximately 60 percent of the organisations also report benefits form improved customer loyalty and improved customer feedback. Close to 50 percent of the companies surveyed realised "a perceived closeness to the customer" as a result of environmental sensitivity.</p> <p>RESEARCH AND FUTURE AGENDA</p> <p>Green Marketing and environmental sensitivity is certainly in a growth mode for many businesses - both small and large.</p> <p>The omnipotent green marketing revolution has far reaching implications to small business marketing scholars. Thus, it is imperative to observe and study how small businesses can successfully market their business within the context of the environmental field.</p>

94-14	<p>Omura, G, Calantone, R J, & Schmidt, R B</p> <p>ENTREPRENEURISM AS A MARKET SATISFYING MECHANISM IN A FREE MARKET SYSTEM</p>
	<p>The matrix framework contains four quadrants, each of which is discussed.</p> <p>TRADITIONAL MARKETING</p> <p>Characterised by continuous market conditions and perceived needs. Under these conditions sellers fulfil pre- existing needs while maintaining or re-establishing market equilibrium. This is a reactive process of exploiting obvious needs and is labelled "traditional marketing".</p> <p>PURE ENTREPRENEURISM</p> <p>Opposite of traditional marketing is "pure entrepreneurship" which is characterised by discontinuous and unperceived needs. Pure entrepreneurship is a proactive process which creates needs and fulfils unexploited demands.</p> <p>OPPORTUNISTIC MARKETING/ENTREPRENEURISM</p> <p>The intermediate conditions of opportunistic marketing/entrepreneurism and strategic marketing/entrepreneurism will be explored. These two quadrants constitute the interface between marketing and entrepreneurship and are hybrids of the two extreme positions.</p> <p>Unperceived, unexploited needs can be satisfied in a continuous manner so that equilibrium is preserved. The process of serving unexploited needs through continuous market conditions is labelled "opportunistic marketing/ entrepreneurship". Reliance on the price system is the key.</p> <p>Opportunistic marketing/entrepreneurship is a hybrid between traditional marketing and pure entrepreneurship. Unexploited needs are satisfied such that equilibrium is maintained.</p> <p>STRATEGIC MARKETING/ENTREPRENEURISM</p> <p>Strategic M/E is the process of fulfilling perceived, underexploited needs in a manner that disrupts the equilibrium of the economy, i.e. discontinuous.</p> <p>Like traditional marketing, strategic M/E fulfils perceived, underexploited needs. Whereas traditional marketing fulfils needs in a continuous manner, strategic M/E does so in a discontinuous way, like pure entrepreneurship.</p> <p>The framework presented indicates that marketing and entrepreneurship have distinct domains. Traditional marketing precludes entrepreneurial activities since it is reactive to opportunities in the market.</p> <p>The hybrid positions of traditional marketing and pure entrepreneurship are opportunistic marketing/entrepreneurism and strategic marketing/ entrepreneurship. These two intermediate positions constitute the marketing/entrepreneurism interface.</p>

94-15	Woodside, A G, & Elstrott, J B CAUSE MAPPING OF STRATEGIC ACTION AND ORGANISATIONAL GROWTH IN ENTREPRENEURIAL BEHAVIOUR	
	<p>Entrepreneurial behaviour requires timely modifications in the mental models of entrepreneurs in response to environmental responses/non-responses to decisions/actions of the new enterprise. Woodside and Elstrott apply Axelrod's (1976) and Huffs (1990) approach to mapping strategic thought (cause mapping) to: (1) categorise how some entrepreneurs may respond to environmental feedback to their decisions and (2) assess the effectiveness of alternative responses in assisting organisational growth.</p> <p>Cause mapping is a form of content analysis that isolates the key assertions within a document, such as a detailed case research report; the content analysis includes proposing linkages of causality among signals, events, decisions, and activities. Cause mapping studies have produced many linkages of observations - insights - propositions, for example, such maps indicate that (1) both successful and unsuccessful firms quickly notice environment signals but (2) respond to these signals very differently.</p> <p>Cause mapping results indicate that leaders in failing firms fail to change their beliefs, focus, and ways of behaving during courses of protracted downward spirals, while leaders in firms able to adapt to new environments do make such transformations (cf. Barr et al. 1992, p34); the implication of these results to entrepreneurial strategy-making may be that leaders in new ventures may need to transform themselves and adopt new modes of strategy making (adaptive or planning rather than entrepreneurial) when their enterprises passes out of the start-up phase into growth, maturity, and renewal phases.</p>	
94-16	Shaw , B USER/SUPPLIER LINKS AND INNOVATIONS	
	<p>Investigates the links between users and suppliers that are vital to the effective management of the innovation chain.</p> <p>The effective management of the innovation chain ensures opportunities for sustained cost advantage and/or product differentiation thus creating the competitive advantage needed to fund continuous innovation, profitability and growth.</p>	<p>The research in the linking of users and suppliers in the innovation chain emphasises and reinforces Giglieranos (1987) findings that a company start-up strategy which consciously emphasises learning about customers is preferable to a strategy which initially focuses on other market activities.</p> <p>Based on the evidence from the 1987 research, Giglierano et al (1989) proposed that new products in which value chains included activities and linkages intended to maintain flexibility will perform better than those which have no such activities or linkages. Thus it appears that user-supplier linkage is essential not only for start up firms but for all firms especially those multinational firms.</p>

94-17	Giglierano, J J, & Kallis, M J TRACKING THE DEVELOPMENT OF NEW PRODUCT STRATEGY IN REAL TIME	
	<p>Have identified four approaches to developing marketing strategies for new products and have produced a series of observations on the nature of strategies for new products.</p> <p>INTRODUCTION</p> <p>The launch of new products can be considered entrepreneurial activity. Such activity exhibits proactiveness, innovativeness and risk-taking, which are generally accepted as defining characteristics of entrepreneurship (Morris and Paul 1987).</p> <p>Examination of new products is also an opportunity to examine the full range of marketing activity. As new products are introduced, they must be launched with a full-blown marketing program that involves targeting and positioning, communications and sales, management of channels of distribution, and pricing, as well as design and production of the products and services themselves. Thus new products are a good way to examine the interaction between marketing and entrepreneurship.</p> <p>The research reported here is an attempt to track the development of marketing strategies for new products as their development occurs.</p> <p>Concerning marketing strategy making approaches, this stream of research has identified four types of approaches (Giglierano and Kallis 1991):</p> <ol style="list-style-type: none"> 1. "over-the-wall" - very little learning about customers' needs and behaviour occurs prior to launch; 2. experimental - learning about customers' needs and behaviour is done prior to launch through extensive market research and perhaps market testing. 3. incremental - the firm has an established relationship with buyers in an existing market; customer learning is an ongoing process that occurs through extensive customer-firm contact and through formal market research; 4. exploratory - is an approach that attempts to get a product into a limited market quickly and obtain extensive customer feedback. 	<p>The most prominent of these higher order themes is the idea that firms tend to focus their innovatedness on the product portion of the strategy.</p> <p>The data collected in the post-hoc interviews in prior research have indicated that effort is minimised in developing communications, channel, strategy, and even in pricing.</p> <p>There are several reasons why this may occur. First is a limitation on the resources that can be brought to bear on a new product project. Given this limitation, the firm may focus as much energy as possible on getting the product right. With the pressure of time deadlines and the immediacy of needing to get the product right, there may be insufficient time or effort devoted to developing the other elements of the strategy.</p> <p>A second possible reason is the style of the entrepreneur or the culture of the firm.</p> <p>A strong technical or product oriented background may drive the areas that the team will focus on in their strategy development.</p> <p>A third possible reason, related to backgrounds, is the effectiveness of the implementation effort. If there is no prior expertise on the other marketing elements residing in the development team, the outcome may be less than satisfactory.</p> <p>Discussion</p> <p>At any one time, a firm may be innovative, proactive, and take risks in only one element of marketing. However, to perform well in the long run, it might be necessary for a firm to be innovative, proactive, and risk taking in all the elements of marketing - and in the other functions of the firm as well.</p>

94-19	<p>Coviello N, & Munro, H</p> <p>INTERNATIONAL MARKET DEVELOPMENT AND GROWTH OF ENTREPRENEURIAL FIRMS: A NETWORK PERSPECTIVE</p>
	<p>Johanson and Mattsson (1988) suggest that a firm's success in entering new international markets is more dependent on its relationships within current markets, both domestic and international, than on the specific chosen market and cultural characteristics. Firms can expand from domestic to international markets through existing relationships which offer contact and help develop new partners and positions in new markets. More specifically, the objective of this paper is to examine the impact of network relationships on the following: (1) international market development, and (2) marketing-related activities within international markets.</p> <p><i>RESULTS AND DISCUSSION</i></p> <p><i>Network Relationships Impact on International Market Development</i></p> <p>First of all, the four case companies reflected patterns of internationalisation which occurred fairly rapidly, and across a number of international markets. By linking themselves to extensive, established networks, the case firms were able to internationalise very quickly.</p> <p>The rapid growth resulted from the firms position in international networks, with major network partners providing the initial trigger to foreign market selection as well as the entry mode.</p> <p>The case studies also revealed that market performance, particularly in priority markets, contributed to network relationships being restructured with firms jockeying for control. Relationships which yielded unsatisfactory market development results were either terminated and replaced with new players, or the firm established its own sales/support office. Finally, as the firms became more successful internationally, they were wooed by major players in their industry areas, either network members or on the periphery.</p> <p>While network relationships enhanced the market development activities of all four case firms, they also placed constraints in terms of pursuing specific marketing opportunities and establishing relationships with others. These constraints and the associated fears of total dependence and domination by a major partner contributed to all four firms developing new products for diversified markets, and establishing support/service facilities.</p> <p>From the survey sample, 64 percent of the firms indicated their initial foreign market selection and entry mode was triggered by opportunities presented by contacts in a formal or informal network, rather than resulting from their own proactive identification process.</p> <p>When asked to report on key international linkages, 36 percent of the sample firms noted there was at least one network relationship critical to their current and/or future growth. Forty-four percent of the firms in the sample could also identify relationships which they deemed to be less successful. The major reasons offered for these negative sentiments included dealing with partners who were not committed enough or qualified to properly market the software, and/or partners who distorted marketing policies to serve their own interests.</p> <p><i>Network Relationships Impact on Marketing-Related Activities</i></p> <p>Given the often technical orientation of entrepreneurial high technology companies, it was expected that they would establish relationships with others to compensate for their limited marketing expertise and infrastructure. All four case firms focused on their core competence of software development and tended to leverage the marketing and distribution capabilities of their network partners to grow their businesses internationally. Marketing responsibility was largely in the control of their major partners. However, all three companies later began to develop their own marketing and service capabilities and to utilise them in a supportive capacity in priority markets.</p> <p>The findings suggest a desire to maintain control over new product development and modification decisions and activities, as well as market entry and pricing decisions and technical service. However, there seems to be more willingness to share promotion, sales, customer training, market research, and competitor tracking responsibilities with linkage partners</p>

94-20	McAuley, A INFORMATION ACQUISITION ACTIVITIES AND INTERNATIONALISATION .	
	<p>Concerned with identifying sources of information which exporters use and also with distinguishing those sources which they find most useful.</p> <p>Walters and Samiee (1990) found a planned information-based approach to overseas business to be an important correlate of export success.</p>	<p>DISCUSSION AND MODEL DEVELOPMENT</p> <p>Thus, on the basis of this work the key summary finding can be stated to be that regardless of size (whether measured by employment or overseas turnover), firms tend to utilise different providers based on the length of exporting experience which they have.</p> <p>The research revealed that the pattern of information usage varies with a number of characteristics , particularly employment size , overseas turnover and length of exporting experience .</p>
94-24	Chell, E PROFILING ENTREPRENEURIAL BEHAVIOUR: CROSS CULTURAL CONSIDERATIONS FOR THE DEVELOPMENT OF A RESEARCH AGENDA	
	<p>Argues that in order to develop and grow a business an entrepreneur must have not only an entrepreneurial profile, but competencies in both the marketing and the human resource management (HRM) aspects of managing the business.</p> <p>INTRODUCTION</p> <p>The question 'who is an entrepreneur?' has become enmeshed in controversy (Gartner 1989). However, the issue as defined is not simply about behaviour versus traits but about individualistic versus social interpretations of behaviour (Chell et al 1991).</p> <p>This rejection of the trait paradigm occurred in leadership theory and is now occurring in entrepreneurship research. The social construction theory of personality of Hampson (Hampson 1988) enables us to accumulate evidence of particular behaviours systematically and to arrive at an assessment of personality. It is not the intention in this paper to represent the methodology.</p> <p>THE ENTREPRENEURIAL PERSONALITY</p> <p>To test the model further a preliminary analysis of the biographies of three well known British entrepreneurs was undertaken. The entrepreneurs are Richard Branson (Virgin), Anita Roddick (Body Shop) and Alan Sugar (Amstrad).</p> <p>They either had supreme confidence in what they were doing or it did not seem to matter if they failed. They are all adventurous in spirit; daring, courageous, streetwise; in tune with the market they are attempting to satisfy. They are all good at selling their ideas (and themselves); they have all given their companies a high profile and they have been concerned with 'image'. Rapidity of change, development and success, does not seem to have bothered them. Indeed you could say they have thrived on change. They have all exhibited signs of restlessness, of the need to hold boredom in check by keeping things moving and through innovation and creative exploration of their business ideas and business philosophy.</p>	

CONCLUSIONS TO THE CASE STUDIES

Given the varied circumstances facing particular entrepreneurs other attributes may also come into play. For example, sheer determination and courage; high energy levels, intelligence applied to the business venture; and vision preceding the strategy for making the dream a reality. These case studies show that the entrepreneur is not a loner. It also shows that competencies or skills in the entrepreneur and distributed within the team are critical for growth and development of a successful business.

CULTURAL CONSIDERATIONS

A key research question is how well does the profile of entrepreneurial attributes travel?

The seminal work of Geert Hofstede on cultural relativities for management practice provides a useful starting point for the conceptual framework for the next stage of the research.

Hofstede (1980, 1983) has argued that it is deeply held values that both condition and determine national character differences; and that these values arise from a society's need to resolve four fundamental issues. They concern:

1. Individualism versus Collectivism;
2. Large or Small Power Distance;
3. Strong or Weak Uncertainty Avoidance; and,
4. Masculinity versus Femininity.

Power Distance is about inequalities in society and how that society resolves the fact that people are unequal. Hofstede found that many western countries combined a low Power-Distance with Individualism.

Uncertainty-Avoidance concerns how a society deals with the unknown.

Masculinity-Femininity concerns the issue of how societies resolve the division of roles between the sexes within society.

The essential point of taking culture into account is that in order to test for universality of micro-level behaviour it is important to carry out investigations in countries which fall into different culturally determined categories.

Entrepreneurship, or entrepreneurial behaviour as derived from personality, is of an individualistic nature, therefore could be expected to be culturally universal.

However, where cultures are predominantly collectivist in character it is expected that entrepreneurial behaviour will be attributed to the group organisation and not to any one individual. To be successful growth companies need to be managed appropriately; in terms of the human resource, strategic marketing, financial management.

Chell contends that although entrepreneurship in essence, is culturally universal, the practice is culturally specific which modifies its capacity to be culturally independent.

94-10	Pilcher, S, & Grant, G USING A SALES TRAINING AID TO BUILD A BUSINESS	
	<p>One of the elements behind any new business opportunity or venture is the ability to market the concept. The sales role within the marketing mix is critical to the success of marketing. This paper explores the belief that proper sales comprehension may play a significant part in the germination of a business/venture development. A Sales Comprehension test has been used as a major element in the growth of an Australian consultancy. In turn the test has been used with clients of the firm as an aid to the creation of new business for the clients. To date a number of organizational types and sizes representing a wide range of industries have been involved. The findings are encouraging from a qualitative aspect: the proposal is to formulate more quantitative research to test the proposition that effective selling is a critical element in the formulation of new business ventures.</p>	<p>The test has proven to date as a very aid in the development of the management consultancy Pilcher Partners and has been successful in aiding clients to build their own business opportunities. The sales element is seen as a critical element aspect marketing in development of new venture opportunities. There is no doubt that the entrepreneurial aspect of any business is dependent upon the match with the organization's resources to the market opportunities. This paper proposes that the sales comprehension test is a critical element in the success of any business. It is proposed that further research be done in the area of training of sales forces in the effective use of the themes of selling in the development of new businesses. There is an assertion that the sales aid can be very valuable in the development of any new business.</p>
94-11	Cadotte, E WHY USE BUSINESS SIMULATIONS IN ENTREPRENEURIAL TRAINING	
	<p>Discusses the use of business simulations in the context of classical Japanese writings and views on strategy particularly those of the great Samurai, Miyamoto Musashi. Discusses the principles laid down in his a <i>Way of Strategy - A Book of Five Rings</i>. . Uses interviews with Faculty staff and student experience to develop the case for requisite strategic skills and then considers their achievement through business games and simulations.</p>	<p>Students might look upon their participation in business as playing on a soccer team. In preparation for the season, the athlete can stay in shape by running and using weights. The athlete can also practice ball handling on the soccer field by running through obstacle courses and making corner kicks, heel passes and angle passes of increasing difficulty. However, there is a limit to the skill which can be achieved through individual exercise.</p>
94-18	Bygrave, W D THE S-CURVE'S ERRONEOUS ZONE: WHEN CHAOS REIGNS	
	<p>The S-curve which is one of the fundamental concepts of marketing, is examined for markets with different growth rates. At abnormally fast growth rates , often referred to as hypergrowth, the S-Curve displays behaviour so utterly unexpected that it seems erroneous to anyone not familiar with the science of chaos. These so-called erroneous zones are the chaotic regions of the mathematical functions that represent the S-curve. Several different S-Curve functions will be examined in their chaotic regions. Some intriguing graphical metaphors for markets are presented.</p>	<p>It is very doubtful that the "new golden age of mathematics" will provide the management sciences with mathematical models that can be verified with precise empirical data. Nonetheless, chaos theory provides us with useful metaphors for business. Even if it cannot provide us with precise equations, it helps us form and sharpen our philosophy and methodology.</p>

94-21	Bandyopadhyay, S, & Robicheaux, R A SUPPLIER-DEALER COMMUNICATIONS IN INDIA: DIFFERENCES IN PATTERNS EXPERIENCED BY NEW AND MORE ESTABLISHED DEALERS	
	<p>This paper reports findings of an empirical study of the communications patterns between suppliers and dealers in a channel of distribution in India. The focus is on how the suppliers' communication with relatively new dealers (five years or less in business) differs from that with relatively more established (more than five years in business) dealers. It was found that suppliers communicated more frequently with relatively newer dealers, and used a greater amount of direct influence strategies with them than they did with the more established dealers. Also, the relatively new dealers preferred to use personal contact on more occasions than the established dealers when they communicated with their suppliers.</p>	<p>This empirical study illustrated some significant differences between how suppliers in India communicate with relatively new and more established dealers. This understanding of the communication patterns used by current suppliers with new and old dealers in India is useful for several reasons, not least to help Western firms seeking expansion in this market to formulate effective communications strategies towards their local channel partners .</p>
94-22	Rose, J W ENTREPRENEURSHIP AND MARKETING DURING TRANSITION IN RUSSIA	
	<p>The transition to a market economy in Russia has resulted in an extremely turbulent business environment. Russian entrepreneurs are faced with extraordinary difficulties in establishing new ventures and in applying the principles of marketing. The drastic differences between Russia and the West provide a unique laboratory for examining issues related to the interaction of entrepreneurship and marketing. Drawing from 24 in-depth interviews with Russian entrepreneurs, this paper describes the challenges faced and the marketing practices of Russian entrepreneurs. As a market system develops in Russia further opportunities for comparative research on marketing practices by entrepreneurs will emerge.</p>	<p>Russian entrepreneurs in this study are energetic and resourceful and exemplify the characteristics of entrepreneurship - <i>creative opportunism in a risky and hostile environment</i>. Working in a less supportive , less structured and less established competitive environment, thus market strategy and placement seem relatively less important than simply obtaining the means to operate. Consideration of entrepreneurship in the context of the privatized/privatizing state enterprises.</p>

94-23	Glynn, K, & Davis, C H THE RELATION OF GENDER TO STUDENT PERCEPTIONS OF ENTREPRENEURIAL QUALITIES AND ABILITIES	
	<p>The issue of whether male and female entrepreneurs possess different qualities and/or abilities has been the focus of a number of research efforts. This research is part of the broader sociological gender research on the roles of males and females in and outside of business. Certain of the research contained in the literature to date uses perception data as a significant part of its analysis. Further, the literature suggests that prejudices and preconceived judgment about the capabilities of individuals on the basis of their gender affect the dynamics they exhibit in personal and group interactions. Therefore, the purpose of this research is to study the impact of gender roles and role expectations on students' perceptions of the qualities important for business success and the abilities to start and manage an entrepreneurial venture.</p> <p>The authors justify the use of a case study as the research instrument, and one that is clearly focused on the marketing-entrepreneurship interface. For one set of students the principal entrepreneur in the case was named and described as male, for the other set was named and described as female. Other than this gender adjustment both cases were exactly the same.</p>	<p>This study found there to be gender bias which the authors considered disturbing - the bias was both among men for men and against women; and, women for men, and too often, against women.</p> <p>The authors then suggest ways in which this stereotype can be redressed.</p>
94-25	Fitzgerald, P A, & Cochrane A SECOND-GUESSING WHO SHOULD BE ACCEPTED IN A SPECIFIC ENTREPRENEURIAL DEVELOPMENT PROGRAMME	
	<p>This paper outlines components of a particular program offered in Nova Scotia, Canada. Creating Enterprise for Women (CREW) was developed to meet the needs a business re-entry programme for women, sponsored by the Canadian Employment and Immigration Commission. Demand for the Programme has been very high with in excess of 10 applicants for each position in the Programme. The paper then outlines results of a survey covering successful and unsuccessful applicants to the Programme to determine if there were significant differences between the groups on some basic demographic data, in their attitudes toward their individual preparation for success as entrepreneurs, in their attitudes toward government policies, and in what they considered the best sources of help for entrepreneurs.</p>	<p>There were very few differences between successful applicants and unsuccessful applicants on either the demographic measures, respondent ratings of their preparation of business, their attitude toward government policies, or what they think the best sources of help exist for entrepreneurs. Participants had more confidence that they would be able to obtain financing for their small businesses and, in fact, their success rates were better here. This may be due to the strong emphasis on the development of skills in finance in the CREW Programme. Participants were also much more positive toward governmental practices and policies. This may be attributed to their interface with government groups as part of the CREW Programme. A great deal of support was given by participants both to the usefulness and relevance of this research and the CREW Programme itself.</p>

94-26	BenDaniel, D J, & Smidt, S AVOIDING PITFALLS IN MEASURING RATES OF RETURN	
	<p>Venture capitalists commonly employ the rate of return measure (internal rate of return) when doing financial analysis. The rate of return is a useful tool but it is capable of giving misleading results. This paper discusses three applications in which such pitfalls exist and the correct method of using the rate of return measure in each application. In the first application, the rate of return is used to compare mutually exclusive alternatives. An example is deciding whether to invest more in a particular venture or to cash out early or to wait for a later opportunity. A second application is to compute an expected rate of return for a risky project. The venture capitalist may examine several different scenarios, or may construct a full scale simulation. In either case there is a desire to summarize the many different possible outcomes of the project in a single representative rate of return. A third application is to measure the historical results of the venture capitalist's entire portfolio of projects. In all of these applications the rate of return measure can be a useful tool for analysis, but pitfalls exist. We identify the pitfalls and we also suggest a procedure for measuring business risks that avoid the limitations of the rate of return measure.</p>	<p>The rate of return method is widely used by venture capitalists to measure project returns and the distribution of rates of return is used to judge project specific risk. The rate of return is a flawed measure. An alternative with a higher rate of return is not necessarily better than an alternative with a lower rate of return, even if both have the same initial outlay. And the average rate of return from a simulation is a downward biased estimate of the rate of return from the expected cash flows. We suggest approaches for using the rate of return measure that reduces its drawbacks.</p> <p>In comparing mutually exclusive alternatives, we recommend focusing on the incremental cash flows. In evaluating simulations, we recommend the rate of return of the expected cash flows in place of the expected rate of return, which has a downward bias. In calculating the rate of return that was actually realized from a portfolio of ventures, we recommend basing the calculation on the total cash flows of the projects in the portfolio, rearranged as if all of them had started at the same time (even if they did not). And finally, in considering the risk of a project we recommend using selected fractiles from the distribution of NPVs for a large range of interest rates.</p>
94-27	Reynolds, P L ,& Day, J PRICING FOR SURVIVAL - CRISIS PRICING IN SMALL FIRMS AS A SURVIVAL STRATEGY: An Investigation of the United Kingdom Timber and Joinery Industry	
	<p>This paper adopts and modifies work by Scott / Bruce and Cooper to provide a conceptual 'life' schema for both start up and existing firms, particularly those that are growing. That part of the schema relevant to existing firms is validated by reference to the UK Timber and Joinery Industry, although it is hoped that it has a wider relevance. Having set out the general framework the authors concentrate particularly on 'crisis pricing'. Other key issues such as the true nature of entrepreneurship are raised but not developed., however these could be the basis for fruitful discussion.</p>	<p>The authors have extended and applied previous work to small firm growth and entrepreneurship and developed this in the context of the UK timber and joinery industry. It is hoped however that the ideas and techniques will have a much wider applicability. Links have been shown between the general work on small firms going through crisis points and the particular notion of crisis pricing. Measuring and capturing entrepreneurial capacity remains difficult and needs further work with particular emphasis on qualitative research.</p> <p>For a particular subset of our businesses the notion of a particular strategy that is adopted when customers are in short supply is validated. Some firms employ this as the best short term strategy available at the potential cost of business failure, others who are less astute employ it blindly.</p>

Ref.	Author 1	Author 2	Author 3	Author 4	Author 5
87-01	HILLS, G E				
87-02	WORTMAN JR., M S				
87-03	STASCH, S F	WARD, J L			
87-04	LaFORGE, R W	MILLER, S J			
87-05	GARDNER, D				
87-06	SEXTON, D L	BOWMAN-UPTON, N			
87-07	HUNT, K H				
87-08	IANNARELLI, C L				
87-09	BUSKIRK, R H				
87-10	GESSNER, G				
87-11	CRAWFORD, C M				
87-12	BOAG, D A				
87-13	SPITZER JR., D M				
87-14	ANDRUS, D D	NORVELL D, W	McINTYRE, P	MILNER, L	
87-15	TESAR, G				
87-16	THORELLI, HANS B				
87-17	CORT, S G				
87-18	VOZIKIS, G S	MESCON, T S			
87-19	KINSEY, J				
87-20	ENIS, B E				

87-21	TEACH, R D	TARPLEY JR., F A			
87-22	DENNIS JR., W J				
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87-24	BRANNEN, W H				
87-25	WEINRAUCH, J D				
89-01	HISRICH, R D				
89-02	CARDOZO, R N				
89-03	CRAVENS, D W	HILLS, G E			
89-04	KEEP, D W	WARDLOW, D L		OMURA, G S	
89-05	RUDELIUS, W	HARTLEY, S W		GOBELI, D H	
89-06	TEACH, R D	TARPLEY, F A			
Ref.	Author 1	Author 2	Author 3	Author 4	Author 5
89-07	KRAFT, F B	GOODELL, P W			
89-08	EGGE, K A	SIMER, F J			
89-09	WORTMAN,JR., M S	SPANN, M S		ADAMS, M	
89-10	MORRIS, M	DAVIS, D			
89-11	KEMP, P R				
89-12	LAZER, W	HARDIN, D K			
89-13	HUNT, H K	HUEFNER, J C	VOEGELE, C	ROBINSON, P B	
89-14	FILE, K M	JUDD, B B		MORIYA, F E	
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89-18	LaBARBERA, P A	ROSENBERG, S A	
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89-20	LUNSFORD, D A	LaFORGE, R W	MILLER, S J
89-21	GIGLIERANO, J	HAUGHEY, C	KALLIS, J
89-22	EVANS, K R	FELDMAN, H D	FOSTER, J
89-23	ROBICHEAUX, R	HUDSON, G I	
89-24	RICE JR., G H	McDANIEL S W	LINDECAMP, D P
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89-32	SPITZER, JR. ,D M	HILLS, G E	ALPAR, P
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89-37	GLEESON, W J	ROBINSON, R K			
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95-16	BLAWART, F	DOMINIAK, P	
95-17	HISRICH, R		
95-18	KIRCHLOFF, J	MINKUS-McKENNA, D	GALKIS, G
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95-21	MASTEN, J	BROWN, S	
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95-23	McAULEY, A		
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95-25	THACH, S	MILLER, A	
95-26	HANSEN, E	WITKOWSKI, T	
95-27	WEINRAUNCH, J D	STEPHENS, M	
95-28	LEVIE, J	HAY, M	
95-29	MORRIS, M	PITT, L	
95-30	SHIN, GEON-CHEON		
95-31	KNIGHT, R		
95-32	BRIGGS, M		
95-33	STASCH, S	ERICKSON, K	
95-34	ZINGER, J T	MOUNT, J	

95-35	ARDISHVILI, A	CARDOZO, R N
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95-36	MARTELLO, W	
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95-37	CARAYANNIS, E	
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95-38	REYNOLDS, P L	DAY, J
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95-39	SRIRAM, V	ANIKEEFF, M
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95-40	CROMIE, S	CARSON, D
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95-41	WACHOLTZ, L	SEXTON, D
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Ref.	Author 1	Generic Category	Title
87-01	HILLS, G E	INTRODUCTION & BASIC PERSPECTIVES	MARKETING & ENTREPRENEURSHIP RESEARCH ISSUES: SCHOLARLY JUSTIFICATION?
87-02	WORTMAN JR., M S	INTRODUCTION & BASIC PERSPECTIVES	CONCEPTUAL UNITY & RESEARCH PROSPECTS IN ENTREPRENEURSHIP & INTRAPRENEURSHIP
87-03	STASCH, S F	INTRODUCTION & BASIC PERSPECTIVES	SOME OBSERVATIONS & RESEARCH OPPORTUNITIES REGARDING MARKETING OF SMALLER BUSINESSES
87-04	LaFORGE, R W	INTRODUCTION & BASIC PERSPECTIVES	THE MODERATING EFFECT OF COMPANY SIZE ON BUSINESS LEVEL MARKETING STRATEGIES
87-05	GARDNER, D	INTRODUCTION & BASIC PERSPECTIVES	THE ROLE OF THE PRODUCT LIFE CYCLE & THE GROWTH OF NEW ENTERPRISE
87-06	SEXTON, D L	INTRODUCTION & BASIC PERSPECTIVES	A GROWTH MODEL OF THE FIRM BASED ON MARKET, OWNER & STRATEGIC FACTORS
87-07	HUNT, K H	INTRODUCTION & BASIC PERSPECTIVES	MARKETING & ENTREPRENEURSHIP
87-08	IANNARELLI, C L	INTRODUCTION & BASIC PERSPECTIVES	MARKETING IMPLEMENTATION STRATEGIES AMONG OWNER MANAGED SMALL FIRMS: A CONCEPTUAL MODEL OF DIFFERENCES
87-09	BUSKIRK, R H	INTRODUCTION & BASIC PERSPECTIVES	RESEARCH OPPORTUNITIES IN ENTREPRENEURIAL MARKETING
87-10	GESSNER, G	INTRODUCTION & BASIC PERSPECTIVES	MARKETING & ENTREPRENEURSHIP: NOW WE ARE WORKING WITH THE OWNERS!
87-11	CRAWFORD, C M	TECHNOLOGY & GROWTH FIRMS: RESEARCH ISSUES	AN INVENTOR PRODUCT IDEA EVALUATION SYSTEM: KNOWLEDGE, TESTING & DATABASE
87-12	BOAG, D A	TECHNOLOGY & GROWTH FIRMS: RESEARCH ISSUES	MARKETING CONTROL & PERFORMANCE IN THE TECHNOLOGY-BASED COMPANY

Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
87-01	USA	14	Chicago	USA	venture capitalists & 21 academic panelists
87-02	USA	n/a	n/a	USA	n/a
87-03	USA	n/a	n/a	USA	n/a
87-04	USA	183	national	USA	CEO or similar
87-05	USA	n/a	n/a	USA	n/a
87-06	USA	n/a	n/a	USA	n/a
87-07	USA	n/a	n/a	USA	n/a
87-08	USA	n/a	n/a	USA	n/a
87-09	USA	n/a	n/a	USA	n/a
87-10	USA	2	national	USA	founder
87-11	USA	n/a	n/a	USA	n/a
87-12	CANADA	20	national	Canada	marketing executives

Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
87-01	various	various	expert opinion & focus group	qualitative	contemporary
87-02	n/a	n/a	conceptual	qualitative	n/a
87-03	n/a	n/a	PIMS database, case study & business histories	qualitative	1983-1986 & 1926-1986
87-04	Manufacturing	20+ employees	mail questionnaire	statistical	contemporary
87-05	n/a	n/a	conceptual	qualitative	n/a
87-06	n/a	n/a	conceptual	qualitative	n/a
87-07	n/a	n/a	conceptual	qualitative	n/a
87-08	n/a	n/a	conceptual	qualitative	n/a
87-09	n/a	n/a	conceptual	qualitative	n/a
87-10	electronics and computing	small	case study & interview	qualitative	contemporary
87-11	n/a	n/a	conceptual	qualitative	conceptual
87-12	Electronic components & electronic instruments	15-130 employees	interviewing of convenience sample	qualitative	1985 - 3rd quarter

Ref.	Author 1	Generic Category	Title
87-13	SPITZER JR., D M	TECHNOLOGY & GROWTH FIRMS: RESEARCH ISSUES	MARKETING STRATEGIES FOR TECHNOLOGY TRANSFER: RESEARCH DIRECTIONS
87-14	ANDRUS, D D	TECHNOLOGY & GROWTH FIRMS: RESEARCH ISSUES	MARKET PLANNING IN INC. 500 COMPANIES
87-15	TESAR, G	TECHNOLOGY & GROWTH FIRMS: RESEARCH ISSUES	AN EXAMINATION OF PLANNING STRATEGIES AMONG SMALL & MEDIUM SIZED FIRMS
87-16	THORELLI, HANS B	INTERNATIONAL ISSUES & VIEWPOINTS	ENTREPRENEURSHIP IN INTERNATIONAL MARKETING: SOME RESEARCH OPPORTUNITIES
87-17	CORT, S G	INTERNATIONAL ISSUES & VIEWPOINTS	INTERNATIONAL MARKETING OPPORTUNITIES FOR ENTREPRENEURS THROUGH COUNTER-DISTRIBUTION
87-18	VOZIKIS, G S	INTERNATIONAL ISSUES & VIEWPOINTS	MARKETING & MANAGEMENT PROBLEMS OVER STAGES OF ORGANIZATIONAL & EXPORTING DEVELOPMENT
87-19	KINSEY, J	INTERNATIONAL ISSUES & VIEWPOINTS	THE MARKETING/ENTREPRENEURSHIP INTERFACE IN MANUFACTURING FIRMS IN SCOTLAND
87-20	ENIS, B E	MARKETING OPPORTUNITIES & FORECASTING FUTURE EVENTS	PRIVATIZATION OF GOVERNMENT SERVICES: NEW OPPORTUNITIES FOR ENTREPRENEURSHIP
87-21	TEACH, R D	MARKETING OPPORTUNITIES & FORECASTING FUTURE EVENTS	ENTREPRENEURIAL MARKETING MYOPIA: THE SOFTWARE CASE
87-22	DENNIS JR., W J	MARKETING OPPORTUNITIES & FORECASTING FUTURE EVENTS	SMALL RETAILER FORECASTS OF NEXT QUARTER SALES: HOW ACCURATE?
87-23	HOY, F	ADVANCING ENTREPRENEURSHIP IN THE MARKETING DISCIPLINE	ENTREPRENEURSHIP IN THE MANAGEMENT DISCIPLINE: COMING OF AGE
87-24	BRANNEN, W H	ADVANCING ENTREPRENEURSHIP IN THE MARKETING DISCIPLINE	TOWARDS THE DEVELOPMENT OF THE STUDY OF ENTREPRENEURIAL MARKETING
87-25	WEINRAUCH, J D	ADVANCING ENTREPRENEURSHIP IN THE MARKETING DISCIPLINE	INTEGRATION OF ENTREPRENEURSHIP WITH COLLEGIATE MARKETING EDUCATION

Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
87-13	USA	2	New Mexico	USA	owners
87-14	USA	128	national	USA	Executives & Senior Marketing Managers
87-15	USA	474 & 292	national	USA	owner or manager-entrepreneur
87-16	USA	n/a	n/a	n/a	n/a
87-17	USA	51	Northern Ohio	USA	top manager, founder or owner
87-18	USA	32	Georgia	USA	exporting firms
87-19	SCOTLAND	50	Glasgow, Edinburgh, Inverness, Aberdeen & Dundee	UK	urban based
87-20	USA	n/a	n/a	n/a	n/a
87-21	USA	250		USA	various
87-22	USA	600	national	USA	n/a
87-23	USA	n/a	n/a	n/a	n/a
87-24	USA	n/a	n/a	n/a	n/a
87-25	USA	n/a	n/a	n/a	n/a

Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
87-13	technology transfer public to private sector		case study	qualitative	contemporary
87-14	INC 500 companies	various	mail questionnaire	qualitative	1984
87-15	manufacturing	SMEs	mail questionnaire on the matched sample of the same firms	qualitative	1974 & 1984
87-16	n/a	n/a	literature review	qualitative	n/a
87-17	manufacturing 69%, rest service & distribution	various, firms 2 years to several decades old	personal interview	qualitative	1985 & 1986 - Springs of
87-18	clients of University of Georgia Small Business Development Centre	small	interpretation of consultants final case reports	qualitative	1977(May) to 1979(Oct.)
87-19	manufacturing	small	questionnaire - personally administered	qualitative	contemporary
87-20	n/a	n/a	conceptual	qualitative	n/a
87-21	software development firms	various	mail questionnaire & personal interview at 3 trade fairs	qualitative	1984 - 1985
87-22	retailers (NFIB database)	small	statistical analysis of secondary data(base)	qualitative	1974-1984
87-23	n/a	n/a	conceptual	qualitative	n/a
87-24	n/a	n/a	conceptual	qualitative	n/a
87-25	n/a	n/a	conceptual	qualitative	n/a

Ref.	Author 1	Generic Category	Title
89-01	HISRICH, R D	OVERVIEW & INSIGHTS	MARKETING AND ENTREPRENEURSHIP RESEARCH INTERFACE
89-02	CARDOZO, R N	OVERVIEW & INSIGHTS	DEVELOPMENTAL TRAJECTORIES OF NEW BUSINESSES
89-03	CRAVENS, D W	OVERVIEW & INSIGHTS	EXAMINING THE MARKETING STRATEGY/PERFORMANCE RELATIONSHIP FOR NEW ENTERPRISES
89-04	KEEP, D W	OVERVIEW & INSIGHTS	SURVIVABILITY OF ENTREPRENEURS AS A FUNCTION OF EVOLUTIONARY MARKET CHANGE & TASK COMPLEXITY
89-05	RUDELIUS, W	OVERVIEW & INSIGHTS	MANAGERIAL ACTIVITIES IN INDEPENDENT AND CORPORATE SPONSORED NEW VENTURES
89-06	TEACH, R D	OVERVIEW & INSIGHTS	ENTREPRENEURS & MARKETING; THE ALLOCATION OF TIME AMONGST BUSINESS ACTIVITIES
89-07	KRAFT, F B	OVERVIEW & INSIGHTS	MARKETING, MANAGEMENT & ENVIRONMENT PROBLEMS OF SMALL BUSINESS IN RELATION TO BUSINESS AGE
89-08	EGGE, K A	OVERVIEW & INSIGHTS	MARKETING EXPERIENCE AND NEW VENTURE SUCCESS AMONG ENTREPRENEURS: RESULTS IN THE TWIN CITIES
89-09	WORTMAN, Jr., M S	OVERVIEW & INSIGHTS	THE INTERFACE OF ENTREPRENEURSHIP & MARKETING: CONCEPTS & RESEARCH PERSPECTIVES
89-10	MORRIS, M	OVERVIEW & INSIGHTS	ATTITUDES TOWARD CORPORATE ENTREPRENEURSHIP: MARKETERS VERSUS NON MARKETERS
89-11	KEMP, P R	OVERVIEW & INSIGHTS	MARKETING ACTIVITIES OF HOME BASED ENTREPRENEURS
89-12	LAZER, W	OVERVIEW & INSIGHTS	ENCOURAGING ENTREPRENEURSHIP IN LDCs
89-13	HUNT, H K	OVERVIEW & INSIGHTS	THE ENTREPRENEURIAL CONSUMER
89-14	FILE, K M	OVERVIEW & INSIGHTS	MARKETING & SOCIAL ENTREPRENEURSHIP
89-15	BROCKHAUS, R	OVERVIEW & INSIGHTS	ENTREPRENEURIAL MYTHS: RESEARCH INSIGHTS
89-16	LONG, W A	MARKET OPPORTUNITIES & RESEARCH	OPPORTUNITY IDENTIFICATION PROCESS: REVISITED
89-17	FORD, A	MARKET OPPORTUNITIES & RESEARCH	AN INVESTIGATION INTO THE IDENTIFICATION OF ENTREPRENEURIAL OPPORTUNITIES
89-18	LaBARBERA, P A	MARKET OPPORTUNITIES & RESEARCH	MARKETING RESEARCH AND SMALL ENTREPRENEURIAL ENTERPRISES
89-19	FARQUHAR, P H	STRATEGIES & DECISIONS	COMPETITIVE STRATEGIES IN THE RACE TO GET PRODUCTS TO MARKET
89-20	LUNSFORD, D A	STRATEGIES & DECISIONS	CORPORATE MARKETING STRATEGIES IN EMERGING, GROWTH-ORIENTATED FIRMS: AN INITIAL INVESTIGATION
89-21	GIGLIERANO, J	STRATEGIES & DECISIONS	RESEARCH ON NEW PRODUCT STRATEGY: IMPLICATIONS FROM RESEARCH ON COMPETITIVE STRATEGIES IN NEW FIRMS
89-22	EVANS, K R	STRATEGIES & DECISIONS	AN EMPIRICAL INVESTIGATION OF SMALL BUSINESS SELECTION OF MOTOR CARRIER SERVICE

Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
89-01	USA	n/a	n/a	n/a	n/a
89-02	USA	n/a	n/a	n/a	n/a
89-03	USA	n/a	n/a	n/a	n/a
89-04	USA	n/a	n/a	n/a	n/a
89-05	USA	14	Pennsylvania, Illinois, Minnesota, Massachusetts	USA	entrepreneurs and clients
89-06	USA	165	national	USA	Presidents
89-07	USA	750	Kansas	USA	owner/managers, 78% initial founders
89-08	USA	150	Twin Cities	USA	founders, officers and partners in venture capital firms
89-09	USA	n/a	n/a	n/a	n/a
89-10	USA	75	Central Florida	USA	functional managers
89-11	USA	154	national	USA	owners
89-12	USA	n/a	n/a	n/a	n/a
89-13	USA	95	Brigham Young University	USA	undergraduate students
89-14	USA	232	national	USA	Stores from Yellow Pages Directories
89-15	USA	n/a	n/a	USA	n/a
89-16	CAN	18	local	Canada	growth orientated entrepreneurs
89-17	USA	26	Georgia	USA	secondary data - retail sales
89-18	USA	3		USA	in receipt of student counseling from University SB Programme
89-19	USA	n/a	n/a	USA	n/a
89-20	USA	41	national	USA	high growth, less than ten years old
89-21	USA	n/a	n/a	USA	n/a
89-22	USA	54	local		in or close to urban areas

Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
89-01	n/a	n/a	citation & journal analysis	qualitative	n/a
89-02	n/a	n/a	conceptual	qualitative	n/a
89-03	n/a	n/a	conceptual	qualitative	n/a
89-04	n/a	n/a	conceptual	qualitative	n/a
89-05	technical	small	personal interview	qualitative	contemporary
89-06	software companies	1 to 10 \$m turnover	self completion questionnaires	qualitative	1987
89-07	various	primarily small	interviews, focus groups, mail	qualitative	contemporary
89-08	various	small primarily by turnover	questionnaire	qualitative	1984 -1986
89-09	n/a	n/a	citation & journal analysis	qualitative	n/a
89-10	5 companies in 5 industries	medium & large, greater than 100 employees	questionnaire - self reported	qualitative	1986 - March and April
89-11	home based businesses	most under \$50,000 turnover	mail and original focus group	qualitative	contemporary
89-12	n/a	n/a	literature & citation	qualitative	n/a
89-13	consumers as entrepreneurs	n/a	Case study & entrepreneurship orientation scale	qualitative	contemporary
89-14	Natural & Health Food Stores & Independent Retailers	Retail Stores - independent grocery & health food stores	questionnaire mail	qualitative	contemporary
89-15	n/a	n/a	citation and literature review	qualitative	n/a
89-16	pre and post start up	various	personal interview	qualitative	contemporary
89-17	retail categories	various	statistical analysis	qualitative	contemporary
89-18	service	small, start-up, young, growth scenarios	case study	qualitative	contemporary
89-19	n/a	n/a	citation and literature review	qualitative	n/a
89-20	manufacturing - Disclosure database	various	secondary data analysis	qualitative	1988
89-21	n/a	n/a	citation and literature review	qualitative	n/a
89-22	manufacturing firms in three SIC segments	10 to 200 employees	personal interview	qualitative	contemporary

Ref.	Author 1	Generic Category	Title
89-23	ROBICHEAUX, R	RETAILING	AUTONOMOUS STRATEGIC BEHAVIOUR AMONG RETAIL BUYERS: A STUDY OF INTER-ORGANISATIONAL ENTREPRENEURSHIP
89-24	RICE JR., G H	RETAILING	PERSONAL VALUES OF SMALL RETAILERS
89-25	KOSNIK, T J	TECHNOLOGY & INNOVATION	HIGH-TECH VS. LOW-TECH MARKETING: WHAT'S THE DIFFERENCE?
89-26	MERZ, G R	TECHNOLOGY & INNOVATION	RESOURCE RELATED DEPENDENCIES, MARKETING STRATEGY AND PERFORMANCE IN SMALL TECHNOLOGY-BASED FIRMS: AN EMPIRICAL EVALUATION
89-27	KNIGHT, R	TECHNOLOGY & INNOVATION	TECHNOLOGICAL INNOVATION IN CANADA: A COMPARISON OF INDEPENDENT ENTREPRENEURS AND CORPORATE INNOVATORS
89-28	DAVIS, C H	TECHNOLOGY & INNOVATION	ASSESSING THE MARKETING COMPETENCY DEMONSTRATED IN BUSINESS PLANS OF TECHNOLOGICAL ENTREPRENEURS
89-29	DORF, R C	TECHNOLOGY & INNOVATION	NEW VENTURE MECHANISMS FOR FEDERAL LABORATORIES
89-30	BUSHMAN, F A	TECHNOLOGY & INNOVATION	EFFECTS OF FIRM SIZE AND AGE OF FIRM ON CORPORATE CULTURE AS EXPERIENCED BY INNOVATORS IN HIGH TECH MARKETING FIRMS
89-31	RAM, S	TECHNOLOGY & INNOVATION	MARKETING BARRIERS TO INNOVATIONS: THE CASE OF THE ENTREPRENEUR
89-32	SPITZER, JR. ,D M	TECHNOLOGY & INNOVATION	MARKETING PLANNING AND RESEARCH AMONG HIGH TECHNOLOGY ENTREPRENEURS
89-33	CAVUSGIL, S T	RESEARCH SUMMARIES	ASSESSMENT OF ENTREPRENEUR READINESS TO EXPORT
89-34	COHEN, W A	RESEARCH SUMMARIES	PROBLEMS IN SMALL BUSINESS MARKETING AS PERCEIVED BY OWNERS
89-35	GARTNER, W B	RESEARCH SUMMARIES	AN EXPLORATION OF THE METHODS USED BY NEW FIRMS TO ESTIMATE FUTURE SALES: AN UPDATE
89-36	GESSNER, G	RESEARCH SUMMARIES	MARKETING AND NEW TECHNOLOGY COMPANIES: NEW AREAS OF MARKETING INTERFACE
89-37	GLEESON, W J	RESEARCH SUMMARIES	"MARKETING: BOOSTER OR BRAKE FOR ENTREPRENEURS" A RESEARCH PROPOSAL IN THE TOPIC OF THE MARKETING/ENTREPRENEURSHIP INTERFACE
89-38	HOFFMAN, D B	RESEARCH SUMMARIES	THE COMPUTER GRAPHICS INDUSTRY: AN ENTREPRENEURIAL FAST TRACK
89-39	KLASSEN, M L	RESEARCH SUMMARIES	THE ENTREPRENEURSHIP/BANK INTERFACE: MARKETING IMPLICATIONS FOR LENDERS AND BORROWERS
89-40	KRAMER, H E	RESEARCH SUMMARIES	SOURCES AND PROCEDURES OF GENERATING ENTREPRENEURIAL IDEAS: A TAXONOMY OF RESEARCH OPPORTUNITIES
89-41	KRUEGER JR., N	RESEARCH SUMMARIES	ANTECEDENTS OF OPPORTUNITY RECOGNITION: THE ROLE OF PERCEIVED SELF-EFFICACY
89-42	MYERS, M	RESEARCH SUMMARIES	DE-MYTHOLOGISING RISK: ENTREPRENEURSHIP AND THE MARKETING CURRICULUM
89-43	PRESHING, W A	RESEARCH SUMMARIES	LACK OF MARKETING STRATEGY IN HIGH TECHNOLOGY VENTURES
89-44	TOTTEN, J W	RESEARCH SUMMARIES	DIFFERENCES IN NUMBERS OF NEW PRODUCT IDEAS AND SUCCESSES BY SELECT CHARACTERISTICS OF FIRMS

Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
89-23	USA	236	national	USA	buyers and divisional merchandise managers
89-24	USA	103	Natchez, Mississippi-Vadalia & Louisiana trading area	USA	white owner managers
89-25	USA	n/a	n/a	USA	n/a
89-26	USA	121	national	USA	technology based
89-27	CAN	224	national	Canada	independent entrepreneurs (124) & corporate entrepreneurs (100)
89-28	USA	9	mid western city	USA	firms in state supported incubator
89-29	USA	5	national	USA	technology transfer from federal laboratories to entrepreneurs
89-30	USA	102	Silicon Valley	USA	new product marketing & R&D Managers
89-31	USA	n/a	n/a	USA	n/a
89-32	USA	576		USA	senior executives, mainly owner managers or founders or co-founders
89-33	USA	n/a	n/a	USA	n/a
89-34	USA	120	Southern California	USA	small business consulting engagements over 28 months by University SB Institute
89-35	USA	n/a		USA	new startups
89-36	USA	n/a		USA	
89-37	USA	n/a		USA	
89-38	USA	169	national	USA	President or Marketing Manager
89-39	USA	52	Mid West	USA	Lenders (21) and Borrowers (31)
89-40	USA	132	Four states	USA	114 entrepreneurs & 18 intrapreneurs - intent on growing the business
89-41	USA	n/a	n/a	USA	n/a
89-42	USA	n/a	n/a	USA	n/a
89-43	CAN	10	Alberta	Canada	new start up businesses
89-44	USA	193	Wisconsin Fox River Valley	USA	all businesses & all industries & services

Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
89-23	retail stores	80 largest department store chains	mail questionnaire	qualitative	contemporary
89-24	retail stores, male owner managers, non chain store owned	small	personal interview	qualitative	contemporary
89-25	n/a	n/a	citation and literature review	qualitative	n/a
89-26	SIC 3823	small as evidenced by large population & low concentration	mail & telephone	qualitative	contemporary
89-27	advanced technology	various	telephone & personal interview	qualitative	contemporary
89-28	technology based	small	business plans reviewed	qualitative	contemporary
89-29	technology transfer		interviews & questionnaires	qualitative	contemporary
89-30	high tech industries	various	personal interview & debrief	qualitative	contemporary
89-31			conceptual	qualitative	n/a
89-32	high tech companies, CorpTech database	various	mail survey	qualitative	n/a
89-33	n/a	n/a	conceptual	qualitative	contemporary
89-34	majority in service & manufacturing (75%)	small	analysis of client case reports	qualitative	contemporary
89-35	computer software	various	in depth interviews	qualitative	contemporary
89-36			conceptual	qualitative	n/a
89-37			conceptual	qualitative	n/a
89-38	as listed in Computer Graphics World Directory	maximum 100 employees , most SMEs less than 15 years old	postal questionnaire	qualitative	1987
89-39	various - small founders seeking start up capital & bank lenders	small	questionnaire - personally administered	qualitative	contemporary
89-40	various	various	personal interview (67), telephone interview (53), mail out (12)	qualitative	1986-1989
89-41	n/a	n/a	n/a	qualitative	n/a
89-42	n/a	n/a	n/a	qualitative	n/a
89-43	various	small	case study	qualitative	1984-1989
89-44	all businesses & all industries & services	various	mail questionnaire	qualitative	1987 - August

Ref.	Author 1	Generic Category	Title
90-01	LUNSFORD, D A	THE BUSINESS LIFE CYCLE AND MARKETING	DIFFERENCES IN PRODUCT DIVERSIFICATION STRATEGY ACROSS THE BUSINESS LIFE CYCLE
90-02	TEACH, R D	THE BUSINESS LIFE CYCLE AND MARKETING	FIRM MATURATION AND MARKETING CHANGES IN THE COMPUTER SOFTWARE INDUSTRY
90-03	JONIAK, A J	THE BUSINESS LIFE CYCLE AND MARKETING	AN EMPIRICAL STUDY OF BUSINESS/MARKETING NEEDS OF PLANNED BUSINESSES, NEW BUSINESSES AND EXISTING BUSINESSES IN WESTERN NEW YORK
90-04	FISCHER, E M	THE BUSINESS LIFE CYCLE AND MARKETING	THE CRITICAL INCIDENT APPROACH TO INVESTIGATING THE TACIT MARKETING KNOWLEDGE OF ENTREPRENEURIAL MANUFACTURERS
90-05	WINFREY, F L	THE BUSINESS LIFE CYCLE AND MARKETING	PERCEIVED FUNCTIONAL AREA IMPORTANCE AND THE PRODUCT LIFE CYCLE IN MANUFACTURING FIRMS
90-06	LORRAIN, J	THE BUSINESS LIFE CYCLE AND MARKETING	TYPES OF ENTREPRENEURS AND BEHAVIORS: THE CASE OF NEWLY BORN FIRMS
90-07	ANWAR, S T	THE BUSINESS LIFE CYCLE AND MARKETING	ENTREPRENEURIAL LIFE CYCLE (ELC): ABILITIES, CHARACTERISTICS AND ANXIETIES
90-08	RAM, S	ENTREPRENEURSHIP AND MARKETING MANAGEMENT	MARKETING VARIABLES THAT AFFECT ENTREPRENEURIAL SUCCESS: AN EMPIRICAL INVESTIGATION
90-09	BROWN, R B	ENTREPRENEURSHIP AND MARKETING MANAGEMENT	THE ROLE OF INTER-ORGANISATIONAL RELATIONSHIPS IN ENTREPRENEURIAL SUCCESS
90-10	WEINRAUCH, D J	ENTREPRENEURSHIP AND MARKETING MANAGEMENT	AN EXPLORATORY SURVEY OF LOW COST MARKETING STRATEGIES & TECHNIQUES AMONG SELECTED SMALL BUSINESS OWNERS: RESEARCH OPPORTUNITIES & IMPLICATIONS
90-11	KEMP, P R	ENTREPRENEURSHIP AND MARKETING MANAGEMENT	DIFFERENCES IN HOME BASED ENTREPRENEURS' MARKETING STRATEGIES BASED ON THE SERVICE/PRODUCT CONTINUUM
90-12	OLM, K W	ENTREPRENEURSHIP AND MARKETING MANAGEMENT	PRESCRIPTION FOR TROUBLE IN HI-TECH ENTREPRENEURSHIP
90-13	MERTZ, G R	INNOVATION, PRODUCTS & ORGANIZATION SIZE/MATURITY	CORRELATES OF INNOVATIVENESS IN SMALL ENTREPRENEURIAL FIRMS

Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
90-01	USA	84	national	USA	product diversifiers
90-02	USA	152	national	USA	Presidents and other officers who were founders
90-03	USA	435	Western New York	USA	Clients of Small Business Development Centre
90-04	CAN	12	Southern Ontario	Canada	3 to 20 years old
90-05	USA	69	Midwest - Great Lakes region	USA	Presidents of firms
90-06	CAN	70	Quebec	Canada	41 craftsman entrepreneur start ups & 29 opportunistic entrepreneurial start ups
90-07	USA	conceptual	n/a	n/a	n/a
90-08	USA	20		USA	Founders with title of CEO/President, participated in University Entrepreneurship Program
90-09	USA	54	Eastern USA and California	USA	owners
90-10	USA	99	Middle Tennessee area	USA	small business owners & managers
90-11	USA	150	mid western city for focus group & national for developed research instrument	USA	owners
90-12	USA	1	unknown	USA	CEO
90-13	USA	170	Michigan	USA	CEOs or Presidents

Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
90-01	various	various	statistical analysis of secondary data	qualitative	contemporary
90-02	Software Development	median age 8 years	questionnaire - annual survey	qualitative	1988
90-03	mainly service (54%) but across all categories	small	evaluation of counsellor reports and other details on file	qualitative	1988
90-04	entrepreneurial manufacturers	6 to 180 employees	personal interviews - critical incidence technique	qualitative	contemporary
90-05	Manufacturing	greater than 20 full time employees & 1987 gross sales revenue greater than \$1m	mail questionnaire	qualitative	contemporary
90-06	Manufacturing businesses	small	personal interviews	qualitative	contemporary
90-07	n/a	n/a	n/a	qualitative	n/a
90-08	participants as students or role models in university entrepreneurship program	different stages of life cycle, wide variation in size	telephone interview	qualitative	contemporary
90-09	wineries - independently owned	various	structured interviews	qualitative	
90-10	Retailers (52), service (22), manufacturers (2), rest not stated	small, in operation average 12 years, mean annual sales c.\$2m, mean employees 17	questionnaire	qualitative	1989 - December to January
90-11	home based enterprises	various	focus group and postal questionnaire	qualitative	contemporary
90-12	Software - CD ROM and Laser Disc, moderately high technology	turnover less than \$500,000	case study	qualitative	1989-1990
90-13	sectors exhibiting net gain in employment - manufacturing, construction, wholesaling and business services	10 to 499 employees, greater than \$500,000 turnover. average sales \$6.7m, average employees 29, average age 26 years	telephone interview	qualitative	1988

Ref.	Author 1	Generic Category	Title
90-14	MORRIS, M H	INNOVATION, PRODUCTS & ORGANIZATION SIZE/MATURITY	THE ROLE OF ENTREPRENEURSHIP IN SALES MANAGEMENT
90-15	TOWER, C B	INNOVATION, PRODUCTS & ORGANIZATION SIZE/MATURITY	RELATIONSHIPS BETWEEN ORGANIZATIONAL VARIABLES AND INNOVATION IN SMALL BUSINESSES
90-16	GIGLIERANO, J J	INNOVATION, PRODUCTS & ORGANIZATION SIZE/MATURITY	CRITICAL ISSUES IN LAUNCHING THE SECOND PRODUCT
90-17	HUNT, H K	PERSPECTIVES ON MARKETING AND ENTREPRENEURSHIP	THE ENTREPRENEURIAL CONSUMER: ADDITIONAL INSIGHTS
90-18	AUSTIN, A L	PERSPECTIVES ON MARKETING AND ENTREPRENEURSHIP	ENTREPRENEURSHIP IN AMERICAN EXPORT TRADING COMPANIES
90-19	GOODELL, P W	PERSPECTIVES ON MARKETING AND ENTREPRENEURSHIP	MARKETING EDUCATIONAL ASSISTANCE TO ENTREPRENEURS AND SMALL BUSINESS OWNERS
90-20	REILLY, M D	PERSPECTIVES ON MARKETING AND ENTREPRENEURSHIP	MARKETING ASSISTANCE NEEDS OF RURAL ENTREPRENEURS: COMPARISON OF PROFESSIONALS AND ENTREPRENEURS
90-21	KLASSEN, M L	PERSPECTIVES ON MARKETING AND ENTREPRENEURSHIP	EXPLORING THE MARKET FEASIBILITY OF A BROAD -BASED VENTURE CAPITAL POOL
90-22	GEISER, E	PERSPECTIVES ON MARKETING AND ENTREPRENEURSHIP	MARKETING OF TECHNOLOGY: RESEARCHERS AS ENTREPRENEURS IN UNIVERSITY-INDUSTRY COOPERATIVE RESEARCH
90-23	MOHAN-NEILL, S	PERSPECTIVES ON MARKETING AND ENTREPRENEURSHIP	STRATEGIC AMOEBOID MODEL FOR ENTREPRENEURSHIP: A THEORETICAL FRAMEWORK FOR ENTREPRENEURSHIP
90-24	STASCH, S F	THE DOMAIN: RESEARCH ISSUES FROM DISCUSSION SESSIONS	IDENTIFYING AND EVALUATING NEW-VENTURE IDEAS: WHAT WE KNOW AND DON'T KNOW
90-25	HISRICH, R D	THE DOMAIN: RESEARCH ISSUES FROM DISCUSSION SESSIONS	TOWARDS A CONTINGENCY THEORY OF PRODUCT/SERVICE DEVELOPMENT IN NEW/GROWING FIRMS
90-26	HUNT, H K	THE DOMAIN: RESEARCH ISSUES FROM DISCUSSION SESSIONS	PROMOTION IN NEW/GROWING ENTERPRISES: A DISCUSSION SUMMARY
90-27	TEACH, R	THE DOMAIN: RESEARCH ISSUES FROM DISCUSSION SESSIONS	ENTREPRENEURSHIP AND MARKETING: THE PRICING AND DISTRIBUTION LINK TO SUCCESS

Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
90-14	USA	114	Indiana	USA	Senior Sales Managers
90-15	USA	25	Wisconsin	USA	senior, middle rank managers & first level employees
90-16	USA	8	California	USA	founders or marketing managers
90-17	USA	95	Brigham Young University	USA	undergraduate students
90-18	USA	97	national	USA	export trading companies
90-19	USA	750	Kansas	USA	small business owners
90-20	USA	132	Montana	USA	Entrepreneurs (86) and Professionals (46)
90-21	USA	60	Midwest Metropolitan area	USA	individuals intercepted in a large shopping mall
90-22	USA	20	national	USA	Directors of
90-23	USA	conceptual	n/a	USA	n/a
90-24	USA	n/a	n/a	USA	Workshop participants
90-25	USA	n/a	n/a	USA	n/a
90-26	USA	n/a	n/a	USA	Workshop participants
90-27	USA	n/a	n/a	USA	Workshop participants

Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
90-14	Industrial firms - Cross section	at least 100 employees so as to capture professionally managed firms	questionnaire - mailed	qualitative	contemporary
90-15	Service (12), Manufacturing (13)	less than 200 employees	questionnaires either mailed or personally administered	qualitative	contemporary
90-16	technical - computing hardware, software, electronics	6 less than four years old & 2 over 5 years	in depth interviews (exploratory stage)	qualitative	contemporary
90-17	consumers as entrepreneurs	n/a	case study & entrepreneurship orientation scale	qualitative	contemporary
90-18	exporting firms	less than 6 and over 6 years old	mailed questionnaire	qualitative	1988 & some earlier and later entrants
90-19	various small businesses and professional advisors	small	questionnaire - mail	qualitative	1987 - Fall
90-20	inventors, entrepreneurs, agricultural and technical researchers and economic development & Chamber of Commerce personnel	various	questionnaire - mail, some telephone follow up	qualitative	contemporary
90-21	private citizens	n/a	personal interview	qualitative	contemporary
90-22	Industry- university co-operative research centres	n/a	questionnaire followed up by some personal interviews to triangulate data	qualitative	contemporary
90-23	n/a	n/a	n/a	qualitative	n/a
90-24	n/a	n/a	Workshop Discussion Group	qualitative	1989
90-25	n/a	n/a		qualitative	1989
90-26	n/a	n/a	Workshop Discussion Group	qualitative	1989
90-27	n/a	n/a	Workshop Discussion Group	qualitative	1989

Ref.	Author 1	Generic Category	Title
91-01	GARDNER, D	ENTREPRENEURSHIP PERSPECTIVES	EXPLORING THE MARKETING/ENTREPRENEURSHIP INTERFACE
91-02	MORRIS, M H	ENTREPRENEURSHIP PERSPECTIVES	DIAGNOSING THE ENTREPRENEURIAL ORIENTATION OF COLLEGE STUDENTS: IMPLICATIONS AND MEASUREMENTS ISSUES
91-03	BRADACH, J	ENTREPRENEURSHIP PERSPECTIVES	FRANCHISEE OR INDEPENDENT BUSINESSPERSON: SOME OBSERVATIONS ON THE DECISION PROCESS
91-04	EGGE, K A	ENTREPRENEURSHIP PERSPECTIVES	VENTURE CAPITALISTS ON ENTREPRENEURS' MARKETING EXPERTISE AND NEW VENTURE SUCCESS
91-05	THOMPSON, P	ENTREPRENEURSHIP PERSPECTIVES	RELATIONSHIPS BETWEEN SMALL BUSINESS CONFIDENCE AND ECONOMIC PERFORMANCE
91-06	GARTNER, W B	ENTREPRENEURSHIP PERSPECTIVES	REASONS FOR STARTING A BUSINESS: NOT-SO-SIMPLE ANSWERS TO SIMPLE QUESTIONS
91-07	TIMMONS, J C	ENTREPRENEURSHIP PERSPECTIVES	OPPORTUNITY RECOGNITION AND EVALUATION: THE ANALYTICALLY PERPLEXING CORE OF ENTREPRENEURSHIP
91-08	DAVIS, C H	ENTREPRENEURSHIP PERSPECTIVES	WHAT ENTREPRENEURS NEED TO KNOW: ARE WE RESEARCHING IT?
91-09	BARTON, L	ENTREPRENEURSHIP PERSPECTIVES	THE INDIVIDUAL ENTREPRENEUR: A CASE STUDY IN INVESTMENT DECISION MAKING IN THE REAL ESTATE AND ENERGY INDUSTRIES
91-10	SHIMANSKI, J M	STRATEGIC PERSPECTIVES	EVOLUTION OF COMPETITIVE STRATEGY IN NEW FIRMS
91-11	GIGLIERANO, J J	STRATEGIC PERSPECTIVES	MARKETING STRATEGY DEVELOPMENT IN NEW PRODUCTS

Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
91-01	USA	Conceptual	n/a	USA	n/a
91-02	USA	301	Orlando, Florida	USA	undergraduate students
91-03	USA	1418	unknown	USA	franchisees, potential
91-04	USA	105	national	USA	officers
91-05	CAN	2000	national	Canada	CFIB Small Business Panel Survey participants
91-06	USA	34	Houston	USA	SBDC Clients
91-07	USA	n/a	n/a	USA	n/a
91-08	USA	163	n/a	USA	n/a
91-09	USA	1	Texas	USA	owner
91-10	USA	551	Minnesota	USA	new independently owned firms founded between 1979 &1982
91-11	USA	28	California	USA	marketing managers & company founders

Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
91-01	n/a	n/a	n/a	qualitative	n/a
91-02	education	n/a	questionnaire - self completed	qualitative	contemporary
91-03	various	n/a	questionnaire	qualitative	contemporary
91-04	venture capital firm	n/a	questionnaire - mailed	qualitative	1988 - December
91-05	various	50 employees or less mostly	questionnaire - mail	qualitative	contemporary
91-06	start ups - potential	small	questionnaire & psychometric testing	qualitative	1990 - Summer
91-07	n/a	n/a	n/a	qualitative	n/a
91-08	Compared INC to JSBM & ETP	n/a	content analysis	qualitative	1985-1989
91-09	investment and real estate	\$450 net worth	personal interview of subject & associates	qualitative	contemporary
91-10	all industry sectors	n/a	questionnaire	qualitative	1979 to 1988
91-11	technical companies - sample as before	\$500,00 to \$10bn annual sales, 3 to over 20 years since founded	in depth interviews	qualitative	1989- ongoing

Ref.	Author 1	Generic Category	Title
91-12	MERZ, G R	STRATEGIC PERSPECTIVES	THE EFFECTS OF STRATEGY CHOICE & PERCEIVED ENVIRONMENTAL SITUATION ON MANAGERIAL STRUCTURE IN SMALL ESTABLISHED FIRMS: IMPLICATIONS FOR MARKETING & CONTINUED ENTREPRENEURSHIP
91-13	MORRIS, L J	STRATEGIC PERSPECTIVES	ENTREPRENEURSHIP RESEARCH: METHODOLOGICAL ISSUES IN MARKETING STRATEGY STUDIES
91-14	SASHI, C M	STRATEGIC PERSPECTIVES	ENTREPRENEURSHIP, MARKETING STRATEGY, AND INNOVATION
91-15	WOODRUFF, R B	STRATEGIC PERSPECTIVES	ANALYZING MARKET OPPORTUNITIES FOR NEW VENTURES
91-16	VIKOREN, B M	STRATEGIC PERSPECTIVES	THE MARKETING ORIENTATED SMALL FIRM: THE PHILOSOPHY OF CONSUMER ORIENTATION USED AS A PERSPECTIVE FOR UNDERSTANDING THE SUSTAINMENT OF SMALL FIRMS AS MAJOR JOB GENERATORS IN SOCIETY
91-17	CHURCHILL, N C	STRATEGIC PERSPECTIVES	ANIMALENS INC. THE PIONEERING OF NEW PRODUCT AND PROCESS
91-18	HANKS, S H	STRATEGIC PERSPECTIVES	TOWARDS A CONFIGURATIONAL TAXONOMY OF THE ORGANIZATION LIFE CYCLE
91-19	LAZER, W	INTERNATIONAL PERSPECTIVES	ENTREPRENEURSHIP IN LDCs: PERSPECTIVES AND EXPERIENCES
91-20	SAPIENZA, H J	INTERNATIONAL PERSPECTIVES	DIFFERENCES IN EXPORT MARKETING ACTIVITIES AND PERFORMANCE IN SMALLER, NEWER VS. LARGER, OLDER DOMESTIC FIRMS
91-21	ELLIS, D S	INTERNATIONAL PERSPECTIVES	THE ROLE OF MARKETING IN THE SURVIVAL OF SMALL INDUSTRIAL FIRMS IN A DEVELOPING REGION
91-22	HUEFNER, J C	BUYER BEHAVIOR PERSPECTIVES	CROSS-VALIDATION OF THE ENTREPRENEURIAL CONSUMER
91-23	FILE, K M	BUYER BEHAVIOUR PERSPECTIVES	BUYER BEHAVIOUR IN THE FAMILY BUSINESS: THE IMPACT OF THE FAMILY INVOLVEMENT ON THE SELECTION OF FINANCIAL SERVICES

Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
91-12	USA	370	national	USA	CEOs or Presidents
91-13	USA	Conceptual	n/a	USA	n/a
91-14	USA	Conceptual	n/a	USA	n/a
91-15	USA	Conceptual	n/a	USA	n/a
91-16	NORWAY	500	national	Norway	small firms
91-17	USA	1	unknown	USA	owner
91-18	USA	166	Utah	USA	Presidents
91-19	USA	Conceptual	n/a	n/a	n/a
91-20	USA	121	New York & national	USA	Export companies
91-21	USA/FRANCE	106	Paraiba State	Brazil	CEOs
91-22	USA	244	Brigham Young University	USA	students
91-23	USA	500	national	USA	owners

Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
91-12	manufacturing, construction, wholesaling & business services	over three years old, above \$500,000 in annual sales, 10-499 employees. Average values - \$6.5m sales, 34 employees,.	telephone interview	qualitative	contemporary
91-13	n/a	n/a	conceptual	qualitative	n/a
91-14	n/a	n/a	conceptual	qualitative	n/a
91-15	n/a	n/a	conceptual	qualitative	n/a
91-16	various	less than 100 employees	questionnaire	qualitative	1989
91-17	agribusiness	n/a	case study	qualitative	1984-1990
91-18	High tech companies over 14 sectors	mean employment 141 employees & c\$9m sales revenue	questionnaires - mailed	statistical	1986-1987
91-19	n/a	n/a	n/a	qualitative	n/a
91-20	various	various - 1 to 10,000 employees, exporting from 1 to 100 years	questionnaire - mail	statistical	1989
91-21	independent, locally controlled, primary industrial firms	Greater than 10 employees	in depth interviews in 1976 and then re-interviews in 1986-1988 with 59 of surviving 62 CEOs	mixed	1976-1988
91-22	university	n/a	questionnaire & discussion	discriminant analysis	contemporary
91-23	affluent small business owners	small	questionnaire & discussion	mixed	contemporary

Ref.	Author 1	Generic Category	Title
92-01	CAMP, M S	ENTREPRENEURSHIP AND NEW PRODUCTS	THE ACQUISITION AND COMMERCIALIZATION OF INNOVATIVE TECHNOLOGIES: MODELING TECHNOLOGY TRANSFER FOR THE EMERGING FIRM
92-02	GIGLIERANO, J J	ENTREPRENEURSHIP AND NEW PRODUCTS	THE NATURE OF STRATEGY AND STRATEGY DEVELOPMENT IN NEW PRODUCTS
92-03	MUZYKA, D F	ENTREPRENEURSHIP AND NEW PRODUCTS	ENTREPRENEURIAL MARKET ENTRY AND GROWTH IN MATURE MARKETS: AN EXPLORATORY STUDY
92-04	ROCHFORD, L	ENTREPRENEURSHIP AND NEW PRODUCTS	PROBLEMS IN MEASURING NEW PRODUCT PERFORMANCE: A REVIEW
92-05	FOUTZ, K L	ENTREPRENEURSHIP AND NEW PRODUCTS	THE TRADITIONAL NEW PRODUCT DEVELOPMENT MODEL VS. AN ENTREPRENEURIAL MODEL: A PAPER SUMMARY
92-06	MORRIS, M H	CORPORATE ENTREPRENEURSHIP	INDIVIDUALISM AS A FACTOR IN CORPORATE ENTREPRENEURSHIP: PERSPECTIVES OF MARKETERS
92-07	LaBARBERA, P A	CORPORATE ENTREPRENEURSHIP	INTERNAL MARKETING AND CORPORATE VENTURING
92-08	KNIGHT, R M	CORPORATE ENTREPRENEURSHIP	ENTREPRENEURIAL STRATEGIC PARTNERSHIPS
92-09	BAILEY, J M	ENTREPRENEURSHIP AND MARKET OPPORTUNITIES	A FRAMEWORK FOR ANALYZING BUSINESS GROWTH
92-10	HUEFNER, J C	ENTREPRENEURSHIP AND MARKET OPPORTUNITIES	ADDITIONAL DIMENSIONS OF ENTREPRENEURIAL CONSUMER BEHAVIOUR
92-11	VINTURELLA , J B	ENTREPRENEURSHIP AND MARKET OPPORTUNITIES	IS IT A SEPARATE MARKET? IS IT BIG ENOUGH YET?

Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
92-01	USA	Conceptual	n/a	USA	n/a
92-02	USA	9	California	USA	Marketing managers or founders
92-03	France	4	UK, Netherlands and USA	UK, Netherlands and USA	management team entering mature markets
92-04	USA	20 key studies	n/a	USA	n/a
92-05	USA	conceptual	n/a	USA	entrepreneurs
92-06	USA	84	Indiana	USA	Senior marketing managers
92-07	USA	40 major studies	n/a	USA	n/a
92-08	CAN	110	national	Canada	President or upper level executive most involved with partnership activity
92-09	USA	conceptual	n/a	USA	n/a
92-10	USA	307	Brigham Young University	USA	undergraduate students
92-11	USA	1	New Orleans	USA	owner

Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
92-01	n/a	n/a	n/a	qualitative	n/a
92-02	technical fields	start up (2), others 3 to 20 years old, sales \$100,000 to \$500m	interviews using open ended questions	qualitative	contemporary
92-03	mature markets of clothing, baking, computer services & hydraulics	various	case study and in depth interviews	qualitative	contemporary
92-04	new product development	n/a	citation and literature review	qualitative	contemporary
92-05	various	n/a	conceptual	qualitative and short case histories	various
92-06	Industrial firms	50 or more employees, mean size - 175 employees and average annual sales of between \$10m to \$25m	questionnaire - mailed	statistical	contemporary
92-07	n/a	n/a	n/a	qualitative	n/a
92-08	high technology	\$2m to \$10m formed 73% of sample	questionnaire & in-depth interview		
92-09	n/a	n/a	n/a	qualitative	n/a
92-10	university	n/a	questionnaire - entrepreneurial attitude scales	statistical	contemporary
92-11	building supplies	growing	case study	statistical	1979-1990

Ref.	Author 1	Generic Category	Title
92-12	NEIL, T C	ENTREPRENEURSHIP AND MARKET OPPORTUNITIES	OPPORTUNITY: ITS RECOGNITION AND ENTREPRENEURIAL BEHAVIOUR
92-13	FOLSOM, D	ENTREPRENEURSHIP AND MARKET OPPORTUNITIES	MARKETING INTELLIGENCE FOR SMALL RETAIL FIRMS: IS IT EFFECTIVE?
92-14	SEXTON, D L	ENTREPRENEURSHIP AND MARKETING STRATEGY	THE IMPACT OF MARKETING EMPHASIS ON NEW FIRM GROWTH AND DEVELOPMENT
92-15	SCHWARTZ, R G	ENTREPRENEURSHIP AND MARKETING STRATEGY	MARKETING TO THE ENTREPRENEUR: THE PUBLIC SECTOR PROVIDERS
92-16	KLASSEN, M L	ENTREPRENEURSHIP AND MARKETING STRATEGY	COMPUTER TECHNOLOGY AND SOFTWARE USED IN ADVERTISING DESIGN: IMPLICATIONS FOR ENTREPRENEURS
92-17	IANNARELLI, C	ENTREPRENEURSHIP AND MARKETING STRATEGY	MARKETING STRATEGY IN THE FAMILY BUSINESS: A STUDY OF GENDER: A PAPER ABSTRACT
92-18	NAIDU, G M	INTERNATIONAL ENTREPRENEURSHIP	ENTREPRENEURIAL PERFORMANCE: DOMESTIC AND CROSS NATIONAL INVESTIGATION
92-19	SHIEH, J T	INTERNATIONAL ENTREPRENEURSHIP	VENTURING INTO ENTREPRENEURSHIP AND MARKET ORIENTATED SYSTEMS IN CHINA: A PAPER SUMMARY
92-20	BRISTOW, JR., C	EDUCATION AND ENTREPRENEURSHIP	MARKETING AND ENTREPRENEURSHIP INTERFACE AT SECONDARY AND POST SECONDARY SCHOOL LEVELS
92-21	BERNACCHI, M	EDUCATION AND ENTREPRENEURSHIP	EDUCATION, MARKETING AND ENTREPRENEURIALISM, EDUCATION'S LAST DANCE: A PAPER SUMMARY
92-22	KELLERMAN, B J	EDUCATION AND ENTREPRENEURSHIP	SMALL BUSINESS AND ENTREPRENEURSHIP EDUCATION: A REPORT ON COURSES, PROGRAMS AND DEGREES AWARDED: A PAPER SUMMARY

Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
92-12	USA	conceptual	n/a	USA	n/a
92-13	USA	100	Savannah River Area of Georgia and South Carolina	USA	owners or managers
92-14	USA	323	Ohio	USA	new starts
92-15	USA	333	national	USA	Clients of three public agencies
92-16	USA	55	national	USA	creative departments
92-17	USA	15	Western Pennsylvania	USA	brother & sister responsible for marketing in second generation firms
92-18	USA	241	Wisconsin, Illinois & Canada	USA & Canada	Small Business Award winners, one of three recognised awards & Illinois control group of non award winning entrepreneurs
92-19	USA	34	national	USA	unknown
92-20	USA	Conceptual	n/a	USA	n/a
92-21	USA	conceptual	n/a	USA	
92-22	USA	300	national	USA	US Schools in AACSB List

Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
92-12	n/a	n/a	n/a	qualitative	
92-13	retail	1-5 employees, 65% of sample, in business for more than 10 years	personal interview	qualitative	1990 - November & December
92-14	various	\$93000 to \$1.9m and range of growth rates	questionnaire	statistical	1984 - 1988
Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
92-15	microelectronics clients of the agencies	n/a	questionnaire	qualitative	contemporary
92-16	Advertising Agencies	n/a	questionnaire - mail	qualitative	1989 - June/Sept.
92-17	family businesses, various size, West Virginia	brother & sister responsible for marketing in second generation businesses	personal interviews	qualitative	contemporary
92-18	various	various	questionnaire & personal interview	statistical	1985-90
92-19	Members or affiliate members of US China Business Council	various	questionnaire	qualitative	1989
92-20	education	n/a	conceptual	qualitative	n/a
92-21	education	n/a	conceptual	qualitative	n/a
92-22	graduate students	n/a	questionnaire	mixed	1988-89 academic year

Ref.	Author 1	Generic Category	Title
93-01	ANDERSON, C H	RESEARCH PERSPECTIVES	A COMPREHENSIVE STRATEGIC MARKETING/ENTREPRENEURSHIP RESEARCH MODEL
93-02	CHELL, E	RESEARCH PERSPECTIVES	THE DEVELOPMENT OF A RESEARCH PARADIGM FOR THE INVESTIGATION OF ENTREPRENEURSHIP: SOME METHODOLOGICAL ISSUES
93-03	HILL, J J	MARKETING MANAGEMENT PERSPECTIVES	ENTREPRENEURIAL INFLUENCES ON MARKETING PLANNING ACTIVITY: AN INDUSTRY SPECIFIC STUDY IN A REGIONAL ECONOMY
93-04	SCHWARTZ, R G	MARKETING MANAGEMENT PERSPECTIVES	THE MARKETING OF HIGH TECH PRODUCTS: AN ENTREPRENEUR'S PERSPECTIVE
93-05	KNIGHT, R M	MARKETING MANAGEMENT PERSPECTIVES	THE IMPORTANCE OF MARKETING AND PRODUCT CHARACTERISTICS TO VENTURE CAPITALISTS AROUND THE WORLD
93-06	RAY, D M	MARKETING MANAGEMENT PERSPECTIVES	MARKETING STRATEGY, INNOVATION AND MARKET SUCCESS IN SERVICE VENTURES
93-07	BOUGHTON, P D	MARKETING MANAGEMENT PERSPECTIVES	AN ASSESSMENT OF INFORMATION TECHNOLOGY OWNERSHIP BY SMALL ENTREPRENEURS AND THE LINK TO SERVICE QUALITY
93-08	BECHERER, R C	MARKETING MANAGEMENT PERSPECTIVES	NEW BUSINESS VENTURE CREDIBILITY: RELEVANT DIMENSIONS
93-09	BROOKSBANK, R W	MARKETING MANAGEMENT PERSPECTIVES	MARKETING IN MEDIUM SIZED MANUFACTURING COMPANIES IN BRITAIN
93-10	De TOURNEMINE, R L	MARKETING MANAGEMENT PERSPECTIVES	ABOUT NEW METHODS FOR DETERMINING MARKET OPPORTUNITIES IN SCIENCE BASED INDUSTRIES
93-11	BUSKIRK, R H	MARKETING MANAGEMENT PERSPECTIVES	AN ANALYSIS OF CRITICAL MARKETING MISTAKES BY HIGHLY SUCCESSFUL ENTREPRENEURS
93-12	CARDOZO, R N	GROWTH PERSPECTIVES	GROWTH DILEMMAS FOR FLEDGING BUSINESSES
93-13	MOHAN-NEILL, S I	GROWTH PERSPECTIVES	INFLUENCE OF FIRM'S AGE, SIZE AND GROWTH RATE ON THE MARKETING STRATEGY AND ORIENTATION OF FIRMS

Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
93-01	USA	Conceptual	n/a	USA	n/a
93-02	England	26	national	UK	business owners
93-03	Northern Ireland	9	Northern Ireland	Northern Ireland	owner manager
93-04	USA	15	metropolitan Atlanta	USA	Technology Executive Round Table, member of ...
93-05	Canada	533	Canada, Europe, Asia, Pacific Rim	WORLD	venture capitalists
93-06	Singapore	16	national	Singapore	founders in the main, some managers, trustees
93-07	USA	2237	Five Midwestern states	USA	1-6 telephone lines
93-08	USA	373	Mid Western Urban University	USA	Evening students
93-09	UK	231	national	UK	repeat purchase market
93-10	France/Germany	conceptual	n/a	France/Germany	n/a
93-11	USA	24	Western USA	USA	Successful entrepreneurs
93-12	USA	not stated	national	USA	entrepreneurs
93-13	USA	68	n/a	USA	Owners, CEOs, managers, v p of marketing etc.

Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
93-01	n/a	n/a	conceptual	qualitative	n/a
93-02	various	small to medium but not start ups	interview-semi-structured, critical incidents & biographical details	qualitative	contemporary
93-03	horticultural produce responsible for 60% of such into Northern Ireland food chain	small to medium sized	interviews - semi-structured and Delphi	qualitative	contemporary
93-04	technology orientated	various	focus group	qualitative	contemporary
93-05	venture capital providers	n/a	questionnaire	statistical	contemporary
93-06	service sector	various	personal interviews	qualitative	1991-fall
93-07	manufacturing, retailing & services	small, range 1 to 200 employees, average 6 employees	questionnaire - mail	statistical	contemporary
93-08	undergraduate & graduate students	equal male & female representation and nearly half were 26 or over	questionnaire	statistical	contemporary
93-09	Industrial market - repeat purchase products	Medium sized, 100-500 staff, turnover between £1m & £20m. One product line 70% or more of total sales	questionnaire - postal	mixed	1987 but compared to earlier 1982 sample
93-10	n/a	n/a	conceptual	qualitative	n/a
93-11	various	various	personal interview	qualitative	1989 -1993
93-12	various	growing companies	personal interview and literature review	qualitative	contemporary
93-13	various	almost half under \$1.5m turnover, most over 5 years old	questionnaire - personally administered	statistical	1991

Ref.	Author 1	Generic Category	Title
93-14	MONTOYA, M M	GROWTH PERSPECTIVES	GETTING OVER THE BRICK WALL WITH THE MARKETING MANAGER
93-15	SARATHY, R	GROWTH PERSPECTIVES	MARKETING EVOLUTION IN TECHNOLOGY-BASED NEW VENTURES
93-16	ROMANO, C A	GROWTH PERSPECTIVES	EFFECTS OF FORMAL PLANNING AND CONTROL ON GROWTH: A CASE STUDY
93-17	RAFFA, M	GROWTH PERSPECTIVES	GROWTH PATHS OF SMALL INNOVATIVE COMPANIES: SOME EMPIRICAL EVIDENCE FROM SMALL SOFTWARE COMPANIES
93-18	McAULEY, A	GROWTH PERSPECTIVES	INTERNATIONALIZATION IN HIGH GROWTH UK SMALL AND MEDIUM SIZED COMPANIES: THE ROLE OF MARKETING
93-19	WOODSIDE, A G	PARTNERSHIP PERSPECTIVES	CREATING INTERNATIONAL JOINT VENTURES: STRATEGIC INSIGHT FROM CASE RESEARCH ON A SUCCESSFUL HUNGARIAN-JAPANESE INDUSTRIAL ENTERPRISE
93-20	STANWORTH, J	PARTNERSHIP PERSPECTIVES	FRANCHISING AND FRANCHISING ENTREPRENEURSHIP: SOCIO-ECONOMIC CONSIDERATIONS IN DEVELOPMENT
93-21	COVIELLO, N	PARTNERSHIP PERSPECTIVES	LINKAGE DEVELOPMENT AND THE ROLE OF MARKETING IN THE INTERNATIONALIZATION OF THE ENTREPRENEURIAL HIGH TECHNOLOGY FIRM
93-22	SHAW, B	PARTNERSHIP PERSPECTIVES	MANAGING THE ENTREPRENEURSHIP/NEW PRODUCT/MARKETING INTERFACE AS A NETWORK
93-23	ARDISHVILI, A	ECONOMIC DEVELOPMENT AND EDUCATION PERSPECTIVES	THE ROLE OF MARKETING IN CREATING A MARKET ECONOMY
93-24	FINNEGAN, G P	ECONOMIC DEVELOPMENT AND EDUCATION PERSPECTIVES	THE CONTRIBUTION OF MARKETING AND ENTREPRENEURSHIP TO ECONOMIC DEVELOPMENT - THE CASE OF ZAMBIA
93-25	CARSON, D	ECONOMIC DEVELOPMENT AND EDUCATION PERSPECTIVES	A RADICAL APPROACH TO MARKETING EDUCATION IN SMALL FIRMS
93-26	BARTON, L	ECONOMIC DEVELOPMENT AND EDUCATION PERSPECTIVES	RISK AND THE ENTREPRENEUR: THE ROLE OF COMPUTER AIDED TRAINING IN A CRISIS
93-27	WEINRAUCH, J D	ECONOMIC DEVELOPMENT AND EDUCATION PERSPECTIVES	IDENTIFYING AND EXPLORING NON-TRADITIONAL ALTERNATIVES AND OPPORTUNITIES FOR ENHANCING MARKETING/ENTREPRENEURSHIP EDUCATION

Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
93-14	USA	59	Michigan, Illinois, Indiana, Ohio	USA	entrepreneur
93-15	USA	12	national		President or Chief Executive
93-16	Australia	30	n/a	Australia	owner/ manager or their nominated experienced colleague, other workers
93-17	Italy	132	Southern Italy	Italy	various
93-18	Scotland	40	national	UK	owners
93-19	USA	1	n/a	Hungary	CEOs and various
93-20	England	408- 28 franchisors & 380 franchisees	national	UK	Franchisors, Franchisees, potential franchisees
93-21	New Zealand / Canada	4	national	New Zealand	persons with significant history of firm since incorporation
93-22	England	11	national	England	key actors in the overall process
93-23	USA	nation	nation	Republic of Commonwealth Sates	n/a
93-24	Europe	nation	n/a	Zambia	n/a
93-25	Northern Ireland	conceptual	n/a	Northern Ireland	n/a
93-26	USA	conceptual	n/a	USA	n/a
93-27	USA	conceptual	n/a	USA	n/a

Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
93-14	Manufacturers, 20% sales growth rate over previous 2 years	various	Observation over two weeks of participants and subsequent discussion	qualitative	contemporary
93-15	New Technology ventures - high tech	\$400,000 annual sales to \$26m. Typical age 8 years	telephone interview and questionnaire	qualitative	contemporary
93-16	various	15 high growth & 15 low growth firms	semi structured and informal interviews, observation and document audit	mixed	contemporary & over 12 months
93-17	computer software	various	questionnaire	qualitative	1983-1991
93-18	Unlisted Securities Market sample	various	questionnaire and some in depth semi structured interviews	longitudinal	1988 , updated 1991
93-19	Plastics production	large	Decision system analysis	mixed	contemporary
93-20	fast food, carpet cleaning, drain cleaning, printing, car services, central heating	various	questionnaire - mail and personal interviews	qualitative	contemporary
93-21	major software development companies	contrasting cases, all growing at average annual rate of 83%, 25 to 150 employees, \$2m to \$15m turnover (1991)	case study	qualitative	1991
93-22	medical innovations - 24 over 11 companies	n/a	case study	qualitative	contemporary
93-23	n/a	n/a	case study	qualitative	1988 - 1991- data from this period
93-24	n/a	n/a	case study	qualitative	contemporary
93-25	n/a	n/a	n/a	qualitative	conceptual
93-26	n/a	n/a	n/a	qualitative	conceptual
93-27	n/a	n/a	n/a	qualitative	conceptual

Ref.	Author 1	Generic Category	Title
94-01	ROMANO, C	IMPACT OF ENTREPRENEURSHIP RESEARCH	IDENTIFYING THE IMPACT OF JOURNALS, ARTICLES AND OTHER SOURCES ON CONTEMPORARY SMALL ENTERPRISE RESEARCH: A CITATION ANALYSIS
94-02	ANIKEEFF, M A	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	AGE, SIZE, AND PRODUCT-MARKET STRATEGY IN A FRAGMENTED INDUSTRY: AN ANALYSIS OF REAL ESTATE DEVELOPERS
94-03	ARDISHVILI, A	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	MAPPING THE NEW VENTURE GROWTH: IMPACT OF PRODUCT-MARKET STRATEGIES
94-04	BECHERER, R C	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	ADVERTISING CUES AND THE DETERMINANTS OF NEW BUSINESS VENTURE CREDIBILITY
94-05	CAPALDO, G	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	ORGANIZATIONAL AND TECHNOLOGY IN THE KNOWLEDGE-INTENSIVE FIRMS
94-06	CARSON, D	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	IN PURSUIT OF ENTREPRENEURIAL MARKETING MANAGEMENT COMPETENCIES
94-07	ENNIS, S	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	MARKETING PLANNING AND THE GROWING FIRM: STYLE VS. SUBSTANCE
94-08	MILES, M P	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	MARKETING AS ENTREPRENEURSHIP: THE RELATIONSHIP BETWEEN THE MARKETING ORIENTATION, THE ENTREPRENEURIAL ORIENTATION, AND ENVIRONMENTAL UNCERTAINTY REVISITED
94-09	MOLIAN, D	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	DECODING A BLACK BOX? EFFECTIVE MARKETING CONSULTANCY FOR SMEs AND ENTREPRENEURS
94-10	PILCHER, S	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	USING A SALES TRAINING AID TO BUILD A BUSINESS
94-11	CADOTTE, E R	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	WHY USE BUSINESS SIMULATIONS IN ENTREPRENEURIAL TRAINING
94-12	CARSON, D	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	EFFECTIVE MARKETING TRAINING PROVISION FOR SME EXECUTIVES
94-13	LISKA, K	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	EXAMINING THE CHALLENGES AND OPPORTUNITIES OF ENVIRONMENTAL SENSITIVITY AND GREEN MARKETING STRATEGIES FOR SMALL BUSINESS: AN EXPLORATORY SURVEY

Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
94-01	Australia	conceptual & citation	n/a	n/a	n/a
94-02	USA	80	national	USA	CEO, VP or Director of Construction
94-03	USA	21		USA	various
94-04	USA	77	n/a	USA	undergraduates participating in evaluation of 8 new business ventures
94-05	Italy	8	national	Italy	various
94-06	Northern Ireland	42	national	Northern Ireland	various
94-07	Scotland	3	national	Eire	owners and other informed personnel
94-08	USA	22	Georgia	USA	various
94-09	England	3	national	England	senior managers
94-10	Australia	n/a	national	Australia	Sales personnel
94-11	USA	conceptual	n/a	USA	n/a
94-12	Northern Ireland	24	n/a	Northern Ireland	owners/managers or colleagues responsible for marketing
94-13	USA	48	Southeastern	USA	various

Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
94-01	n/a	n/a	conceptual and citation	mixed	1986-1992
94-02	real estate developers	median age 20, median size 65 employees	questionnaire - mail	statistical	contemporary
94-03	High tech and Low tech	under \$1m to hundreds of \$m	multi-method, interviews and secondary data	qualitative	contemporary
94-04	products to appeal to the younger than average consumer	n/a	experiment	mixed	contemporary
94-05	software engineering	various	case study	qualitative	contemporary
94-06	entrepreneurial small firms	various	qualitative survey	qualitative	contemporary
94-07	electronics	small but growing	multi-method, interviews and secondary data	qualitative	contemporary
94-08	Printing Industry	greater than 10 employees	questionnaire - mailed, psychometric analysis	mixed	contemporary
94-09	services	turnover \$400,000 to £1,750,000	personal interviews	qualitative	1993
94-10	12 sectors	3-20,000 employees	questionnaire	qualitative	contemporary
94-11	n/a	n/a	n/a	qualitative	conceptual
94-12	various	small and medium sized firms	case study	qualitative	1993 - Jan. to March
94-13	diverse sectors	less than 500 employees	questionnaire	mixed	1993 - Spring

Ref.	Author 1	Generic Category	Title
94-14	OMURA, G S	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	ENTREPRENEURIALISM AS A MARKET SATISFYING MECHANISM IN A FREE MARKET SYSTEM
94-15	WOODSIDE, A G	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	CAUSE MAPPING OF STRATEGIC ACTION AND ORGANIZATIONAL GROWTH IN ENTREPRENEURIAL BEHAVIOUR
94-16	SHAW, B	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	USER/SUPPLIER LINKS AND INNOVATION
94-17	GIGLIERANO, J J	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	TRACKING THE DEVELOPMENT OF NEW PRODUCT STRATEGY IN REAL TIME
94-18	BYGRAVE, W D	THE MARKETING MANAGEMENT/ENTREPRENEURSHIP INTERFACE	THE S-CURVE'S ERRONEOUS ZONES: WHEN CHAOS REIGNS
94-19	COVIELLO, N	THE GLOBAL MARKETING/ENTREPRENEURSHIP INTERFACE	INTERNATIONAL MARKET DEVELOPMENT AND GROWTH OF ENTREPRENEURIAL FIRMS: A NETWORK PERSPECTIVE
94-20	McAULEY, A	THE GLOBAL MARKETING/ENTREPRENEURSHIP INTERFACE	INFORMATION ACQUISITION ACTIVITIES AND INTERNATIONALIZATION
94-21	BANDYOPADHYAY, S	THE GLOBAL MARKETING/ENTREPRENEURSHIP INTERFACE	SUPPLIER-DEALER COMMUNICATIONS IN INDIA: DIFFERENCES IN PATTERNS EXPERIENCED BY NEW AND MORE ESTABLISHED DEALERS
94-22	ROSE, J W	THE GLOBAL MARKETING/ENTREPRENEURSHIP INTERFACE	ENTREPRENEURSHIP AND MARKETING DURING TRANSITION IN RUSSIA
94-23	GLYNN, K	THE GLOBAL MARKETING/ENTREPRENEURSHIP INTERFACE	THE RELATIONSHIP OF GENDER TO STUDENT PERCEPTIONS OF ENTREPRENEURIAL QUALITIES AND ABILITIES
94-24	CHELL, E	ENTREPRENEURIAL PROFILES AND BEHAVIOUR	PROFILING ENTREPRENEURIAL BEHAVIOUR: CROSS CULTURAL CONSIDERATIONS FOR THE DEVELOPMENT OF A RESEARCH AGENDA
94-25	FITZGERALD, P A	ENTREPRENEURIAL PROFILES AND BEHAVIOUR	SECOND-GUESSING WHO SHOULD BE ACCEPTED IN A SPECIFIC ENTREPRENEURIAL DEVELOPMENT PROGRAM
94-26	BENDANIEL, D J	FINANCIAL CONSIDERATIONS	AVOIDING PITFALLS IN MEASURING RATES OF RETURN
94-27	REYNOLDS, P L	FINANCIAL CONSIDERATIONS	PRICING FOR SURVIVAL - CRISIS PRICING IN SMALL FIRMS AS A SURVIVAL STRATEGY

Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
94-14	USA	conceptual	n/a	USA	n/a
94-15	USA	1	n/a	USA	entrepreneur
94-16	England	40	national	England	various
94-17	USA	9	n/a	USA	person responsible for developing marketing strategy
94-18	USA	conceptual	n/a	USA	n/a
94-19	New Zealand	29	national	New Zealand	persons with significant history of firm since incorporation
94-20	Scotland	77		Scotland	Award winners
94-21	USA	92	national	India	lighting dealers
94-22	USA	24	Kharkov & Kiev	Russia	entrepreneurs
94-23	USA	77	Fayetteville	USA	undergraduates - female(43) & male (34)
94-24	England	4	England	England	owners and founders
94-25	Canada	55	Nova Scotia	Canada	female, 24 participants & 31 non participants in start up Programme
94-26	USA	conceptual	n/a	USA	n/a
94-27	England	506	national	England	Person responsible for marketing

Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
94-14	n/a	n/a	n/a	qualitative	n/a
94-15	food processing	\$3m turnover	Content analysis - Cause Mapping	qualitative	1984-1988
94-16	innovating companies	various	case study	qualitative	contemporary
94-17	nine product sectors, five business to business; one consumer product and three in both segments	start-up to 15 years in age	personal interview then follow up interview every 8-10 weeks through pre and post product launch period	qualitative	contemporary
94-18	n/a	n/a	conceptual	qualitative	conceptual
94-19	software companies, two samples - firms serving more than one overseas market and firms earlier in the internationalization process	4 case study companies as described before, mail survey (25), average age 7.5 years, 19 employees, majority (68%) sales less than \$1m.	questionnaire and case study	qualitative	contemporary
94-20	firms awarded Queens Award for Industry	various	questionnaire - postal	qualitative	1990 - June
94-21	electrical lighting	various - new (less than 5 years in business) classified separately to established (over 5 years)	questionnaire	statistical	contemporary
94-22	start-ups	small	interviews & follow up informal meetings	qualitative	1990 - 1993 Jan.
94-23	business undergraduates	n/a	experiment	mixed	contemporary
94-24	food processing & engineering		case study	qualitative	contemporary
94-25	start up programme	n/a	questionnaire	qualitative	contemporary
94-26	n/a	n/a	conceptual	qualitative	conceptual
94-27	67 industry sectors and 439 firms	various	telephone interview and secondary data analysis	mixed	1992

Ref.	Author 1	Generic Category	Title
95-01	KNIGHT, G A	CHALLENGING THE MARKETING ORIENTATION	RESEARCH IN MARKETING AND ENTREPRENEURSHIP: AN EMPIRICAL ANALYSIS AND COMPARISON WITH HISTORIC TRENDS
95-02	KIRBY, K A	CHALLENGING THE MARKETING ORIENTATION	MARKETING AND ENTREPRENEURSHIP: POST SYMPOSIUM REFLECTIONS
95-03	COVIELLO, N	CHALLENGING THE MARKETING ORIENTATION	MARKETING AND THE ENTREPRENEURIAL HIGH TECHNOLOGY FIRM: CHALLENGING THE TRADITIONAL PARADIGM
95-04	McGOWAN, P	CHALLENGING THE MARKETING ORIENTATION	ENTREPRENEURIAL MARKETING NETWORKING AND SMALL FIRM INNOVATION; SOME EMPIRICAL FINDINGS
95-05	MOLIAN, D	CHALLENGING THE MARKETING ORIENTATION	MARKETING CONSULTANCY - DOES IT WORK FOR THE SMALLER FIRM?
95-06	KIRBY, D	CHALLENGING THE MARKETING ORIENTATION	MARKETING AND THE SMALL SERVICE BUSINESS: SOLICITORS' PRACTICES IN ENGLAND
95-07	PRESTON JONES, J	CHALLENGING THE MARKETING ORIENTATION	THE EFFECT OF MARKET ORIENTATION ON SMALL BUSINESS PERFORMANCE
95-08	MILES, M	CHALLENGING THE MARKETING ORIENTATION	THE INTERRELATIONSHIP BETWEEN THE MARKETING ORIENTATION, THE ENTREPRENEURIAL ORIENTATION, AND THE QUALITY ORIENTATION: AN EXPLORATORY STUDY
95-09	ROMANO, C	CHALLENGING THE MARKETING ORIENTATION	THE ROLE OF MARKETING: ITS IMPACT ON SMALL ENTERPRISE RESEARCH
95-10	HILL, J	MARKETING STRATEGY	AN INVESTIGATION OF THE SCOPE AND NATURE OF MARKETING MANAGEMENT COMPETENCIES FOR ENTREPRENEURIAL DECISION MAKING IN SMALL FIRMS
95-11	ARDISHVILI, A	MARKETING STRATEGY	PRODUCT-MARKET STRATEGIES OF ENTREPRENEURIAL FIRMS; THEORIES AND RESEARCH STRATEGY
95-12	TEACH, R	MARKETING STRATEGY	STRATEGIC MARKETING: A STUDY OF ENTREPRENEURS
95-13	GIGLIERANO, J	MARKETING STRATEGY	ENTREPRENEURIAL CONTENT OF AN OFFERING AND RESULTING PERFORMANCE
95-14	RAFFA, M	MARKETING STRATEGY	MARKETING STRATEGIES OF SMALL INNOVATIVE SOFTWARE COMPANIES
95-15	KAMAUFF, J	MARKETING STRATEGY	THE ROBUSTNESS OF NPD SOURCING STRATEGY
95-16	BLAWART, F	ENTREPRENEURSHIP IN EMERGING MARKET ECONOMICS	MARKETING CONSCIOUSNESS OF INDUSTRIAL ENTREPRENEURS AND SHOPKEEPERS
95-17	HISRICH, R	ENTREPRENEURSHIP IN EMERGING MARKET ECONOMICS	INTERNATIONAL MARKETING ACTIVITIES BY ENTREPRENEURIAL FIRMS
95-18	KIRCHLOFF, J	ENTREPRENEURSHIP IN EMERGING MARKET ECONOMICS	DEMOGRAPHICS OF INDIGENOUS LITHUANIAN SMALL BUSINESS: MARKET OPPORTUNITIES AND NEW VENTURE NICHES
95-19	SHAW, B	ENTREPRENEURSHIP IN EMERGING MARKET ECONOMICS	ENTREPRENEURSHIP IN THE DESIGN, DEVELOPMENT, MANUFACTURING AND MARKETING IN THE RUSSIAN AEROSPACE INDUSTRY
95-20	HEINZ, S	ENTREPRENEURSHIP IN EMERGING MARKET ECONOMICS	THE RELATIONSHIP BETWEEN PERSONALITY FACTORS AND MARKETING STRATEGIES AND ENTREPRENEURIAL SUCCESS IN EAST GERMANY
95-21	MASTEN, J	ENTREPRENEURSHIP IN EMERGING MARKET ECONOMICS	USING BUSINESS ASSOCIATIONS TO INCREASE EXPORTS IN A NEWLY MARKETED ECONOMY: BLENDING CLASSICAL THEORY WITH PRACTICE
95-22	KNIGHT, G	INTERNATIONALISATION AND GLOBAL EXPANSION	MARKETING STRATEGY AND ENTREPRENEURIAL ORIENTATION IN A DEVELOPING FREE TRADE AREA: AN EMPIRICAL STUDY OF FIRMS IN CANADA UNDER THE NORTH AMERICAN FREE TRADE AGREEMENT

Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
95-01	USA	1302	n/a	USA & Europe	n/a
95-02	England	n/a	n/a	n/a	n/a
95-03	New Zealand	29	national	New Zealand	persons with significant history of firm since incorporation
95-04	Northern Ireland	46	national	Northern Ireland	owner managers
95-05	England	193	Southern England	England	managing directors or partners, or functional title
95-06	England	53	North East England	England	legal practices
95-07	USA	1000	Southeastern Florida counties	USA	owners
95-08	USA	6	Southeastern State	USA	Quality Managers
95-09	Australia	42	n/a	International	n/a
95-10	Northern Ireland	42	regional	Northern Ireland	owner
95-11	USA	n/a	n/a	USA	n/a
Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
95-12	USA	26	Atlanta	USA	CEOs, founders, owners - who considered their firms or themselves to be entrepreneurial
95-13	USA	n/a	n/a	USA	n/a
95-14	Italy	12	national	Italy	entrepreneurs and project leaders
95-15	Canada/USA	3	national	USA	purchasing personnel
95-16	Poland	180 SMEs and 50 shopkeepers	Gdansk, Baranya county (Hungary); Gdansk respectively	Poland	
95-17	USA/Hungary	110 Hungarian firms & 1 case	national	Hungary	entrepreneur
95-18	USA/Lithuania	139	national	Lithuania	business owners or operators attending seminars or entrepreneurial club meeting
95-19	England/Russia	30	national	Russia	senior politicians, academics, directors and managers
95-20	Federal Republic of Germany	102	Jena, Thuringen	Federal Republic of Germany	small scale entrepreneurs
95-21	USA	18	national	Ghana	Executives of Business Associations, participants at Workshop
95-22	USA	110	national	Canada	Company Presidents

Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
95-01	ABI database	entrepreneurship articles	citation analysis	statistical	1972-1992
95-02	n/a	Workshop papers	conceptual	qualitative	1994
95-03	software companies, two samples - firms serving more than one overseas market and firms earlier in the internationalization process	4 case study companies as described before, mail survey (25), average age 7.5 years, 19 employees, majority (69%) sales less than \$1m	questionnaire and case study	qualitative	contemporary
95-04	participating in marketing management programme	in business over 5 years and employed about 30 people	in depth discussions	qualitative	contemporary
95-05	firms having taken part in DTI Marketing Consultancy exercise	(both samples) mean age 29, 24; sales £1.25m, £0.75m; employees, 49, 26.	questionnaire	mixed	two sample frames: 1991 Q2 Q3; 1992 Q2 Q3
95-06	Legal practices	urban & rural, large & small practices, bias towards large & rural	questionnaire	qualitative	1992- July
95-07	cross section of small firms	small as defined by SBA criteria	questionnaire	qualitative	contemporary
95-08	ISO 9000 certified	n/a	in depth interviews	qualitative	contemporary
95-09	Small enterprise research published in 6 leading journals	see work itself	citation analysis	qualitative	1986-1992
95-10	entrepreneurially managed	employed less than 50 people, many less than 20, concentrated in same geographical region	in depth discussion	qualitative	contemporary
95-11	n/a	n/a	conceptual	qualitative	conceptual
95-12	technology based firms	average age 8 years , sales ranged from \$100,000 to \$200m	focus groups	qualitative	contemporary but using same group as in previous research
95-13	n/a	n/a	conceptual	qualitative	conceptual
95-14	software companies	structured by age - less than 3 years old, 3-7 years old, greater than 7 years old and degree of specialisation in software development	questionnaire structured and taped interviews	mixed	1993-94
95-15	aircraft, engineering and computing	3 large multinationals	case study and Multivariate Regression analysis	qualitative	contemporary
95-16	producers and shopkeepers	detailed analysis in paper, objective to compare and contrast producer to shopkeeper marketing attitudes and practices	questionnaire and interview	qualitative	1992 and 1994
95-17	various	broad spectrum of Hungarian entrepreneurial firms.	questionnaire and in depth interviews	qualitative	contemporary
95-18	various	detailed in paper, mainly male, under 40 years old, well educated and skilled, 46% food and service related	questionnaire	qualitative	1993
95-19	aerospace	aerospace industry	in depth interviewing	qualitative	April/July 1993 and April 1994
95-20	various	founded firms between 1990 and 1992 and had at east 1 and not more than 50 employees	questionnaire and interview	statistical	1993 Sept./Oct.
95-21	Product and Professional Business Associations	representing half of Business Associations	questionnaire and group discussion	qualitative	contemporary
95-22	various	firms affected by the transition to free trade	questionnaire	qualitative	contemporary

Ref.	Author 1	Generic Category	Title
95-23	McAULEY, A	INTERNATIONALISATION AND GLOBAL EXPANSION	AN ASSESSMENT OF RESEARCH INTO THE INTERNATIONALISATION PROCESS
95-24	WALSH, J	INTERNATIONALISATION AND GLOBAL EXPANSION	INTERNATIONALISING THE INDIGENOUS OWNER-MANAGED SMALL FIRM: EMPIRICAL EVIDENCE FROM IRELAND
95-25	THACH, S	INTERNATIONALISATION AND GLOBAL EXPANSION	SEIZING THE OPPORTUNITY AND CONSOLIDATING THE GAINS: SMEs AND ENTREPRENEURIAL GROWTH THROUGH EXPORTING
95-26	HANSEN, E	INTERNATIONALISATION AND GLOBAL EXPANSION	ENTREPRENEUR INVOLVEMENT IN INTERNATIONAL MARKETING: THE EFFECTS OF OVERSEAS SOCIAL NETWORKS AND SELF-IMPOSED BARRIERS TO ACTION
95-27	WEINRAUNCH, J D	INTERNATIONALISATION AND GLOBAL EXPANSION	IDENTIFYING PERCEPTIONS AND POTENTIAL CONTRIBUTIONS OF UNITED STATES MANUFACTURERS' REPRESENTATIVES TO GLOBAL SMALL BUSINESS MARKETING
95-28	LEVIE, J	CROSS CULTURAL DIFFERENCES	A LARGE-SCALE EMPIRICAL COMPARISON OF MARKET ENTRY BY YOUNG HIGH-GROWTH FIRMS IN DENMARK, IRELAND AND SCOTLAND
95-29	MORRIS, M	CROSS CULTURAL DIFFERENCES	INFORMAL ENTREPRENEURSHIP IN THE THIRD WORLD: A MARKETING PERSPECTIVE
95-30	SHIN, GEON-CHEON	CROSS CULTURAL DIFFERENCES	KOREAN IMMIGRANT ENTREPRENEURSHIP: A COMPARATIVE ANALYSIS OF MINORITY BUSINESS PATTERNS
95-31	KNIGHT, R	CROSS CULTURAL DIFFERENCES	BARRIERS TO INNOVATION: A CROSS CULTURAL COMPARISON
95-32	BRIGGS, M	CROSS CULTURAL DIFFERENCES	AN ENTERPRISE DEVELOPMENT PROGRAMME FOR AUSTRALIA
95-33	STASCH, S	FRAMEWORKS TO STUDY START-UP, GROWTH & MATURITY	EXPLORING RELATIONSHIPS AMONG SOURCES OF NEW-VENTURE IDEAS, ENTREPRENEUR'S CIRCUMSTANCES, AND FATE
95-34	ZINGER, J T	FRAMEWORKS TO STUDY START-UP, GROWTH & MATURITY	INVESTIGATION OF AN ORGANISATIONAL DEVELOPMENT MODEL AS A FRAMEWORK FOR THE STUDY OF SMALL BUSINESS
95-35	ARDISHVILI, A	FRAMEWORKS TO STUDY START-UP, GROWTH & MATURITY	A MODEL FOR UNDERSTANDING NEW BUSINESS GROWTH: THEORETICAL FRAMEWORK AND EMPIRICAL OBSERVATIONS
95-36	MARTELLO, W	FRAMEWORKS TO STUDY START-UP, GROWTH & MATURITY	RE-CREATING THE FUTURE: OPPORTUNISTIC INTRAPRENEURSHIP
95-37	CARAYANNIS, E	INTER-FIRM AND INTERPERSONAL RELATIONSHIPS	THE STRATEGIC MANAGEMENT OF TECHNOLOGY LEARNING FROM A DYNAMICALLY ADAPTIVE HIGH TECH MARKETING PERSPECTIVE: SUSTAINABLE COMPETITIVE ADVANTAGE THROUGH EFFECTIVE SUPPLIER-CUSTOMER INTERFACING
95-38	REYNOLDS, P L	INTER-FIRM AND INTERPERSONAL RELATIONSHIPS	A LOW COST AND LOW RISK SCHEME FOR SMALL ENTREPRENEURIAL FIRMS TO ENABLE THEM TO INCREASE BOTH SALES AND PROFITABILITY FROM THEIR EXISTING CUSTOMER BASE
95-39	SRIRAM, V	INTER-FIRM AND INTERPERSONAL RELATIONSHIPS	VERTICAL INTEGRATION AND ENTREPRENEURIAL PERFORMANCE IN A FRAGMENTED INDUSTRY: AN EMPIRICAL ANALYSIS
95-40	CROMIE, S	INTER-FIRM AND INTERPERSONAL RELATIONSHIPS	MARKETING AND ENTREPRENEURIAL RELATIONSHIPS
95-41	WACHOLTZ, L	INTER-FIRM AND INTERPERSONAL RELATIONSHIPS	THE INTERFACE OF ENTREPRENEURSHIP AND MARKETING IN THE MUSIC AND ENTERTAINMENT INDUSTRY

Ref.	Country Affiliation	Sample size	District	Study Country	Sample contacts
95-23	Scotland	n/a	n/a	Scotland	n/a
95-24	USA/Ireland	113	national	Ireland	owner manager
95-25	USA	n/a	n/a	USA	n/a
95-26	USA	855	Long Beach	USA	Senior managers and owner/founder where firm headquartered in Long Beach
95-27	USA	119	national	USA	Sales Reps working for principals
95-28	England	(census) 115 Danish, 37 Irish &	national	Denmark, Ireland, Scotland	not stated
95-29	USA/England	53	Khayelitsha	South Africa	informal business operators and 8 knowledgeable non owner businessmen
95-30	Korea	census	national	USA	n/a
95-31	Canada	(Canada) 189: 129 corporate, 38	national	New Zealand and Canada	various
95-32	Australia	n/a	national	Australia	n/a
95-33	USA	32	national	USA	entrepreneur
95-34	Canada	116	3 cities	Canada	owner/manager
95-35	USA	conceptual	n/a	conceptual	n/a
95-36	Canada	1	Eastern US	USA	middle level managers
95-37	USA	1	n/a	USA	n/a
95-38	England	2	Northern England	England	directors
95-39	USA	80	national	USA	Chief Executive Officer, VP or similar of construction
95-40	Northern Ireland	conceptual	conceptual	Northern Ireland	conceptual
95-41	USA	447	national	USA	entertainment industry executives

Ref.	Sample sector	Sample Characteristics	Research Instrument(s)	Written up as	Data dates
95-23	n/a	n/a	conceptual	qualitative	conceptual
95-24	indigenous firms engaged in manufacturing or services	growth firms	questionnaire & psychometric testing	statistical	contemporary with 6 year growth date set
95-25	n/a	n/a	conceptual	qualitative	conceptual
95-26	companies with international potential	various	questionnaire and interview	mixed	1993 - September
95-27	12 industry sectors	Sales Reps on 4 day professional training course	questionnaire	qualitative	1994-Feb
95-28	young high growth firms	Independent (still controlled by entrepreneurs who started them) manufacturing firms started between 1973 & 1987 & employing 50 or more people	census	statistical	1973-1987
95-29	informal economy	median age 37.5 years, range 20-70, 80% male., All businesses unregistered, unlicensed non tax paying. Only 7% kept formal books. For most their first business	in depth interview	qualitative	contemporary
95-30	minority business owners in USA, particularly Korean	detailed in paper	secondary data analysis	statistical	1986 census
95-31	various	see study tables in detail	questionnaire and literature search	qualitative	1982, 1992 & contemporary
95-32	n/a	n/a	case study	qualitative	contemporary
95-33	new start-ups	described in INC	content analysis	qualitative	1989-1993
95-34	retail, services, transportation/communication, manufacturing	firms of varying organisational size	questionnaire	mixed	contemporary
95-35	n/a	n/a	conceptual	qualitative	conceptual
95-36	publicly held electricity utility	relatively small but stable player, broad range of customers	in depth interviews, grounded approach	qualitative	contemporary
95-37	high tech consulting	analysis and characterization of ceramic, engineered and other materials	ethnographic study	qualitative	contemporary
95-38	Electrical wholesaling and variety retailing	small family owned wholesaler and department store of regional significance	case study	qualitative	contemporary
95-39	Real Estate developers	median age 20 years, median size 65 employees, mainly residential developers	questionnaire	qualitative	contemporary
95-40	conceptual	conceptual	conceptual	conceptual	conceptual
95-41	entertainment industry	music and entertainment companies small through to multi-nationals	questionnaire	qualitative	contemporary

**CONSIDERING THE MARKETING / ENTREPRENEURSHIP
INTERFACE : APPROACHES AND DIRECTIONS, 1987 TO 1995**

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ABSTRACT

This paper reviews the diversity of work that has been produced through the auspices of the UIC/AMA Research at the Marketing/Entrepreneurship Interface Symposium and argues that the area has gained sufficient critical mass to be able to, once again, consider what is meant by the 'Interface'.

INTRODUCTION

This paper draws from the definitions used by Brannen (1987) and Gardner (1991) in arguing that the marketing / entrepreneurship interface is a meaningful interaction. In the case of Brannen - a trinity formed by the interfacing of small business, marketing and entrepreneurship whilst Gardner argues for, in essence, a two circle Venn diagram in which the market and the act of entrepreneurship interact.

We believe that whilst insightful these two approaches tend to emphasise one particular organisational and ownership form - the private SME. Given the initial desire of the marketing / entrepreneurship interface academics to pursue vigorously the then, as they perceived, neglected area of small business and particularly entrepreneurial SMEs, such definitions as those of Gardner and Brannen have stood the test of time well. However as the Interface literature has grown and matured other organisational forms have become of interest, for example, larger organisations and economies as a whole that are going through a capitalist transformation. The definition of the Interface now requires sufficient flexibility to ensure that such can be accommodated.

In a previous paper the authors have argued that the Interface must define correctly the term entrepreneurship and in subsequent discussion of that paper accepted that where different disciplines employ different notions of the meaning of entrepreneurship then perhaps the best that can be achieved is a transparency of definition. This paper attempts only to draw some bold headline assertions but is supported by two detailed 'spreadsheets', the first one is a summary of all the papers by author, title, research sample etc. and the second consists of short abstracts of all the papers. These are available on disk in Excel and Word 6 respectively.

THE BEGINNINGS

In the 1987 volume Gerald E. Hills stated "A spirit of entrepreneurship encompassed the conception and birth of the event that yielded the papers in this volume. The growing documentation and recognition that new ventures are of critical importance to a healthy economy lends new-found legitimacy to a topic long ignored in the marketing discipline. Attention by marketers to entrepreneurship and to smaller enterprises is truly in an embryonic stage. The contributors to the conference and to this volume are pioneers.

An ambitious hope for this statement is that it will one day be viewed as a worthwhile beginning. As the state of the art advances, these pages will hopefully become outdated and simplistic compared to the new concepts, hypotheses, and empirical evidence brought to bear on the subject.

The contents of this volume will be of value to the reader in search of ideas, concepts and research directions pertaining to marketing in new/or smaller firms. By design there are few answers, but rather questions, issues, and variables that should stimulate added creativity. Again, it is a beginning. For the scholar, the shifting and sorting will be fruitful." In the same paper he commented on the paucity of work in the area:

"The situation presents an interesting paradox. Entrepreneurship and new ventures are clearly important to American society, yet there is a paucity of research on the subject. Why does this paradox exist? One possible explanation is that most assume that marketing is the same for new, small as for mature large businesses. This is the "non industry, non size, non stage of the business life cycle truths apply to all" hypothesis. Other possible propositions include:

1. In academia, "small business" is by connotation a low status endeavour.
2. There is a record of mediocre quality research in this area.
3. There is greater potential for external funding from mature companies.
4. Sophisticated, specialised management practices reside in larger firms.
5. The functional organisation of business colleges artificially makes entrepreneurship a management discipline subject.
6. Secondary empirical data from new venture consulting projects is usually of a lesser quality than from work with mature companies.
7. In society, small is by connotation less worthwhile than large."

..... and in the Forward to the 1994 volume ... "This is the seventh volume reporting the results from the Symposium in Marketing and Entrepreneurship series. The papers in this volume were presented at the 1993 Research Symposium on Marketing and Entrepreneurship held in Boston. This volume continues to reflect the global flavour of the Chicago-INSEAD (France) volume. We have had contributions from researchers world-wide. This combination of international con-

tributors and multi-cultural research makes the marketing / entrepreneurship interface an exciting intellectual journey”.

The 1995 Volume continues this line of development and in the Prologue David Kirby summarises very well the different feel of that Volume. Major factors that contribute to that being the further internationalisation of the work, the discussion of cross cultural issues and the desire to apply the interface approach to whole economies.

Exhibit One (a) and Exhibit One (b) show the marketing / entrepreneurship family tree by plotting the differing section headings from the volumes. It is by no means a perfect device but it does give some idea of the flow and development of the topic areas. Some have a fairly continuous history, for example, new products and technology, others a very short life span, for instance retailing studies. Not only has the 1995 work addressed new areas but with the exception of the 1989 volume it represents the largest number on contributions to date.

Exhibits One (a) & (b): Family Tree: Key

AEITMD	ADVANCING ENTREPRENEURSHIP IN THE MARKETING DISCIPLINE
TBLC&M	BUSINESS LIFE CYCLE AND MARKETING
BBP	BUYER BEHAVIOR PERSPECTIVES
CTMO	CHALLENGING THE MARKETING ORIENTATION
CE	CORPORATE ENTREPRENEURSHIP
CCD	CROSS CULTURAL DIFFERENCES
D:RIFDS	DOMAIN (THE) :RESEARCH ISSUES FROM DISCUSSION SESSIONS
ED&EP	ECONOMIC DEVELOPMENT AND EDUCATION PERSPECTIVES
ED&E	EDUCATION AND ENTREPRENEURSHIP
EPAB	ENTREPRENEURIAL PROFILES AND BEHAVIOR
E&MO	ENTREPRENEURSHIP AND MARKET OPPORTUNITIES
E&MM	ENTREPRENEURSHIP AND MARKETING MANAGEMENT
E&MS	ENTREPRENEURSHIP AND MARKETING STRATEGY
E&NP	ENTREPRENEURSHIP AND NEW PRODUCTS
EEME	ENTREPRENEURSHIP IN EMERGING MARKET ECONOMIES
EP	ENTREPRENEURSHIP PERSPECTIVES
FC	FINANCIAL CONSIDERATIONS
FSUG&M	FRAMEWORKS TO STUDY STARTUP< GROWTH & MATURITY
GM/EI	GLOBAL MARKETING/ENTREPRENEURSHIP INTERFACE
GP	GROWTH PERSPECTIVES
IER	IMPACT OF ENTREPRENEURSHIP RESEARCH
IP&OSM	INNOVATION, PRODUCTS & ORGANIZATION SIZE/MATURITY
IF &IPR	INTER-FIRM & INTERPERSONAL RELATIONSHIPS
IE	INTERNATIONAL ENTREPRENEURSHIP
II&V	INTERNATIONAL ISSUES & VIEWPOINTS

IP	INTERNATIONAL PERSPECTIVES
I&GE	INTERNATIONALIZATION & GLOBAL EXPANSION
I&BP	INTRODUCTION & BASIC PERSPECTIVES
MO&R	MARKET OPPORTUNITIES & RESEARCH
MMP	MARKETING MANAGEMENT PERSPECTIVES
MM/EI	MARKETING MANAGEMENT/ENTREPRENEURSHIP
	INTERFACE
MO&FFE	MARKETING OPPORTUNITIES & FORECASTING FUTURE
	EVENTS
MS	MARKETING STRATEGY
O&I	OVERVIEW & INSIGHTS
PP	PARTNERSHIP PERSPECTIVES
POM&E	PERSPECTIVES ON MARKETING AND
	ENTREPRENEURSHIP
PROLOG	PROLOGUE
RP	RESEARCH PERSPECTIVES
RS	RESEARCH SUMMARIES
RET	RETAILING
SP	STRATEGIC PERSPECTIVES
S&D	STRATEGIES & DECISIONS
T&GF	TECHNOLOGY & GROWTH FIRMS: RESEARCH ISSUES
T&I	TECHNOLOGY & INNOVATION

Exhibit One(a): Research at the Interface - 'Family Tree'

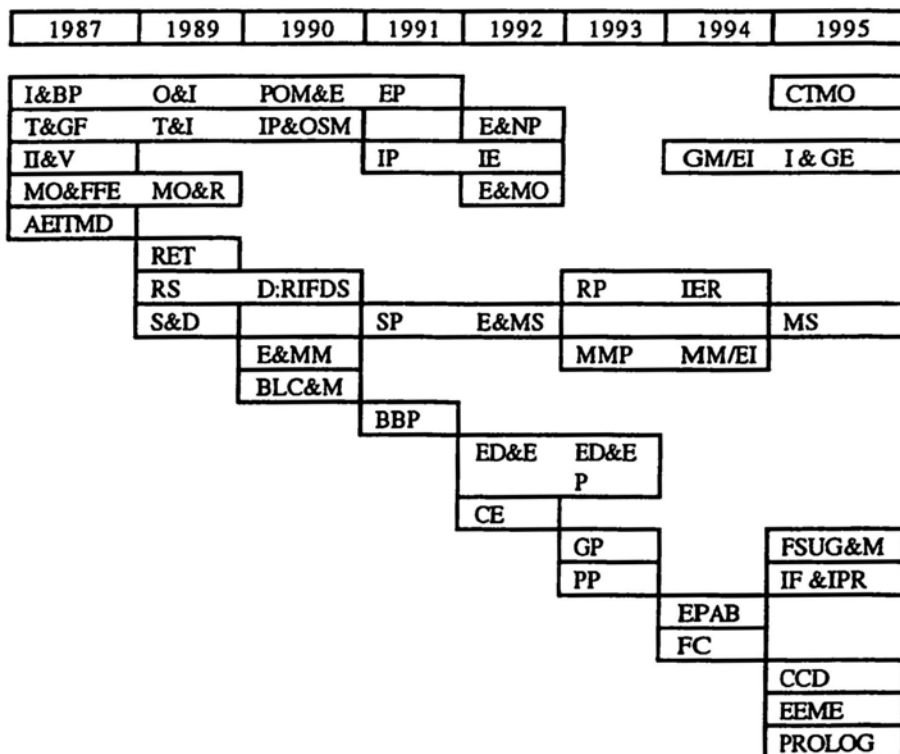


Exhibit One(b): Research at the Interface - 'Family Tree - Head Count'

'87	'89	'90	'91	'92	'93	'94	'95	Σ	short generic title
10	15	7	9				7	48	overview & insights
5	8	4		5				22	new products & technology
4			3	2		5	6	20	internationalisation
3	3			5				11	market opportunities
3								3	advances
	2							2	retailing
	12	4			2	1		19	research summaries
	4		9	4			6	23	strategy
		5			9	17		31	marketing management
		7						7	business life cycle
			2					2	buyer behaviour
				3	5			8	education, economic development
				1				1	corporate entrepreneurship
					7		4	11	growth
					4		5	9	partnership & inter-personal perspectives
						2		2	profiles & behaviour
						2		2	financial considerations
							5	5	cross cultural differences
							6	6	emerging economies
							2	2	prologue
25	44	27	23	20	27	27	41	234	

Exhibit Two: Research at the Marketing/Entrepreneurship Interface Symposia, 1987-1994, University of Illinois at Chicago and American Marketing Association, categorization of entrepreneurial definitions in the presented papers.

DEFINING THE INTERFACE

Exhibit Two details the definitions used by authors in the 1987 to 1994 Proceedings. As might be imagined Spreadsheet One (available separately) illustrates the diversity of business populations investigated. The majority of the studies being concerned with SMEs. We did not want to over categorise such that the subtleties in definition would be lost since much of the interest lies in these very sub-

ties. So in Exhibit Two the authors have imposed as little structure on the paper definitions as possible and allowed the 'bespoke' heading to capture often small variations in approach and, hence, to suggest the diversity in this work. Where none has been used as a category it means that the author has drawn a sample from the general population of small business. Not applicable has been used where the paper was a conceptual one even if the objective of the paper was to define entrepreneurship. To summarise, we have the following groupings:

Bespoke	31
Competence Distinctiveness	01
Corporate Entrepreneurship.....	02
Create.....	12
Entrepreneurial Consumers.....	03
Growth.....	08
High Tech.....	05
Information Seeking/Disequilibrium.....	05
Innovation.....	11
Network Relationship.....	01
New Product Development	08
Opportunity.....	04
Organisational.....	06
Strategic	03
Technology	03
Definition not applicable given objectives of the paper.....	19
No definition offered.....	71
total	195

In a previous paper we asked whether such a range of definitions was merely a healthy reflection of a pluralist and diverse approach or a reflection of an Interface that is in some (definitional) confusion. Equally one might argue that the driving force should be to research and disseminate work on entrepreneurship without too much concern for definitional niceties. On balance though we would argue for a precise definition of entrepreneurship if only because there is a major difference between the truly entrepreneurial SME and the 'entrepreneur' when this term describes just any SME. Whilst valuing the work on SMEs and this is after all the starting point of the Interface, we do need to recognise that entrepreneurship occurs in other organisational forms. Comparison of the 1995 volume to the earlier volumes, and Exhibit One show that the interface is itself moving in this direction. One avenue left relatively unexplored is the early argument by Keith Hunt et al (1989, 1990) that marketing involves not only the producer but the consumer and there is reason to suppose that the latter might also behave in an entrepreneurial way.

The Tripartite Definition

In this paper we propose a tripartite definition of the interface that is indifferent to organisation form but which raises questions about suitable academic disciplines through which to explore the interface. Tripartite definitions are not novel, they can be traced back to Brannen (1987), Gardner (1991) and Teach (1990). The emphasis on incorporating an ownership dimension is not novel, see for instance, Mohan-Neill and Hills (1990) but until 1995 papers have concentrated almost exclusively on SMEs.

Exhibit Three shows the proposed definition as a Venn diagram. Clearly the interface is rooted in the centre segment (A) and is indifferent to organisation type and ownership form which can now be the SME, a large organisation (either public or private) or an economy.

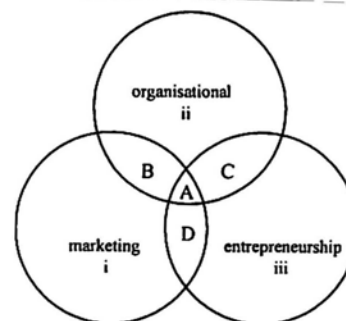
Exhibit Three: Defining the Marketing/Entrepreneurship /Interface

ATTACHED SEGMENTS

- A Full integration at the interface
- B Organisation and Marketing interaction alone
- C Organisation and Entrepreneurship alone
- D Traditional Marketing and Entrepreneurship

UNATTACHED SEGMENTS

- i Marketing alone
- ii Organisational issues alone
- iii Entrepreneurship alone



Substituted diagram, 2014

If the interface is to be an interaction and not merely a collision as Gardner argued then the unattached segments should serve simply to define the individual subject areas and clearly choices can be made. Our prejudice is to define entrepreneurship as a fundamental act and so we prefer the work of Schumpeter (1934), Kirzner (1973), Sashi and Lazer (1991) and Omura et al (1995).

To this we would add the schema illustrated by Morris and Lewis (1995) which argues for a definition based on not only the strength of the entrepreneurial act but also the frequency. So we can separate out 'one-shot' entrepreneurs from those capable of sustaining several entrepreneurial acts. This approach fits well with business and growth life cycles and intrapreneurship. Indeed one might argue that the acceptance of entrepreneurship as a positive influence in large corporations, along with a more sophisticated understanding of the nature of entrepreneurship, reduces the need to have separate literature domains on entrepreneurship and intrapreneurship / internal corporate venturing.

In previous papers we have assumed that whilst defining entrepreneurship is in itself contentious the definition of marketing is unambiguous and well accepted. This may not be the case but leaving that issue to one side, we want to suggest that in order to accommodate a full range of organisations that a composite marketing definition is adopted as suggested by Dobson (1996). This too can be imagined as a Venn diagram where the actual marketing definition adopted is an amalgam of non profit marketing, social marketing, service marketing and traditional marketing definitions.

This was developed in order to understand the impact of marketing practices upon UK governmental agencies and it was argued that depending upon the product or service offered that non profit marketing, services marketing and social marketing could potentially all play a role. So marketing now has a more flexible coverage vis a vis a particular organisation form.

The Organisational segment is slightly troublesome for at times we want it to just represent a description - SME, large organisation, public body and so on but at others times to be the actual academic discipline. If the interface is conceptually located in segment (A) then what of the other three attached segments? Segment (D) has no particular significance although one might use it as a reminder that whilst the early interface work was predisposed towards SMEs it has a more universal application in Segment (D).

Segments (B) and (C) are more problematic since they have the potential to both strengthen and weaken the interface ... particularly if we take it in the context of organisational studies/functions. Driving down to Segment (A) is logical, as Gerry Hills first stated in 1987, because of all the organisational functions the one most likely to be adopted and successfully employed by the true entrepreneur is marketing. But we can learn from an organisational / marketing or an organisational / entrepreneur interface approach, particularly now that marketing is addressing many issues of internal culture. However we need to be clear that we are separating functional marketing from entrepreneurial marketing. Such a distinction could be made using Omura's typology that distinguishes marketing in a continuous and perceived marketplace from that practised in a discontinuous marketplace with unperceived needs. Work by colleagues such as Chell (1993) on organisation and entrepreneurship has meaning for the Interface through its ability to drive out and identify marketing issues.

However the countervailing danger is that we accept definitions of marketing, entrepreneurship and the Interface that become too catholic and so our work ends up being indistinguishable from all the other bodies of work on SMEs.

CONCLUSION

This paper has attempted to achieve two objectives, to provide a descriptive review of the work on the Marketing / Entrepreneurship Interface published by UIC/AMA and to argue for a precise definition of the Interface. Comparison of the 1995 Proceedings to those of 1987 illustrates that the Interface has gathered critical mass and is changing in nature, and indeed has changed more fundamentally in the last two years than in the previous years. None of this would have been possible without the strong theoretical foundation created in the 1987 Volume and developed over the next two to three Symposia. These volumes still contain some of the best theoretical work. The Interface is robust enough to stand a little more introspection about its true nature and, indeed, can only be strengthened by such. Hence the second objective of this paper was to raise again the issue of defining the Interface.

NOTES

Our thanks go to Aftab Ahmed Dean for his help in preparing the paper summaries available separately to this paper, and to Helen Dobson for permission to cite the marketing definitions from her project.

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BESPOKE

Affluent established family businesses

Award winners

Capture a new market ahead of the competition, attempt to

Case studies- entrepreneurial company, individual with high net worth

Compare & contrasts distinct definitions of entrepreneurship, intrapreneurship & small business

Creating opportunity in risky and uncertain environment

Critiques common myths in describing the entrepreneur e.g. high risk takers, capitalise themselves, become wealthy

Entrepreneurial behaviour linked to market planning, risk, opportunity, creativity

Entrepreneurs create wealth

Entrepreneurs who view business as extension of their social values Vs traditional profit orientated entrepreneurs

Executives in a dynamic industry

Founders, directors, participants in industry-university co-operative research centres

Generic human behaviour rather than solely a business phenomenon

Growth or more professional approach were major goals (self reported characteristic)

Industrious, self driven individuals

International marketing is entrepreneurial - creation of business or change

Marketing as the process that delivers entrepreneurial outcomes

Meeting customer needs

Participants of a university entrepreneurship programme

personal and situational factors that predispose to entrepreneurial acts

Risks, achievement driven, proactive, innovative

Successful existing businesses excludes failures & 'caretakers'

Successful market entry into mature business and growth

Synonymous with small business

Unique experience and characteristics that set them apart from small business owners

Vision

Volatile, fragmented industry

Wide range of approaches; wide ranging set of behavioral variables.

COMPETENCE DISTINCTIVENESS

Entrepreneurial marketing management requires different competencies.

CORPORATE ENTREPRENEURSHIP

Corporate entrepreneurship, intrapreneurship or corporate venturing.

CREATE

Entrepreneurs started business or purchased one, non entrepreneurs inherited, assumed the business or were paid managers

Entrepreneurship is the process of assembling resources to create and build an independent empire

Founders of business, new and start up organization, new concept

Newness, resources, organizing, creating, wealth & risk taking

Process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risks and receiving the resulting monetary rewards

Process of creating value by bringing together a unique package of resources to exploit an opportunity

Resource assembly, create & build an organization, creativity, risk taking & innovation

The creation of a new organization that serves or a new product/market or uses new technology regardless of whether that new organization is created independently or within a corporate structure.

EMERGING

Emerging enterprise; firms less than 10 years old that have a stock market listing.

ENTREPRENEURIAL CONSUMERS

Entrepreneur consumers as evidenced by their attitude to making daily transactions.

GROWTH

Early growth high tech companies

Entrepreneurship equals growth and refocussing company organisation

Grow the business, ability to continue to

Growth companies

Growth orientated as opposed to substitute income orientated

High growth compared to low growth

Successful entrepreneurship is expressed as company growth.

HIGH TECH

High technology and striving to market leading edge technology

High technology organizations.

INFORMATION/DISEQUILIBRIUM

Austrian economic definition, (Kirznerian) - discovering and exploiting disequilibrium for the sake of profit

Knowledge intensive firms

Schumpeterian

Takes the risk to earn a return.

INNOVATION

Creation of new markets, purposeful innovation

Drucker systematic innovation plus creative spark

Entrepreneurs innovative

New, innovative and have definable nucleus

Take innovation successfully to the market.

NETWORK RELATIONSHIPS

Creator and exploiter of network relationships.

NEW PRODUCT DEVELOPMENT

Invention, new product development

New product launch is entrepreneurial activity

New technology ventures that are successful are more likely to use marketing.

OPPORTUNITY

Opportunistic behaviour (risky behaviour in response to perceived opportunities)

Opportunistic versus craftsman entrepreneurs

Opportunity, ability and desire to recognize and pursue

Proactive, alert, agents of change.

ORGANIZATIONAL

Differences and similarities in the decision making process between entrepreneurial decision making and formal marketing planning

Long term adaptability and survival skills

Organisational not personal orientation decision making and strategy norms emphasize proactiveness,

Innovation and acceptance of risk

Organisational process, independent firms operating in uncertain environment

Organizational entrepreneurship and innovation

Process from characteristics through to skills to deliver an output.

STRATEGIC

Distinguishes small businesses and entrepreneurs by their different marketing implementation strategies

Entrepreneur as strategist or particular type of strategist.

TECHNOLOGY

Science based businesses implying high uncertainty

Technological entrepreneurs - innovative products, uncertainty, absence of market information

Technology transfer from universities to commercial operations.



MARKETING EDUCATION REVIEW

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FROM THE EDITOR

Welcome to the FIRST EVER special issue of the *Marketing Education Review*. About a year ago, several members of the American Marketing Association Special Interest Group in Marketing and Entrepreneurship contacted me about having a special MER issue that would focus on educational issues related to marketing and entrepreneurship. I thought it was a great idea and said "let's do it." John Day (University of Huddersfield) was selected by the Marketing and Entrepreneurship SIG to serve as editor for the special issue. I doubt that John realized the difficulty of his task at the time! However, he has worked very hard and done a terrific job as editor of the special issue. The fruits of his labor are enclosed. Please read John's article to get an overview of the individual articles and a sense of how the articles fit together to address marketing/entrepreneurship educational issues. Then, enjoy the articles. I would like to take this opportunity to thank John, the special issue reviewers, and the authors of all papers submitted for this issue. GREAT JOB!

I plan to continue with special issues in the future, possibly one per year. Therefore, if you would like to serve as a special issue editor for a particular topic, please contact me. I am open to most marketing education topics and can be very flexible in scheduling. Serving as a special issue editor is a great way to focus on marketing education areas that you think need attention. I might mention it was suggested at the AMA Faculty Consortium on Teaching that a special journal issue addressing cross-functional marketing education issues would be very desirable. This would be a great topic from my perspective, but there are other valuable topics as well. So, please think about it and contact me with your ideas. As always, thanks for your support of the Marketing Education Review.

*Buddy La Forge,
University of Louisville*

FROM THE SPECIAL EDITOR

SPECIAL ISSUE ON THE MARKETING/ENTREPRENEURSHIP INTERFACE: SETTING THE CONTEXT

John Day

This article sets into context this Special Issue on marketing education and the Marketing/Entrepreneurship Interface. Through reviewing the history and development of the Interface, considering briefly definitions of the Interface; and discussing the rationale of the call for papers, it sets the papers that follow into the notion of the Interface. Important issues for us as marketing educators are summarized. The purpose of this review is twofold: to acquaint readers new to the notion of the Marketing/Entrepreneurship Interface with its history and development; and, secondly, to set into context the articles within this Special Issue. Marketing and entrepreneurship are not one and the same; if they were then we would have not have an interface to consider. There are two main ways to support this statement, firstly to consider why the Interface notion was proposed by Gerald Hills in the late nineteen eighties, and secondly to note that marketing and entrepreneurship are not the same in either their scope or their definition.

Hills (1987), having carried out a literature search in two established marketing journals and finding hardly any work that took account of firm size, or specifically looked at new ventures, commented:

"The situation represents an interesting paradox. Entrepreneurship and new ventures are clearly important to American society ... yet there is a paucity of research on the subject."

The journals reviewed were the *Journal of Marketing* from 1936 and the *Journal of Retailing* from 1927 which between them had yielded only four articles with titles directed wholly towards marketing and new ventures or firm size. Even weakening the criteria to include articles covering these areas as a secondary focus did not alter the overall impression of neglect. A later review by Bob Hisrich in 1989 of two hundred recent articles and exemplars of entrepreneurship literature (such as the Babson proceedings and the *Journal of Business Venturing*) only identified four articles where marketing was the main focus of the work albeit that it received some mention in with another seventeen articles.

Hills in 1987 had ascribed this situation primarily to colleagues assuming that:

"Marketing is the same for the new small business as it is for the mature large business ... and ... (a hypothesis) that the non industry, non size, non stage of the business life cycle truths apply to all."

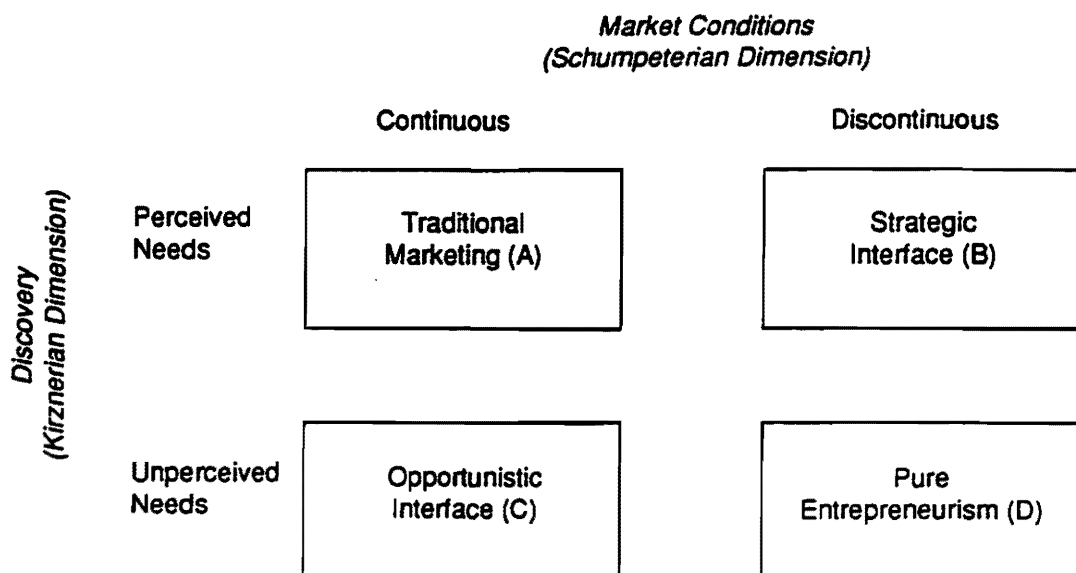
He then discussed some secondary reasons why this situation might have prevailed which ranged from the perceived value and/or status of small business research, the quality and availability of suitable data sets,

through to structural barriers in the organization of business colleges and the location of entrepreneurship within such institutions. This is why we are pleased to have in this Special Issue the work by Teach and Miles that picks up on this latter theme.

The second broad approach is to note that in the literature we describe both an entrepreneurial orientation and a marketing orientation and that they are not the same (see, for example, Miles and Arnold 1991). One variation of this, shown as Figure One, is the approach of Omura et al. (1994), who use Kirznerian and Schumpeterian entrepreneurship definitions to drive out a conventional as opposed to a truly entrepreneurial environment. In quadrant (A), consumer needs are well articulated and markets tend to equilibrium; it is, in effect, the economists' world of consumer sovereignty. Marketing is thus reduced to a cipher, and fulfils simply an information collecting role. In quadrant (D), markets are in disequilibrium and consumer needs are poorly, if at all, articulated—now marketing has a far more fundamental role to play. Marketing in some form clearly exists in both quadrants, but if we define the Marketing/Entrepreneurship Interface as quadrant (D), then it implies a different type of marketing needs to be employed than in the other quadrants. Quadrants (B) and (C) are intermediate scenarios.

So we should not be surprised to find that some early writers in the area proposed a two circle Venn diagram with the Interface being a meaningful meeting of mar-

Figure 1
The Omura et al. Grid with Kirznerian and Schumpeterian Dimensions



keting and entrepreneurship. Brannen (1987) captured this essence of the Interface thus:

"Perhaps we have discovered serendipitously or by design that there is a meaningful trinity formed by the interface of small business, marketing, and entrepreneurship. This innovative, creative destruction which Schumpeter talked about many years ago will come alive in a new era of entrepreneurial marketing. In other words, small business owner/managers who would be identified as entrepreneurial persons according to classifications identified by management scholars need effective marketing strategies in order to accomplish entrepreneurial (innovative/creative) outcomes."

Gardner (1991) noted that the coincidence of the two disciplines is an interaction, not merely an intersection, and he proposed a two circle Venn diagram with entrepreneurship defined as bringing innovation to the market in one segment and the market in the other segment. Marketing is defined as "the application of the technology of market assessment and positioning to achieve a sustainable competitive advantage."

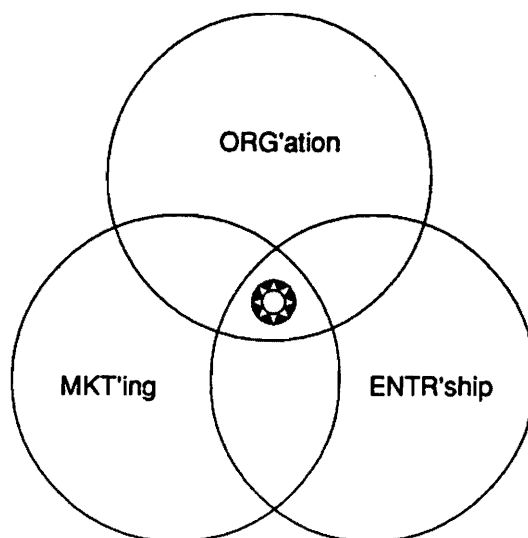
In this review we would wish to argue for a three circle Venn diagram that makes the organizational element explicit. This is shown as Figure Two. Given the history of the Interface, it will always be biased towards studying the Small to Medium Sized Enterprise (SME), but we do need to recognize that it has a wider


relevance. In two of our papers (Teach and Miles; Stokes), organizations other than the SME are considered. Also several of the lessons drawn out from the other papers are of relevance to the larger, and growing, SME.

The original approach by Hills was more pragmatic, and none the worse for that, whereby he argued that the Interface was the application of appropriate marketing theory and practice to the SME. In particular he considered how the constraints faced by the SME would moderate the traditional marketing function, and that marketing and entrepreneurship shared a common interest in opportunity recognition, new product development, innovation, and market strategies directed at growth. The paper by Hulbert et al. concerns itself with opportunity recognition—the stage prior to new product development.

Under Hills guidance and support, particularly through holding the Symposia outside USA, the Interface has matured and developed in several respects. Authors are now more likely to look at the Interface in organizations other than just the SME—so larger firms and transforming centrally planned economies have been studied. Also, some interest has been shown in entrepreneurship in the public sector. Crucially as shown in Chart One, the work has become more international, and this has allowed for entrepreneurship to be considered in specific cultural contexts and for some comparative cross cultural studies to have been developed.

Figure 2
Tripartite Definition of the Interface



 **The Interface**

Early definitions concentrated on just marketing and entrepreneurship, but given the development of the Interface a tripartite approach showing explicitly an organizational dimension is suggested.

We now have some authors arguing that the Interface can be seen as a paradigm in its own right. Such authors (Carson 1995a; Shaw and Carson 1995; Carson et al. 1995) are disposed to argue that that the Interface is more than the appropriate and sensitive adaptation of marketing knowledge as captured in academic texts and papers. They argue that there is a gap between actual practice and conventional academic wisdom, and that the former needs to educate the latter! In this Special Issue, the work by Carson and Gilmore; Maclaran, McGowan and Hill; Chaston; and Freeman and Varley, reflects this viewpoint.

Thus far this paper has argued for an Interface but has not discussed the precise notion of the Interface. To give some guidance here, one might think of the Interface as:

1. a particular organizational form;
2. putting entrepreneurship into marketing;
3. putting marketing into entrepreneurship;
4. relevant competencies;
5. similar and dissimilar characteristics and behavior.

The first position is historically correct, but we have discussed above the development away from this starting point. The work by Stokes in this journal not only reminds us that entrepreneurship can occur in the non private sector but that for his sample a strong case

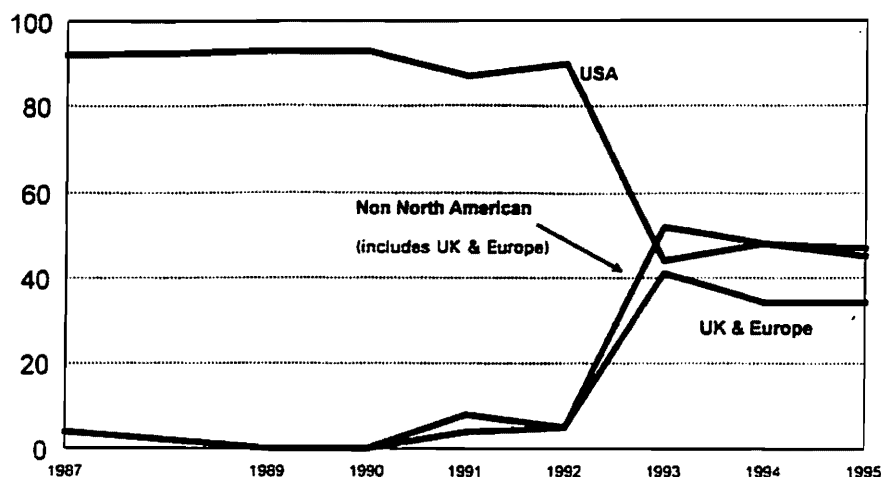
can be made for "best practice" being transferable in both directions. An example of the second scenario is well illustrated by part of the mission statement of the American Marketing Association Marketing Entrepreneurship Interest Group (AMA MEIG):

"Support(ing) the development of marketing theory and the performance of empirical research which reflect the role of marketing in entrepreneurial ventures as well as the role of entrepreneurship in marketing practice" ... "Identify ways to improve the application of marketing principles and concepts to entrepreneurial ventures in companies of all sizes and types" ... "Foster entrepreneurial thinking within the marketing discipline."

The third approach argues that all successful entrepreneurs, however defined, need to market their product/service whilst the subsequent approach considers what are the particular competencies that the entrepreneur will need. Not unsurprisingly much of the work in the Interface concentrates on marketing competencies. However, we ought to view such competencies as a sub set of wider managerial competencies, and O'Brien and Clark do just that in their article.

The final approach argues that marketing and entrepreneurship have some core intertwined elements that are sufficiently strong to give coherence to the notion of the Interface whilst still allowing for differences to be present. Such an approach is found in Hills and LaForge

Chart 1
Research Country of Origin 1987-1995, Percentages



No workshop was held in 1988. Source: Coviello and Carson, 1995

(1992) who compare and contrast schools of marketing and entrepreneurial thought, and Carson et al. (1995):

“Seeking to bring together the disciplines of marketing and entrepreneurship and treating them as one, and to examine the fundamental characteristics of each discipline and focus on their commonalities and differences. The objective being to provide an innovative approach to marketing in SMEs....”

and ...,

“There are similarities and dissimilarities between entrepreneurial decision making and formal marketing planning and management competencies and contact networks. Entrepreneurial decisions are inherently informal, haphazard, creative, opportunistic and reactive whereas marketing decisions are formal, sequential, systems orientated, disciplined and structured. On the other hand there are similarities in the construction and employment of personal contact networks between entrepreneurs and marketing managers. *Equally* some of the skills required by entrepreneurs are those required by competent marketing managers, for example, analytical, judgmental and positive thinking, innovation and creativity” (Carson (1993)).

Given that the call for papers used Figure Two as a framework, the notions in (2)-(5) above can be seen throughout the articles that follow in this Special Issue.

Having identified the Interface then, two further questions need addressing—whether there will ever be a single robust encompassing definition of the Interface, and the extent to which it might be seen as a viable paradigm. Regarding the former issue, this is both

unlikely as well as probably being undesirable—the Interface is itself the outcome of the study of both entrepreneurship and marketing. Trying to capture and define the true nature of entrepreneurship has to date proved elusive—see, for example, Gartner (1989). We do face the problem, as noted wryly by Kilby(1971):

“The search for the source of dynamic entrepreneurial performance has much in common with hunting the Heffalump. The Heffalump is a large and rather important animal. He has been hunted by many individuals using various ingenious trapping devices, but no one so far has succeeded in capturing him. All who claim to have caught sight of him report that he is enormous, but they disagree on his particularities. Not having explored his current habitat with sufficient care, some hunters have used as bait their own favorite dishes and have then tried to persuade people that what they have caught was a Heffalump. However very few are convinced, and the search goes on” (and with thanks to Winnie the Pooh).

Marketing theory itself is open to development, evolution and interpretation so that would add to the probability of multiple definitions occurring.

It is not the purpose of this article to argue for the Interface as a new paradigm; we would hope that the reader will decide for themselves that the Interface has something useful to contribute to the debate over SME marketing practices—but usefulness and paradigm are somewhat distant one from the other. Carson (1995) argues convincingly for a paradigm—one of his arguments being:

"Although research at the Interface is perhaps (still) in the 'School of Discovery' phase, it has progressed sufficiently for it to be perceived as being uniquely different from either the marketing discipline or the entrepreneurship discipline."

Whilst Siu and Kirby (1998), in their survey of academic approaches to small firm marketing, see it as only one possible school of thought. However their conclusions in respect of appropriate research agendas and methodology, given that marketing behavior in small firms is seen as being different to that in large firms, is supportive of an Interface approach.

Finally, we might note that Hills in the 1987 Symposium proceedings was writing:

"A spirit of entrepreneurship encompassed the conception and birth of the event that yielded the papers in this volume...The contributors to the conference and to this volume are pioneers. ...An ambitious hope for this statement is that it will one day be viewed as a worthwhile beginning."

Whilst by 1994 he was confident enough to suggest that:

"This is the seventh (1993) volume reporting the results from the Symposium in Marketing and Entrepreneurship series. This volume continues to reflect the global flavor of the Chicago-INSEAD volume. We have had contributions from researchers worldwide. This combination of international contributors and multi-cultural research makes the marketing/entrepreneurship interface an exciting intellectual journey."

If the Interface is to be a paradigm then one might consider that it needs to address new realities, raise and answer new questions, embrace new theories and develop and legitimize new research methods (Shaw and Carson 1995). Whilst some of the work in this Special Issue does use traditional research methods, and is none the worse for that, some authors are using qualitative methods that some would assert are more appropriate to the Interface. We hoped that our call for papers would draw forth a case study, a natural vehicle for readers of the *Marketing Education Review* to consider for class use. Readers will notice, however that the case study we have selected is rather different in its approach. Equally some of our papers draw out conventional but nonetheless important lessons, for example, what creates export success for the SME? Other papers challenge the reader in a different way and to note three—a questioning of how and what we should teach; that relationship marketing needs to be enacted with some care; and even, in the face of much estab-

lished research that gender and entrepreneurship is an issue.

If the Interface does yield insightful views into entrepreneurial marketing, particularly in the SME, and if it does need to consider new research methodologies, then the impact upon us as educators is immense, and no less so as researchers feeding our good practice, experience and research outcomes back into the classroom. So whilst only a small proportion of work at the Interface is directly about how we educate as "Interfacers," it is an important body of work, and so we are pleased to have been offered the opportunity to compile this Special Issue of the *Marketing Education Review*.

The Interface is, of course, a focused area of research but it is not an exclusive enclave of colleagues, and we wanted to reflect this in the call for papers. We broadly defined the client being educated—from the undergraduate to the owner and/or manager, and the teacher from the lecturer through to the consultant. We recognized that much of the work would naturally focus on the SME but that work on other organizational forms, and larger organizations would be welcomed. The Interface could have been tightly defined, but common sense dictates that would exclude insightful contributions, and anyhow the Interface is robust enough to survive, and benefit from, a plurality of opinions. So we suggested to prospective authors what we considered to be the essence of the Interface while requiring them to define clearly their notion of the Interface. Importantly we asked them to spell out the practical implications of their work and this is reflected particularly in the richness of the competencies drawn out for the successful entrepreneurial marketer—from the very specific (informational skills needed to export successfully) to the very general (the consideration of the appropriate role for relationship marketing). Figure Three summarizes how colleagues have defined the Interface, the samples they have worked with, and the key lessons that we can draw from their work.

We hope that the reader of this Special Issue will see, but not be overburdened by, the common thread this article attempts to weave! Individually all the articles have important conclusions from which we can all draw lessons both within and outside the lecture hall. Collectively, they mirror many of the interests of colleagues at the Interface. But important as it is—work about teaching the Interface is only one part of the whole Interface debate. For colleagues interested in following up this wider debate we have added some "gateways" to the bibliography.

Figure 3
Summary of Paper Key Issues

<i>Author/Type of study/Sample:</i>	<i>Interface Definition:</i>	<i>Main outcomes: Particularly applicable to . . .</i>
<p><i>Carson and Gilmore</i></p> <p>Conceptual and empirical</p> <p>60 UK SMEs employing between 10-200 employees, turnovers between £0.5m to £35m; an almost equal split between manufacturing and service businesses. The entrepreneur/owner manager the dominant decision maker.</p>	<p>The commonality between the two domains and a consideration of how the commonalities between the two should influence, and modify, the teaching of marketing to, and for, the SME.</p>	<p>Colleagues to consider whether reality and conventional academic wisdom are one and the same, and to draw the strengths out of both.</p> <p>To consider making corrective balances in our teaching programs and approach.</p> <p>Intending and actual owner managers.</p>
<p><i>Teach and Miles</i></p> <p>Conceptual and empirical</p> <p>Qualitative judgmental sample of US Faculty holding entrepreneurship chairs, and, senior marketing faculty.</p>	<p>As the AMA Special Interest Group and through the research question posed.</p>	<p>An insight into the career opportunities for marketing doctoral students who have a research and teaching interest in entrepreneurship. Particularly given that the location of much entrepreneurship is in the management discipline, and, the low degree of assimilation of entrepreneurship into marketing.</p> <p>Graduate students</p>
<p><i>O'Brien and Clark</i></p> <p>Conceptual and empirical</p> <p>272 mailed questionnaires to SMEs (defined as less than 500 employees) who have been in business for at least five years and are located in the Glasgow (Scotland) area. Responses from both "graduate employing" and "non graduate employing" SMEs.</p>	<p>Three key areas of the Interface defined as: being change focused, opportunistic in nature and innovative in the management approach.</p>	<p>Their definition of the Interface raises questions about how education prepares the student for such behaviors. The authors then proceed to consider the wider industry/education interface.</p> <p>Comments more widely on the entrepreneurial role of graduates in SMEs and in particular on two of the Interface key areas.</p> <p>Graduate students</p>

Figure 3
Summary of Paper Key Issues (continued)

<i>Author/Type of study/Sample:</i>	<i>Interface Definition:</i>	<i>Main outcomes: Particularly applicable to . . .</i>
<p><i>Maclaren, McGowan and Hill</i></p> <p>Conceptual and share experiences of teaching program.</p> <p>Owner managers on their Effective Marketing Program.</p>	<p>Discuss the concept of the ESF—entrepreneurial small firm, rather than the SME. Argue that the success of the SME is determined by their marketing and entrepreneurial attitudes and competencies.</p>	<p>Argue for, and share their insights from, the adoption of work based learning programs in the marketing area.</p> <p>SME owner managers</p>
<p><i>Stokes</i></p> <p>Conceptual and case study</p> <p>Primary schools in the UK (5-11 year olds). Case study of one urban primary school.</p>	<p>Seeking to bring together the disciplines of marketing and entrepreneurship and treating them as one (as Carson et al.)</p>	<p>That primary schools following the 1988 Education Reform Act are the public analogue to small enterprises. The ERA often only sharpening the marketing activity that happened prior to this Act.</p> <p>That relationship marketing is the more appropriate strategy, and that, given that they and small businesses face the same constraints "best practice" is transferable between them.</p> <p>School administrators, researchers and SME owners for comparison</p>
<p><i>Chaston</i></p> <p>Conceptual and sample</p> <p>104 UK manufacturing SMEs, with turnovers between £ 0.1m-£3.0m. Employees numbering between 10-100.</p>	<p>(as Hills and LaForge)—the four key factors of successful entrepreneurship—organization creation, innovation, uniqueness and growth—all have a special relevance to the precise nature of the marketing management process within entrepreneurial organizations.</p>	<p>Introduces for consideration a hybrid model which considers closeness to client (relationship Vs. transactional marketing) and degree of entrepreneurial activity.</p> <p>Argues that this will attune academics and practitioners to being sensitive to more subtle (rather than polar) marketing styles, and that in turn will, lead to a fuller consideration of appropriate marketing competencies.</p> <p>Educators, consultants and SMEs</p>

Figure 3
Summary of Paper Key Issues (continued)

<i>Author/Type of study/Sample:</i>	<i>Interface Definition:</i>	<i>Main outcomes: Particularly applicable to . . .</i>
<p><i>Hulbert, Brown and Adams</i></p> <p>Conceptual</p> <p>Not applicable.</p>	<p>As Hills and Carson, and where opportunity recognition is fundamental to both marketing and entrepreneurship and thus is at the Interface. Discussion that the Interface could be better conceptualized as a continuum.</p>	<p>Several practical suggestions in respect of teaching marketing, or entrepreneurship, programs, as well as at the marketing/ entrepreneurship Interface.</p> <p>Undergraduates</p>
<p><i>Freeman and Varley</i></p> <p>Literature search and two case studies of different sized organizations.</p> <p>10 female and 10 male owner managers in the Greater Manchester area (England), all with 50 or less employees.</p> <p>One unit within a larger regional/ national organization</p>	<p>Inherent commonality between entrepreneurship and marketing. Proposition that we need to recognize the contemporary lack of understanding of real behavior. If one of these misunderstandings concerns internal marketing, then we need also to recognize that gender does matter.</p>	<p>Management style and success in terms of development and growth is co-related.</p> <p>Gender differences do make an impact.</p> <p>Internal marketing is important but as a management process it appears to be more attractive to female entrepreneurs.</p> <p>SMEs and consultants</p>
<p><i>Mumby Croft and Hackley</i></p> <p>Case study</p> <p>Proprietor of SME</p>	<p>The entrepreneur in the market</p>	<p>Entrepreneurs are individuals, and exercise behaviors that are recognizably entrepreneurial—so we can learn a great deal from relevant business histories.</p> <p>What we must not forget is that the entrepreneur is part of a wider social grouping and this determines both how they interact within society and how society wants to interact with them.</p> <p>This article gives us not only a relevant case study, but also one set into a rich historical and cultural context.</p> <p>Undergraduates and lecturers</p>

Figure 3
Summary of Paper Key Issues (continued)

<i>Author/Type of study/Sample:</i>	<i>Interface Definition:</i>	<i>Main outcomes: Particularly applicable to . . .</i>
<p><i>Crick and Chaudhry</i></p> <p>Empirical</p> <p>1471 UK SMEs employing less than 250 employees.</p>	<p>The marketing practices of managers involved in entrepreneurial activities—in this case exporting.</p>	<p>Firms of difference sizes do have different perceptions about the usefulness of sources of export information. This suggests that we need to consider how information is acquired and used and how we can encourage SMEs to make the best use of information available.</p> <p>We might note also also that several theories of entrepreneurship, either implicitly or explicitly, are concerned in some part with information gathering and processing.</p> <p>Trainers and policy makers associated with export marketing</p>

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Gateways

(a) UIC/AMA Annual Research Symposium

The proceedings of the University of Illinois at Chicago/American Marketing Association (Special Interest Group) Symposia, now usually held twice per year, collected as one volume of proceedings and published one year in arrears of the Symposium actual date. No proceedings were published in 1988.

Full details and the call for papers can be obtained from: Dr Gerald E. Hills, Institute for Entrepreneurial Studies, m/c 244, University of Illinois at Chicago, 601 South Morgan, Suite 809, Chicago Illinois 60607-7108. Fax: (+) 1-312-413-1265; Tel: (+) 1-312-996-2670; Email: gehills@uic.edu

Internet page for the Institute which is: <http://www.uic.edu/cba/ies/>

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1996, 1997 proceedings are due for publication this year.

(b) Books, Bibliographies and Journal Editions

Hills, G. E. (1994), *Marketing and Entrepreneurship Research Ideas and Opportunities*, Westport, CT: Quorum Books (Greenwood Publishing Group Inc.), ISBN 0-89930-765-5.

Carson, D., S. Cronie, P. McGowan and J. Hill (1995), *Marketing and Entrepreneurship in SMEs, An Innovative Approach*, Hertfordshire: Prentice Hall.

_____ (1995), Editorial, *European Journal of Marketing*, Vol. 29, No 7, 6-8. This is a special issue of the EJM focusing on the Interface.

AMA Marketing and Entrepreneurship Interest Group (AMA MEIG) and The School of Business and Public Administration, University of the Pacific (1994), *An Academic Bibliography Addressing The Marketing/Entrepreneurship Interface*. Available on the AMA MEIG Home page.

The proceedings of the 1998 AMA Winter Educators' Conference will feature the three best papers from the 1997 UIC/AMA Symposium.

(c) Newsletters

(i) Marketing Entrepreneurship Interface Newsletter from the AMA MEIG Home page: Published in the Spring and Fall each year.

(ii) Subscribe to the (additional) new electronic MEIG Newsletter by sending an email message to: maillist@ama.org with the following message, and nothing else, and no other text in the body of the message: subscribe emeig

(d) The UK Academy of Marketing Special Interest Group

Has an annual Symposium in January each year - co-sponsored with UIC and AMA. Published proceedings from the last three Symposia will be available in Summer 1998. When available details will be posted in [emeig](http://emeig.org).

There will be a track on Marketing, entrepreneurship and creativity featuring work on the Interface at the UK Academy of Marketing Annual Conference, (8-10 July 1998), proceedings will be available at conference date.

Defining the Interface: a useful framework?

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This paper offers for consideration a definition of the Interface which is then used to make some general comments on the types of papers and work that has been offered through the UIC / AMA Workshops on Marketing and Entrepreneurship, and the more recent series of annual AM Special Interest Group in the Marketing and Entrepreneurship Interface (AMSIGME) Workshops from which these Proceedings are drawn.

Introduction

This paper sets out to offer the reader for their consideration a framework through which to consider the nature and scope of the 'marketing / entrepreneurship interface'. If the reader is unhappy with the precise definition offered, then perhaps, at worst, a framework has been offered through which to consider the relationship of the papers in these proceedings one to the other.

In this review two sets of papers are considered, firstly those published in the proceedings of the University of Illinois at Chicago / American Marketing Association - Marketing Entrepreneurship Interest Group (UIC / AMA-MEIG), initially annual, and, then twice yearly workshops. The database used covers published proceedings from 1987 to 1995. Proceedings 'post 1995' are due out in late Autumn 1998. The second set of papers considered are those which were presented at the last AM Workshop at Nene University College. Additionally a cursory review of the paper titles presented at all three UK AM Workshops has also provided some comparative data. Not all of the Academy of Marketing (AM) papers appear in this volume, for example, authors may have revised or amalgamated papers on the same theme.

Many of the influences in this paper are obvious, and cited, although many more are subtle and have been instilled through colleagues work on the Interface as disseminated through the UK and USA Workshops.

Given that some would see the Interface as a new marketing paradigm the offering of a framework is important. However we all need (particularly those of us interested in overarching frameworks!) to accept that the inherent nature of the Interface means that we should be happy to accept a diversity of views but underpinned by a discernible focus. The Interface has a strong history rooted in the SME; and a history encompassing both American and European thought on SMEs and marketing, so this coupled with our natural curiosity, and the obvious gains from a plurality of views, approaches and

methodologies means diversity!

A brief history of the Interface and why marketing and entrepreneurship are not one and the same

Marketing and entrepreneurship are not one and the same, if they were then we would not have an interface to consider. There are two main ways to support this statement, firstly to consider why the 'Interface notion' was proposed by Gerald Hills in the late nineteen eighties, and secondly to note that marketing and entrepreneurship are not the same in either their scope or their defining.

Hills (1987) having carried out a literature search in two established marketing journals and finding hardly any work that took account of firm size, or specifically looked at new ventures, commented:

“The situation represents an interesting paradox. Entrepreneurship and new ventures are clearly important to American society. yet there is a paucity of research on the subject.”

The journals reviewed were the Journal of Marketing from 1936 and the Journal of Retailing from 1927 which between them had yielded only four articles with titles directed wholly towards marketing and new ventures or firm size. Even weakening the criteria to include articles covering these areas as a secondary focus did not alter the overall impression of neglect. A later review by Hisrich (1989) of two hundred recent articles and exemplars of entrepreneurship literature (such as the Babson proceedings and the Journal of Business Venturing) only identified four articles where marketing was the main focus of the work albeit that it received some mention in a further seventeen articles.

In 1987 Hills ascribed this situation primarily to colleagues assuming that:

“Marketing is the same for the new small business as it is for the mature large business ... and .. (a hypothesis) that the non industry, non size, non stage of the business life cycle truths apply to all.”

He then discussed some secondary reasons why this situation might have prevailed which ranged from the perceived value and/or status of small business research, the quality and availability of suitable data sets, through to structural barriers in the organisation of business colleges and the location of entrepreneurship within such institutions.

The second broad approach is to note that in the literature we describe both an entrepreneurial orientation and a marketing orientation and that they are not the same (see, for example, Miles and Arnold, 1991). One variation of this, shown as Exhibit One, is the approach of Omura et al. (1994) who use Kirznerian and Schumpeterian entrepreneurship definitions to drive out a conventional as opposed to a truly entrepreneurial environment. In quadrant (A) consumer needs are well articulated and markets tend to equilibrium, it is, in effect, the economists' world of consumer

sovereignty. Marketing is thus reduced to a cipher, and fulfils simply an information collecting role. In quadrant (D), markets are in disequilibrium and consumer needs are poorly, if at all, articulated - now marketing has a far more fundamental role to play. Marketing in some form clearly exists in both quadrants but if we define the Marketing / Entrepreneurship Interface as quadrant (D) then it implies that a different type of marketing needs to be employed than that used in the other quadrants. Quadrants (B) and (C) being intermediate scenarios.

So we should not be surprised to find that some early writers in the area proposed a two circle Venn diagram with the Interface being a meaningful meeting of marketing and entrepreneurship. Brannen (1987) captured this essence of the Interface:

“Perhaps we have discovered serendipitously or by design that there is a meaningful trinity formed by the interface of small business, marketing, and entrepreneurship. This innovative, creative destruction which Schumpeter talked about many years ago will come alive in a new era of entrepreneurial marketing. In other words, small business owner/managers who would be identified as entrepreneurial persons according to classifications identified by management scholars need effective marketing strategies in order to accomplish entrepreneurial (innovative/creative) outcomes”

Exhibit One: The Omura, et al. Grid with Kirznerian and Schumpeterian Dimensions

		<i>Market Condition</i> (Schumpeterian Dimension)	
		Continuous	Discontinuous
<i>Discovery</i> (Kirznerian Dimension)	Perceived Needs	Traditional Marketing (A)	Strategic Interface (B)
	Unperceived Needs	Opportunistic Interface (C)	Pure Entrepreneurism (D)

Gardner (1991) noted that the coincidence of the two disciplines is an interaction, not merely an intersection, and he proposed a two circle Venn diagram with entrepreneurship in one circle being defined as bringing innovation to the market and the market represented in the other circle. Marketing being defined as: “the application of the technology of market assessment and positioning to achieve a sustainable competitive advantage”

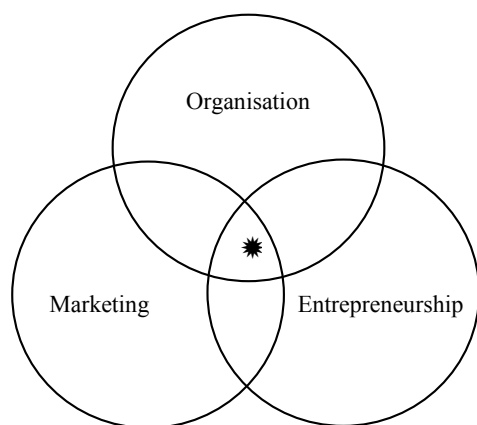
In this review the argument is made for a three circle Venn diagram that makes the organisational element explicit and this is shown as Exhibit Two. Given the history of

the Interface, it will always be biased towards studying the Small to Medium Sized Enterprise (SME) however we should acknowledge that it has the potential to encompass other organisation forms and non profit situations.

The original approach by Hills (1987) was more pragmatic but none the worse for that, where he argued that the Interface was the application of appropriate marketing theory and practice to the SME. In particular how the constraints faced by the SME would moderate the traditional marketing function, and that marketing and entrepreneurship shared a common interest in: opportunity recognition, new product development; innovation; and market strategies directed at growth.

Under Hills guidance and support, particularly through holding the UIC/AMA-MEIG Symposia outside of the United States, the Interface has matured and developed in several respects. Authors are now more likely to look at the Interface in organisations other than just the SME - so larger firms and transforming centrally planned economies have been studied. Also some interest has been shown in entrepreneurship in the public sector. Crucially as shown in Exhibit Three, the work has become more international, and this has allowed for entrepreneurship to be considered in specific cultural contexts and for comparative cross cultural studies to have been developed. We now have some authors arguing that the Interface can be seen as a paradigm in its own right. Such authors (Carson 1995a, Shaw and Carson 1995, Carson et al., 1995) are disposed to argue that that the Interface is more than the appropriate and sensitive adaptation of marketing knowledge as captured in academic texts and papers. They argue that there is a gap between actual practice and conventional academic wisdom, and that the former needs to educate the latter!

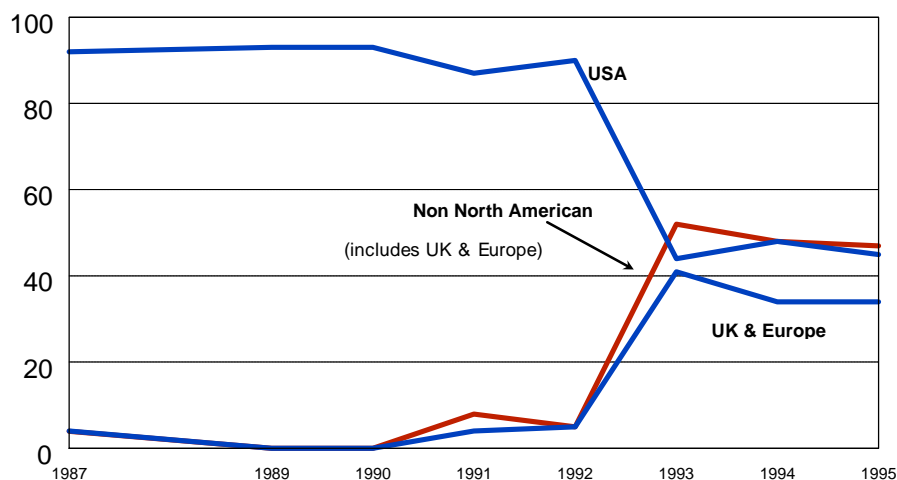
Exhibit Two: Tripartite Definition of the Interface



Early definitions concentrated on just marketing and entrepreneurship but given the development of the Interface a tripartite definition including an explicit organisational variable is suggested.

Exhibit Three: Research by country of origin, 1987-1995, (percentages)

No Workshop was held in 1988. Source: Coviello & Carson, 1995



Interface notions

Thus far this paper has argued for an Interface but has not discussed the precise notion of the Interface. To give some guidance here, one might think of the Interface as:

1. a particular organisational form
2. putting entrepreneurship into marketing
3. putting marketing into entrepreneurship
4. relevant competencies
5. similar and dissimilar characteristics and behaviour

The first position is historically correct but as suggested previously there has been a development away from this starting point and some of the papers in these proceedings consider organisations other than the SME. An example of the second scenario is well illustrated by part of the mission statement of the American Marketing Association - Marketing Entrepreneurship Interest Group (AMA-MEIG), who are the major co-sponsors of the American workshops with the University of Illinois at Chicago.

“Support(ing) the development of marketing theory and the performance of empirical research which reflect the role of marketing in entrepreneurial ventures as well as the role of entrepreneurship in marketing practice” ... “Identify ways to improve the application of marketing principles and concepts to entrepreneurial ventures in companies of all sizes and types” ... “Foster entrepreneurial thinking within the marketing discipline.”

The third approach argues that all successful entrepreneurs, however defined, need to market their product/service whilst the subsequent approach considers what are the particular competencies that the entrepreneur will need. Not unsurprisingly much of the

work in the Interface concentrates on marketing competencies however we ought to view such competencies as a sub set of wider managerial competencies.

The final approach argues that marketing and entrepreneurship have some core intertwined elements that are sufficiently strong to give coherence to the notion of the Interface whilst still allowing for differences to be present. Such an approach is found in Hills and LaForge (1992) who compare and contrast schools of marketing and entrepreneurial thought, and Carson et al. (1995):

“Seeking to bring together the disciplines of marketing and entrepreneurship and treating them as one, and to examine the fundamental characteristics of each discipline and focus on their commonalties and differences. The objective being to provide an innovative approach to marketing in SMEs....”

and ...,

“There are similarities and dissimilarities between entrepreneurial decision making and formal marketing planning and management competencies and contact networks. Entrepreneurial decisions are inherently informal, haphazard, creative, opportunistic and reactive whereas marketing decisions are formal, sequential, systems orientated, disciplined and structured. On the other hand there are similarities in the construction and employment of personal contact networks between entrepreneurs and marketing managers. *Equally* some of the skills required by entrepreneurs are those required by competent marketing managers, for example, analytical, judgmental and positive thinking, innovation and creativity.” Carson, (1993)

A single encompassing definition and a viable paradigm?

Having identified the Interface then two further questions need addressing - whether there will ever be a single robust encompassing definition of the Interface, and, the extent to which it might be seen as a viable paradigm. Regarding the former issue this is both unlikely as well as probably being undesirable - the Interface is itself the outcome of the study of both entrepreneurship and marketing. Trying to capture and define the true nature of entrepreneurship has to date proved elusive - see for example Gartner (1989). Marketing theory itself is open to development, evolution and interpretation so that would add to the probability of multiple definitions and interpretations occurring.

It is not the fundamental purpose of this paper to argue for the Interface as a new paradigm, we would hope that the reader will decide for themselves that the Interface has something useful to contribute to the debate over SME marketing practices but usefulness and paradigm are somewhat distant one from the other. However Carson (1995) argues convincingly for a paradigm - one of his arguments being:

“Although research at the Interface is perhaps (still) in the ‘School of Discovery’ phase, it has progressed sufficiently for it to be perceived as being uniquely different from either the marketing discipline or the entrepreneurship discipline”.

Siu and Kirby (1998) in their survey of academic approaches to small firm marketing, see it as only one possible school of thought. However their conclusions in respect of what are appropriate research agendas and methodologies - given that marketing behaviour in small firms is seen as being different to that in large firms - is supportive of an Interface approach.

Finally we might note that Hills in the 1987 Symposium proceedings was writing:

“A spirit of entrepreneurship encompassed the conception and birth of the event that yielded the papers in this volume The contributors to the conference and to this volume are pioneers. An ambitious hope for this statement is that it will one day be viewed as a worthwhile beginning.”

Whilst by 1994 he was confident enough to suggest that:

“This is the seventh (1993) volume reporting the results from the Symposium in Marketing and Entrepreneurship series. This volume continues to reflect the global flavour of the Chicago-INSEAD volume. We have had contributions from researchers world-wide. This combination of international contributors and multi-cultural research makes the marketing/entrepreneurship interface an exciting intellectual journey”

If the Interface is to be considered a paradigm then one might argue as Shaw and Carson (1995) that it needs to address new realities, raise and answer new questions, embrace new theories and develop and legitimise new research methods. The work in these Proceedings uses a variety of appropriate and valid research methods. Some use ‘traditional’ methods of investigation whilst other work makes out the case for, and uses, less conventional frameworks and so is more concerned with the ‘legitimation of new approaches’.

If the Interface does yield insightful views into entrepreneurial marketing, particularly in the SME, and if it does need to consider new research methodologies, then the impact upon us as educators is immense, and no less so as researchers feeding our good practice, experience and research outcomes back into the classroom. Several papers in these Proceedings consider directly how we educate as ‘Interfacers’.

The Final Tripartite Schema

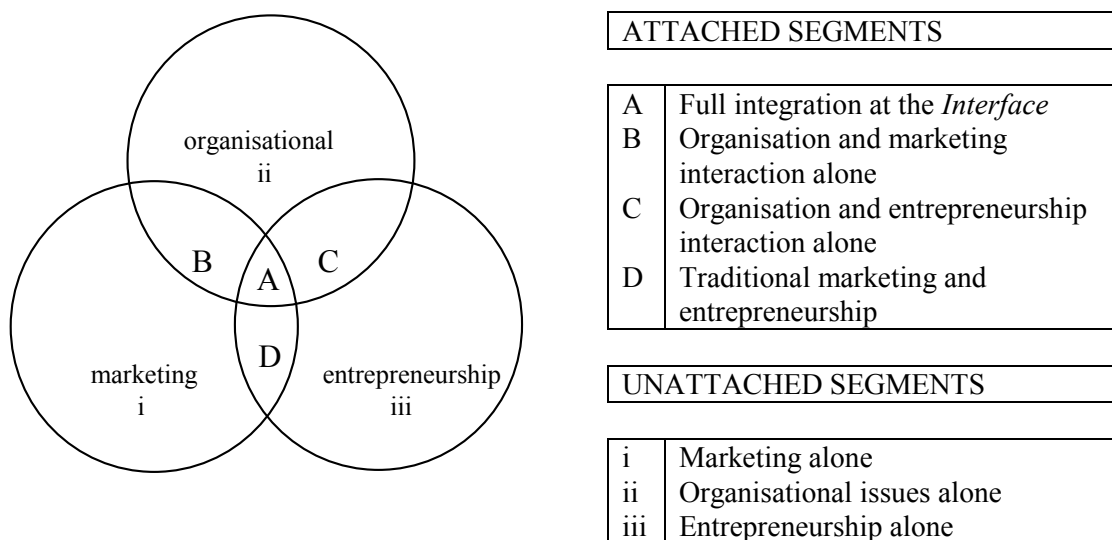
Exhibit Four develops Exhibit Two by acknowledging all of the ‘segments’ on the Venn diagram, and will be returned to later to classify the 1998 Nene Workshop papers. Exhibit Five concentrates on some obvious ‘macro’ issues in, as it were, a value chain from research through to meaningful teaching and research outcomes.

In order to help classify the work considered below, key issues are reviewed around the structure of Exhibit Six.

We have the body of work from the UIC/AMA-MEIG Workshops, the data available from reviewing the abstracts for the most recent AMSIGME Nene Workshop, and from

a shallow categorisation of the titles (not the contents) of the papers collected together in these proceedings.

Exhibit Four: Conceptualising the *Interface*



Comparison of the UIC/AMA-MEIG and AMSIGME Papers

Sectors studied

Not unsurprisingly most of the research is concerned with SMEs, usually within the country of the researcher - although both the AM and AMA Interest Groups are helping to encourage the development of cross country studies. One of the larger studies in conjunction with the Swedish Foundation for Small Business has, from last Summer, started to report back to colleagues.

The sectors and types of business studied reflect both catholic tastes and curiosity, and, Exhibits Seven and Eight give some insight here by comparing the UIC/AMA-MEIG Workshop, the 'Nene' Papers and the other papers presented at the last three AM Workshops (not all presented papers may feature in these proceedings). Picking up on some of the differences, and generalising rather too much, non USA academics are less interested in high tech businesses as exemplars of entrepreneurship, whilst relatively little work on growth, opportunity, franchising or networking is done by either group. In these proceedings the two most popular categories are work on educational aspects of the Interface and marketing management/market planning and practice.

Exhibit Five: The Interface - some ‘macro’ issues - a value chain analogy

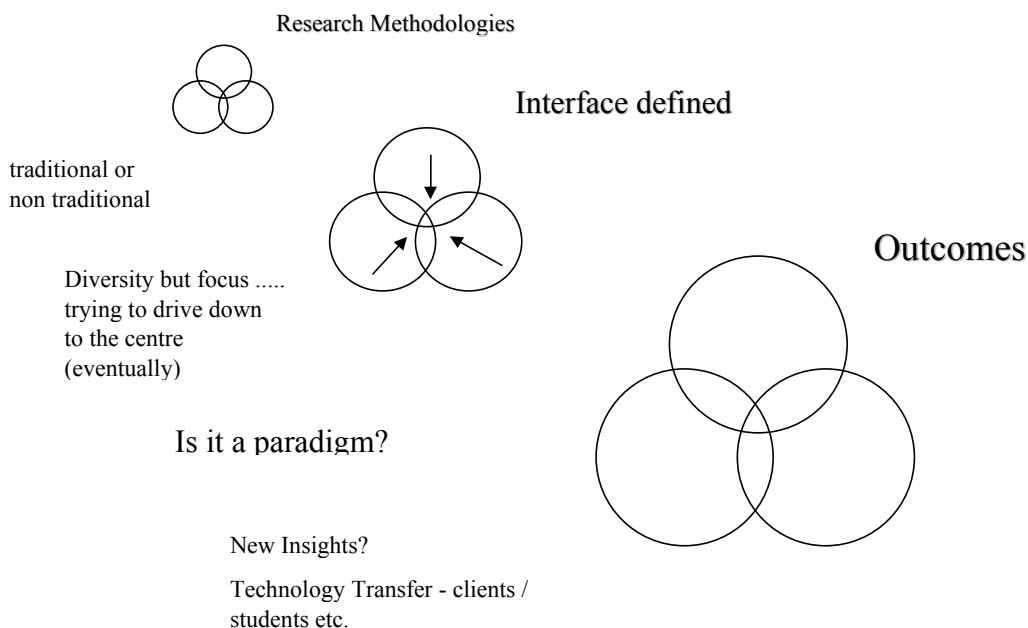
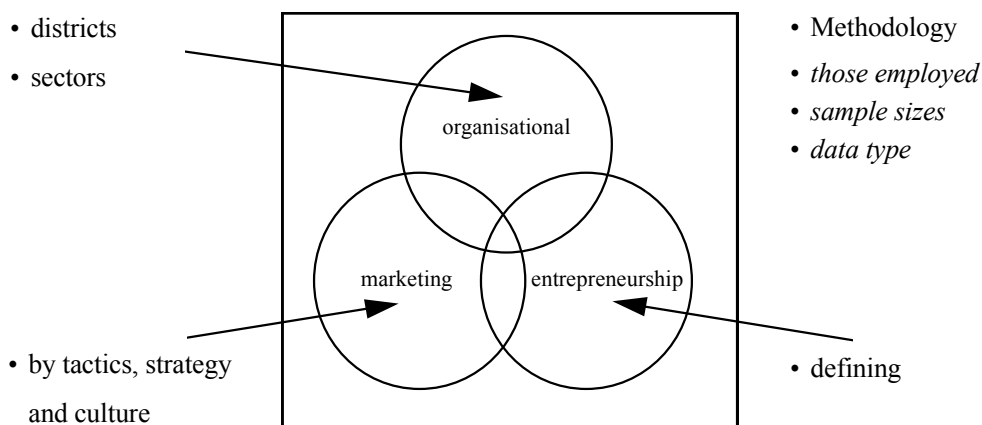


Exhibit Six: The UIC/AMA Workshop Papers - a classification schema



Methodology

In respect of methodology, most of us are working with small sample sizes of less than one hundred. The major data type in the UIC/AMA-MEIG Workshops is cross sectional. The most popular sample 'district' is national data. Methodologies are varied, and often used in combination. Comparing the larger UIC/AMA-MEIG sample to the very small AMSIGME Nene Workshop sample suggests that European colleagues have a greater predilection for case study and qualitative methodologies. (Exhibit Nine).

Entrepreneurship

We need to think about what we are investigating - is it the SME or the entrepreneurial SME? Equally we need to recognise that because so much of entrepreneurship is about perception that we need to make sure that we are meeting on common ground. To quote Kilby (1971), and in an even more light hearted fashion, Bryson (1995):

“The search for the source of dynamic entrepreneurial performance has much in common with hunting the Heffalump. The Heffalump is a large and rather important animal. He has been hunted by many individuals using various ingenious trapping devices, but no one so far has succeeded in capturing him. All who claim to have caught sight of him report that he is enormous, but they disagree on his particularities. Not having explored his current habitat with sufficient care, some hunters have used as bait their own favourite dishes and have then tried to persuade people that what they have caught was a Heffalump. However very few are convinced, and the search goes on.” (and with thanks to Winnie the Pooh)

“ Among the many thousands of things that I have never been able to understand, one in particular stands out. That is the question of the first person who stood by a pile of sand, ‘You know, I bet if we took some of this and mixed it with a little potash and heated it, we could make a material that would be solid and yet transparent’.

‘We could call it glass’ Call me obtuse, but you could stand me on a beach till the end of time and never would it occur to me to try to make it into windows”

As might be expected there is a wide diversity in what is considered to be entrepreneurial activity, or an entrepreneurial SME. Content analysis of the UIC/AMA Workshop papers (not detailed here) shows an increasing incidence of colleagues defining entrepreneurship, rather than just presenting work on the SME, and assuming that it is entrepreneurial. A speculative suggestion is that an increasing difference between work in Europe and the USA is that colleagues in the States are more likely to consider the Interface as marketing applied to a particular business form - the SME, or activity (say, high technology ventures) whilst colleagues in Europe are more likely to debate whether the Interface is a new paradigm. Neither approach is obviously superior but one is closer to the origins of the Interface debate. Exhibits Ten and Eleven look at an indicative selection of both UIC/AMA-MEIG and Nene definitions.

Exhibit Seven: Sectors Studied.

UIC/AMA SAMPLE, (N = 233) by frequency of cases

NENE WORKSHOP, (N= 21) by a-z

Once	ABI database, advisors, aerospace, affluent small businesses, citizens, employment growth, entertainment industry, franchising, high tech Vs low tech, INC. 500, informal economy, npd/innovation, products appealing to younger generation, public sector, wineries, young high growth	<ul style="list-style-type: none"> ◇ arts and crafts businesses in Britain & Ireland ◇ Asian owned small retailers ◇ Central and Eastern European companies ◇ education - post graduate students ◇ education - undergraduates (2 papers) ◇ electronics firms - Ireland ◇ exporting firms within West Yorkshire ◇ exporting, SMEs - owner managers and key decision makers in ◇ exporting - Queens award winners
Twice	agribusiness/horticulture, consumers, venture capitalists	
3-4 times	building & real estate, electronics, entrepreneurial 'actors', exporting/international, small enterprise research in journals	
5-8 times	start ups, retail, technology	<ul style="list-style-type: none"> ◇ fashion design ◇ franchising ◇ general practitioners - Aberdeen ◇ Scottish Opera and Scottish Ballet ◇ small business club members ◇ small firms ◇ small firm - management consultancy ◇ small firms - Malaysian furniture manufacturers ◇ SMEs - business service in West Yorkshire ◇ SMEs - female owned tourism ◇ SMEs - food sector ◇ SMEs - owner managers in northern Ireland
11-14 times	computing, education, high tech, services, manufacturing	
45 times	various, (across more than one sector)	
64 times	not applicable	

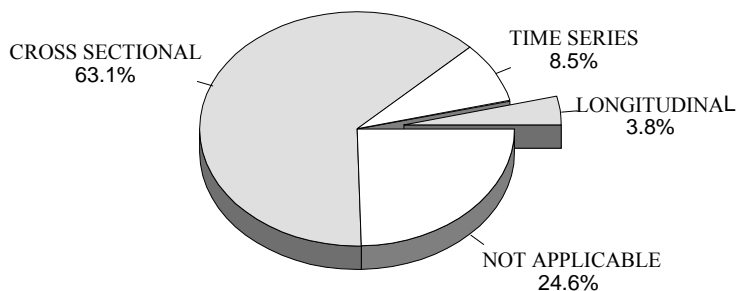
Exhibit Eight (b): AM Workshops 1996-98: Paper Subjects, Broad Categories

	actual	%
education	10	15
marketing management/planning & practice	10	15
exporting	6	9
definitional	5	8
public / quasi public	4	6
societal aspects	4	6
networks, networking & alliances	4	6
consultancy	3	5
ethnic	3	5
growth	3	5
management & decision making	3	5
entrepreneurial marketing	2	3
franchising	2	3
one person businesses	2	3
research methodology	2	3
new product development	1	2
opportunity	1	2
tourism	1	2
	66	100

Exhibit Nine (a): Methodologies employed

UIC/AMA Workshops, n =116		Nene Workshop, n =22		
Methodology	Number	%	Number	%
Not applicable e.g. conceptual	53	22.5	7	31.8
Personnel Interview	27	11.4	1	4.5
Questionnaire	55	23.3	3	13.6
Questionnaire and other techniques	30	12.7		
In depth discussion or focus group	11	4.7		
Client case report analysis	4	1.7		
Citation analysis and/or literature review	11	4.7		
Content analysis	3	1.3		
Qualitative & quantitative mix	14	5.9	2	9.1
Case study / Qualitative	16	6.8	9	40.9
Telephone interview	4	1.7		
Other methods e.g. experiment, etc.	8	3.4		

Exhibit Nine (b): Interface: Data Type



n =236, time series is continuous; longitudinal has a gap in the years compared.

Exhibit Ten: Defining Entrepreneurship UIC/AMA Sample CATEGORY and Number of cites (n= 193)

Bespoke	31
Competence Distinctiveness	01
Corporate Entrepreneurship	02
Create	12
Entrepreneurial Consumers	03
Growth	08
High Tech	05
Information Seeking/Disequilibrium	05
Innovation	11
Network Relationship	01
New Product Development	08
Opportunity	04
Organisational	06
Strategic	03
Technology	03
Definition not applicable given objectives of the paper	19
No definition offered	71
TOTAL	193

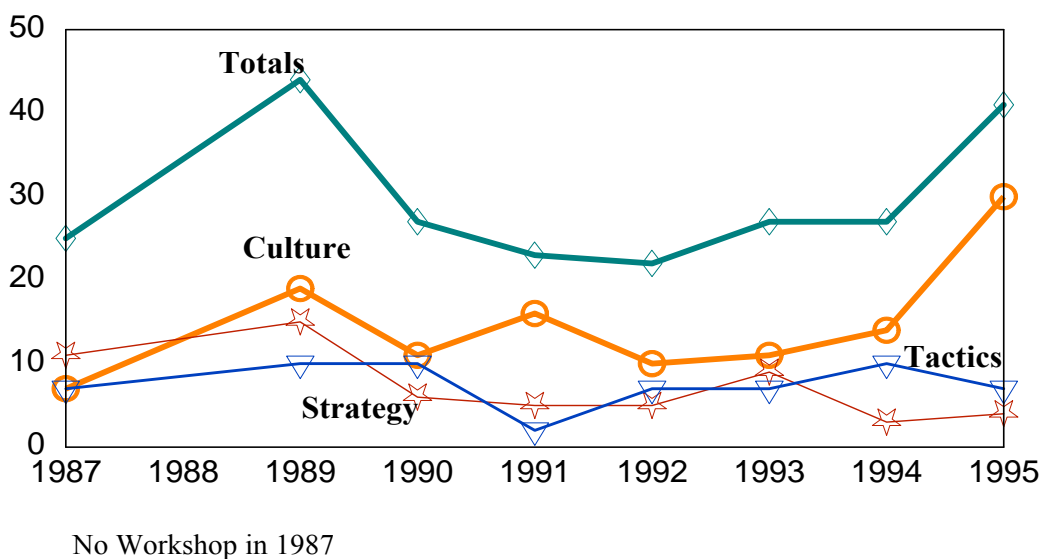
Exhibit Eleven: Selection of Interface rationales (heavy edited) In the order that abstracts were reviewed

- ◇ Creative and innovative behaviour lies at the heart of both marketing and entrepreneurship societal interaction and relationship.
- ◇ Common agreement that the broad principles of entrepreneurship of marketing and entrepreneurship are applicable to small firms but those small firm marketing tenets and entrepreneurship principles generated from Western countries may not be fully suitable for some specific politico-cultural contexts, for example, Chinese small firms in Hong Kong.
- ◇ Creativity is the key concept in that the entrepreneurial craftsperson can be imaginative both in terms of the work being produced and in the methods of selling it.
- ◇ The role of the marketer is observed in the context of the company and compared to the role of the entrepreneur as in the Classical School (Schumpeter) and Stevenson and Kao person who creates value and in line with Timmons a behavioural process.
- ◇ The nature of the business management consultancy ... and a particular research methodology... (germane) to investigating at the Interface.
- ◇ History of entrepreneurship definitions attention to entrepreneurship as part of opportunity recognition ... in an environment where entrepreneurial investment opportunities were available.
- ◇ How the entrepreneurial orientation, characteristics of the firm and the approach to knowledge development and commitment may affect the level of skills developed.
- ◇ Entrepreneurship and marketing are inextricably linked to innovation and creativity ... and a key competence for that industry.
- ◇ Discusses how a qualitative methodology has been refined and adapted to examine entrepreneurial decision making and illustrates the use and value of such a research approach in the investigation of how entrepreneurs develop and use 'added value' in their marketing activity.
- ◇ The objective of this research is to ascertain to what extent the shift towards a market economy in general practice has led to practices becoming entrepreneurial, which can be partly measured on the basis of whether practices have adopted a marketing orientation.
- ◇ Strategic entrepreneurial marketing tools employed.
- ◇ This paper looks at the development of the marketing/entrepreneurship interface, its key components, and links these into a third dimension - namely that of education.
- ◇ Considers relationship marketing within the context of entrepreneurship.

Marketing

One conspicuous feature of this paper is a concern for defining the Interface and entrepreneurship matched by hardly any concern for defining marketing. That could be considered an oversight especially when definitions of marketing are moving away from the purely transactional, and authors such as Carson et al (1995), are comparing core entrepreneurial and core marketing competencies. One way to classify marketing is as either culture, strategy or tactics as Exhibit Twelve. Romano and Ratnatunga (1995) found in their sample of all small business work that the division between the three categories was about equal. Running the same categorisation against the UIC/AMA papers suggests a less equal split with cultural aspects on the increase. Hopefully the concern with tactical aspects of marketing is because authors at the Interface want to make a difference to how SMEs perform, and often sound tactical marketing advice will achieve that.

Exhibit Twelve: Defining Marketing as Romano & Ratnatunga - tactics / strategy / culture



CULTURE

e.g. central importance of customer, customer needs

STRATEGY

e.g. segmenting, targeting and positioning

TACTICS

e.g. 4Ps, marketing management

Ratnatunga & Romano - European Journal of Marketing, 1995, Vol. 29, No.7, 9

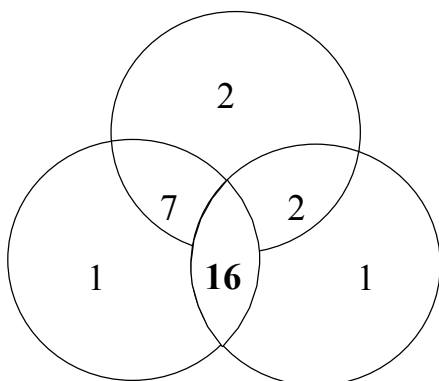
The Interface

Exhibit Thirteen considers in the author's view how many of the Nene Workshop papers fell into the central Interface part of Exhibit Four, for this purpose work that falls into segments (a) and (d) are combined since separating them out might seem to be an unduly pedantic exercise. Contributions outside of this central position obviously have value - however as a group of researchers we might consider that focusing our efforts down towards this centre strengthens our efforts and impact, and differentiates the Interface from more general contributions.

A Paradigm?

One might consider a continuum ranging from a paradigm at one end to 'weak branding' at the other, Exhibit Fourteen based on Carson (1995a) offers the possibilities. If the Interface is a paradigm in its own right then the reader of these proceedings should become aware from the papers in these proceedings of new insights about how, in particular, the SME behaves and the implications that this has for research and teaching agendas.

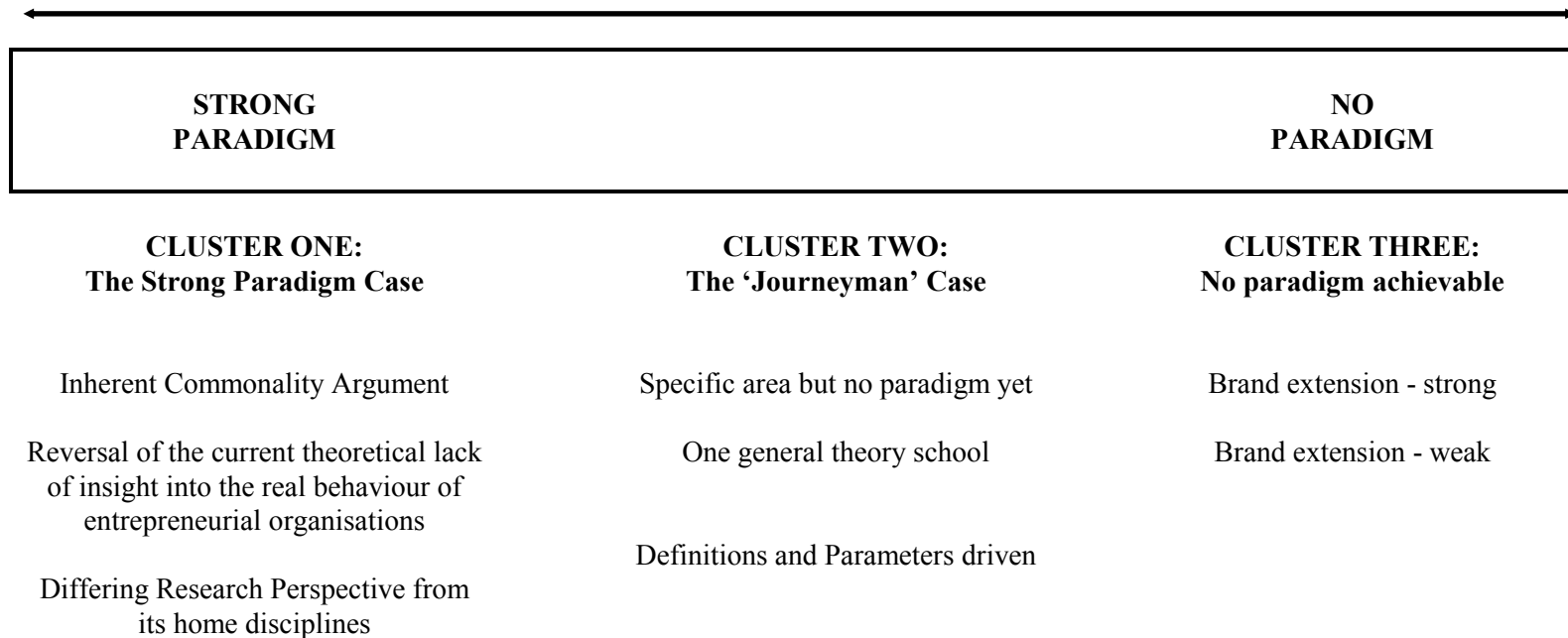
Exhibit Thirteen : Nene Workshop Presented Papers, 1998, classified as Exhibit Four



Conclusions

This paper has attempted to offer a framework and to review the work on the Interface from both the UIC/AMA - Marketing Entrepreneurship Interface Group and the UK AM - Special Interest Group on the Marketing and Entrepreneurship Interface.

Exhibit Fourteen: Perspectives on the Marketing / Entrepreneurship Interface ⁽¹⁾



⁽¹⁾ Taken and adapted from Carson (1995): Editorial to European Marketing Journal

Exhibit Fourteen: Perspectives on the Marketing / Entrepreneurship Interface - Explanation of Categories

CLUSTER ONE: The Strong Paradigm Case	CLUSTER TWO: The ‘Journeyman’ Case	CLUSTER THREE: No paradigm achievable
Inherent commonality argument	Specific area but no significant paradigm as yet	Brand extension - strong
<p>“There are similarities and dissimilarities between entrepreneurial decision making and formal marketing planning and management competencies and contact networks. Entrepreneurial decisions are inherently informal, haphazard, creative, opportunistic and reactive whereas marketing decisions are formal, sequential, systems orientated, disciplined and structured. On the other hand there are similarities in the construction and employment of personal contact networks between entrepreneurs and marketing managers.</p> <p>Equally some of the skills required by entrepreneurs are those required by competent marketing managers, for example, analytical, judgmental and positive thinking, innovation and creativity.”</p>	<p>A recognisable and distinct area but one still seeking to develop a significant paradigm.</p>	<p>Stands as a distinct and powerful area of meaningful research which has been fully justified but incapable of sustaining new approaches and outcomes.</p>
Reversal of the current theoretical lack of insight into real behaviour of entrepreneurial organisations	One general theory school	Brand extension - weak
<p>“Just how well do existing marketing models and the traditional paradigm fit the environment, behaviour and processes found in entrepreneurial organisations?”</p>	<p>Some seek such but the <i>Interface</i> is characterised more by its inherited multiplicity of theories and paradigms.</p>	<p>Simply the application of existing marketing theory and good practice to a particular business sector</p>
Differing Research Perspective from its home disciplines	Definitions and parameter driven	
<p>The <i>Interface</i> whilst drawing from marketing and entrepreneurship research provides a “fresh focus free from the shackles of conformity with mainstream and peripheral schools of thought from each of the host disciplines.” Free to adopt as appropriate scientific positivism and post modernism as appropriate ...” <i>Interface</i> research can reflect modern positivist perspectives but equally can be radical and unconventional in its search for definitions and parameters and understanding of the processes”.</p>	<p>“School of Discovery” phase with a high concern for definitions and parameters.</p>	

Gateways

For the readers new to the Interface this section offers some 'gateways' into both the USA and UK Groups and literature.

(a) UIC / AMA Annual Research Symposium

The proceedings of the University of Illinois at Chicago / American Marketing Association (Special Interest Group) Symposia, now usually held twice per year, collected as one volume of proceedings and published one year in arrears of the Symposium actual date. No proceedings were published in 1988.

Full details and the call for papers can be obtained from: Dr Gerald E. Hills, Institute for Entrepreneurial Studies, m/c244, University of Illinois at Chicago, 601 South Morgan, Suite 809, Chicago Illinois 60607-7108. Fax: (+) 1-312-413-1265; Tel: (+) 1-312-996-2670; Email: gehills@uic.edu. Or e-mail his associate, Beverley Parker, bjparker@uic.edu

The Internet page for the Institute is: <http://www.uic.edu/cba/ies/>

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(b) Bibliographies and Journal Editions

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AMA Marketing and Entrepreneurship Interest Group (AMA MEIG) and The School of Business and Public Administration, University of the Pacific (1994), *An Academic Bibliography Addressing The Marketing / Entrepreneurship Interface*. Available on the AMA MEIG Home page.

The proceedings of the 1998 AMA Winter Educators' Conference feature the three best papers (in full or summary at the choice of the author) from the 1997 UIC/AMA Symposium.

(c) Newsletters

Subscribe to the (additional) new electronic MEIG Newsletter by sending an email message to: maillist@ama.org with the following message, and nothing else, and no other text in the body of the message: `subscribe emeig`

(d) The UK Academy of Marketing Special Interest Group

Holds an annual Symposium in January each year - usually co-sponsored with the UIC and the AMA - MEIG. The 1999 venue is Strathclyde University; the 2000 venue - The Robert Gordon University - Aberdeen; and in 2001 - Kingston University.

There was a track on Marketing and Entrepreneurship featuring work on the Interface at the UK Academy of Marketing Annual Conference, (8-10 July 1998).

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(2015: this version had changed margins and some minor typos removed that have no impact on the substantive argument)



Commentary

The value and importance of the small firm to the world economy

The value and importance of the small firm

John Day

University of Huddersfield Business School, UK

1033

Keywords *Entrepreneurialism, Small- to medium-sized enterprises, Marketing strategy*

Abstract *Given the world wide predominance of the small to medium sized enterprise (SME) we should consider whether we need to segment and target our marketing knowledge, practice and attitudes towards this business type. It is argued that we need to be able to develop entrepreneurship within the context of marketing, and marketing within the context of entrepreneurship in order that we are able to understand fully that most common of business forms – the small firm. This implies that we should consider how much of our existing marketing knowledge is appropriate to the SME and how much needs to be rethought and adapted. The body of work by colleagues in what could be described as the “marketing entrepreneurship interface” demonstrates both appropriate concerns and potential solutions. As such it represents a solid start to a debate in which we hope that many of our marketing colleagues will join.*

A cursory review of the available statistics[1] reveals that most firms, when defined by employee numbers, can be described as small. In the UK in 1998, 95 per cent of all businesses employed fewer than ten people, and this statistic is universal enough for it to be considered a common truth. Of course, in terms of turnover and profit contribution the statistics then skew the other way – with the largest contribution coming from national and international companies. In 1998 in the UK, large businesses with over 250 employees, while representing only 0.2 per cent of the total number of businesses, accounted for about 44 per cent of all employment and 48 per cent of all turnover.

The small firm has always been seen as the potential large firm, and Alfred Marshall’s analogy of the young plant in the nursery seedbed is as relevant today as it was in the nineteenth century – of course most of these tender young shoots are destined not to survive. As Cressy (1996) has rightly pointed out, starting a business is an experiment, and as such, by definition, carries the risk of failure as well as the potential for survival. Failure tends to come from two directions poor management and in particular, vulnerability to downturns in the economy as a whole.

Just as bush fires are natural occurrences that raze forests to the ground, and in the very process engender new life, so the transformation of industry and society that we have seen in the last few decades (for example, the move towards services, the reversal of highly vertically integrated company structures, the increasingly loose corporate structure created through franchising and multi-level marketing arrangements, downsizing, and the phenomenon of “.com” businesses), all suggests that the small firm is likely to continue, and often prosper, as the dominant business form. In the USA in 1998 they provided virtually all of the net new jobs added to the economy, employed

just over one-third of all private workers in high-tech occupations and accounted for 55 per cent of all the innovations.

It is not within the remit of this commentary to provide a detailed critique of small business statistics, but clearly the population of small firms ebbs and flows as businesses are started and as businesses fail. The standard “headline” failure rate in the UK, drawn from VAT deregistrations, suggests failure rates of up to, say, 60 per cent within four years. This might be too pessimistic, for example we might rightly discount firms that simply decide that they have served their purpose and cease trading or which served as a vehicle for proprietors to enter the marketplace and learn about business before moving on to larger companies. Certainly, almost two out of every three small businesses do not leave a trail of wreckage, dissatisfied customers and bad debts in their wake.

But how well do we really understand small firm behaviour? We sense that they inhabit a different world, as the now venerable Bolton (1971) Committee Report demonstrated when it looked at the behavioural dimension of the small firm. The argument has been well made by colleagues over the past 25 years that the small firm is not the large firm “writ” small. Indeed, practitioners and academics involved in intrapreneurship believe that there is something to be learnt from the truly entrepreneurial small firm . . . a behavioural difference that is both worth capturing and capable of exploitation. At the time of writing this commentary, one “Silicon Valley” company is running a subtle and thoughtful campaign about the values of the “garage” start up.

Less than 15 years ago, when considering the notion of what could be called the marketing entrepreneurship interface, Hills (1987) felt confident enough to state that:

Given this important societal role [of small business], one might expect a significant amount of scholarly research in marketing on numerous aspects of venture creation and development. At a minimum, one would expect firm size and stage of the business life cycle to be commonly entered as variables in marketing studies. The evidence, however, suggests that marketing academicians have almost entirely neglected such investigations.

This is not being introduced into this commentary as a benchmark from which to measure changes in our academic output and concerns, these have happened already. To name three, we have special interest groups concerned with the marketing/entrepreneurship interface within both the American Marketing Association and Academy of Marketing in the UK, several hundred research papers emanating from these two groups, and a recently launched international journal the *Journal of Research in Marketing and Entrepreneurship*. Rather, it is because such a statement could have been made so recently, in the context of the world’s most aggressive capitalist economy, which of course was, and still is, replete with small businesses! Not to mention that it concerns a subject discipline for which the concept of segmentation is so fundamental.

So the small firm is too important, too dominant and too much about creating the future business generation for marketing practitioners and educators not to consider how we can help it to survive and prosper. Thus to what extent is the notion of this interface, or entrepreneurial marketing, an

oxymoron? Colleagues in the interface would argue that marketing and entrepreneurship are not the same concept, for instance, a crude test would be to compare the criteria that define a marketing orientation and an entrepreneurial orientation. There is commonality, and one undoubtedly gains strength from the other, but they cannot immediately be perceived as embracing the same philosophy. However, bringing the two together in a meaningful interface is vital for our understanding of the real world that these firms inhabit. For example we should consider how the entrepreneurial small firm does marketing; how entrepreneurship informs marketing and what are the shared competencies that both an entrepreneur and an active and competent marketer possess or need.

If the interface is meaningful then how should it inform our understanding of the small firm? One might argue that marketing is different for the small firm compared to the larger organisation, that it is more intuitive, more creative, more about networking and more about operating under extreme time pressure and all without the comfort of being able to make decisions in an ordered and linear fashion. That the very types of opportunity sought and their appraisal is different. Perhaps if we as marketing educators had only the time to teach one thing, it would be how to be creative and opportunistic. Encouraging small firms to behave both intuitively and flexibly is not tantamount to condoning sloppy and careless thinking, nor equally, is it an excuse to impose rigid and conservative business school models on them.

The interface contention is that marketing for the small firm should be relevant and appropriate both in respect of the problems that it seeks to address and the relative position of the firm in its life cycle. It is not in any dogmatic sense against formal planning, should that be the appropriate solution, for example:

The hypothesis [is] that small firms can use the marketing concept to create a window for organised strategic planning (and) link this to the effective use of relationship marketing (to) create the multi-dimensional networks which aid sustained viability and development (Mumby-Croft, 1999).

This is clearly not planning just for the sake of it and recommended simply because it is the only technique with which we are comfortable. Colleagues in the interface would be sympathetic towards the views of Bhide (1994) on entrepreneurial start-ups:

However popular it may be in the corporate world, a comprehensive analytical approach to planning does not suit most start-ups. Entrepreneurs typically lack the time and the money to interview a representative cross section of potential customers, let alone analyze substitutes, reconstruct competitors cost structures, or project alternative technological scenarios. In fact too much analysis can be harmful, by the time the opportunity is investigated fully, it may no longer exist ... [and] entrepreneurs should play with and explore ideas, letting their strategies evolve through a seamless process of guesswork, analysis and action.

Yet we would still worry about. . . . “Overwhelmingly, marketing books today still teach planning and analysis for large corporations rather than the dynamic process which intermixes entrepreneurs’ qualitative and insightful

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comprehension of a marketplace with good action and judgement" (Hills, 1995); and "How does one develop the entrepreneurial skills of marketers, the majority of whom have been schooled in classicist, strategic marketing management to fulfilling their task role?" (Chaston, 1999). Taylor and Broderick (1999) have demonstrated recently that both the wish to acquire skills and develop skills in small firms is linked closely to their entrepreneurial orientations, while, Tzokas *et al.* (1999) suggest that the successful small firms in their Greek study are those that are willing, and able, to adopt both a marketing and an entrepreneurial orientation.

While very few small businesses are truly entrepreneurial, that should not deflect our consideration of what is an appropriate (entrepreneurial) marketing stance. Innovation and creativity should be encouraged in whatever measure – be it stellar or incremental, and such notions should underwrite our teaching and training endeavours. In researching the international statistics for this commentary, give or take a few percentage points, the "95/5" split between large and small firms is relatively universal, what does vary, though, is the support given to small businesses through their national economic infrastructure in terms of available funding, business angel networks, venture capital access, commercial, educational and governmental support. To take just one non-western example, as Ariyo (1998) contends in the context of Nigeria, "to attain lasting and sustainable prosperity, we have to accept that our small firms are the real backbone of our economy."

In their editorial in this issue on the purpose and function of university entrepreneurship centres, Carson and Gilmore argued for the purposeful development of entrepreneurship. In this commentary we argue that we need also to be able to develop entrepreneurship within the context of marketing, and marketing within the context of entrepreneurship in order that we are able to understand fully that most common of business forms – the small firm.

Note

1. Small firm statistics are drawn from the SBA (USA); National Small Business United (USA); Canadian Federation of Independent Businesses; Federation of Small Businesses (UK) and the *Quarterly Report on Small Business Statistics*, Bank of England.

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the small firm

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THEME 2.0**CONTEXT: FOCUS DOWN**

How does an entrepreneurial marketing paradigm guide and inform the SME or eSME concerning

2.1: Addressing critical situations: Crises, crisis pricing & tracking signals;

One conference proceedings; three journal articles; one book chapter.

- | | |
|---|---|
| Exhibit 211
Book chapter
1995 | Day, J. (1995). Chrysalis Group, Case 15. In C. Clarke-Hill & K. Glaister (Eds.). <i>Cases in Strategic Management</i> (2 nd ed.), (pp. 304-335 and Teachers' Note). London: Pitman. ISBN 0-273-60380-9. |
| Exhibit 212
Conference proceedings
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| Exhibit 213
Journal article
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2001 | Day, J. with Reynolds, P.L., & Lancaster, G.A. (2001). Moving towards a control technique to help small firms monitor and control key marketing parameters: A survival aid. <i>Management Decision</i> , 39(2), 113-120. |
| Exhibit 215
Journal article
2007 | Day, J. with Reynolds, P.L., Kovalev, A., & Kovalev, V. (2007). A Bayesian approach to forecasting decisions in small firms. <i>The Herald of Omsk University Quarterly Academic Periodical, International Business Series, (Omsk State University, F. M. Dostoyevsky)</i> , 2, pp. 80-91. |

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**Colin M. Clarke-Hill and
Keith W. Glaister**

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PREFACE

The teaching of strategic management – and associated courses such as business policy and corporate strategy – has traditionally been reliant on the use of case studies. An ongoing problem faced by teachers delivering such courses is the lack of up-to-date case material based on UK and European companies. The collection of new cases presented in this volume is an attempt to redress this problem. This book contains 23 new cases on commercial and non-commercial organizations facing a variety of strategic issues and one comprehensive industry note. The majority of the cases have been successfully proven either in class discussions or for examination purposes with final year undergraduate and MBA students. The wide range of issues addressed by the cases should enable them to be successfully adopted on most strategic management teaching programmes at the undergraduate, post-experience and MBA levels.

The cases are grouped under industry headings and cover large multinational companies, medium sized UK-based firms, and a number of not-for-profit organizations. Each of the cases is accompanied by a set of indicative questions, which encompass the significant issues found in each case and should be a helpful guide to both tutors and students in their analysis. An *Instructor's Manual* is available from the publisher to those tutors who adopt the book. This guide develops perspectives on the questions relating to the cases and is designed to assist tutors in conducting case analysis in the classroom.

Usually students begin a course in strategic management with little background knowledge of the subject matter or experience of the case method. The three chapters in Section 1 are designed to introduce the student to the nature of the subject and to the analysis of cases. Taken together these chapters should enable the student to use the case book effectively. The intention of Chapter 1 is to help the student set the subject matter in context. We would stress that this chapter is not intended to be a substitute for a thorough grounding in the subject of strategic management which the student is encouraged to obtain from wider reading. The nature of case analysis and the demands placed on students by the case study method are discussed in Chapter 2. This chapter provides a framework of analysis and is designed to give students confidence in their approach to learning by the case method.

A particular aspect of case analysis that students sometimes find troublesome is the financial appraisal of a company. This aspect of analysis is often treated very briefly in textbooks on strategic management. To redress this balance a guide to the financial analysis of case material is provided in Chapter 3. While this should adequately serve the needs of the majority of students, those wanting more detailed information should consult relevant accounting texts.

We would stress that although each case reflects real issues faced by the organizations under consideration, the cases have been written for the purposes of student instruction and are not intended to illustrate either effective or ineffective management of a business. The current management of the organizations discussed in the cases cannot be held responsible for any of the views expressed by the case authors.

The number and range of cases presented in this volume has been made possible by the efforts of our co-contributors. We would like to thank them all for providing

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Colin M. Clarke-Hill and Keith W. Glaister

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CASE 15

Chrysalis Group Plc

J. Day

INTRODUCTION

This case is about Chrysalis Group Plc which was formed by the reverse takeover of MAM Plc by Chrysalis Group Ltd. By the time of the merger in 1985 Chrysalis Group Ltd had grown to be one of the most successful 'mini-major' recording companies in the UK. MAM Plc was also in the music business but had used the funds generated to diversify into more general leisure activities. In addition to the interests that Chrysalis Group acquired MAM had been active in corporate aviation, a marina and fast food franchising.

In the years immediately following the merger the company developed a more diverse leisure portfolio resulting on the whole in increasing profits. However, from 1988 onwards the company has had to address both internal and external problems and to search out a viable strategic focus within the leisure industry. In 1993 they announced the setting up of a new record label. In 1989 and 1991 they had sold their existing record company in two tranches to Thorn-EMI and accepted a non-compete clause expiring in 1993.

They have not turned a full circle but if the record label is successful then once again they will have broadly similar interests to those of the 1980s. However, the real difference as recognized by Chrysalis Group Plc itself is the changed nature of both the record and leisure industries. This will require that their strategy, approach and range of products and services continue to be adjusted accordingly.

Whilst many businesses cannot flourish without paying regard to creativity and trying to manage risk, the recording industry is a peculiar mix of artistry, creativity and hard-headed business sense. This case study deliberately avoids a narrow financial analysis of Chrysalis Group Plc. Readers keen to pursue such will find plenty of financial data on the usual databases.

CHRYSALIS GROUP LTD: THE BEGINNING THROUGH TO 1985

Chris Wright became involved in the music business during the 1960s when, as the social secretary of his student union, he booked and arranged pop groups at his university. On graduation he managed the band Ten Years After. Early on he combined with Terry Ellis and they formed the Ellis Wright Agency which became a successful agency and management concern that guided the fortunes of not only Ten Years After but also Procul Harem and Jethro Tull (Ian Anderson). By 1968 they had launched the Chrysalis Record Label and an associated music publishing company, the name

chosen as a close acronym of Chris and Ellis. The original record company was under licence to Island Records but as Chrysalis matured this arrangement was changed to one for pressing and distribution only. In subsequent years they have used Polygram, CBS and EMI. For a time in the USA they did arrange their own distribution through independent distributors. As their other interests grew they moved out of the direct management of rock bands. Notable Chrysalis artists in this period were, to name a handful, Blondie, Billy Idol, Pat Benetar, Huey Lewis and the News, Spandau Ballet, Ultravox, Go West and the Housemartins. As well as administering the song catalogues of their own artists they had signed catalogues from other artists and counted Leo Sayer, Chris de Burgh and David Bowie amongst them.

The precedent for diversifying into related businesses was set as early as 1973 when Wessex Sound was purchased which brought to the company recording studio facilities. Later the AIR Group which owned recording studios was acquired; it had, and still has, the services of George Martin, the record producer and composer. As head of Parlophone he had signed The Beatles and went on to produce all of their subsequent records. The company had interests in visual programming although by 1985 with one or two notable exceptions these had been abandoned. Their artist roster was strong and indeed they were the only UK independent record company to have full-scale trading operations on both sides of the Atlantic. In respect of responsibilities Chris Wright was proactive in building up the UK operation and Terry Ellis the one in the States, each operation having reciprocal licensing and sub-publishing agreements with the other. Over the period 1977 to 1985 they held no lower than a minimum of 2 per cent and maximum 5.7 per cent of the overall UK market, their median value being 3.6 per cent. Comparative figures for Island and Virgin being 1.4 per cent, 8.0 per cent, 2.8 per cent and 1.5 per cent, 9.9 per cent, 4.3 respectively. Over the period 1974 to 1988 they had achieved two 'Platinum', twelve 'Gold' and 32 'Silver' British Phonographic Certified Sales Awards for single releases. Album artists had been awarded three 'Double Platinum', 20 'Platinum', 30 'Gold' and 31 'Silver' Certified Sales Awards.

So by 1985 Chrysalis Group Ltd had record companies in the US and the UK along with associated music publishing companies and both represented and managed artists and record producers. In terms of facilities they operated Air and Wessex recording studios and had some interests in visual programming. Lastly they ran a profitable property company designed to both utilize group cash and provide surplus cash to invest in the core business.

CHRYSALIS GROUP PLC: 1985 TO THE EMI JOINT VENTURE IN 1989

In 1985 three major events took place. First Terry Ellis left after selling back his interest to Chris Wright for £17.5m in what *Music Week*, the key trade paper, described as 'one of the biggest business transactions in the history of the record industry'. Secondly Chrysalis Group Ltd engineered a reverse takeover into a public limited company MAM. Thirdly, the renamed company – Chrysalis Group plc – raised £5.35m through an offer for sale of 4.3m shares.

The departure of Terry Ellis as one would expect impacted on the company but leaving aside naive judgements it is unclear how and to what extent. In the offer for sale document Chris Wright acknowledges that Ellis was instrumental in the

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establishment of the record operations in the USA (moving to Los Angeles in 1974 to build up the US arm) and for its management in the formative years. However, in the latter years it was managed by a locally appointed president whilst Ellis himself became progressively less involved with the record business and more involved with visual programming. Except for promotional music videos and the exploitation of Max Headroom (a computer generated fictional hero) Wright discontinued visual programming. In the offer for sale document he argued that the departure of Ellis had not and would not adversely affect the company.

Given the nature of this industry and the durability of the partnership there was obvious interest in the change but both partners confided little in the media. *Music Week* attributed the split to Ellis's wish to extend the company into films and video production and the company cutting back the US operation, closing the Los Angeles office and relocating to New York. In a rare interview in *Music Week* (27/7/85), Chris Wright conveys the impression of two partners whose interests were pulling in separate directions but whose personalities, abilities and interests were such that they could not be disentangled from each other or the company itself. What was clear to them, however, was that the company had lost momentum and that the only viable solution would be for one of the partners to buy the other out. Terry Ellis in 1990, five years after the buy-out, moved to New York and started a new record company, Imago, as a co-venture with BMG. In the interim he dealt in property. He has also been chairman of both the UK (British Phonographic Industry) and USA (Record Industry Association of America) trade bodies, and in 1989 was elected to the board of IFPI (International Federation of Phonographic Industries). Chris Wright has also been chairman of the BPI and on the board of the IFPI.

Chrysalis Group Ltd had begun to build up a small shareholding in MAM and Chris Wright suggests that this was part proactive and part defensive. Their finance director at that time, Nigel Butterfield, had been with MAM from 1972 to when he joined Chrysalis in 1976. Again quoting from *Music Week*, Chris Wright commented:

We may have been interested in going public, or even buying MAM, and we decided to build up a small shareholding in the company to establish a stake and pre-empt anyone else doing anything without talking to us.

Their shareholding then exceeded the 5 per cent disclosure level and 'MAM popped over and said "How would you like to do something?"' (*Music Week*, 27/7/85).

MAM was formed originally in 1969 to acquire the services of, and to manage, artists. In 1969 it acquired for shares the major part of the entertainment earnings of Tom Jones, Englebert Humperdinck and their manager Gordon Mills who became chairman of the company. The value of this income flow diminished as the contracts became less restrictive and less remunerative; however, the substantial earnings produced had allowed MAM to diversify into other activities within the leisure industry. At the point of the merger MAM had enlarged its promotion and management activities and diversified into hotel ownership and operation; the supply of post production facilities and services to the television, film and video industry; the operation of juke boxes and amusement machines in public houses and clubs; the supply of background music equipment; the sale of electronic organs and pianos; and the production of an animated cartoon series about the Loch Ness Monster created by the cartoonist, Peter Maddocks. MAM had also had interests in fast food franchising, corporate aviation services and a marina, but these had been sold by 1985.

The offer for sale document cited the general advantages of the merger as:

The Directors believe that the combined Group will gain substantially from the merger of the CGL Group, with its active management and prominent position in the record and music business, and the MAM Group, with its strong balance sheet and spread of established businesses.

Specific benefits were claimed to be:

- Music Publishing is an excellent long-term investment but to achieve maximum profitability songs must be actively promoted and marketed. CGL has such expertise and the MAM Group catalogue contains many valuable 'standards'.
- MAM will shortly regain the right to administer its own catalogue in many overseas territories (currently in the hands of independent agents) and the two catalogues will be merged, resulting in administrative cost savings, maximization of income and strength from the combined portfolio.
- The MAM back catalogue is still capable of further exploitation through, say, budget and mid-price lines.

Since CGL used video production facilities, an in-house facility through the 75 per cent ownership of Research Recordings Ltd (later renamed Air tv) was seen to be of great potential advantage. Additionally it was anticipated that there would be synergy between Research Recordings, Air Group and Wessex Studios. With regard to agency and promotion, World Service Agency owned by CGL concentrated on rock and pop stars whilst MAM's agency was biased towards international entertainment artists. Finally there seemed to be potential for the combined group to reduce central overheads and in particular CGL had sufficient spare office space to accommodate MAM.

The combined group (Chrysalis Group Plc) stated that it was 'principally a record and music company with additional interests in the leisure sector'.

The offer for sale of 4,300,000 shares at 200p per share was to yield after floatation expenses about £5.35m and to be used to expand the scale of the new combined group. The directors believed that:

There are excellent opportunities for expansion and development of the new Chrysalis Group's activities in the UK, USA and elsewhere. To date the growth of the record and music publishing business of the CGL Group has been achieved on a low capital base in relation to the scale of the business undertaken. The increased capital base achieved through the shares now being issued will strengthen the combined group and its future expansion.

The offer for sale document formally stated the prospects for the future:

The merger and offer for sale would allow for a more diverse range of activity to be undertaken whilst retaining the record division as the core business. This would allow continued use of the management's proven skills in finding, developing, promoting and exploiting new acts and continuing the process as artists become established.

Particular note was made of the concerted efforts to sign and develop new bands during 1984 and that results were already in hand with three new acts charting in the top 5 in the UK, two of these artists achieving a considerable degree of international success. The record release schedule for the next year was very full and hence there was the anticipation of financial success.

The directors then highlighted four key areas: the potential for cost savings;

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synergistic and commercial benefits in the common areas of music publishing, agency and promotion and facilities management; and:

... that the hotels, which currently have high occupancy rates, will continue to trade at a high level of profitability, and that there are indications that the juke box and fruit machine operations, which have in recent years suffered reductions in profit margins, will be able to improve their terms of trade.

The Directors are confident that the combined Group's strong management, marketing skills, tight financial control, strong cash flow and ability to identify and develop new acts, will ensure that Chrysalis plc is able to exploit its medium and long-term growth opportunities.

Chrysalis Group Plc was to operate with five divisions (see Table 15.1). Chris Wright was to be executive chairman supported by four other CGL directors and five MAM directors. The senior management team consisted of 28 managers, the youngest being 31 and the oldest 61, between them having about 238 years of service to their respective companies. Nigel Butterfield at 37 was the youngest director and Kenneth Chappellow at 62 the eldest. Chris Wright was 40 and his MD, Terry Connolly, 41. Sadly, Gordon Mills died in 1986.

In the *Music Week* interview cited previously Chris Wright talked about the merger and offer for sale in a more informal way. He saw MAM as having useful and complementary interests that would interface with Chrysalis Group Limited (with the exception of the hotels) and that 'juke boxes and amusement machines are not terribly fashionable but they are a good business to be in and MAM has a good business in those areas.' He felt that despite Gordon Mills' undoubted talent, his lack of recent involvement with MAM's musical activities had meant that the company had been unable to maintain its ability as a music company. Thus the merger would bring the company back to being a 'creative music-orientated operation'.

Wright saw the opportunity realized by the new capital to be the ability to set up new companies in overseas territories rather than in the buying in of new acts. Equally he did not see Chrysalis becoming a more broadly based leisure company but one whose core would remain the music business. He stated: 'I see the future for record companies in selling items of "home entertainment software" for the combined CD/laser video disc player'.

At the time of the merger the company had grown to become one of the

Table 15.1 Chrysalis Group Plc operating divisions

<i>Division</i>	<i>% turnover¹ (1984)</i>	<i>% profit before taxation¹(1984)</i>	<i>Employees² (actual)</i>	<i>UK/USA split³</i>
Records & Publishing	64	62	109	(64/45)
Facilities Management	4	11	83	
Hotels & Machines	23	18	1,208	
Agency & Promotion	3	4	17	
Other	6	5	39	
Finance & Administration			71	(56/15)
Total			1,527	

1. Percentage profit and turnover are a pro forma estimate as if the combined group had traded in 1984.

2. Employee totals are as 1985.

3. Figures in parenthesis are the split between UK and USA respectively.

'mini-majors', and one which enjoyed and benefited from a good artist roster. It had astutely reverse merged into MAM, handled the loss of a long-time partner and raised £5.35m of new capital to enhance its strategic goals. The information provided in the tables in Appendix 15.1 details the company's aspirations and performance as evidenced in their Annual Reports over the period 1986 to 1992.

Tables 15.4 and 15.5 give details of the percentage contribution to turnover and profit by the various operating divisions of the company. Chrysalis Group Plc operated over this period, and still does, through a series of associated and subsidiary companies which numbered 84 in total and were a changing mix due to acquisition and disposal. They were also shuffled around in changing corporate structures, and to understand the company an overview of these associated and subsidiary companies is useful – Tables 15.6 and 15.7 seek to provide just this. Table 15.8 illustrates some key financial data but some care needs to be exercised over the 1985 figures since, due to the timings and complexities of the merger, unless adjusted the accounts include only about half a year of the Chrysalis Group figures and eleven months of MAM. Also the half year of figures for Chrysalis does not include Christmas, traditionally a period of high sales. Tables 15.9 and 15.10 track key changes and issues addressed by the company and its hopes and aspirations as revealed in their Annual Reports. Finally, Table 15.11 highlights the key acquisitions and disposals made by the company. These tables should be read in conjunction with commentary below on the company and its markets.

THE POST-MERGER YEARS 1985 TO 1988

An interesting and volatile period for the pop business and hence the company. Although producing acceptable profits right up until the poor £1.8m result in 1988, the company had several times disappointed the market by not meeting its forecasts essentially because of the late delivery or non-appearance of high charting material by its established artists. To be fair part of this disappointment is due to the City's inability to understand fully the risky and unpredictable fortunes suffered by companies in this line of business. In general the 1986 figures received a good press, artist potential looked good and the loss-making parts of the facilities business were being re-equipped. The contribution by the music division to profits was planned to fall as other divisions developed. Early in 1987 attitudes were also positive. The hotels had been sold and this was regarded as a good move as it had reduced substantially their borrowing needs, and at little loss to the Group's overall profitability. Additionally the hotels had been sold for almost twice their valuation at the time of the merger. Difficulties were noted with the late delivery of material by US artists but earnings from newer groups such as The Housemartins were encouraging. Final pre-tax profits came in at £6.2m plus an exceptional £1.06m (gained on the disposal of surplus MAM office space). Whilst this was a 15 per cent increase on the previous year the City was disappointed since it had been anticipating around £8m and the figures did mask a downturn in the second half. The volatility of this business was well illustrated by the *Financial Times* article heading 'Chrysalis disappoints with rise to £7.26m', and its comment:

If you have two big name artists which don't come up to expectations, you will suffer, and Chrysalis has. In addition to the problems over Billy Idol's *Whiplash Smile* Album,

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Huey Lewis's latest has not sold as well as hoped. In fact if it had not been for the £1m contribution from the computerized video star Max Headroom and the strong performance of Lasgo, the record wholesale export business, record earnings would have been lower than last year.

(*Financial Times*, 21/11/87)

Yet six months earlier In respect of the first half figures, *Music Week* and *The Financial Times* were saying:

Chrysalis Group has delighted the City with interim profits more than doubled to £5m, yet remains hungry for further acquisitions in the leisure field. Any acquisitions are unlikely to include other record companies because, explains chairman Chris Wright simply, 'there are no other record companies for sale'. So resigned to growing Chrysalis Records 'organically' he is looking for another string to our bow, another 'profit earner'.

(*Music Week*, 2/5/87)

'Chrysalis has taken a firm grasp of the volatile record industry. Its impressive profits growth reflects a broadening of its stable of pop stars, good management and a policy of developing related business. This has given it a firm base for further expansion.

(*Financial Times*, 24/4/87)

By early 1988 first half earnings were down by 60 per cent and the US operation was generating losses. Property trading had almost ceased as there was no property in stock and the machines division suffered lower operating profits due to internal reorganization and reduced rentals. The facilities division showed an improvement but audio studios were affected by unfavourable movements in the sterling/dollar exchange rate, which discouraged US artists recording in the UK. In July there was a second warning about profits and the press became less enthusiastic about the company's prospects. As well as noting the problems caused by late delivery of product the quality of the more established artists was questioned. When the results for the year ended August 1988 (the year end having been changed from June) were announced they were received without enthusiasm given that profits amounted to only £1.8m on an increased turnover of £117m. The greatest loss was £3.8m from the US division; however, most other parts of the company had performed well and the non-US operations were ahead of budget. However, this time the comment from the *Financial Times* was rather less generous:

Those investors who shunned Chrysalis' floatation three years ago have proved pretty perceptive. The shares, after yesterday's 4p fall to 103p, are little more than half their offer price. Artists are temperamental and the record buying public is fickle; it is accordingly hard for a small company like Chrysalis to avoid the occasional lean year. However, whilst one can have sympathy for Chrysalis, it is harder to be enthusiastic about its prospects. Short of slashing costs drastically (which would mean effectively withdrawing from the market) or hiring Bruce Springsteen, it is difficult to see how a turnaround in the US can be achieved in the short term. So, for a swift upturn in profits, shareholders will have to rely on the TV operations (another extremely competitive business) or a surprise hit from the group's roster of middle ranking artists. The shares are only for the brave, or for fans of Pat Benetar.

(*Financial Times* 9/12/89)

For the financial year ending 31 August 1989, Chrysalis was reporting pre-tax losses of £11.5m but due to the partnership with Thorn-EMI was able to report a twelve to thirteen-fold increase in shareholders' funds. In March 1989, *Music Week*

was reporting that Chrysalis was in the final throws of negotiations to find a world-wide trading partner, and the speculation was that BMG was the likely prospect. By the end of the month the confirmed partner was EMI. They had sold EMI a half share in the record company giving EMI access to current artists including Sinead O'Connor and The Proclaimers and back catalogue including Jethro Tull, Blondie and Ultravox. This deal followed on less than two months after EMI had paid £187m for the SBK song catalogue. EMI had the option to purchase the other half of the company between seven to ten years in the future for a consideration based on profit performance. Chrysalis would run the record companies independently of EMI but they would be jointly responsible for their funding. Chrysalis would still have the music publishing, recording studios, broadcasting, wholesaling and machines divisions. This performance related deal was worth around £46m initially and potentially up to another £15m over the subsequent four years. Reaction to this deal is best covered by reference to some germane press quotes:

The EMI deal appears to vindicate the Virgin argument (that UK investors undervalued and misunderstood the music business). One city analyst said yesterday: It shows what twits investors really are if all of a sudden Thorn can spend this much money for a piece of Chrysalis. Thorn-EMI clearly knows its business and is intending to be in the music market as a long term player.

(The Independent, 23/3/89)

Mr Chris Wright, the co-founder of Chrysalis, conceded that the deal was a symptom of the enormous competition for rights and artists in the international music business and the increasing difficulties faced by the independents. Following well publicized losses in the US, it had been essential for Chrysalis to see that 'the company had a clear cut future'.

(Financial Times, 23/3/89)

The deal with Thorn will eliminate gearing and leave the group with £20m to £30m to expand other parts of the business. But Mr Wright is in no hurry to spend the money... 'There are other aspects of restructuring we want to get out of the way first, including changes in central management.'

(The Independent, 17/6/89)

By August 1989, Chrysalis had earned a profit of just £5,000, its operating profits of £1.78m written down by foreign exchange losses. The good news was that the non-US record business was doing well; however, the US records loss was around £1.6m. Asked when the American division would make a profit, Chris Wright answered 'not this year, possibly next year, certainly the year after'. *(The Times, 8/12/90)*. Any reader not yet convinced about the vagaries of this industry and its performers should consult this reference in full! Two important events were the joint venture with Pioneer for the new Air Studio and the stake taken in Metro Radio.

The year 1991 was particularly difficult for the company and it made a loss before tax of £9.33m. The joint venture was fully sold to EMI. Ambitions to consolidate and develop the media side of the company led to the participation in two television franchise bids. By the 1992 year-end they had achieved a before-tax profit of £5.63m. The company appointed Steve Lewis to become Chief Executive of their proposed new record business to be started once the non-compete agreement with EMI terminated in early 1993. Taking out the impact of the EMI payment there was an operating loss of about £4.8m of which £1.8m was due to worsening conditions in the fruit machines business. The media business contribution was encour-

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aging. Finally, they announced that they would be appointing three non-executive directors, the first of whom was Charles Levinson a lawyer and previous managing director of WEA Records/Warner Home Video (UK) and of Virgin Broadcasting.

Commentators saw the company as being pro-active in respect of its long-term future but suffering from short-term problems. Their harshest critic was an article in *BusinessAge* in July 1992 which described them as 'a business without strategy, stumbling from loss to loss'. By November 1992, however, in an article about the impact of Nick Watkins (recruited to head up the Communications Division in 1989) *BusinessAge* was distinctly bullish about the company, its proprietor and the future.

Interim results announced in June 1993 were mixed. The amusement machines division had replaced the US records operation as the cash and profit hemorrhage with predicted losses of at least £5m. A new management team was briefed to restructure the machines side and to seek out more profitable locations. Once again Lasgo performed well as did music publishing. The company has bid for two commercial radio franchises in London and failed to win one in the north of England. The television interests were making good progress and they were the fifth biggest independent supplier of programmes. The new record label was on target for the end of the year. Profits of £104,000 for the half year to February were due to interest received on the funds from the EMI sale; however, operating losses were marginally improved on the previous comparative half year. Turnover was up from £38m to £39.2m and operating losses down to £853,000 against £913,000.

In August 1993 they decided to close MAM Leisure (excluding MAM Communications Systems); the estimated loss was reported to be £6.1m in addition to £3.1m in 1991-92. Winding down the division, which by then was operating and supplying about 10,500 machines throughout the UK, would be at a cost of about £10m. About 400 jobs would be lost. Never an easy business to be in, the contemporary problems which had faced the division were increasing overheads due, for instance, to CD juke boxes costing £1,000 to stock rather than £50 for vinyl singles, the recession, fewer 18-25 year olds and competitive pressures from other operators and home amusement machines. The change in the structure of the public house market had added to operational problems.

In August Chrysalis and Unique Television joined forces to supply advertiser supplied programming, this being a logical development from Chrysalis's IndyCar '93 series funded in full by Texaco. Carlsberg Export lager were going to sponsor the Italian football coverage. Michael Pilsworth, the Managing Director of SelecTV moved to Chrysalis to be MD and Chief Executive of a newly created visual entertainment division which grouped together the TV production company, the home video operation and Red Rooster Film. Quoting Michael Pilsworth:

For me Chrysalis is a fantastic global brand name in the record business; it provides a great opportunity to capitalize on that goodwill for the visual entertainment side.

(*Financial Times*, 25/8/93)

In September Chrysalis had signed a deal with the Japanese record company Pony Cannon which gave them a 25 per cent stake in the Echo record label. This valued the label at around £42m, greater than the valuation placed on the mature label when sold to EMI. Chrysalis shares rose from 77p to 116p. Steve Lewis had a 19-25 per cent stake in the label Echo and:

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Mr Wright said yesterday that, while there was no guarantee of success, the label should prosper because 'I've done it once and Steve Lewis has done it before at Virgin'... 'The main thrust is going to be on ground-floor A&R (discovering and promoting new talent) but there may well be established artists who want to talk to us,' he added. He said the first signing 'is imminent'. The Japanese will get the rights to Asian distribution of Echo's artists.

(Daily Telegraph, 3/9/93)

'It's a brilliant deal from our standpoint,' Mr Wright said, adding that it gave Pony a foothold in a market increasingly dominated by a few conglomerates.

(The Independent, 3/9/93)

For the 1993 financial year the group declared a pre-tax loss of £14.6m compared to a pre-tax profit of £5.6m in 1992 but paid the first dividend since April 1991. This was a 'one-off' payment funded by the proceeds of the Thorn-EMI sale and the Pony Cannon injection of funds. The company was to operate with three divisions – music, visual entertainment and radio – and Chris Wright seemed to want to replicate his successful music industry strategy – the building up of a few distinctive record labels – in television production. That would endow the company with a stock of material to be offered to the growing number of cable, terrestrial and satellite broadcasters. Chrysalis acquired the outstanding half of Red Rooster and bought a 50 per cent stake in Stand and Deliver Productions. *The Financial Times*, December 1993, estimated that of the 300 or so independent TV production companies only about a dozen will make steady profits and that in the long term the sector will shake down to around ten major independent production groups. Chrysalis clearly intends to be one of them.

Half year results to February 1994 showed reduced pre-tax profits but a substantial boost to retained profits having taken into account minority interests. The group had invested heavily in new artists and both songwriter and artist advances. The Echo Special projects label had been set up as well as a new publishing company for contemporary composers AE Copyrights (with Air-Edel).

David Puttnam became the second non-executive director in September, and in October Nick Watkins resigned as a director to head a management buy-out of its multimedia and in-flight television interests. (Chrysalis kept 15 per cent.) Watkins had joined the company in 1989 to help refocus its business and felt that he had succeeded to the point where he did not feel that Chrysalis had a place for him any longer.

Its focus is now on the music business – which it re-entered last year – and on television broadcasting activities. Watkins believes both sides of the business require managers with a creative background, 'I'm more of a corporate suit', he says.

(Financial Times, 8/10/93)

In October the company was awarded a regional FM licence for the West Midlands for an adult orientated service to be called Heart FM. Richard Huntingford, Chrysalis' Development Director, stated that 'along with Chrysalis' 18.7% stake in Metro Radio, the new station will form the basis for a new core division at the group. "We want to build ourselves into a major player in UK commercial radio" *(Daily Telegraph, 12/10/93)*.

In one sense Chrysalis has come almost full circle given their desire to again run a record company but they are well aware of and very keen to take advantage of

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multimedia operations and complementary broadcasting opportunities. Can Chris Wright and his team 25 years on create and sustain a viable record company in an industry so unlike that of the 1960s? That will, of course, depend upon his character and skills, his ability to find a strategic niche and the lessons learnt from the past. This section concludes with quotations from three recent articles which attempt to get close to his character, or at least as close as anyone will get in public!

On Chris Wright himself:

But Wright likes his independence. Despite what he might say he likes his stock market quote and he enjoys business. Without that buzz life would have little meaning. In some ways he has no choice. The stock market constantly refuses to value Chrysalis at anywhere near its break-up value. But it has always been that way because Chrysalis's biggest and worst asset is its chairman. On the one hand, he is a whiz at the music business and has a deep understanding and knowledge of copyrights, which means that Chrysalis's intellectual value (far more valuable than property and other tangible assets these days) keeps growing and growing. He provides the perfect entrepreneurial drive at the top of the company. But Wright himself will admit that he is no administrator and probably hates management. He is also a softie deep down and often lacks the final cut and thrust a businessman at the top of any company requires in the 1990s. But Chris Wright puts his money where his mouth is. He is not the sort to walk away – all his wealth is tied up in the company.

(BusinessAge, 1/10/92)

Wright's decisiveness secured the Italian Football deal. Neil Duncanson, Head of Chrysalis Sport, then ran straight into Wright's office 'We can have the Italian footy, but it will cost us £750,000 and they need to know by 5pm today'. Wright looked at his watch. It was 3.55pm in London – 4.55pm in Rome. 'I thought for, oh, all of ten seconds, and said, "Go for it",' he recounts. After he left I started working out who we would sell it to.

(Independent on Sunday, 7/2/93)

... Wright, a tall, balding and imposing figure, with a reputation both for indecisiveness and not suffering fools gladly, and an enthusiasm for music more than matched by one for sports ... The entrepreneurial, independent minded Wright, a football and tennis fanatic whose myriad of interests outside of the music business stretch as far as a string of race-horses bred by himself ...

(Music Business International, Vol. 3, No. 4, 1993)

From fellow director George Martin:

He puts his money where his mouth is and I applaud him for that. He is that rare combination of sound business manager and gambler. He thinks about things carefully and takes calculated risks. And if more people were prepared to take risks the business would be in a healthier state than it is now. It beats sitting safely behind a desk counting numbers and making predictions. If justice is done then fortune will favour the brave.

(Music Business International, Vol. 3, No. 4, 1993)

On the new record company:

There is ample room for a creatively led record company in a market that is becoming increasingly polarised towards the multimedia multinational companies. A clear window of opportunity exists for an independent record company. We are a creatively led music, media and communications group and now the solid foundations have been laid we shall be uniquely placed when the recession does end to take advantage of the opportunities.

The second coming of Chrysalis, a quarter of a century on, will be inexorably linked to the multimedia world the music business is now part and parcel of.

The record company will start small and grow organically. That is why Steve Lewis is here. We want a marriage of the old Chrysalis and Virgin philosophies linked into the economic realism of the multimedia 90s.

(Music Business International, Vol. 3, No. 4, 1993)

On lessons learnt:

We have no intention of repeating the mistakes of last time. We are not going for the same kind of US operation with massive infrastructure and overheads. We shall not be looking at having manufacturing and distribution facilities in territories like Australia and Brazil ... In the old Chrysalis we felt like we needed to be in the US, with offices in New York and LA. But you do not need to have a presence in these places, where you need to be is in the charts. Chart success is the exposure you need.

(Music Business International, Vol. 3, No. 4, 1993)

We sold the first half [of Chrysalis Records] to EMI for what we thought was a lot of money. Circumstances later proved that it was not a lot of money ... We'd have been better off selling our fruit machines.

(Independent on Sunday, 7/2/93)

BRIEF INDUSTRY BACKGROUND

The core business of a record company is simply the exploitation of musical copyright either as an item in itself or converted into a mechanical, that is a playable, form. In the latter case revenue is earned both by selling the playable format and by receiving payment when it is played in public. Organizations exist to monitor and recoup royalties in respect of public performances. Companies are concerned with the exploitation of 'rights', be they musical rights, visual rights or printed rights, and their strategy should be one of maximizing the returns from such intellectual property. There are several operational strategies to achieve this, a company might want to become vertically integrated from production to distribution, or to set up joint ventures or to be involved in only one part of the process. To use a computer analogy, hardware producers may decide to become the owners of software or vice versa. Clearly Sony has decided to do just this whilst Thorn-EMI has always declined to be involved in the hardware side. Since everything apart from innate talent can be subcontracted there is no need to have recording, manufacturing or distribution facilities.

The nature of the product is such that a world rather than national market is crucial. Hence the importance of the United States which is the largest market, followed by Japan, Germany, the UK and France in order of importance. Such international trade rarely consists of the physical shipment of product but rather the selling of the right to exploit an artist or music in a given territory. In order to ensure a stable supply of exploitable rights record companies will endeavour to contract artists for a given period of time such that they have the opportunity to recoup their investment in the artist. There is no such thing as a standard contract but most companies will try to contract for around six albums. The George Michael case in 1993 has given us a great deal of insight into the nature of the relationship. Finally the successful record company will seek to contract a mix of established, middle ranking

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and new artists so that it can cross subsidize new acts and ensure continuance of revenues.

The role of technology can easily be overstated – information super highways, multimedia, virtual reality, digitization and so on are on their own irrelevant. Whether music is reproduced mechanically on a wax disc or vinyl seven-inch record is of no consequence unless the new format delivers new customers due to better quality or cheaper and more convenient access. The industry has been and still is littered with technically excellent but unloved and unadopted formats. Whilst ever hardware and software companies are separate and striving for competitive advantage this is inevitable; however, there have been decisive technological advances. Key advances for this business are:

- increasingly more convenient methods of recording and playing back music, from easily broken 78 rpm records post Second World War to the smaller, convenient and virtually indestructible compact disc and minidisc;
- the ability to produce audio and visual tape recordings of a quality, convenience and cost that is attractive to the domestic consumer;
- the development of cheap and powerful personal computers, particularly for multimedia applications;
- the use of digital rather than analogue techniques to record and reproduce visual or audio signals, both for consumers and the originators of the material;
- the development of transmission systems from traditional terrestrial based systems to satellite and cable transmission, and equally the impact of digital techniques such as digital broadcasting and digital compression which enables the signal carrier to be used far more intensively and hence yield gains in cost and choice;
- the potential for the consumer to be able to make digital recordings.

Thus profit is available either from the provision of the hardware or the software. Hardware companies need not be software providers and vice versa, but hardware success and software availability is linked. Thorn-EMI has become a major owner and controller of music software but feels no desire to manufacture the hardware. Sony, on the other hand, who are primarily hardware manufacturers desire to control audio and video software as well. One might speculate that this is due to their unhappy experience with the technically superior Betamax video tape system which lost market share to the reputedly technically inferior VHS system. As Philips can well testify, this business is not about the best system – whilst they revolutionized the industry with the development of compact audio cassettes they have failed to do so with some other equally innovative technologies.

Along with these technical changes the industry is being driven by economic and commercial forces such as changing demographics and consumer expectations, the emergence of new markets, and the liberalization of broadcasting regulations and access rules. Key players in this business are becoming increasingly multifunctional and global. Local markets and tastes and the need to be proactive not reactive in spotting niches will ensure that there is a need for the smaller, creative and independent producer of repertoire.

This section concludes with a brief overview of the recorded music market in the UK and some comments on amusement machines since both these represent key areas for the understanding of Chrysalis Group Plc. Record sales in 1993 in the UK of £785.7m were about 13 per cent up on 1992 figures. The industry is cyclical – in real value terms industry sales have fallen since 1989 and have still to

return to that level. The data in Table 15.2 show constant value (deflated by the Retail Price Index) of trade deliveries.

Table 15.2 UK sales of all recorded music formats, trade deliveries, 1972-93 (deflated by RPI)

1972	1972 = 100	69.4	
1973		95.6	
1974		109.6	
1975		101.5	
1976		93.8	
1977		91.5	
1978		108.5	
1979		101.7	
1980		81.6	
1981		75.1	
1982		72.5	
1983		73.6	
1984		80.0	1984 = 100
1985		85.3	107.5
1986		94.3	117.9
1987			140.5
1988			155.4
1989			160.2
1990			145.8
1991			144.1
1992			135.6
1993			151.5

Source: Monopolies Commission, Cm 2599, 1994, BPI.

Compact discs are now the best selling format in history and the CD single market is worth about half that of the traditional singles format. In 1992 singles accounted for 11 per cent of total sales, vinyl albums 3.5 per cent, cassette albums 29 per cent, CD albums 56.5 per cent. Compilation albums comprising mainly of back catalogue which traditionally enjoy lower royalty payments account for almost 20 per cent of album sales. Sales have a seasonal element with 30-40 per cent of the product sold in the fourth quarter leading up to Christmas. Pop music remains the most popular musical category (45 per cent of sales) followed by Rock (15 per cent), Classical (12 per cent) and MOR (10 per cent). Tastes and purchase behaviour vary with age and demographic characteristics. A survey commissioned from Gallup by the BPI indicates that young people buy more records than other groups. Sixteen to twenty-four-year-olds comprise only 16 per cent of the population (aged 16 and over) but buy 27 per cent of albums and 39 per cent of singles. So not surprisingly 35 per cent of album sales can be categorized as Pop, 24 per cent as Rock, with Classical and MOR each taking 9 per cent of sales. However, these sub-markets are commercially important, for example, whilst the 45 plus age group is under-represented in terms of purchasing records, since they comprise 47 per cent of the population aged 16 and over but only account for 27 per cent of album purchases and 21 per cent of singles purchases, they are still an important source of revenue.

Work by Manchester Business School, Belifante and Davis in America and the Monopolies Commission in the UK indicates that the important variables are:

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- advertising
- age
- artist loyalty
- artist status (evidenced by chart success of last recording)
- audio equipment type and ownership
- current chart position
- disposable income
- fashion
- formats
- gross domestic product
- music press
- price and discounts
- quality
- radio airplay
- seasonality
- sub-market appeal reflected by specialist charts
- substitutes
- television exposure of artist
- word of mouth

Whilst there are around 600–700 small to very small independent record companies, about 500 music publishing ventures and around 4,250 retail outlets selling records in the UK, the industry is dominated by major suppliers in publishing, production and distribution. However, competition generated between the existing companies, the relative ease of entry and the absence of heavy sunk costs due to subcontracting arrangements ensures that excessive profits are not earned. Indeed, given that this is a high-risk industry, the average rates of return are relatively modest. Using PBIT as a percentage of revenue to measure the average for the five major record companies has fallen from 7.1 per cent in 1989 to 2.8 per cent in 1992 but (at the time of the calculations) was expected to almost double in 1993.

By definition most record releases fail. In 1991, a fairly typical year, only 300 out of 10,800 new album releases made it into the Top 40. Most singles make a loss for the company but are still seen as a way to market artists and to secure sales of profitable album formats (including cassettes and CDs). Singles can cost between £50,000 to £100,000 to market. In 1986 the average chart life of a Top 75 single was 6.5 weeks; by 1992 this had dropped to 4.2 weeks. In 1992 the average album, if such a thing exists, sold fewer than 5,000 copies across all formats and the average sales per single was just under 11,000 copies. This average masks the wide difference between success and failure – a single such as Whitney Houston's 'I Will Always Love You' selling in the order of one million copies, and George Michael's first solo album, *Faith*, which has sold close on 14 million copies. An album charting at Number One for a week will sell around 67,000 units, while an album at Number One Hundred will sell just under 2,000 copies.

Whilst the next logical step would be to compare volume, price and cost data, the latter is exceptionally unreliable as the recent debate in the UK on CD prices has shown. A crude indication of costs involved in this business can be drawn from the 1993 Monopolies and Mergers Commission Report: for a full price CD selling at £12.99, VAT represents 17.5 per cent; retailer gross margin 30 per cent; manufacturing costs 10 per cent; mechanical royalties, artists royalties and licence fees 15 per cent; leaving 30 per cent to cover distribution, marketing administrative costs and supporting A&R activities. Given that there are full-price, mid-price and budget segments, and that artists' royalties vary substantially depending upon the relative bargaining power of the artist, one needs to be particularly cautious about such data.

The income generating potential from music publishing rights should never be under-estimated – witness the multiples of earnings, assets and sales that sellers of

music catalogues can obtain. To illustrate this, Polygram's acquisition of Motown has given it 30,000 back catalogue recordings. Thorn-EMI in 1993 agreed a \$70 million deal to exploit Michael Jackson's ATV catalogue which is notable for holding the publishing rights of most of The Beatles songs.

A more detailed breakdown of the industry structure is given in Table 15.3.

Table 15.3 Industry structure: UK majors

<i>The top five majors 1993</i>		<i>The top music publishers 1992/93¹</i>		<i>The top five retailers 1992</i>	
	%		%		%
EMI Records Ltd And Virgin Records Ltd	23.8	Warner Chappell Music Ltd	20	W.H. Smith Group Plc (W.H. Smith)	8.1
Polygram UK Holdings Plc (Polygram)	21.3	EMI Music Publishing Ltd	20	Our Price Limited (Our Price) (subsidiary of W.H. Smith)	18.5
Warner Music UK Ltd (Warner)	10.3	Polygram Music Ltd	11	Woolworth's Plc (Woolworth's)	15.0
Sony Music Entertainment (UK) Ltd (Sony)	9.6	MCA Music Ltd	9	HMV UK Limited	13.5
BMG Records (UK) Ltd (BMG)	7.0	Carlin Music Corporation; Sony Music Publishing; BMG Music; Zomba Music Publishing; Chrysalis Music Ltd; All Boys Music Ltd	20 20	Virgin Retail Ltd (Virgin Retail) (at that time by 50% owned W.H. Smith Ltd)	4.2
		Others	20		

Source: Monopolies Commission, Cm 2599, 1993.

1. Gallup survey, published in *Music Week*, 7/8/93, to determine source of top 100 singles and top 50 albums in previous 12 months

The fruit machine, or more formally the amusement with prizes (AWP), business has always been a difficult market in which to succeed and has become more so from 1990 onwards. It is heavily regulated both in respect of maximum charge per play and the prize level; these aspects are regulated by the Home Office who carry out three-yearly reviews. Machines have a very short life – at best no more than four years, at worst only two. Additionally, machines usually spend no more than 3–6 months in their first prime site; subsequently they are rented out to increasingly less salubrious and profitable locations. At present payout is set at 70 pence in the pound leaving the operator with 30 pence. Set against this margin are not only the factors above but also that the most popular and lucrative sites – public houses – are themselves declining and under financial pressure due to structural changes in their industry. Most players are not gamblers in the true sense but spend some money on an AWP machine as part of a night out at the pub. So even factors such as a good summer which induces drinkers into the beer garden can cause a

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marked reduction in profits. By 1992 Chrysalis-MAM was one of the six key suppliers in the industry with a 5 per cent market share. The others were Kunick, 16 per cent; Rank 14 per cent; Bass 11 per cent; Stretton 4 per cent; and Brent Walker 3 per cent. Yet, as can be seen from Appendix 15.1, managed successfully it can be a profitable business.

APPENDIX 15.1 CHRYSALIS GROUP PLC: FINANCIAL AND RELATED DATA

Table 15.4 Chrysalis Group Plc: Percentage¹ contribution to turnover and profit/(loss) before taxation, 1984-88

Activity	1984 ²		1985		1986		1987		1988	
	Turnover	Profit	Turnover	Profit	Turnover	Profit	Turnover	Profit	Turnover	Profit
Records & Music	64	62	34	3	51	44.5				
Publishing										
Facilities Management	4	11	8	26	5	(1.85)	4.5	2.6		
Hotels			14	25	9	8.4	3	2.5		
Juke Boxes & Amusement Machines	23	18	31	74	21	20	18.4	31	23.3	60
Agency and Promotion	3	4	4	3	3	1				
Other	6	5	7	(36)	2	3.7				
Property Development			1.5	5	10	24	11	19	0.21	(0.02)
Records, Music							63	45		
Publishing & Entertainment										
Records: USA									20	(63)
Records: UK and non-USA									24	31
Other Musical & Entertainment Activities									21	46
Audio Facilities									4.5	16
Wholesale Export ³										
Television/ Communications (post 1989 Commu- nications and Media)									7	10
Corporate ³										

1. Percentage is percentage of overall turnover or percentage of overall profit or loss. Errors in summing are due to rounding.

2. 1984 is a pro forma estimate in the offer for sale document, i.e. if the merged company had existed in that year.

3. See Table 15.5.

Source: Annual Reports.

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Table 15.5 Chrysalis Group Plc: Percentage¹ contribution to turnover and profit/(loss) before taxation, 1989-92

Activity	1989		1990		1991		1992	
	Turnover	Profit	Turnover	Profit	Turnover	Profit	Turnover	Profit
Records & Music Publishing ²								
Facilities Management ²								
Hotels ²								
Juke Boxes & Amusement Machines	26.3	17	22	26	23	(14.5)	26	(33)
Agency and Promotion ²								
Other ²								
Property Development	6.6	(14)	2.79	(20)	2	(13)	8.3	(6)
Records, Music Publishing & Entertainment ²								
Records: USA	5	(129)	12	(43)	} 27.5	} (41)	} 10	} (3)
Records: UK and non-USA	23.5	7.1	21	89				
Other Musical & Entertainment Activities	20	15	22.4	30	11	13	13	3.6
Audio Facilities	3.1	4	2.75	5	1.6	(9)	1.6	(7)
Wholesale Export ²					19	9.5	23	7
Television/ Communications (post 1989 Communications and Media)	15.6	0.46	16	12	15	(29)	17	(36)
Corporate				0.75	1.2	(16)		

1. Percentage is percentage of overall turnover or percentage of overall profit or loss. Errors in summing are due to rounding.

2. See Table 15.4.

Source: Annual Reports.

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Table 15.7 Chrysalis Group Plc: Associated and subsidiary companies¹ and divisional structure, 1986–92

Company	1986	1987	1988	1989	1990	1991	1992
<i>Operations registered abroad</i>							
<i>Australia</i>							
1 Chrysalis Music Publishing (Australia) Pty							•
2 MAM Music Publishing Pty Ltd	•	•	•	•	•	•	
<i>Germany</i>							
3 Chrysalis Music Publishing GmbH							•
4 Chrysalis Records GmbH			•	•	•	•	
5 MAM Music Publishing GmbH	•	•	•	•	•	•	
<i>Sweden</i>							
6 A.I.R. Music Scandinavia AB	•	•	•	•	•	•	•
<i>USA</i>							
7 Chrysalis Music Group Inc.	•	•	•	•	•	•	•
8 Chrysalis Music Holdings Inc. (Delaware)						•	•
9 Chrysalis Recording Studios Inc.			•	•	•		
10 Chrysalis Records Inc. (Delaware)						•	•
11 Chrysalis Records Inc.	•	•	•	•	•		
12 Chrysalis-Yellen Productions Inc.	•	•					
13 MAM (Music Publishing) Corp.	•	•	•	•	•	•	•
14 Management Agency & Music Publishing Inc.	•	•	•	•	•	•	•
15 Rare Blue Music Inc.	•						
16 Record Plant Inc.			•	•	•		
17 Red Admiral Music Inc.	•						
18 Terwright Records Inc.	•	•	•	•	•	•	
<i>Domestic operations gained through reverse takeover of MAM</i>							
19 AIR tv Facilities Ltd		•	•	•	•	•	•
20 Audio International Recording Studios Ltd	•	•	•	•			
21 Kenmar Leisure Ltd		•	•	•	•	•	
22 Kingsmead Hotels Ltd	•						
23 MAM (Agency) Ltd	•						
24 MAM (Music Publishing) Ltd	•	•	•	•	•	•	
25 MAM (Promotions) Ltd	•	•					
26 MAM Communication Systems Ltd	•	•	•	•	•	•	•
27 MAM Inn Play	•	•					
28 Minns and Crane Music Ltd	•						
29 The Ness Company Ltd	•	•	•				
30 Tughan-Crane (Music) Ltd	•	•	•	•	•		
<i>Domestic operations registered in UK</i>							
31 A.I.R. Edel-Associates Ltd	•	•	•	•	•	•	•
32 A.I.R.-Edel Recording Studios (formerly 20)					•	•	•
33 ACD Trading Ltd	•	•	•	•	•	•	•
34 Air Management Services Ltd				•	•	•	•
35 Air Music (London) Ltd	•	•	•	•	•	•	•
36 Air Music Publishing Ltd	•	•	•	•	•	•	•
37 Air Records Ltd	•	•	•	•	•	•	•
38 Air Studios Ltd	•	•	•	•	•	•	•
39 Air Studios (Lyndhurst) Ltd						•	•
40 Blackrod Interactive Services Ltd			•	•			
41 Blackrod						•	•
42 Chrys-A-Lee Music Ltd	•	•	•	•	•	•	•
43 Chrysalis Holdings Ltd				•	•	•	•
44 Chrysalis Home Video Ltd					•	•	•
45 Chrysalis Inflight Entertainment Ltd					•	•	•
46 Chrysalis Interactive Services Ltd (formerly 80)					•	•	•
47 Chrysalis Investments Ltd	•	•	•	•	•	•	•
48 Chrysalis Knightsbridge Estates Ltd			•	•			
49 Chrysalis Land (Mayfair)			•	•	•	•	•
50 Chrysalis Land Ltd			•	•	•	•	•
51 Chrysalis Multi Media Ltd							•
52 Chrysalis Music Ltd	•	•	•	•	•	•	•
53 Chrysalis News and Sports Ltd			•	•			
54 Chrysalis Properties Ltd	•	•	•	•	•	•	•
55 Chrysalis Records International Ltd					•	•	•
56 Chrysalis Records Ltd	•	•	•	•	•	•	
57 Chrysalis Songs Ltd							•
58 Chrysalis Television Facilities Ltd							•

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Table 15.7 Continued

Company	1986	1987	1988	1989	1990	1991	1992
59 Chrysalis Television Group Ltd				•	•	•	•
60 Chrysalis Television Ltd (formerly 83)				•	•	•	•
61 Chrysalis Television Mobiles Ltd (formerly 73)				•	•	•	•
62 Chrysalis Television Productions Ltd (formerly 53)				•	•	•	•
63 Chrysalis Visual Programming Ltd	•	•	•	•	•	•	•
64 Dover Records			•	•	•	•	•
65 Ensign Records Ltd		•	•	•	•	•	•
66 Ian Anderson Music Ltd	•	•	•	•	•	•	•
67 Lasgo Exports Ltd	•	•	•	•	•	•	•
68 MAM Amusement Sales Ltd			•	•	•	•	•
69 MAM Inns and Restaurants Ltd			•	•	•	•	•
70 MAM Leisure Ltd			•	•	•	•	•
71 MAM Leisure (Holdings) Ltd				•	•	•	•
72 Metro Radio Group Plc						•	•
73 Recording & Production Services Ltd		•	•				
74 Red Rooster Film and Entertainment Ltd						•	•
75 Redemption Songs Ltd							•
76 REW Video Hire			•	•	•	•	
77 Showplay		•	•				
78 Speaking Books Ltd							•
79 The Hit Label Ltd							•
80 The Video Disk Company				•			
81 Tughan-Crane Music Ltd (Northern Ireland)						•	•
82 Wessex Sound Ltd	•	•	•	•	•	•	•
83 Workhouse Productions Ltd			•				
84 World Service Agency Ltd	•	•	•	•	•		

1. Principal subsidiaries as detailed in Annual Reports. Percentage owned varies between 100 per cent and 18.7 per cent.

Source: Company Annual Reports, except 1988 Extel Annual card.

Table 15.8 Chrysalis Group Plc: Some key financial data, 1985-92

Units		1985 ²	1986	1987	1988 ³	1989	1990	1991	1992
Group turnover	£000	46,253	82,872	105,769	117,025	95,590	107,380	93,396	74,400
attributable fully to the company	£000						73,495	68,345	65,968
associated companies & joint ventures	£000						34,300	25,042	8,432
Turnover attributable to USA ¹	%	13	16	21	23	8	15	11	6
Turnover attributable to UK ¹	%	87	84	79	77	92	81	84	90
Turnover attributable to Europe ¹	%						4	5	4
Gross profit (turnover less sales cost)	£000	13,002	27,084	29,313	34,999	20,113	18,802	13,840	11,913
Profit (loss) before tax	£000	(5,598)	5,309	7,258	1,805	11,519	5	(9,330)	5,628
Profit (loss) before tax and interest	£000							(8,118)	5,045
continuing operations	£000							(1,084)	(4,606)
on discontinued operations	£000							(7,034)	9,651
Profit (loss) after tax	£000	(3,368)	656	3,213	547	(11,502)	(395)	(8,685)	7,078
Dividends	p/share	6.95	5.6	7.0	4.0	4.0	4.0	none	none
Profit (loss) retained for financial year	£000		1,582	9,770	300	39,231	(1,935)	(8,292)	7,016
Earnings (loss) per share	p/share	3.99	12.10	17.08	1.5	(40.2)	1.6	(30.06)	26.02
Shareholders' funds	£m (a)	(a) 3	(a) 7.4	(a) 8.3	4.8	53	50	48.4	54.4
Employees (including directors)	Actual	1,495	1,529	1,251	1,226	1,104	1,078	942	844

1. Turnover attributed to regions is on all business activity.

2. 1985 figures include only six months of Chrysalis Group Ltd because of merger date and year end differences.

Figures in parenthesis adjust as if combined group has traded that year and are a better comparison.

3. 1988 is 14 months.

(a) Signifies net assets as shown on Balance Sheet, thereafter shareholders' funds.

Source: Company Annual Reports.

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Table 15.9(a) Key activities as detailed in Annual Reports, 1985–87

Activity	Report for year to June 1985	Report for year to June 1986	Report for year to June 1987
Hotels	Profit growth over the previous year.	Sold to Mount Charlotte Investment Plc, another hotel chain. The capital intensive nature of hotels was not felt appropriate for the company at this stage.	
Other	Max Headroom makes a significant breakthrough.	See Records and music publishing & entertainment.	
Musical Instruments (retail supply of)	Minns and Crane Music subsidiary made losses and hence decided to discontinue this activity. Tughan Crane Music in Northern Ireland produces satisfactory profits.	Completed closure of Minns and Crane resulting in further extraordinary losses. Tughan-Crane Music continues to trade successfully.	See Facilities. See Music & Other entertainment activities.
Music Promotion and Advertising Jingles	Air-Edel Associates is the leading European producer of music for films, TV and commercials.	Air-Edel still leading European producers.	See Facilities. See Music & Other entertainment activities.
Juke Boxes and Amusement Machines	Trading successfully, high degree of acceptance of new video juke box. Re-equipment, conversion and maintenance costs have lessened the impact on profit margins from accepted and growing use of the £1 coin.	Division achieved good profit growth – main customer base is with tied brewery houses. Background music operation has been hived off as a stand-alone company and expects considerable growth. Clients include an increasing number of high street multiples. Division as a whole contributed £1.4m profits.	Integration of the management of Kenmar Leisure Ltd and MAM Inn Play bring cost and management gains. Disposal of MAM Inn Play HQ buildings. MAM Amusement Sales is set up to sell and distribute machines. MAM Communication Systems is a leading operator in background music systems.
Property Development	Active in development and dealing resulting in highly satisfactory profits	Active in Docklands – good profit of £1.68m. Other residential projects in hand.	Marginally lower profits and some concern that the market is getting overheated.
Agency and Promotion	Successful.	MAM Agency and Promotion closed and small net losses. World Service Agency Ltd which acts as a booking agent for many well known rock and pop artists continues to trade successfully. In October 1986 acquired 50 per cent of Showplay Ltd, a company now formed to arrange promotion of product launches, conferences and similar events.	See Records and music publishing & entertainment. See Music and Other entertainment.
Records and Music Publishing. See Table 15.6 for detailed changes to divisional title.	Profits of Chrysalis Group comfortably exceeding its own expectations and made up for MAM shortfall. MAM and Chrysalis music catalogues merged. Air Music Scandinavia AB in which they have a 50 per cent share increases profit.	Despite delay of major product still managed pre-tax profits of £3m. Over last two years have invested heavily in new talent and this is showing in profits and sales. Lasgo Exports pre-tax profits growth. Good contribution from compact discs, particularly in markets where no indigenous manufacturing.	Continued investment in new artists. Good results from Ensign, Cooltempo, China label (licensed). Moves distribution from Polygram to CBS. Opens record operations in Holland and Germany to complement Sweden (opened last year). Problems with American operation and senior staff changes. Lasgo has another good year. Good performance from own and the purchased MAM catalogue. World Service Agency has a quiet year. Chrysalis Visual Programming Ltd gains from the Max Headroom character but his future will be in merchandising (including Coca-Cola) not programming.
Facilities 1988 TV and Facilities 1989 on Audio Facilities	New division bringing together Air, Wessex, MAM Research Recordings and Audio International Recording Studios (50 per cent interest in partnership with Radio Luxembourg) enjoyed a successful year except for MAM Research Recordings and other TV facilities (video production facilities). Now under new management.	Problem with TV facilities showing a loss for the year. Lost an important transmission contract – relaunched as Air tv, May 1986, and now improving client base. Audio studios continue to show a profit.	Now comprises: Air and Wessex Recording Studios, Air tv and Tughan – Crane and 50 per cent interests in A.I.R.S and Air-Edel. Air tv has received significant satellite transmission contracts with MTV Europe and Scansat. Recording studios another good year despite strong competition. Investment has kept the studios in demand. RPS and REW video hire purchased. Controlling interest in Los Angeles based Record Plant Recording Studio taken. Tughan-Crane has best year yet.

Source: Company Annual Reports.

Table 15.9(b) Key activities as detailed in Annual Reports, 1988-90

Activity	Report for year to June 1988	Report for year to June 1989	Report for year to June 1990
Juke Boxes and Amusement Machines 1988 MAM Leisure Group.	Relaunched as MAM Leisure Group will move into development of small business hotels under the name MAM Inns and Restaurants.	Amusement machines a difficult market, pressure on margins on sales/distribution but sole UK/Europe distributor for Rowe Jukeboxes. MAM Communication Systems makes excellent progress. MAM Inns and Restaurants concentrated on the redevelopment of one pub in Theale.	Difficulties apparent because of recession, changing technology (CD juke boxes), competition and so on. MAM Communications Systems audiovisual operation prospers and will form a larger part of the business.
Property Development	Breaks even only.	Winding down of portfolio and no new projects anticipated.	Continued wind down of portfolio. Pub/restaurant in Theale had a disappointing year.
Records and Music Publishing	US records division suffering lower than anticipated sales and high costs. Reported loss of \$7m. Max Headroom makes zero contribution. UK and European record operations ahead of budget. Cooltempo, Ensign, Dover labels successful. Opens operation in France. Chrysalis Visual Programming gained recent European contract and potential for future income albeit reduced over previous levels.	Severe losses on USA operation due to low sales activity aggravated by a combination of exceptional and adverse factors. UK division suffering slippage from some of the US artists but some pleasing UK performances. For the first time disappointing German results, management changes and new head of division. Lasgo continues good performance and addresses new markets in Asia/Middle East. All-time profit record for the publishing group. Tughan-Crane disappointing but profitable year. Air-Edel maintains its position as the market leader with 'blue chip' contracts and takes over A.I.R.S. World Service Agency faced difficult year and restructured. Sells 50 per cent of record company to Thorn-EMI.	First full year as joint venture with Thorn-EMI Plc. Considerable success and gain in international market share and resurgence of Chrysalis Record label throughout the world. Manufacturing and distribution contracted to EMI. Considerable progress in reducing the trading losses in the USA due to attention paid to cost base and all-time sales level. Lasgo continues to do well, now operating in Eastern European markets. Music publishing turnover up, profit down slightly (investment in new writers and copyrights). Increases share in Air Music Scandinavia to 75 per cent. Tughan-Crane increased profits, Air-Edel largest UK jingle producer. World Service Agency closed after disappointing year.
Facilities 1988 TV and Facilities 1989 Audio Facilities	Recording and production services living up to profit expectations and was a key component in successful bid for Football League contract. Purchased Workhouse and Blackrod which will now form the backbone of TV programmes and corporate video business. New Chrysalis TV News & Sports operation to handle the football contract and set up as springboard into sports and current affairs. Bidding to televise House of Commons through Portcullis productions. REW Video Hire relaunched and set to become market leader in broadcast and industrial equipment hire. Contract from HBO to broadcast Wimbledon. Air tv launched and has satellite transmission contracts but post production facilities in very difficult market. Air Studios had a good period whilst Wessex and A.I.R.S fought hard for business. Record Plant affected by Guild of Screen Writers strike. Air-Edel credible results again. Tughan-Crane has a successful year.	Air Studios twenty-first successful year. Imminent move to new complex. Wessex studios concentrating on young, emerging rock bands. Record Plant difficult year, restructuring management team.	Building of new Air Studios commenced. Joint venture with Pioneer Electronic Corporation. Air Studios and Wessex Studios satisfactory albeit reduced contribution to divisional profits. Record Plant had a difficult year with continuing losses and its long term future is under review.
Chrysalis Communications Division (1988 onwards) Chrysalis TV Division (prior name). 1990 onwards Communications and Media.		Disappointing results but foundation for future growth. Chrysalis News & Sports continued successful relationship with Football league and LWT News contracts. New opportunities await and robust future. Chrysalis Television Mobiles synergistic benefits with Football League contract. Also significant client roster. Blackrod and Chrysalis Television maintained reputation for quality corporate programmes. Blackrod Interactive Services winning several major contracts. Chrysalis Television projects coming to fruition. Chrysalis Visual Programming (Max Headroom) revenues falling away and write-offs leading to loss. Air tv facilities uncertain year but clear future, two satellite transmission contracts will secure future. REW Video Hire - competition and limited demand led to difficult year, hopes for a more active market next year.	Restructuring, rationalization completed. Clearly defined strategy, well focused management team. Split into factual and non-factual programming. Chrysalis TV Productions an amalgamation of the Chrysalis Television News and News & Sport operations will concentrate solely on factual programmes. Joint venture with Red Rooster production company. Acquired 9.99 per cent interest in Metro Radio Plc and increased when Metro takes over Yorkshire Radio Network Plc.

Source: Company Annual Reports.

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Table 15.9(c) Key activities as detailed in Annual Reports, 1991–92

Activity	Report for year to June 1991	Report for year to June 1992
Juke Box and Amusement Machines 1988 on MAM Leisure Group. 1989 on Machines.	Faced worst trade conditions for many years, despite strict overhead and capital expenditure control – losses incurred for the year. But has gained new customers. MAM Communications Systems continued to trade profitably.	Along with major competitors suffered badly in the recession. Fundamental changes to strategy and management. Concentrated sales effort into non-traditional outlets. MAM Communications Systems a substantial improvement in profits despite recession.
Property Development	Some disposals made.	Only two left and some lettings.
Records and Music Publishing From 1987 Records, Music Publishing and Entertainment; from 1989 Music and Other Entertainment Activities; from 1990 see Table 15.6.	Exceptionally quiet Christmas 1990 and despite some success in US and UK charts, overall turnover very disappointing and significant losses. Chrysalis 50 per cent share of these equal to £4.7m. After extensive discussions agreed to terminate joint venture prematurely and for EMI to acquire remaining 50 per cent earlier than anticipated. Once again increased turnover and profit for Lasgo now the core of the Wholesale Export division. In the Music Publishing and Other Music and Entertainment division, Chrysalis Music Publishing has a successful year with improved turnover and profits. Chrysalis Music Inc. performs well. Tughan-Crane and Air-Edel unspectacular but a satisfactory contribution given the adverse trading environment.	Restrictions placed post EMI sale on participation in record business other than in compilations and spoken word, so launched the Hit Label and the Speaking Book Company as a joint venture. Secured services of Steve Lewis to become head of new Music Division when non-compete restrictions terminate in 1993. UK turnover and gross margins maintained but profitability down due to higher costs. Expanded the book and magazine side of Lasgo since they enjoy a higher profit margin compared to audio and video. Good first quarter 92/93 performance. Music publishing income held up but investment on new signings reduced products. Air-Edel significantly improved contribution. Tughan-Crane made a loss.
Facilities	New Air Studio complex scheduled to open September 1992. Profits and turnover down slightly but this quality sector of the sound recording market remains relatively healthy. Wessex, however, made small loss due to its particular customer profile. Record Plant sold in February 1991.	Lyndhurst Hall audio complex opened December 1992. Air Studio level of activity as would be expected ran down prior to change over. Wessex made a small loss.
Chrysalis Communications Division Chrysalis TV Division. 1989 Communication and Media.	Paralysis gripped the Independent Television Sector up to the Channel 3 franchise awards and economic conditions made the trading environment difficult. Participated in two TV franchise applications and were unsuccessful but a nominated programme supplier for others. Air tv used quiet trading period to upgrade facilities. Chrysalis Mobiles affected by demise of BSB but regained Football League contract and five-year SIS (race course broadcasting) contract. REW hit by recession and sold. Blackrod remains at forefront of corporate communications. Chrysalis Interactive Services continue to develop software for CD-I market. Chrysalis Multi-Media formed from Blackrod/Chrysalis Interactive Services merger. Increased stake in Metro Radio to 19.55 per cent.	Year of development and substantial investment which materially contributed to the reported loss but will allow the Division to emerge as a profitable core business for the future. Chrysalis Television Facilities and Chrysalis Television Mobiles gained long-term contracts from Kanal 6 & SIS – which will go a long way to underwrite fixed costs. Post production facilities reduced due to poorer trading environment. Chrysalis Television Productions Italian Football for C4 success, light entertainment contracts gained. Red Rooster Film and TV Entertainment notable success. Chrysalis Mobiles at the leading edge but market affected by recession and recent restructuring to meet challenges. Chrysalis Home Video label continues to act as conduit and obtainer of material in own right. Chrysalis Inflight Entertainment established in 1992 to service total in-flight media has won first major contract. All costs of setting up that business were expensed during the year.

Source: Company Annual Reports.

Table 15.10 Headline statements and prospects for the coming year as stated in their Annual Reports 1986–92**1986**

I am convinced that the current year's results will show a substantial advance on last year.

I have already referred to our extensive artist investment programme as a result of which I feel more confident than ever before about the depth of talent in our artist roster. With all the divisions in the Group trading ahead of budget, I am convinced that the current year's results will show a substantial advance on last year. Your Board intends to use the proceeds of the recent Kingsmead Hotels disposal as the basis for expansion and to that end we have identified and are pursuing a number of potential leisure based acquisitions. Finally, shareholders will be aware that our continuing success is entirely due to the enthusiasm and commitment of our artists, directors and staff and on your behalf I would like to thank them all.

1987

The past year has again been a very successful one, both in terms of the results and the work that has been done in laying a base for future growth.

For reasons already indicated, the first half of the current year will not, in profit terms, be as buoyant as the first half of last year. Whilst I still anticipate continued growth in our overall annual profits, these will clearly be weighted towards the second half. I have already listed important record product coming later in the year and I believe that we have the right people, structure and strategies to get the best in sales and profit terms from these records.

Elsewhere in the Group the current year is one for steady growth on levels of success already achieved, together with a programme of strategic acquisitions.

Finally, two Group Board Directors retired during the year, Bill Smith, former MD and co-founder of MAM, and Ken Chappellow, founder and former MD of Kenmar Leisure. To them and our artists, directors and staff, I would like, on your behalf, to say thank you.

1988

The poor profit performance in the period under review, primarily in America, will undoubtedly affect the first half of the current year. The Board are reviewing the basis of our US operation and it is to be hoped that this will lead to an upturn in profitability in the second half. The television division looks set to become a key element in the Group's growth.

1989

The losses in America have been the dominant factor in the Group's trading problems for several years. It became clear during the financial year that proactive and strategic measures were demanded to rectify the situation and to bring about a state of change.

The sale of 50% of Chrysalis Records has increased our net worth and eliminated our net gearing providing us with the security of a sheltered state from which we now feel confident that we are ready to emerge and develop our core activities.

The financial benefits of the THORN-EMI Plc transaction and our healthy balance sheet, coupled with the recent management changes, will I believe provide an excellent foundation for the successful development and expansion of the Chrysalis Group into the 1990s. In this regard, your Board are currently investigating a number of potential acquisitions and projects both in existing and new areas of activity. However, with interest rates at their current high levels and doubts about the economy as a whole, we will take a cautious and prudent approach to investment opportunities.

The severe problems of the US Record Company and the long-term nature of our efforts to rebuild a successful operation mean that its profitability is unlikely to be restored for some while and certainly not within the current financial year. I am confident, however, that good progress has already been made in remedying the position and that its level of trading losses for the year will be significantly reduced. Our joint venture arrangements with THORN-EMI Plc will in addition reduce the Group's exposure to these losses.

The first quarter's trading from the UK Record Company has been extremely encouraging and well above expectations with some considerable chart success. With other companies in the Group presently performing close to expectations, and with the very positive impetus provided by new management, I am optimistic for the group's trading prospects for 1990.

The Spring of 1990 will also see Chrysalis moving to a new corporate headquarters. We have recently purchased the freehold of a 32,000 square foot office building in Holland Park, London W10 which will enable us to bring together our Records, Publishing and Communications activities under one roof. The building will provide an ideal environment for the Group to become one of the leading media and communications businesses of the 1990s at the cutting edge of creativity. I look forward to the opportunity of welcoming shareholders in the future to our new home.

1990

The financial year to 31st August 1990 has seen the Chrysalis Group Plc return to profitability after the heavy losses suffered in the previous year. The partnership with THORN-EMI Plc and the management changes effected towards the latter part of last year have played a major role in this turnaround and I am confident that we now have a solid base upon which to build for the future.

The past year has been one of major reorganization and restructuring throughout the Group, resulting in a number of substantial one-off costs which have been expensed in the period. Whilst during the year good progress has been made by laying firm foundations for the long-term future, the current economic recession in our major markets makes it difficult to be optimistic about short-term trading prospects.

Initial trading results for the early part of the current year have been satisfactory. However, it is clear that the full year's results will be influenced by economic factors beyond our control and will depend on our continued ability to develop and successfully establish new products and services.

The Group has recently moved its corporate headquarters, bringing UK Records, Publishing and Communications activities under one roof at Bramley Road, London W10. We are already reaping the benefits of this and I am confident that we have in place a winning team of management and staff to see the Group successfully through the current uncertain economic climate into the 1990s.

1991

In the light of the Record company disposal, the Board has undertaken a long-term review of the Group's strategic direction and investment plans. This includes a major expansion of our television production and music publishing interests and in due course, once non-compete restriction periods have expired, a return to the record business.

This strategy, which will require substantial investment over the next few years, will be heavily geared towards the longer term and focused on areas which are generally thought to involve high levels of operational risk and earnings volatility.

As you will recall it was announced on 12th November 1991, that subject to the completion of the Record Company disposal, I was considering making an offer for those shares in the Company that I do not already own. Accordingly, together with my colleagues on

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Table 15.10 *Continued*

the Board, I have been discussing the feasibility of making such an offer with my advisers in order to provide shareholders with an opportunity to realize their investment before the implementation of our plans for the long-term development of the Group. I hope to be able to inform you shortly of the outcome of these discussions.

The current financial year has started slowly with trading conditions remaining difficult. The disposal or closure of a number of the loss-making businesses will undoubtedly benefit overall future results; however, it is difficult at present to foresee any significant upturn in trading for the remaining companies ahead of the economic recovery in our major markets.

1992

Our strategy is to create an integrated music, media and communications group, where a blend of creative flair, technical excellence and innovation provides the firm foundation for growth in profits, earnings and long-term capital value.

The current year has started slowly, although we are now beginning to see clear signs of improved trading from some of our Group companies. The first quarter's results, in particular those from Lasgo and from our Television Productions and Facilities companies, are encouraging. However, the conservative accounting treatment we apply to the continuing long-term investments in our Television, Music Publishing and new record label interests will inevitably impact on the Group's short-term profits. Furthermore the state of the amusement machine industry continues to be of considerable concern and it is therefore difficult at this stage, despite the early encouraging signs, to predict with any certainty an optimistic outcome for the year as a whole.

Source: Company Annual Reports except 1988 which is Extel Annual Card.

Chrysalis Group Plc 331

Table 15.11 Key acquisitions, disposals and joint ventures 1985-94

Date	Acquisition	Reason	Terms & financed by	Disposal/joint venture	Reason
December 1985	Lasgo Exports Ltd	Wholesaler of pre-recorded music and video	75% cash & shares & profit-related final sum depending up profit contribution. Fully owned May 1989		
May 1986				MAM Agency and MAM Promotions	Following departure of director
June 1986				Minns and Crane	Continues to make losses
September 1986	Showplay Ltd	Provision of video and audio services for events and conferences	50% shares		
October 1986	Ensign Records Ltd	Good stable of artists and above average hit rate	100% cash		
December 1986				Kingsmead Hotels Ltd	Nature of the business
March 1987	AIR tv Facilities	Acquisition of remaining 25%	Cash		
April 1987	Recording and Production Services Ltd	Nottingham based TV facilities and outside broadcast company	100% cash and shares & profit-related final sum		
October 1987	REW Video Hire	Industrial and commercial video company	55% cash		
December 1987	Record Plant Inc.	Los Angeles based recording studio, good reputation to build on for growth	Controlling interest (51%), option to acquire balance, cash		
March 1988	Workhouse Productions Ltd Blackrod Ltd	Income flow and in preparation for future role in commercial broadcasting	Cash and loan stock		
May 1989	Remaining 12.5% of Lasgo Exports Ltd		Cash and loan stock		
August 1989	Remaining 49% of Record Plant Inc. acquired		Cash	Chrysalis Record companies, 50% interest sold to EMI for mainly cash but some Thom-EMI loan stock. Adjustment to price depending upon profit outcome.	Proactive response to trading problems in North America whilst maintaining an active presence in North America
July 1990	9.99% interest in ordinary share capital of Metro Radio Group. With Metro's takeover of Yorkshire Radio Network in November 1990 subscribed to further shares and holding increased to 19.55%	To broaden the base of its activities and to be ready to capitalize on future opportunities	Cash		
September 1990				Sold interest in TV premises, certain plant & equipment to M Blakstad. World Service Agency Ltd ceases trading	Mr Blakstad decided to return to independent production in the provinces. Steady decline in the level of business
October 1990	Further 25% of Air Music Scandinavia AB acquired and option for remaining 25% at end of 1993				
December 1990				With Red Rooster Films for joint venture television production company to be known as Red Rooster Film and Television Entertainment Ltd. Cash for 50% share and loan facility made available up to £1m	To develop drama, light entertainment and children's programming

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Table 15.11 *Continued*

<i>Date</i>	<i>Acquisition</i>	<i>Reason</i>	<i>Terms & financed by</i>	<i>Disposal/joint venture</i>	<i>Reason</i>
December 1990				<i>With Pioneer Electronic Corporation and Air Studios Ltd to develop Lyndhurst Hall London as replacement for Air Studios In Oxford Street</i>	<i>End of lease at original Air Studios at Oxford Street and desire to continue to have a state-of-the-art facility with the additional multimedia theatre</i>
February 1991				<i>Record Plant Inc. ceased activities and premises and plant sold for \$3.5m</i>	
May 1991	<i>50% of Giltbrook Studios acquired for circa £250,000</i>				
September 1991				<i>Giltbrook ceases trading</i>	
October 1991				<i>REW Video Hire Ltd</i>	
November 1991				<i>Other 50% of record company to EMI</i>	<i>Exceptional losses from the venture. Opportunity to use funds for long term investment</i>
May 1992				<i>Joint venture music publishing company – Redemption Songs</i>	<i>With former Rough Trade executives Geoff Travis and Richard Thomas</i>
July 1992				<i>The Hit Label and The Speaking Book Company</i>	<i>EMI non-compete agreement allowed them to operate in compilations and spoken word. Set up with John & Phil Cokell who had developed the highly successful Dover Records Division</i>
<i>Date</i>	<i>Event and commentary</i>				
April 1993	<i>Echo Record Label set up with Steve Lewis</i>				
May 1993	<i>The Hit Label issues a tie in Album 'The Legendary Joe Bloggs Dance Album' for Joe Bloggs goods</i>				
July 1993	<i>Chrysalis and Cadbury Schweppes co-fund sponsorship for Chris Bailey, the English tennis player</i>				
August 1993	<i>Announces the closure of MAM Leisure, with the exception of MAM Communications Systems</i>				
August 1993	<i>Carlsberg Lager is to sponsor C4s Italian Football coverage produced by Chrysalis (Gazetta Italia and Football Italia)</i>				
August 1993	<i>Joint venture with Unique Television to develop advertiser supplied entertainment programming for TV stations</i>				
August 1993	<i>Michael Pilsworth joins as Managing Director and Chief Executive of newly created visual entertainment division which will group together the TV production company, the home video operation and Red Rooster Film</i>				
September 1993	<i>Appoints sponsorship consultancy Wood Lynds to handle on-air sponsorship, off-air merchandising and licensing activities for their sports programming. Chrysalis have produced about 360 hours of such in the last year</i>				
September 1993	<i>Pony Cannon, the music division of Fujisankai, the Japanese communications group, buys a 25% stake in Echo Records for £11.7m</i>				
October 1993	<i>Chrysalis is awarded a regional FM licence for the West Midlands and will run an adult orientated service – Heart FM. Catchment, area is around 2.5m adults. '... the new station will form the basis for a new core division at the group ... we want to build ourselves into a major player in UK commercial radio' Richard Huntingford, <i>Daily Telegraph</i>, 12/10/93. Their business plan records a £1.25m investment and operational breakeven after two years</i>				
October 1993	<i>Nick Watkins resigns as a director to head a management buyout of its multimedia and in-flight interests. Chrysalis will retain a 15% interest</i>				
May 1994	<i><i>Sunday Telegraph</i> 8/5/94 believes Chrysalis to have acquired a 25% stake in Transworld, the publishing and ILR company</i>				
May 1994	<i>Ryan Giggs, Manchester United, Bobby Charlton and Chrysalis Sport to make six half-hour TV programmes on soccer skills. Video and book as well</i>				
May 1994	<i>Wire TV, a cable company, gain secondary rights to Wimbledon tennis and Chrysalis Sport produce programming for them</i>				

Source: Company Annual Reports, McCarthy.

520 Questions relating to the cases

CASE 15 CHRYSALIS GROUP**Indicative questions**

1. In order to form a successful strategy companies need to have congruence between their available resources, their culture and values, and the opportunities and threats posed by the environment within which they are operating. To what degree has Chrysalis found a satisfactory congruence?
2. How has the music industry changed over the last 20 years, and what implications does this have for the new Chrysalis label, Echo?
3. Has Chris Wright been proactive or reactive to the opportunities in his industry?
4. Using appropriate company financial databases, select three other record companies and compare and contrast their relative financial positions. Identify the problems that exist in selecting and comparing your sample.
5. To what extent have prices at which Chrysalis shares have traded over the last five years been a fair representation of the viability of the business?
6. Draw up a SWOT analysis in respect of music 'hardware' and discuss the implications for the providers of music 'software'.
7. Why have some record companies sought to become vertically and horizontally integrated providers of both music 'software' and music 'hardware'?
8. Given that musical taste is very much bound up in the particular culture of a country or segment of its population, what are the real advantages to be realized from the increasing internationalization of record companies?

CASE 16 VOLKSWAGEN GROUP**Indicative questions**

1. Analyse the strategic position of the VW group in 1994.
2. Analyse and evaluate the strategic options open to the VW group in 1994.
3. What steps would VW have to take to become a 'lean' manufacturer like Toyota or Mazda? What are the main obstacles and how could they be overcome?

CASE 17 FISONS PLC**Indicative questions**

1. With reference to theories of entry and exit, critically appraise Fisons' decision to divest its fertilizer business in 1982.
2. Advance reasons for Fisons' failure to sustain the improved performance which was evidenced during the mid 1980s.
3. On the basis of the company's position at the end of 1993, formulate a strategy for Fisons to pursue to the end of the decade.

PRICING FOR SURVIVAL - CRISIS PRICING IN SMALL FIRMS AS A SURVIVAL STRATEGY

An investigation of the United Kingdom Timber and Joinery Industry

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Abstract

This paper adopts and modifies work by Scott / Bruce and Cooper to provide a conceptual 'life' schema for both start up and existing firms, particularly those that are growing. That part of the schema relevant to existing firms is validated by reference to the UK Timber and Joinery Industry, although it is hoped that it has a wider relevance. Having set out the general framework the authors concentrate particularly on 'crisis pricing'. Other key issues such as the true nature of entrepreneurship are raised but not developed, however these could be the basis for fruitful discussion.

Structure of this Paper

Section One sets the subject in the context of the UK Timber and Joinery Industry with the following section introducing briefly the models of Scott / Bruce and Cooper and our proposed extensions. Section Three discusses pricing behaviour in general and 'crisis pricing' in particular. Section Four reviews the authors primary and secondary research which attempts to formalise the notion of 'crisis pricing', validate some aspects of the Scott / Bruce and Cooper schema and draw attention to the link between 'crisis pricing' and crisis points in the wider model. The final section reports some key results and discusses their implications.

Our thanks to Sue Hayward and Rob Coldwell for their help with SPSS-X processing and graphics respectively.

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RESEARCH AT THE MARKETING/ENTREPRENEURSHIP INTERFACE

Proceedings of the UIC Symposium on Marketing and Entrepreneurship, 1993

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1. Introduction

In general the UK Timber and Joinery Industry has recently been going through one of the worst downturns since 1945. The industry is a heterogeneous collection of businesses varying in size, length of trading, type of output and entrepreneurial ability with outputs as diverse as joinery services for building contractors, the manufacture of specialised components and mass produced furniture. However the sector is very dependent upon good trading conditions in the UK Construction industry acting either directly as a purchaser of services and components or by adding to the stock of housing and commercial premises which in turn create customer movement and demand for furnishings and refurbishment.

Some sectors at the 'top end' of the product market e.g. reproduction furniture, restoration of antique billiard tables etc. do appear to be impervious to recessionary pressures as they are still continuing to operate on reasonably healthy margins. In contrast those sectors that are closely linked to the construction industry have been worse hit, their margins are less good and in some cases non-existent.

Against this background of genuine distress the authors have sought to extend two small business models and link them to the notion of 'distress' or 'crisis pricing'. One of these extensions is to emphasise particularly the degree of entrepreneurial judgment inherent in seeking solutions to such crises, of which the use of 'crisis pricing' is but one feature. Crisis pricing may paradoxically reflect either a naive, myopic response to the situation, or a properly considered rational short term strategy. Particularly for the small service orientated business it is argued that their response to a situation where crisis pricing is a possibility is indicative of their entrepreneurial capability. Some will seek to use it as a positive short term strategy in order that they stand a chance of medium to long term survival whilst the more naive businesses will find themselves driven reactively into its employment.

2. The Scott / Bruce and Cooper Framework

The framework utilised is combination of the work by Scott and Bruce and that of Cooper, and this is shown in outline as Exhibit One. This is subsequently referred to as the Modified Cooper, Scott, Bruce Schema (MCSBS). For convenience this schema can be divided into two distinct sections, the pre-start up period described by the Cooper model and the active trading period described by the Scott et al model. In this paper our interest is in the active trading part of the schema and within that a concentration on a particular crisis subset - crisis pricing which itself is reviewed within the context of those pricing techniques most frequently cited in the marketing literature. Scott and Bruce claim that they have tested the model and that it is robust enough for them to be able to generalise across all small firms, our experience as trainers and consultants leads us to accept this, albeit at the level of casual empiricism.

The term schema is preferred to model since there are a number of issues that would need to be resolved before precise predictions could be expected, for instance: the correct measure to use for size; the shape of the growth path and whether this is stable with sufficient replication for it to be capable of being modelled; that organisations would move along the curve at different speeds; and the spacing of the crises are likely to differ between firms. Indeed the original authors are themselves aware of these limitations and argue that what they have provided is:

" a diagnostic tool to assist in analysing a firm's present situation. It is also meant to be an indicator of what strategies appear suitable at various stages in an organisation's growth. It is, however, only a tool and cannot make the decisions for management. They must rely on their judgment for that. Hopefully that model will add to their information and thus enable them to make better judgments." (Scott and Bruce, 1987).

In essence the Scott and Bruce model argues that a small business develops by moving through

five growth stages each with their own characteristics. Because the transition from one stage to the next requires change, it will be accompanied by some crisis or another. Crises tend to be disruptive, however the problems of change can be minimised if managers are proactive rather than reactive. Prior knowledge of what generates crises and of what to expect in each stage will smooth the process of change. At the crisis point the firm faces three options: to contain at their existing size; grow to the next stage; or, by failing to handle the change go out of business.

Whilst Scott and Bruce rightly claim that their analysis is wider than that taken by Churchill and Lewis, (1972), the authors see no reason why the model cannot be even further widened to acknowledge that the crisis point can be induced or exacerbated by exceptional external forces such as recession. This would lead to two types of crisis, one being the natural consequence of growth and the other externally induced. Scott and Bruce make the implicit assumption that the firm is, in effect, in equilibrium, until some combination of external and internal factors forces it to either contain the situation or to address the next crisis period. Whilst in this sense their model accounts for external impacts, much of their work is concerned with internal issues albeit precipitated by some accompanying external event.

The proposition is that two types of external effects are taken into account, normal external effects of the type implied by Scott and Bruce, and, shocks where these are of a more fundamental and global nature such as a recession, and which would impact at one of three points:

- (a) where they coincide with a natural growth point for the firm and hence will add to the complexity of managing the change situation.
- (b) where they take a previously consolidated firm into a change situation.
- (c) where they will affect the firm at a point along the growth path and alter it's situation.

The term crisis is neutral and implies only a set of conditions facing the firm, it is not an indication of poor management per se, so one could imagine that positive external shocks could equally induce the crisis points, for example, buoyant economic conditions inducing overtrading. Additionally the authors would argue that the model can also explain declining or static performance by a firm, and in this sense the model should be symmetrical. However this paper is focussed on externally induced negative shocks under the simplifying assumption of case (a) above.

How we define entrepreneurship, and what we really perceive such to be, is and will remain, a contentious issue. However, for practical reasons there is the need to be able to separate out the 'mom and pop' businesses from those that are truly entrepreneurial, the corner diner from McDonalds, and one can use either a trait or behavioural approach. The definitions used by, inter alia, Drucker, (1986), Casson, (1982) and Binks and Vale, (1990) that have entrepreneurs operating in uncertain environments and making judgmental decisions about future products and needs whilst being truly innovative in their approach to the business are the ones that capture the quintessential nature of the true entrepreneur. The second refinement to the original model is to add a more rigorous treatment of entrepreneurial capacity. For the purposes of this paper a seemingly narrower proxy measure is being suggested - which is competent decision making in setting prices. However as this is one of the more complex, difficult and uncertain decision making areas which entrepreneurs need to address, it should be a good measure of their ability to handle complex decisions.

3. Pricing Behaviour and Crisis Pricing

Although price is of obvious importance in influencing the purchasing behaviour of customers, it appears to be treated very often as a 'residual' variable in the marketing mix of many firms. Although a great deal of time and effort is often vested in the development of new products and services, when it comes to price often a very simplistic, 'rule of thumb' methods, such as

cost plus is adopted in the pricing of those products and services. The likelihood that such a simplistic approach will result in an optimum or even satisfactory price is obviously very low. Price then is a crucial element in any firm's competitive marketing strategy, although it would seem that pricing decisions in many cases are conducted in a somewhat arbitrary manner, and many managers seem to treat pricing as being of less significance than other factors (Shipley, D D, 1981). It might be that in general, managers do not price particularly well and find such decisions stressful to make (Tellis, G J, 1986). In fact, there is evidence to support this in a survey conducted by Heyman, (1984) which indicated that pricing decisions were among the most stressful if not the most stressful decision making area for many managers (see also Lancaster and Massingham, 1993).

One of the reasons why pricing may be such a stressful area for marketing management, could be, at least in part, attributed to the fact that pricing involves a lot of uncertainty (Shaw, W T, 1973) and this certainly seems to be the case in many sectors of the UK timber and joinery industry. Whilst pricing is a somewhat stressful and difficult marketing decision in any industry it appears to be especially problematic in the UK timber and joinery industry (Skoyles, E R 1977).

The literature would suggest that marketing sophistication in small firms is less than with larger firms (Cox, T, 1993). Robinson and Pearce (1984) conclude that many small firms view marketing as essentially operational. Mendelson, (1991) states that marketing in small firms is often carried out, if at all, by 'top management' rather than specialists, resulting in an operational approach and one often restricted to the sales function. Other writers including Chisnall, (1987) and Weinranch et al, (1991) have found that generally speaking small firms tend to suffer from inadequate marketing. Scase and Goffee (1980) concluded that marketing in smaller firms is largely intuitive in nature.

Studies show that it is manufacturers who often use cost-plus methods of pricing because they are conceptually simple and administratively convenient. The price set should cover the value of the resources required to produce the product or service. There are many methods of fixing price and the authors do not intend to go into them here because they are covered more than adequately elsewhere. Whatever pricing method employed it should generate price(s) which help to achieve a firm's overall objectives (Davies, J R, 1978). This suggests three possible pricing objectives: cost orientated, competition orientated and demand orientated (Assael, H, 1985). According to Akintoye and Skitmore, in times of economic uncertainty firms have a tendency to switch from cost based pricing to market orientated pricing strategies i.e. pricing at what they consider the market will bear. In boom conditions they often settle for cost based pricing which is a simple method to make target returns on investment. (Akintoye A and Skitmore M, 1992). The most common forms of cost based pricing used in the UK construction industry being: Straight Mark-Up pricing; Rate of Return pricing, and, Variable or incremental pricing (sometimes called marginal cost pricing).

'Crisis pricing' has two components, the first concerns the initial decision to price in this way, for some firms it represents a regrettable but rational response to an extremely adverse short term trading situation, for other firms it is a reactive rather than proactive decision with those very same trading conditions leaving them no choice in the matter. A typical scenario would be where a firm facing a 'distress' situation and desperate to secure work in order to meet their payroll, interest servicing obligations, and to keep existing lines of credit open with banks by presenting a 'healthy' order book resorts to crisis pricing. This generally takes the form of pricing below total cost in the hope that some contracts might make a profit with which to subsidise the other loss making contracts. This is a form of marginal or incremental pricing where, if at least direct costs are covered, a contribution albeit small, may be available towards fixed (indirect) costs. The authors' evidence would suggest that in some cases firms may even quote below direct costs making negative gross margins.

4. Testing Hypotheses: the Primary and Secondary Datasets.

The data consists of an Exploratory Primary Research Study covering 67 general sectors and a follow up analysis of secondary data. These 67 sectors, detailed in Exhibit Two, were screened and reduced down to 10 sectors exhibiting evidence of 'crisis pricing behaviour', and all of them related strongly to the UK Construction Industry. Hence the secondary data concentrated on these screened sectors and covered joinery manufacturing and services along with the allied trade of shopfitting.

The Exploratory Primary Research

Firms involved in the timber and joinery industry were contacted by telephone and asked to give specific information which was recorded on a pro forma questionnaire. Whilst a comprehensive list of firms involved in the timber and joinery industry was not available several sectoral lists in the form of directories and surveys were found (1), as well as lists from professional bodies such as The Chartered Institute of Builders. By consolidating these, and screening for duplications, the authors were able to construct a respectable sampling frame which, although not comprehensive, was adequate for their purposes. Both timber products and timber and joinery services were covered.

In order to set pricing policy in the overall context of their business the authors covered a wide range of business areas in their survey. This had the additional advantage of giving the authors some feel for the general competence of the interviewee. Information was sought on:

- pricing techniques / methods employed
- size of segments in money terms at 1992 manufacturers prices
- a general appraisal of growth or decline for each segment over the last five years
- expected prospects for each segment over the next five years re: growth/decline, margins, export opportunities, imports etc.
- current import/export situation
- degree of competition within each segment (size, power and number of firms)
- manufacturers margins (gross and net)

Because of the large number of industry sectors surveyed it was not possible to interview people from more than four firms in any sector. Many people were uncooperative or when it came to technical or sensitive areas like margins either uncooperative or unsure or ignorant. Therefore even to achieve, say, four usable results from each section very often as many as ten calls may have had to be made. In some sectors there are only three to four producers/providers, sometimes only one, in these cases estimates have been focused on information provided by only one or two firms.

Consequently the information reported in this paper on Gross and Net margins are average figures based on four independent replies where possible, and only one or two firms where no more were possible. Because of the time and costs involved and the high number of refusals this exploratory study uses a judgmental rather than probability sample. The authors simply had to elicit responses from those firms prepared to co-operate, or from those firms able to articulate a response. Given that they felt very few respondents refused to answer solely on the grounds of commercial confidentiality they believe that although their sample is representative it could be biased towards 'better practice' amongst firms.

At present no statistical tests have been carried out because of the small number of responses within each sector and the exploratory nature of the exercise. The object of this first stage was to screen and identify those sectors where firms seemed to demonstrate 'distress' or 'crisis' pricing behaviour.

Secondary Data

Having identified such segments the authors wanted to see if readily available secondary data could reveal anything about 'crisis pricing' as well as validate the MCSBS. The rationale being that they would be more certain of future research directions having tested the adequacy, or inadequacy, of what is the most commonly available secondary data. They did reason beforehand, and correctly so, that the secondary data would be more conducive to analysing the MCSBS and the qualitative data from the exploratory study more helpful in respect of crisis pricing. The authors have assumed that those firms that get their pricing right are going to perform more successfully on average, and hence that is a justification for linking pricing decision making and entrepreneurial sophistication / capacity.

Companies were classified as one of three basic types - manufacturing, service and mixed (where firms both manufacture and fix and/or offer wider services). LotusOne Source / ICC Reports were used to provide information on: size of firm, length of trading and measures of financial performance. This provided 439 firms but since not all the data was available for all the sample this represents the maximum number. Cross tabulations were carried out between: Size, Type of Firm and Age *and* Performance, Growth and Stress. Hypotheses were tested using the Chi-squared statistic to ascertain independence or association between variables, and the Cramer's V was employed to ascertain the strength of any association found. At this stage the authors have used the secondary data to test three aspects:

Some general propositions about the Scott and Bruce Model: have firms in the sample changed size - either grown or declined, as measured by both turnover and employees changes over a three year period, and are they facing a crisis, or stressful situation as measured by their ICC Score (2) and change from the previous year?

A general proposition about entrepreneurial capacity not being equally distributed across age and size (measured by turnover and/or employees). Entrepreneurial capacity being measured by some, or all of: Pre tax profit margin; ICC Score; Credit Period offered; Working Capital / Turnover and Return on Capital Employed.

Pricing behaviour, where the proposition is that pricing sophistication varies by size, age and type of firm, and that since competent pricing will both enable the firm to obtain work and realise a profit margin, pricing sophistication would be reflected in their percentage Pre Tax Profit Margin.

Both the raw data and the tabulations are of interest. Manufacturers made up 42% of the sample with services the next largest category (38%). They spanned a wide age range, 5% being under 5 years old, 22% under 10 years and 48% less than twenty years old. Pre Tax Profit Margins were under stress, the lowest being -73.4% and the highest 66.4% but the median value was 1; using the broad categories for the ICC Score 27% of the sample were performing worse than in the previous year, 60% the same and 14% better. Looking at the individual ICC Score then 59% were performing quite badly to very badly compared to the previous year whilst 41% showed an improvement in performance (3). The majority of firms (60%) employed less than 50 employees, 36% between 51 and 250 employees and the remainder over 250 employees.

Whilst in certain cases important information is conveyed by finding there to be no association between variables, in this paper the authors concentrate on reporting significant relationships. These are illustrated in Table 1, although a number of the cells in the contingency table had an expected frequency of less than five, recent studies suggest that this can to a certain extent be relaxed (Everitt, 1977).

Table One: Secondary Data - Significant Relationships

Relationship tested	Chi square	Cramers V	Sample size
1. Type of Firm & 3 year growth in turnover	0.0036	0.164	275
2. Type of firm and financial stress (previous year)	0.0048	0.215	295
3. Turnover and financial stress (latest year)	0.0050	0.198	278
4. Turnover and employees	0.0000	0.625	397
5. Turnover and Pre Tax Profit Margin	0.0002	0.167	406
6. Turnover and ROCE	0.0070	0.154	385
7. Employees and type of firm	0.0018	0.160	407
8. Employees and 3 year growth in employees	0.0100	0.180	337

5. Results and Discussion

Key results are shown in Table Two. Some firms adopt crisis pricing for logical short term reasons which include the need to show a full order book often in order to keep lines of credit open; and in the knowledge that competitors are quoting at minimum. However, there is evidence that the less sophisticated firms are driven into crisis pricing as a consequence of panic, ignorance and the perceived need to secure work at any cost. These firms are more likely to display a lack of marketing orientation, to be unable to differentiate successfully their product or service and to rely too much on price as their competitive edge.

The authors results would suggest that those firms seeking to be entrepreneurial should pay due regard to:

- Differentiation of their product or service using quality and reputation to add perceived value so as not to be regarded by their potential customers as homogeneous.
- The need to take a more positive marketing stance and to view price as an intrinsic part of the marketing mix, that is to apply 'marketing orientated' pricing, by which is meant the application of positive marketing principles to add perceived value to the product or service offering.
- developing strengths and capitalising on reliability, delivery and quality to add such 'perceived value'.
- To develop a more business orientated rather than craft orientated approach and to recognise that crisis pricing is, in the long run, a zero sum game with all firms suffering in the end.

6. Conclusions

The authors have extended and applied previous work to small firm growth and entrepreneurship and developed this in the context of the UK timber and joinery industry. It is hoped however that the ideas and techniques will have a much wider applicability. Links have been shown between the general work on small firms going through crisis points and the particular notion of crisis pricing. Measuring and capturing entrepreneurial capacity remains difficult and needs further work with particular emphasis on qualitative research.

Table 2: 'Headline Findings' - Primary and Secondary Data

Exploratory Primary Research: Pricing and Crisis Pricing

General Comments about the firms

- Many are incredibly poor at setting price in this highly competitive sector and/or do not adhere to any established model of fixing prices and this lack of pricing sophistication is a key reason for their often 'lack lustre' performance and even failure.
- In times of crisis, price and value for money are paramount, however, value for money is not simply the lowest price and firms are poor at non price differentiation.
- The smaller, newly founded firms lacked pricing sophistication and some of them applied crisis pricing as a method of obtaining work at any cost.

Service Firms in particular

- Many are small with about half of them having less than ten employees.
- Firms in the service sector often had to compete by competitive tender.
- Those heavily linked to the UK construction industry, particularly where competition is by competitive tender, appear to have no formal method of arriving at final price at least in the context of standard textbook good practice.
- This sector had the poorest performance in respect of gross and net margins.

Crisis Pricing in the Services Sector

- Many firms showed evidence of knowingly quoting for work at less than direct cost and achieving negative gross margins. Such pricing was often claimed to be an anticipation of competitors actions

Often rationalised as

- Under crisis conditions caused by severe recession, pricing at a loss was seen as the only hope for survival.
- Always the hope that they would at least break even over several contracts, even where they did not know the extent, existence and timing of future work.

Whilst some would

- Exploit to the full any contingency element in the contract.
- On securing a contract the management of some firms would attempt to source materials at lower than the contract quote.
- In a distress situation some service firms would 'skimp' on time, labour, quality and possibly materials particularly for hidden parts of the construction.

Secondary Data Analysis

75% of firms employing less than 10 employees have a turnover under £1m; 68% of those with 11- 20 employees have a turnover of under £1m. Of those employing less than 10 employees 48% have turnovers less than £0.5m.

57% of the smallest firms by turnover had a negative PTPM whereas only 15% of the very largest were in this position. Interestingly the next worse group were those firms with turnovers between £1m - £2m where 51% exhibited a negative PTPM.

67% of firms in the worse category for ROCE are in the turnover range £1m to £5m, of which 47% are in the range £2m to £5m. For some 'downsizing' would suggest the probability of better returns. This again raises issues about entrepreneurial capacity.

Relating turnover to financial wellbeing suggests that progress from being small to large is not 'continuous'. The very small firms carry higher risk and the very large firms lower risk but it peaks again for firms in the £2m to £5m turnover range. A higher percentage of service companies are in the very high & marked risk categories compared to manufacturers or mixed businesses.

Service firms tend to be smaller as measured by employees. Small and medium size firms have shed the most employees but the largest and very smallest show much higher and very slightly higher employee growth respectively.

Of those firms with the highest negative growth, 44% are service based, however, they are the largest sub group of the best performers, raising issues about entrepreneurial ability, however turnover can always be brought at the expense of profit.

Exhibit Two: Exploratory Primary Research, Sectors covered and Net Margins**Negative to very low Net Margins**

Board Rooms (Joinery Services)
 Cabins (Portable, 3m x 10m pre-wired)
 Cabins (Portable - Volumetric Construction Units)
 Cabins (Re-locatable - `Folding Systems`)
 Colleges (Joinery Services)
 Doors (Timber)
 Hotels (Joinery Services)
 Marine (Joinery Services)
 Nightclubs (Joinery Services)
 Pallet Manufacture
 Pubs (Joinery Services)
 Windows (Timber) Softwood

Positive 3% to 10% Net Margins

Balustrade
 Cabinets/canteens for cutlery
 Churches (Joinery Services)
 Cloakroom Equipment
 Coffin Makers
 Display Cabinets (Models etc.)
 Display Cabinets (Retail, free-standing)
 Divan Manufacturing
 Garage Doors
 Garden Furniture
 Garden Sheds
 Hotel Bedroom Furniture
 Medical Cabinets (for Dentists, Doctors etc)
 Packaging (Timber/timber products)
 Pallets and Crates (Heavy-duty)
 Picture Frame Manufacturing (Wooden mouldings)
 Schools (Joinery Services)
 Shop Fitting (Retail)
 Snooker Tables (Standard)
 Sport Centres (Joinery Services)
 Stair Carcasses (not Balustrade)
 Static Caravans (Holiday Homes)
 Timber Frame Housing Kits
 Windows (Timber) Custom made
 Windows (Timber) Hardwood

Positive 11% to 19% Net Margins

Architrave
 Contract Furniture (Reproduction and Period)
 Cricket Bat Manufacturing
 Exhibition Stands
 Laboratory Fittings and Furnishings
 Mobile Homes (Park Homes - Residential Quality)
 Roof Trusses
 Skirting Boards
 Snooker Cue Cases (Wooden)
 Snooker Cues

 Stocks: Shotguns
 Wood Turning (to produce fancy wooden goods)

Positive 20% and above Net Margins

Architectural Antiques (Re-fitting)
 Period Chair Frames (Hand-made)

Margins not reported (*)

Artist Woodblock
 Canoes/Kayaks/Punts/Dinghies
 Chipboard Floor Panels
 Church Furnishings (Wooden)
 Cigarette Machines
 Clogs
 Coffins for Pets
 Cooperage Restoration Work
 Court Rooms (Joinery Services)
 Crown Green Bowls
 Cutting Blocks
 Harpsichord Manufacturing
 Reproduction Period Instruments (prior to 1750)
 Sauna Manufacture
 Snooker Tables (Antique)
 Stocks: Air Rifles
 Stocks: Crossbows
 Television Stands

Notes

For firms with reported margins above, gross margins ranged from 3% to 125% (median 30%) and net margins from -2.5% to 25% (median 8%).

(*) Those margins not reported since the firms might be identified. Aggregate details are gross margins ranging from 10% to 60% (median 32%) with net margins ranging from 2.5% to 25% (median 9.75%).

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Footnotes

- (1) Kelly's Directory, ICC Financial Surveys on Timber, Joinery Manufacturers and Shopfitters, KeyNote reports on the UK Construction Industry.**

- (2) The ICC Score assesses the viability and performance of individual companies by measuring financial stability on a risk scale of 0-100, the higher the score the less the risk involved. It is calculated using the 'Z' scoring technique which distils six financial ratios into one composite figure. The six ratios are the net worth/total assets, current and liquidity ratios, profit margin, stock turnover, and credit period. The score is intended to act only as a guideline. Interpretation is (in broad bands):**

0-19 Very High Risk.
The company profile is similar to that of a previously failed company.

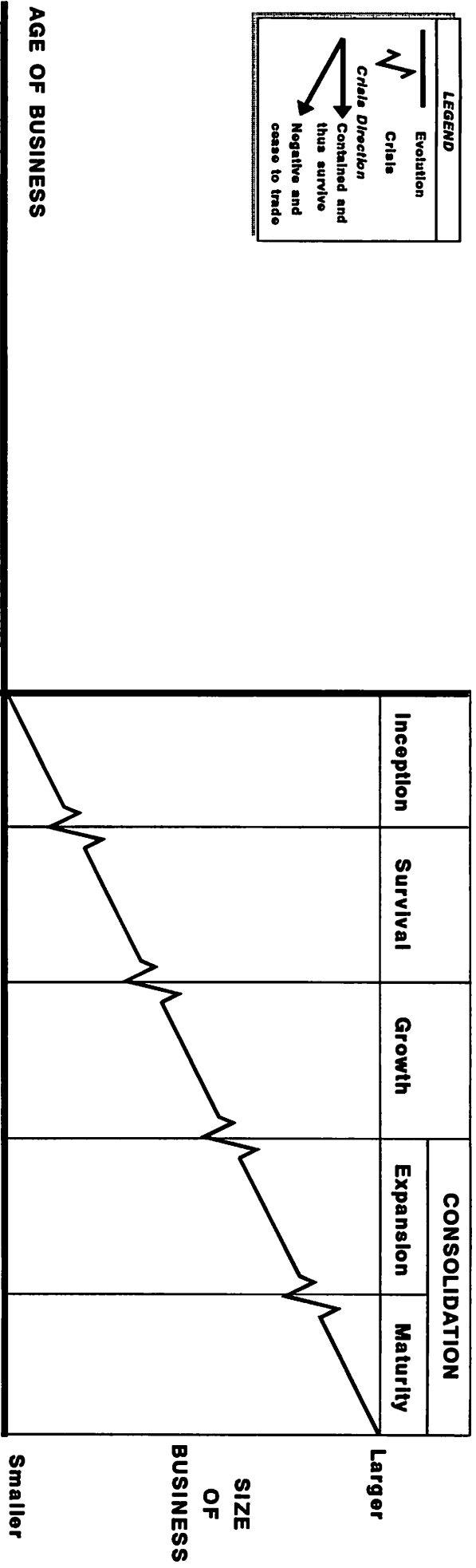
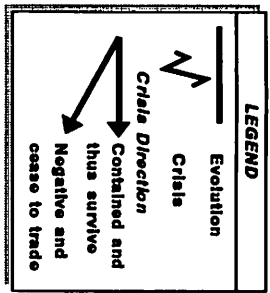
20-39 Marked Risk.
A company with limited credit capacity, where the accounts require constant monitoring.

40-59 Limited Risk.
Denotes a company suitable for normal credit terms.

60-100 Very Low Risk.
Denotes a company suitable for favourable credit terms.

- (3) In terms of the ICC Scores: 22% were very high risk, 30% medium risk, 22% low risk and 25% very low risk.**

EXHIBIT 1 THE MODIFIED SCOTT/BRUCE/COOPER SCHEMA



PRE - START UP		ENVIRONMENTAL FACTORS	
ANTECEDENT	INCUBATOR ORGANISATION		
Background	Formal or Informal "Work" situation prior to start-up	Economic	Cultural
Motivation			
Perceptions			
Skills			
Knowledge			

- Notes:**
1. Based on (a) M.Scott and R.Bruce, FIVE STAGES OF GROWTH IN SMALL BUSINESS, Long Range Planning, V20, No. 3, 1987.
 2. Scott and Bruce draw heavily upon N.Churchill and V.Lewis, GROWING CONCERNS, Harvard Business Review, May - June 1983 and L.E.Greiner, EVOLUTION AND REVOLUTION AS ORGANISATIONS GROW, Harvard Business Review, July - August 1972.
 3. S.Birley In Journal of Small Business Management, V27,1, 1989 uses Cooper in her article on female entrepreneurs.
 4. Whilst Scott and Bruce use a non linear curve we have chosen the linear version (as Greiner).
 5. The last two phases are united under Consolidation.
 6. We have emphasised the entrepreneurial capacity and foresight variable.

ENTREPRENEURIAL CAPACITY AND FORESIGHT



REPORT ON THE UK TIMBER AND JOINERY INDUSTRY

Selected Segments

1992 and prospects to 1997

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Note: [November 2015]– this is an extract from the Report on the UK Timber and Joinery Industry (selected segments) 1992 and prospects to 1997

It has been reset to the margins of this thesis

Original layout is shown below:

<p>SEGMENT: <i>Architectural antiques, (Re-fitting)</i></p> <p>SIZE: £360 million</p> <p>STATE OF MARKET AT PRESENT: Modest upturn since February 1992</p> <p>LAST FIVE YEARS: Good up until 1989 - part of leisure industry, the market was growing by 10% per annum in real terms during 1980's.</p> <p>NEXT FIVE YEARS: When economic confidence returns and the leisure industry picks up, expect to see return to growth, although not as dramatic as the 1990's.</p> <p>SPECIFIERS: Restaurant/pub/hotel designers/architects.</p> <p>COMPETITION: Approximately 11 major players in this market although a number of small firms in and out of market.</p> <p>IMPORT/EXPORT: Actual antiques are exported USA/Middle East growing market. Imports small.</p> <p>MANUFACTURERS MARGINS: Gross 100/150% Net 25%</p> <p>GENERAL COMMENTS: Salvage antique fittings, eg. clock towers. These are re-fitted and extended with additional joinery work/products made to 'fit in' with existing antiques. Very highly skilled work. This sort of refurbishment is growing in popularity. Rapid growth during the 1980's.</p> <p>SEGMENT: <i>Architreave</i></p> <p>SIZE: £15m at manufacturers' 1992 prices.</p> <p>STATE OF MARKET AT PRESENT: Statio after a twelve month fall, some producers reporting signs of upturn.</p> <p>LAST FIVE YEARS: Growth in line with the housing market.</p> <p>NEXT FIVE YEARS: Expect growth to resume in 12-18 months.</p> <p>SPECIFIERS: Architects etc.</p> <p>COMPETITION: Probably about 50 large producers, for example, Arcross. Many hundreds of medium sized producers, eg Howarth Timber, and many thousands of timber merchants with the ability to produce.</p> <p>IMPORT/EXPORT: Negligible except some highly specialised requirements. Majority of rough sawn timber is imported.</p> <p>MANUFACTURERS MARGINS: Gross 25% to 70% selling to small jobbing builders 70%</p>	<p>large contractors 25% - 40% depending upon the skill of purchaser. Net 15% to 20%.</p> <p>GENERAL COMMENTS: Margins given are based on fairly large efficient producers, unlikely very small producers such as timber merchants could achieve such high net margins. An interesting segment which demonstrates reasonable growth potential once the housing recession is over and which evidence suggests yields a relatively healthy net margin.</p> <p>SEGMENT: <i>Artist Woodblock, (manufacture of)</i></p> <p>SIZE: Very small and not reported.</p> <p>STATE OF MARKET AT PRESENT: Still growing in real terms at 1% per annum.</p> <p>LAST FIVE YEARS: Growth at 1% per annum in real terms.</p> <p>NEXT FIVE YEARS: Expect further growth as new export markets open up.</p> <p>SPECIFIERS: Artists.</p> <p>COMPETITION: None in the UK.</p> <p>IMPORT/EXPORT: Small imports from USA. Export potential all over the world.</p> <p>MANUFACTURERS MARGINS: Gross NR Net NR</p> <p>GENERAL COMMENTS: Low net margins on woodblock but make higher margins on other art products which subsidise woodblock. Supply direct to artists/mail order also art shops/colleges, etc. Potential for growth especially overseas but a highly specialist market.</p> <p>SEGMENT: <i>Balustrade</i></p> <p>SIZE: £50m at 1992 manufacturers' prices</p> <p>STATE OF MARKET AT PRESENT: Fallen since the end of 1988 along with property/housing slump.</p> <p>LAST FIVE YEARS: 1985 - 1988 rise in line with property market. Fall since 1988 as above.</p> <p>NEXT FIVE YEARS: Again, expectations in line with property market.</p> <p>SPECIFIERS: Architects in private practice and architects that work for building companies.</p> <p>COMPETITION: Three main producers. Twenty other firms producing same.</p>
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NOTES

This report covers 67 segments from the United Kingdom.

Data reported on is:

Size either at manufacturer's or retail (client) prices
 State of market in 1992
 Last 5 years and next 5 years overview
 Specifiers where relevant
 Competition in that segment
 Import and Export activity
 Manufacturers margins where:

Gross (profit) margin is after accounting only for direct costs of production (i.e. before overheads).

Net (profit) margin is after allowing for all costs including overheads.

For most sectors additional comments are appended.

The research was carried out by structured telephone interview and supported by reference to secondary sources and was carried out in the first half of 1992.

In all segments we sought to obtain a consensus view across that product or service, none of our data refers to a particular company. Where the reader might be tempted to assume such, we have not recorded either market size or margins.

However, we have reported these margins separately but not such that they can be identified.

Abbreviations used for non recorded data are:

N/A not applicable

NR not recorded

In this report the charts are designed to give a snapshot view, and use average margins, it is always the text data that is the most accurate.

This Report is in Four Sections:

SECTION ONE: Detailed Report on each sector.

SECTION TWO: Graphical Summary on each sector.

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Further information can be obtained from Paul Reynolds in the School of Business

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SEGMENT:	Architectural antiques, (Re-fitting)
SIZE:	£360 million.
STATE OF MARKET AT PRESENT:	Modest upturn since February 1992.
LAST FIVE YEARS:	Good up until 1989 - part of leisure industry, the market was growing by 10% per annum in real terms during 1980's.
NEXT FIVE YEARS:	When economic confidence returns and the leisure industry picks up, expect to see return to growth, although not as dramatic as the 1990's.
SPECIFIERS:	Restaurant / pub / hotel designers / architects.
COMPETITION:	Approximately 11 major players in this market although a number of small firms in and out of market.
IMPORT/EXPORT:	Actual antiques are exported USA/Middle East growing market. Imports small.
MANUFACTURERS MARGINS:	
	Gross 100 /150%
	Net 25%
GENERAL COMMENTS:	Salvage antique fittings, e.g. clock towers. These are refitted and extended with additional joinery work/products made to 'fit in' with existing antiques. Very highly skilled work. This sort of refurbishment is growing in popularity. Rapid growth during the 1980's.

SEGMENT:	Architrave
SIZE:	£15m at manufacturers' 1992 prices.
STATE OF MARKET AT PRESENT:	Static after a twelve month fall, some producers reporting signs of upturn.
LAST FIVE YEARS:	Growth in line with the housing market.
NEXT FIVE YEARS:	Expect growth to resume in 12-18 months.
SPECIFIERS:	Architects etc.
COMPETITION:	Probably about 50 large producers, for example, Arcross. Many hundreds of medium sized producers, e.g. Howarth Timber, and many thousands of timber merchants with the ability to produce.
IMPORT/EXPORT:	Negligible except some highly specialised requirements. Majority of rough sawn timber is imported.
MANUFACTURERS MARGINS:	
	Gross 25% to 70%: Selling to small jobbing builders 70%. Large contractors 25% -40% depending upon the skill of purchaser.
	Net Net 15% to 20%.
GENERAL COMMENTS:	Margins given are based on fairly large efficient producers, unlikely very small producers such as timber merchants could achieve such high net margins. An interesting segment which demonstrates reasonable growth potential once the housing recession is over and which evidence suggests yields a relatively healthy net margin.

SEGMENT:	Artist Woodblock, (manufacture of)
SIZE:	Very small and not reported.
STATE OF MARKET AT PRESENT:	Still growing in real terms at 1% per annum.
LAST FIVE YEARS:	Growth at 1 % per annum in real terms.
NEXT FIVE YEARS	Expect further growth as new export markets open up.
SPECIFIERS:	Artists.
COMPETITION:	None in the UK.
IMPORT/EXPORT:	Small imports from USA.
MANUFACTURERS MARGINS:	
	Gross NR
	Net NR
GENERAL COMMENTS:	Low net margins on woodblock but make higher margins on other art products which subsidise woodblock. Supply direct to artists/mail order also art shops / colleges, etc. Potential for growth especially overseas but a highly specialist market.
SEGMENT:	Balustrade
SIZE:	£50m at 1992 manufacturers' prices.
STATE OF MARKET AT PRESENT:	Fallen since the end of 1988 along with property/housing slump.
LAST FIVE YEARS:	1985 - 1988 rise in line with property market. Fall since 1988 as above.
NEXT FIVE YEARS	Again, expectations in line with property market.
SPECIFIERS:	Architects in private practice and architects that work for building companies.
COMPETITION:	Three main producers. Twenty other firms producing same.
IMPORT/EXPORT:	Exports very low. Imports now 10% of market and growing.
MANUFACTURERS MARGINS:	
	Gross 40% to 45%
	Net 10%
GENERAL COMMENTS:	From a very low base imports now account for 10% of the market end growing, main source of imports USA and the Far East. Main UK producers Clive Durose of Stoke-on-Trent and Richard Burbidge. Balustrading includes spindles, base rail, handrail newel posts and caps. In non-recessionary times prospects for margins very good.

SEGMENT: *Board Rooms (Joinery Services)*

SIZE: £15m (1992)

STATE OF MARKET AT PRESENT: Decline in economic activity generally has meant fewer board rooms being built as part of a new building or being refurbished.

LAST FIVE YEARS: Active during 1987-8, declined gradually since.

NEXT FIVE YEARS: No immediate signs of increased demand; the market looks to remain flat.

SPECIFIERS: Main contractor on new builds. Company owning the premises for refurbishment.

COMPETITION: Very fierce. Any competent joiner can fit out a board room. Many joiners working in the knowledge that no profit will be made.

IMPORT/EXPORT: Import of pro-cut panelling.

MANUFACTURERS MARGINS:

Gross	10%
Net	-5% to 0%

GENERAL COMMENTS: Typical job valued at £12 - £15,000. Board rooms have been replaced in many medium sized companies by multipurpose meeting / presentation / conference rooms. These often require no joinery at all.

SEGMENT: *Cabins,
(Portable 3m x 10m pre-wired)*

SIZE: £130 million at 1992 manufacturers' prices.

STATE OF MARKET AT PRESENT: Falling by 5%-10% per annum.

LAST FIVE YEARS: First 3 years growth up 14% per annum then static.

NEXT FIVE YEARS: Falling for next 18 months then expect growth.

SPECIFIERS: Architects, surveyors, works managers.
Building regulations in force at time.

COMPETITION: Approximately 100-150 firms in UK.

IMPORT/EXPORT: Minimal imports.
Exports small but growing to EC countries.

MANUFACTURERS MARGINS:

Gross	10%-15%
Net	-2% to 1%

GENERAL COMMENTS: Margins very tight at the moment. Firms are content if they can cover direct costs and make some contribution to overheads. Just protecting market share. Many will tender at cost (or less) just to get business. When market 'picks up' margins can be as high as 50% net in the very good times.

SEGMENT:	<i>Cabins, (Portable, Volumetric Construction Units)</i>
SIZE:	£44 million at 1992 manufacturers' prices.
STATE OF MARKET AT PRESENT:	Falling 10%-15% for last 3 years.
LAST FIVE YEARS:	Growing at 13%-15% per annum from 1985-1988 then falling 10%-15% per annum.
NEXT FIVE YEARS	Nil growth for next 2 years. Demand related to economic activity.
SPECIFIERS:	Building regulations/surveyors.
COMPETITION:	100 firms in UK. 88 firms listed in NPBA manual.
IMPORT/EXPORT:	Imports negligible. Exports small but growing to EC.
MANUFACTURERS MARGINS:	
	Gross 12%
	Net 0% to 2%
GENERAL COMMENTS:	During 'boom* times great demand for flexible, versatile, relocatable buildings. Volumetric can provide a complete office complex. During such times gross margins can be over 100% with net margins 40% - 60%. Demand and profitability very cyclical.

SEGMENT:	<i>Cabins, (Portable, Relocatable- 'Folding Systems')</i>
SIZE:	£52 million at 1992 manufacturers' prices.
STATE OF MARKET AT PRESENT:	Static, having fallen by 30% over the last 2 years.
LAST FIVE YEARS:	Growth in period 1985- 1989 then market started to fall.
NEXT FIVE YEARS	Depends on demand for 'office' space which is relative to economic activity.
SPECIFIERS:	Building regulations/surveyors.
COMPETITION:	Approximately 90 manufacturers in the UK.
IMPORT/EXPORT:	Modest exports to EC. Virtually zero imports.
MANUFACTURERS MARGINS:	
	Gross 15%
	Net 0%-3%
GENERAL COMMENTS:	Margins very variable over the economic/business cycle. Manufacturers have to make their money in periods of economic upturn when net margins can be as high as 50% - 60%. At present manufacturers trying to stay in business. When upturn comes market share will be increased as many firms have gone out of business in the recession.

SEGMENT:	Cabinets / canteens (mainly for cutlery market but also for other products of high value)
SIZE:	£6 million at 1992 manufacturers' prices.
STATE OF MARKET AT PRESENT:	Market falling at the cheaper end but high quality work holding up well despite the recession.
LAST FIVE YEARS:	Fairly static over the last five years.
NEXT FIVE YEARS	Expect at least static but may see growth at the better quality end if the economy picks up.
SPECIFIERS:	Cutlery manufacturers / other manufacturers.
COMPETITION:	About 10 firms in UK - 6 of them in or around the Sheffield area.
IMPORT/EXPORT:	Cheap imports, although quality quite good - about 6% of market. Export indirectly, i.e. with cutlery in the cabinets.
MANUFACTURERS MARGINS:	
	Gross 25%
	Net 9% to 10%
GENERAL COMMENTS:	Quite a small trade. Margins at the very low end of the market very low (2%-3% if that). Imports of reasonable quality from Far East and Philippines - low labour cost-hitting cheaper end of the market. Prospects for the middle/upper quality end good. At present 90% of such cabinets sold to cutlery trade but has potential in other areas.
SEGMENT:	Canoes / Kayaks / Punts / Dinghies
SIZE:	Timber products approximately £1 million per annum at 1992 manufacturers' prices.
STATE OF MARKET AT PRESENT:	Static at £1 million per annum.
LAST FIVE YEARS:	Static
NEXT FIVE YEARS	Static or vary small growth.
SPECIFIERS:	N/A
COMPETITION:	Approximately 5 manufacturers of timber canoes, etc, although others using different materials.
IMPORT/EXPORT:	Imports to UK very small. Exports from UK £100k per annum.
MANUFACTURERS MARGINS:	
	Gross NR
	Net NR
GENERAL COMMENTS:	The market in finished canoes/kayaks, etc (made from timber), is very flat because of expense. Only real UK market is in kits. Very small market with little or no growth potential over the next 5 years. Net margins <i>low</i> .

SEGMENT:	Chipboard Floor Panels
SIZE:	£45m at 1992 manufacturers' prices.
STATE OF MARKET AT PRESENT:	Signs of growth.
LAST FIVE YEARS:	Basically in line with housing and construction markets.
NEXT FIVE YEARS	Related to new starts and repair and maintenance. Expect an upturn when the property market 'picks up.'
SPECIFIERS:	Architects/Building Regulations/British Standard.
COMPETITION:	Three <u>main</u> UK producers and a few dozen smaller producers.
IMPORT/EXPORT:	Imports 40% of the UK market. Exports nil.
MANUFACTURERS MARGINS:	Not Reported.
	Gross NR
	Net NR
GENERAL COMMENTS:	Imports mainly from Portugal, The Low countries and New Zealand. Always a low margin business, only ever Achieve single figure net margin even in 'good times.' Chipboard flooring regarded as a commodity in the trade. Often stocked as a loss leader by the trade. The market is very price sensitive. The UK is often used as a dumping ground by foreign producers. Little or no exports as UK producers still have 40% of the market to go for as import substitution. Basically a high volume/low margin business.
SEGMENT:	Church Furnishings (Wooden)
SIZE:	£1m at 1992 manufacturers' prices.
STATE OF MARKET AT PRESENT:	Static.
LAST FIVE YEARS:	Static.
NEXT FIVE YEARS	Static.
SPECIFIERS:	Individual churches submit their designs or rough ideas.
COMPETITION:	Three major players in this market and one other significant firm.
IMPORT/EXPORT:	Imports and exports are both very small.
MANUFACTURERS MARGINS:	
	Gross NR
	Net NR
GENERAL COMMENTS:	Firms in this market tend to produce/stock items not made from timber, e.g. silver/gold/glass. We are only talking about timber furniture not fittings and fixtures. Small market for just the timber element, e.g. altars and communion tables. Firms well established as suppliers in this market.

SEGMENT:	Churches (Joinery Services)
SIZE:	£26 million (1992).
STATE OF MARKET AT PRESENT:	Quiet. Routine maintenance only.
LAST FIVE YEARS:	Static 1987 market worth £25 million. Slump in 1990.
NEXT FIVE YEARS	Decline. 1997 market value forecast £23 million.
SPECIFIERS:	Small repairs sanctioned at Parish level. Architect, Church of England Council for the Care of Churches.
COMPETITION:	New work - 12 major suppliers account for £6.5 million. 2 major companies have recently folded.
IMPORT/EXPORT:	Depends on specification. Carved sections may be imported. Timber always imported.
MANUFACTURERS MARGINS:	
	Gross Gross 10% (old work). Gross 15% (new work).
	Net Net 5% (old-work). Net 10% (new work).
GENERAL COMMENTS:	Less new work, mainly repairs and renewals. Many churches being sold off due to falling attendance, therefore, repairs also declining.

SEGMENT:	Cigarette Machines
SIZE:	£5.7 million at 1992 UK manufacturers' prices.
STATE OF MARKET AT PRESENT:	Static at present.
LAST FIVE YEARS:	Over last 5 years overall market has fallen by approximately 2% per annum although individual firms' market share may have increased.
NEXT FIVE YEARS	Expect overall UK market for machines to decline by 2% to 1997.
SPECIFIERS:	N/A.
COMPETITION:	Only 3-4 manufacturers in the UK.
IMPORT/EXPORT:	£1.7 million exported. Over £2 million imported especially from Germany.
MANUFACTURERS MARGINS:	Not reported.
	Gross NR
	Net NR
GENERAL COMMENTS:	Cigarette machines are made with 70% timber products especially MDF. The UK market is in slow decline as is the smoking habit, however, the vending cigarette market worldwide is enormous.

COMMERCIAL HEALTH MONITORING OF ENTREPRENEURIAL FIRMS USING PROCESS CONTROL TECHNIQUES

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The work of Scott, Bruce and Cooper on small firm growth and development is reviewed. It is shown that by adapting exponential smoothing forecasting procedures it is possible to monitor the commercial health of a small firm. This is achieved by 'tracking' key indicators and producing an exception message when a signal exceeds certain predetermined control limits. The procedure is equally effective for either a step or ramp change in the underlying input data. This suggested approach requires little sophistication in either data or technique and has a practical application to small firm management, while adding to our understanding of the process of growth of small businesses.

INTRODUCTION

The objective of this paper is to demonstrate that the Scott and Bruce (1987) and Cooper (1981) schema are possible and worthwhile frameworks from which to investigate the behaviour of small businesses and to suggest that one avenue for development is a robust and simple forecasting method containing a tracking signal that is designed to monitor and 'trip' when the variable(s) being forecast fall(s) outside desirable, pre-set parameters. Such a method would be of value to the entrepreneurs themselves, their advisers and lenders. Although small businesses could use the method as a simple forecasting and monitoring procedure, greater potential benefit would arise if academics, bankers and consultants who need to monitor several dozen, perhaps hundreds, of businesses used the proposed technique to manage 'by exception'. The various methods, five simulated and one actual case study are reported.

We have previously discussed work by Scott and Bruce (1987) and Cooper (1981) which reviews the 'growth life cycle' of small businesses as they start up, survive and mature into larger companies. If businesses choose to, and are competent, they are hypothesized to develop through five stages, each separated by a crisis band which the firm must overcome. Competent firms may make a decision to halt this growth process when they have reached their preferred size, whereas less competent firms may find their growth plans thwarted or even be forced to leave the industry. The five stages are: pre-start-up, inception, survival, growth and consolidation. Three areas of interest are: (i) the part that entrepreneurial ability plays in ensuring success

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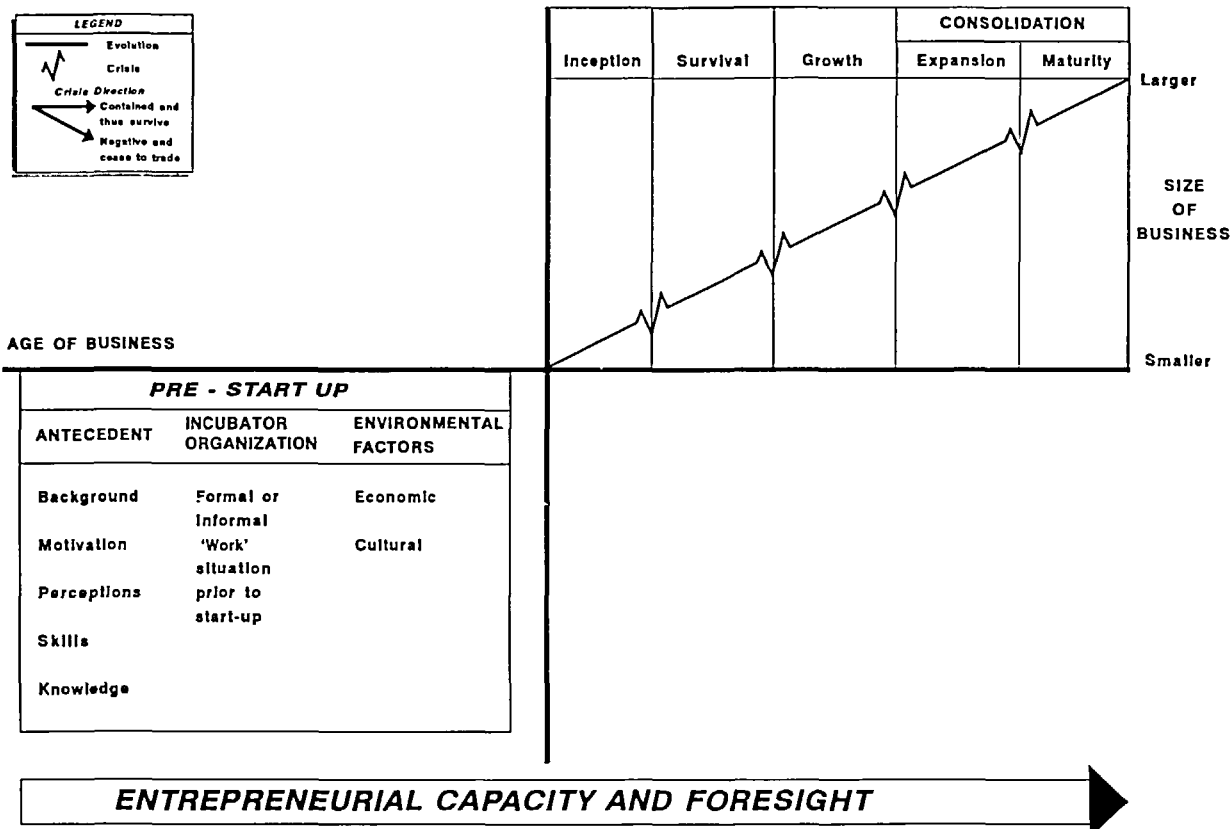


Figure 1. The modified Scott/Bruce/Cooper schema. Based on Scott and Bruce (1987); note that Scott and Bruce (1987) draw heavily on Churchill and Lewis (1983) and Greiner (1972). Birley (1989) uses Cooper (1981) in her article on female entrepreneurs. Although Scott and Bruce (1987) use a non-linear curve, we have chosen the linear version (Greiner, 1972). The last two phases are united under consolidation. We have emphasized the entrepreneurial capacity and foresight variable.

and, in particular, growth; (ii) whether firms do go through these crisis periods; and (iii) the possibility that the schema can be operationalized and, if so, what are the benefits of so doing.

With respect to the last four stages of the model, Scott and Bruce, although suggesting that the growth curve could be logistic, concentrated on comparing and contrasting the different organizational, commercial and management skills needed to address successfully each phase and the connecting crisis points. To elaborate, at the inception stage typical problems are the management of cash flow, creating viable profit levels and meeting conflicting demands on the entrepreneur's time. In contrast, at the growth stage, issues such as the formal structure of the company, competitive pressures and long-term strategy setting will take precedent. As such, the work provides an excellent schema which would be useful to consultants, bank managers, small business owners and academics to suggest the broad problem areas that small firms face. Figure 1 outlines the model.

However, it could be argued that there might be academic and practical gains to be realized if the

model could be treated in a more quantitative fashion. Reynolds and Day (1993) have suggested, with particular reference to the UK timber and joinery industry, that the general notion of crisis points is valid, and that identifying them via primary and secondary data is possible. In this paper we are concerned with whether the tracking signal trips in a sensible and predictable way, rather than what would constitute good and appropriate data. Hence we have use secondary data on turnover, but realize that in practice leading rather than trailing indicators are needed.

By attempting to operationalize the model, rather than leaving it as a more general schema, we might be able to produce a means by which to predict the future performance of firms, or at the very least provide continuous monitoring of performance. For such a model to be of use it needs to be accurate, simple to understand and to economize on the use of data, particularly if entrepreneurs themselves are to use the system. Furthermore, it should ideally be indifferent to whatever data series is used. Although this paper limits itself to turnover, in practice the firm could monitor present and

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expected performance via a whole series of variables such as customer enquires, actual output and so on. One forecasting technique that would meet these criteria is exponential smoothing and, as the associated monitoring and control procedure, Trigg's (1964) smoothed error tracking signal, developed further by Trigg and Leach (1967).

FORECASTING PROCEDURE

Exponential smoothing has replaced moving averages as the predominant method used in objective short-term forecasting, not necessarily because the techniques produce better results (although a number of studies claim that they do, e.g. Kay and Hampton, 1963; Gross and Ray, 1965; Levine, 1967; Montgomery and Johnson, 1976; Makridakis and Hibon, 1979), but because they are computationally simpler as they require less data to be stored and are more flexible in their degree of sensitivity (Lewis, 1978: 53). One of the main strengths of exponential smoothing is that it is a quantitative, or objective, method of forecasting. Published evidence strongly suggests that quantitative techniques are generally superior in terms of accuracy to qualitative methods (Sarbin, 1943; Sawyer, 1966; Goldberg, 1970; Slovic, 1972; Hogarth, 1975; Mabert, 1975). The second strength of exponential smoothing, particularly as a method of short-term sales forecasting (which we define here as six months ahead of current time, which is the generally accepted definition of in the forecasting literature), is that it is a time series technique. Evidence suggests that in short-term sales forecasting, time series methods perform as well or even better in terms of accuracy than the more complicated causal techniques (Narashimham, 1975: 409–464). For example, in comparing moving averages, exponential smoothing and regression, Kirby (1966) found that in month to month forecasting accuracy, exponential smoothing performed the best. With a time horizon of six months (e.g. producing a sales forecast up to six months ahead of current time), both exponential smoothing and moving averages performed better than regression, which was considered more appropriate for longer term forecasts of one year or more (Kirby, 1966: 202).

Other studies by Bauman (1965), Geurts and Ibrahim (1975) and Newbould (1974) have concluded that simpler methods such as exponential smoothing perform as well or better in terms of accuracy than more sophisticated models. When time series methods themselves are compared, again evidence suggests that the simpler techniques such as exponential smoothing perform as well or better than the more complex techniques

such as Box–Jenkins. In a study comparing Box–Jenkins methods with exponential smoothing, Geurts and Ibrahim (1975: 187) concluded that the forecasting errors of both methods were more or less the same, although all exponential smoothing models, e.g. Winter's method, yielded smaller average errors than the Box–Jenkins models. In a study involving the use of 111 time series for determining the accuracy of various time series methods, Makridakis and Ebony (1979) stated that their results indicated that the far more sophisticated Box–Jenkins models were actually inferior to forecasts made using exponential smoothing.

When considering short-term sales forecasting specifically, several workers have reported that exponential smoothing offers the best potential accuracy for sales forecasting in the short term (Gross and Ray, 1965; Kirby, 1966; Levine, 1967; Raine, 1971). Interestingly, the study by Witt and Witt (1992) on modelling and forecasting demand in tourism concludes that their two best predictors of demand were either a naive model based on a 'no change' scenario or, for longer ahead (two years), an autoregressive model taking into account previous demand levels. Both of these performed better than the more complicated econometric models.

The properties of exponential smoothing make the technique a suitable method for short-term sales forecasting when a large number of routine short-term forecasts are required on a regular basis for example, when a bank manager or small firm business adviser has a large portfolio of firms under their responsibility. Because the technique is adaptive, in the sense that the current forecasting errors are used to update the model and the technique requires relatively little storage, exponential smoothing is a particularly appropriate technique when used as part of a semi-automatic computerized system of short-term sales forecasting. With such a system, the routine sales forecasting or, indeed, the forecasting of any selected key indicator of business performance, can mainly be left to a computer, leaving the bank manager or small business consultant to get on with more important and more interesting non-routine problems that necessitate human involvement. However, in such a situation a control mechanism is required to check that the forecasts are satisfactory and to warn management if the system goes out of control.

TRACKING SIGNAL

There are many kinds of monitoring procedures available and reported for example, 'control charts', originally developed by Shewhart (1931) and

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subsequently modified by numerous workers (Dudding and Jennet, 1942; Page, 1954; 1955; 1957; Duncan, 1956; Lorden, 1971; Gilchrist, 1976). Work on control charts in the 1930s, 1940s and 1950s evolved to produce the backward cumulative sum technique.

The first tracking signal designed specifically for forecast control was proposed by Brown (1962), defined as the sum of forecast errors divided by the mean absolute deviation (MAD). This procedure is known as the simple CUSUM technique (not to be confused with backward CUSUM). The smoothed error tracking signal, the procedure demonstrated here, was developed by Trigg (1964), based on the earlier work of Brown (1962). It is not so much a new method as a modification of the simple CUSUM; consequently, the basic idea of Brown is retained. The only real difference in Trigg's method is that he uses a 'smoothed error' in the numerator of the tracking signal instead of the sum of errors. In the simple CUSUM Brown applied exponential smoothing to the modulus of the error to produce a smoothed MAD, and the sum of errors was calculated by summing the plus and minus values of successive errors. Trigg retains the smoothing of MAD using exactly the same equation as Brown, but, in addition, applies simple exponential smoothing to the plus and minus errors to produce a smoothed error as the numerator of the tracking signal instead of the sum of errors. The updating equations for the smoothed error tracking signal are explained and discussed in Appendix 1.

TRACKING SIGNAL CONTROL LIMITS

It is important that management should have a high degree of confidence in their forecasts if they are to undertake effective decision-making. Management need to know as soon as possible when a forecast has gone 'out of control' to avoid the mistake of basing important decisions on poor information and to carry out corrective action. As Golder and Settle (1976: 489) state: 'A necessary ingredient of a practical short term forecasting system in which the parameters of the demand model are not adaptive, is some form of monitoring to detect changes in the demand pattern for which the model is inadequate.'

The term 'adaptive' in the above statement is meant in terms of a model such as the Trigg and Leach (1967) adaptive response rate model.

One of the authors has produced tables of confidence limits for use with the smoothed error tracking signal for each of the main exponential smoothing models, i.e. simple, Brown's method, Holt's method and Winter's method. The advantage

of these tables is that they impart greater accuracy to the technique because they allow a greater permutation of smoothing coefficient values. In essence, the coefficient for the forecasting equations can now be different to the coefficient used in the tracking signal equation and it is this flexibility that allows for potentially greater accuracy.

The first published report of a study using different values of smoothing coefficients in the forecasting equations to that used in the tracking signal equation ($\alpha > \alpha_1$, or $\alpha < \alpha_1$) is in a paper by McKenzie (1978). The idea of using different smoothing coefficients is not discussed by Trigg (1964) and other major workers in this area such as Batty (1969: 321) and Gardner (1983: 11) merely comment that there is no obvious argument in favour of doing so. However, McKenzie (1978) shows that the performance of the smoothed error tracking signal (T_i) may be significantly improved by such a simple alteration in its application.

This technique has been applied to four case study companies in the authors' local economy. The data were obtained from secondary published sources. Selection was based on companies with a turnover of less than £2m per annum who were employing less than 50 people and were not a subsidiary of another company. Finally, selection required that they had shown some variation in their financial performance over the last 10 years, as indicated by their ICC score (a composite score of financial soundness).

The results obtained from using exponential smoothing forecasting techniques to extrapolate patterns in the data, and the monitoring of such forecasts using the Trigg model to detect evidence of crisis points occurring in advance of them becoming serious, look promising at present and appear to be robust and suitable for a range of data patterns, including data showing seasonality. To illustrate the case succinctly, we have reported only one of the actual case studies as Figure 2 and this demonstrates very well how difficult it is to identify unusual changes in the underlying data by merely looking at a plot of the data. The other examples shown (Figures 3-7) use simulated data which has been designed to reduce the sort of random fluctuations around the level often found in real historical sales data. This does not mean that the procedure is not robust for real data, merely that it is easier to explain the effects of the procedure when some of the 'natural' fluctuations have been removed.

METHODOLOGY USED TO OBTAIN CONTROL LIMITS

Cumulative frequency tables were produced for the

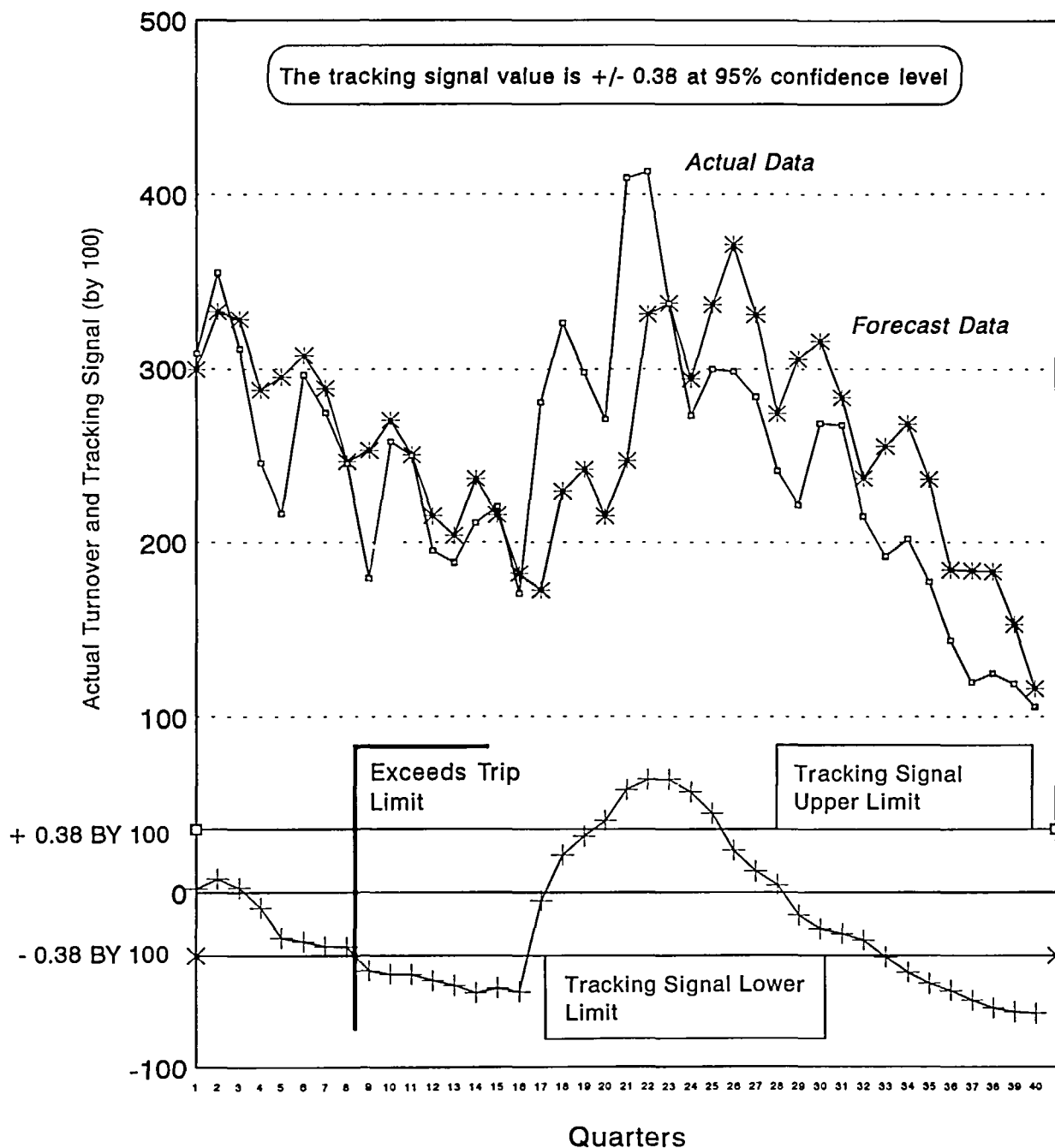


Figure 2. Actual data. Company A, 1983–1993; Winter’s model.

smooth error tracking signal using ‘well-behaved’ data by simulation. Tables were produced using the forecasting models of simple exponential smoothing, Holt’s two-parameter linear exponential smoothing and Winter’s seasonal method. Many possible permutations of smoothing coefficient values were used for level component, trend component, seasonal index (for Winter’s model) and tracking signal. These tables were able to serve as ‘tracking signal confident limit tables’ that is, smoothed error tracking signal values from ‘real’

forecasting runs were compared with the theoretical, simulated values in the tables. If the value of the smoothed error tracking signal (T_t) in the forecast procedure exceeds the value given in the table (the modulus of T_t is shown in the tables) for a given permutation of the relevant smoothing coefficient values, then the tracking signal T_t would be said to have ‘tripped’ at a certain level of confidence, i.e. 95% level, 99% level, etc.

The tracking signal ‘critical value’ produced using this simulation exercise agrees with the

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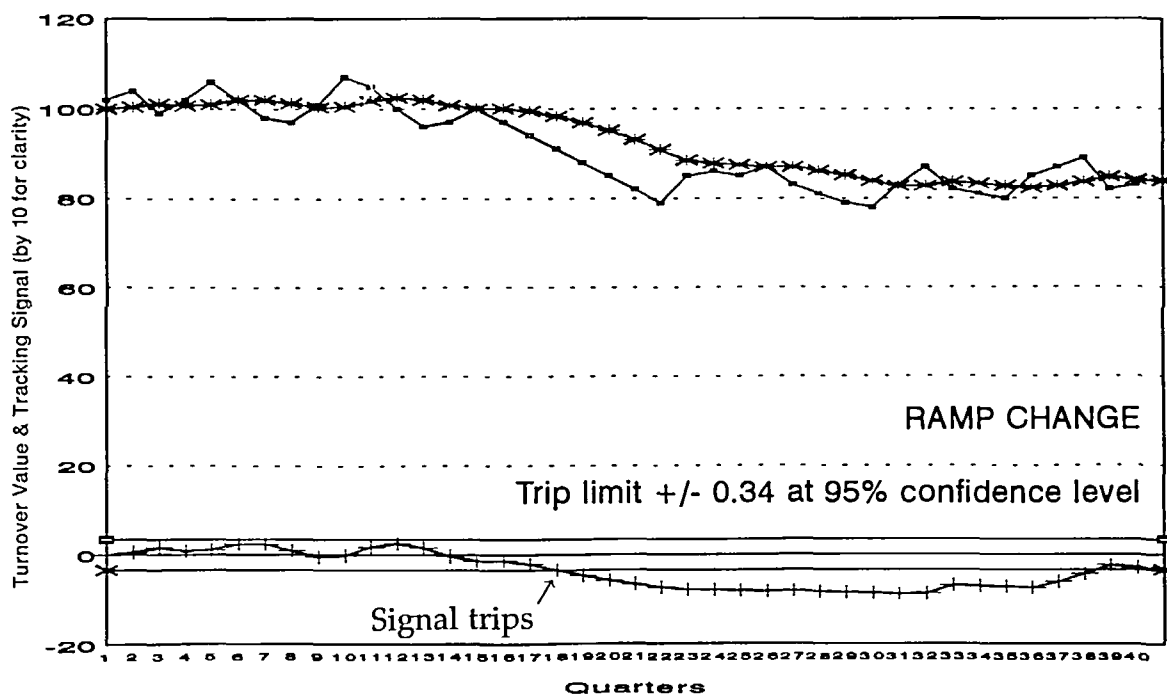
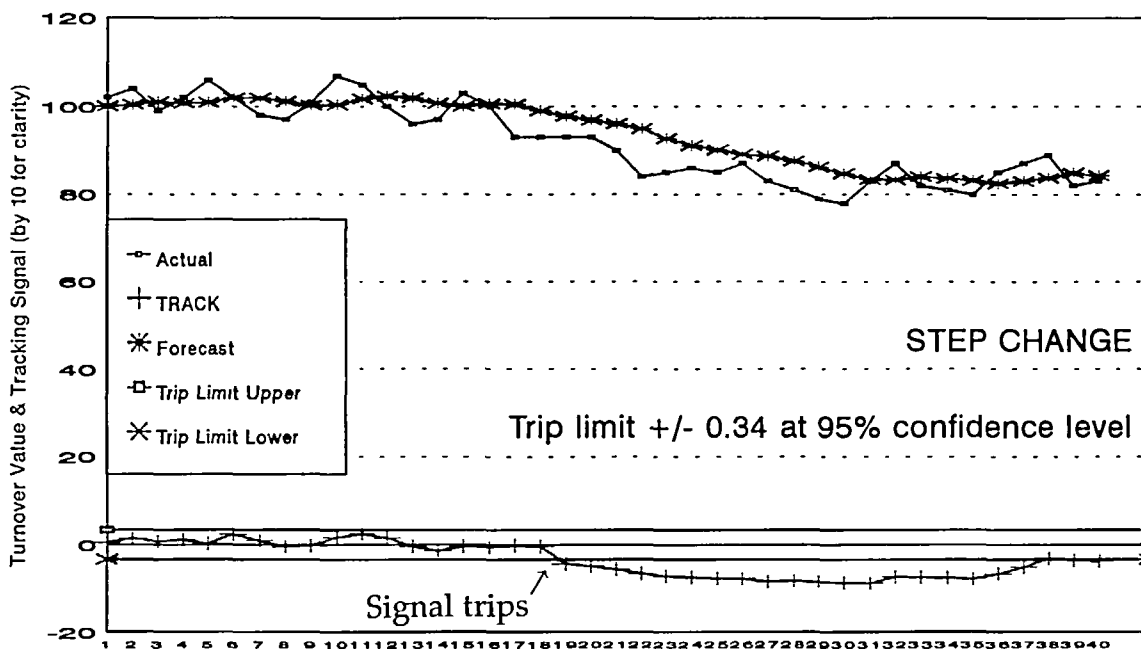


Figure 3. Simulated data. Simple exponential model; step changes.
 Figure 4. Simulated data. Simple exponential model; ramp changes.

limited range of values reported by Trigg (1964), Batty (1969) and Gardner (1983) for simple exponential smoothing and with the theoretical values produced from equations derived by McKenzie (1978) for Holt's two-parameter model of linear exponential smoothing. Critical values were

produced for Winter's seasonal model, although there is nothing published about either of a theoretical or empirical nature for Winter's model to compare these critical values with. A detailed account of this methodology is reported by Reynolds (1986) and discussed by Reynolds and Greatorex (1988).

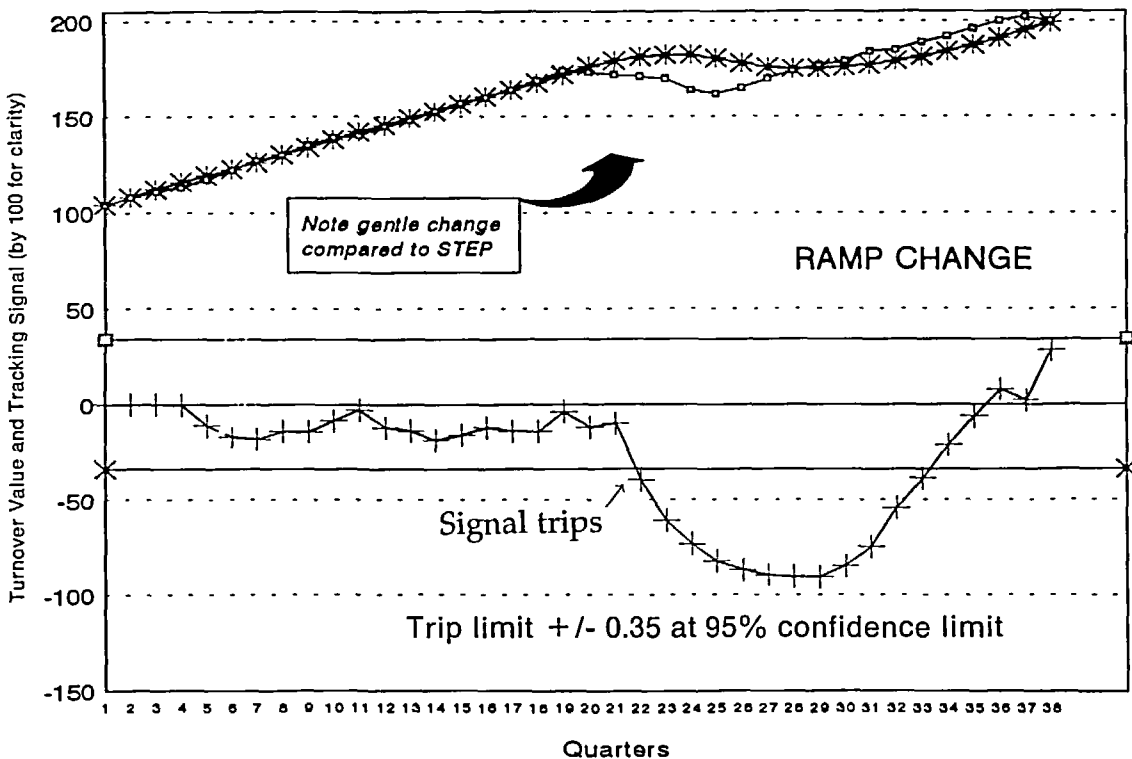
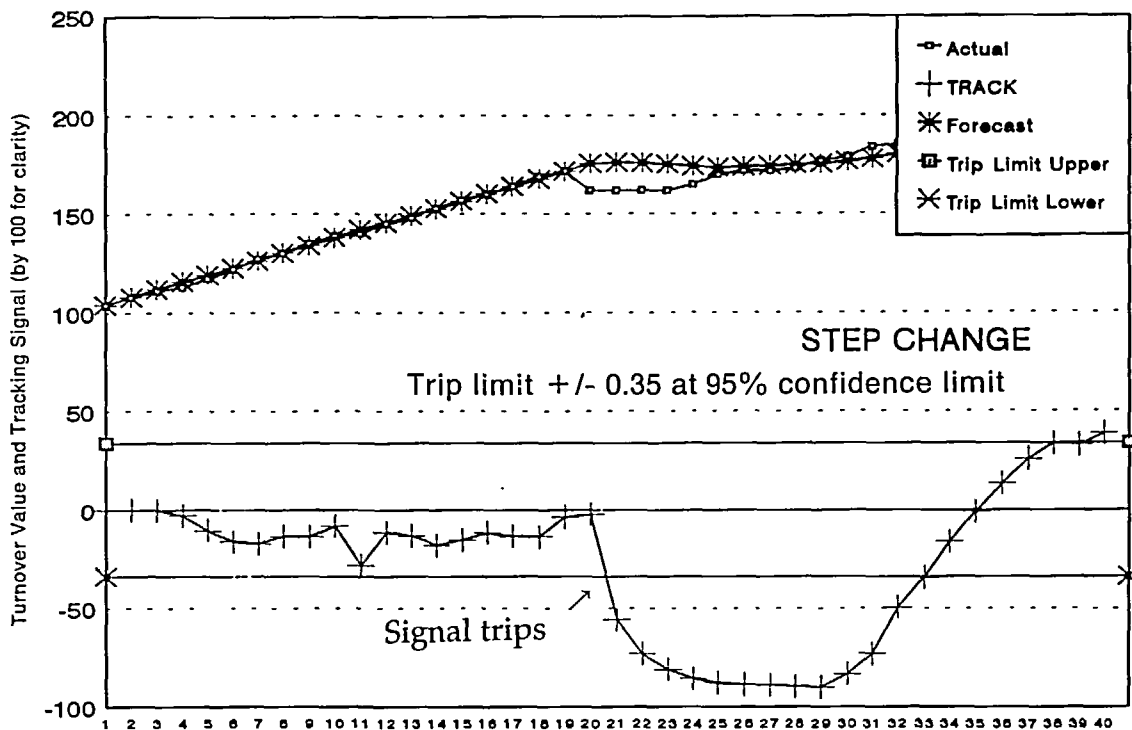


Figure 5. Simulated data. Holt's model: ramp changes.
 Figure 6. Simulated data. Holt's model; step changes

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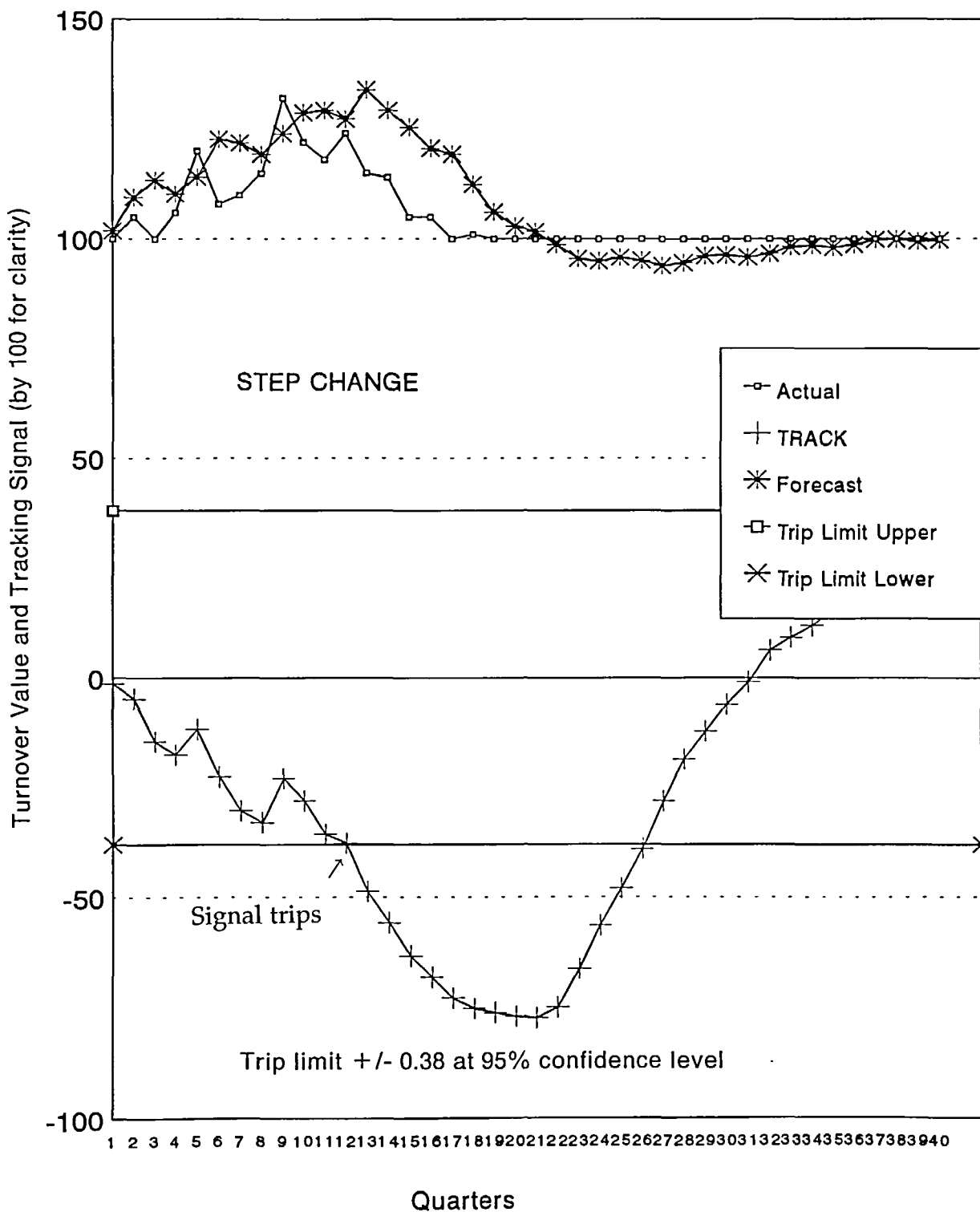


Figure 7. Simulated data. Winter's model; step changes.

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METHODOLOGY USED TO DEMONSTRATE TRACKING SIGNALS REACTION TO A STEP OR RAMP CHANGE IN THE MEAN INPUT DATA

Standard forecasting models (those of Holt, Winter and simple exponential smoothing) were used to test the ability of the tracking signal to monitor step and ramp changes (shocks) in underlying input data for both simulated time series and real-time series obtained from small firms; the actual programmes incorporating the tracking signal were designed by Greatorex of Manchester School of Management, UMIST, UK and are used with his kind permission. Such a procedure can be designed to run on a standard spreadsheet, whereas a package such as SPSS-PC can be used to select initial best-fit scenarios. These forecasting and tracking signal programmes, in conjunction with the tables of tracking signal 'critical values' discussed earlier, were then used to test the reaction of T_t to step or ramp shock in both simulated and real-time series data for small firms.

DISCUSSION

Three desirable characteristics of a successful smoothed error tracking signal (T_t) are that it responds to data changes, is sensitive to the degree of change, ramp or step, and, finally, that it is indifferent to which of the three forecasting methods is used. The tracking signal performance is encouraging for all three models – that is, the simple exponential smoothing model which forecasts stationary data, Holt's two-parameter linear exponential smoothing model which is used where data exhibit a negative or positive linear trend and Winter's model which is used where there is a seasonal component over and above either a stationary or trend data pattern.

When the underlying input data were subject to a step change of approximately 5% of the mean level where the underlying mean level of the data was stationary or displaying a linear trend (i.e. using simple exponential smoothing or Holt's linear trend method of forecasting, respectively), the tracking signal 'tripped' within one time period of the introduction of the step 'shock'. Subjecting the underlying data to a 'ramp' change of approximately 2% in the underlying mean input data, the tracking signal 'tripped' within two time periods, usually within one time period. When data displaying clear seasonality every fourth period and being forecast using Winter's model was subjected to a 5–8% step 'shock' in the input data,

the tracking signal 'tripped' its predetermined control limits within two time periods. When real small firm data showing a ramp change in the underlying data were used, again the method proved to be highly robust and 'tripped' within two time periods.

Thus, in principle, the idea of monitoring the commercial health of small, entrepreneurial firms using some form of monitoring device or 'tracking signal' seems to work very well for a reasonably wide range of situations. The fact that this method was found to be suitable for use with Winter's seasonal model of exponential smoothing is encouraging, as the demand for many goods and services supplied by small firms is subject to seasonality. As discussed earlier, there are other monitoring devices available and reported; the majority of these procedures have been designed as process control techniques for use in production and stock control systems. Thus it would be interesting to see how they perform relative to the Trigg procedure.

Our evidence suggests that using the smoothed error tracking signal as the Trigg methodology is particularly useful when a large number of time series require monitoring on a regular basis, e.g. every week or every month – that is to say, short-term forecasting. A bank manager or other small business adviser may have tens or even hundreds of small firms under his or her care, or at least have the responsibility for monitoring their performance. It has been shown here that the properties of exponential smoothing make the technique a suitable method of forecasting when a large number of routine short-term forecasts are required on an on-going regular basis.

Because this technique is adaptive, in the sense that the current forecasting errors are used to update the model and the fact that the technique requires relatively little data storage, exponential smoothing is a particularly appropriate technique when used as part of a semi-automatic computerized system of short-term forecasting, coupled with the Trigg procedure to warn of changes in the input data which might indicate future problems. There is no reason why the individual firm could not use the method to monitor its performance. With such a system, the routine sales forecasting or the forecasting of any key leading indicator can mainly be left to a computer, leaving the manager to get on with more important and interesting problems.

In a wider perspective, the procedure provides a mechanism to allow those people concerned with small firm commercial 'health' and performance to identify when 'crisis points' are beginning to occur and hence enable them to intervene and to carry out corrective measures before the situation becomes too serious.

CONCLUSIONS

This paper is intended to encourage further consideration of the usefulness and validity of a particular class of growth models as represented by the work of Scott and Bruce, Churchill and Lewis and Cooper. We have demonstrated a robust and relatively simple monitoring procedure for small firm performance that is of use to the firm itself and to third-party advisers and consultants.

Our suggested method of doing this is to make use of the one period ahead forecast error generated by an exponential smoothing forecasting system coupled with a monitoring procedure in the form of the smoothed error tracking signal. This is a suitable and highly robust procedure which can handle those data patterns commonly found in commercial data, namely, stationarity, a positive or negative linear trend, seasonality or cyclicity or, indeed, any combination of these three data patterns. Consequently, we recommend the use of such a procedure, particularly where counsellors and advisers need to monitor continuously a range of 'key' parameters over a large number of small firms.

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APPENDIX 1: TECHNICAL DETAILS

For simple exponential smoothing the one step ahead forecast produced in current time is denoted by F_{t+1} and the actual current demand value X_t . Using this we obtain

$$F_{t+1} = \alpha X_t + \alpha(1 - \alpha)X_{t-1} + \alpha(1 - \alpha)^2 X_{t-2} + \alpha(1 - \alpha)^3 X_{t-3}, \text{ etc.} \quad (1)$$

Transcribing the equation for F_{t+1} into F_t by subtracting one from all the subscripts, we obtain

$$F_t = \alpha X_{t-1} + \alpha(1 - \alpha)X_{t-2} + \alpha(1 - \alpha)^2 X_{t-3} + \alpha(1 - \alpha)^3 X_{t-4}, \text{ etc.} \quad (2)$$

If the equation is rewritten as

$$F_{t+1} = \alpha X_t + (1 - \alpha)[\alpha X_{t-1} + \alpha(1 - \alpha)X_{t-2} + \alpha(1 - \alpha)^2 X_{t-3} \text{ etc.}] \quad (3)$$

it can be seen that the equation for F_t is exactly the same as that which appears in brackets in the equation for F_{t+1} .

Substituting F_t for this we obtain

$$F_{t+1} = \alpha X_t + (1 - \alpha)F_t \quad (4)$$

This is the basic equation defining a simple exponentially weighted moving average given by Holt (1957) and from which all other models of exponential smoothing derive. More correctly, the process is a geometrically weighted moving average, the exponentially weighted moving average being its analogue in continuous time (Reid 1969: 80).

For Holt's two-parameter linear exponential smoothing the forecast is formed by using two smoothing coefficients, $0 \leq \alpha \leq 1$ for the original series and $0 \leq \beta \leq 1$ for the trend. The updating equations for Holt's method are

$$\text{LEVEL} \\ S_t = \alpha X + (1 - \alpha)(S_{t-1} + Z_{t-1}) \quad (1)$$

TREND

$$Z_t = \beta(S_t - S_{t-1}) + (1 - \beta)Z_{t-1} \quad (2)$$

FORECAST

$$F_{t+m} = S_t + mZ_t \quad (3)$$

where S_t is the level in time t , Z_t is the trend component and F_{t+m} is the forecast produced in time t for m periods ahead of current time. Basically, the trend Z_t is multiplied by the number of periods ahead to be forecast m , and added to the value of the level S_t . For a more extensive treatment, see Makridakis et al. (1983: 98).

Winter's three-parameter linear and seasonal exponential smoothing (1960) model is an extension of Holt's (1957) linear model in that it includes an extra equation that is used to estimate seasonality. It is sometimes referred to as the Holts–Winters model (Lewis, 1978: 54; 1982: 32). The updating equations for Winter's model are given by Wheelwright and Makridakis (1978: 98) as follows:

OVERALL SMOOTHING

$$S_t = \alpha(X_t/I_{t-L}) + (1 - \alpha)(S_{t-1} + Z_{t-1}) \quad (1)$$

TREND

$$Z_t = \beta(S_t - S_{t-1}) + (1 - \beta)Z_{t-1} \quad (2)$$

SEASONALITY

$$I_t = \epsilon(X_t/S_t) + (1 - \epsilon)I_{t-L} \quad (3)$$

FORECAST

$$F_{t+m} = (S_t + mZ_t)I_{t-L+m} \quad (4)$$

where L is the length of seasonality (e.g. the number of months or quarters in the year), Z_t is the trend component, I_t is the seasonal adjustment factor and F_{t+m} is the forecast for m periods ahead. α , β and ϵ are the smoothing coefficients for the overall smoothing, trend and seasonal components, respectively.

The overall smoothing Equation (1) differs slightly from Holt's equation (1) in that the first term is divided by the seasonal number I_{t-L} , which adjusts X_t for seasonality by reviewing the seasonal effects which may exist in X_t . The estimate of seasonality, calculated with Equation (3), is given as an index fluctuating around unity. The seasonal index is a ratio of the current value of the series X_t divided by the current single smoothed value for the series S_t . If X_t is greater than S_t , the ratio will be greater than unity, whereas if X_t is less than S_t the ratio will be less than unity. S_t is a smoothed average value of the series that does not include any seasonality; the values of X_t contain both seasonality and any randomness in the series. To smooth out this randomness, Equation (3) weighs the newly computed seasonal factor X_t/S_t with ϵ and the most recent seasonal number corresponding to the same season with $(1 - \epsilon)$. This prior seasonal factor was computed in period $t - L$, where L is the length of

Table A1: Smoothing coefficients.

	Level	Tracking signal	Trend	Seasonality
Simple	α	α_1		
Holt	α	α_1	β	
Winter	α	α_1	β	ϵ

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Table A2: Models, data type and level of change.

Figure	Data type	Data 'displays'	Appropriate forecasting model for data	Step change	Ramp change	Trips within approximately
2	Real	Seasonality	Winter		Yes	Two time periods
3	Simulated	Stationarity	Simple exponential smoothing	Yes, 5%		One time period
4	Simulated	Stationarity	Simple exponential smoothing		Yes, 2%	Two time periods
5	Simulated	Linear trend	Holt's linear trend	Yes, 5%		One time period
6	Simulated	Linear trend	Holt's linear trend		Yes, 2%	Two time periods
7	Simulated	Seasonality	Winter	Yes, 5-8%		Two time periods

seasonality. The form of Equation (3) used to calculate the seasonal component is similar to that of other smoothing equations; there is a value, in this case the ratio X_t/S_t , which is multiplied by a smoothing coefficient ϵ and is then added to its previous smoothed estimate which has been multiplied by $(1 - \epsilon)$.

Equation (2) used for smoothing the trend is exactly the same as Holt's trend equation (2) discussed earlier. Equation (4), used to produce the forecast in Winter's model, is the same as the corresponding formula used to produce a forecast in Holt's model [equation (3) of Holt], except that the estimate for the future period $t+m$ is multiplied by I_{t-L+m} . In the equation for overall smoothing [Equation (1)], X_t was divided by I_{t-L} to remove any seasonal effects that may exist in X_t . Multiplying the value of $(S_t + mZ_t)$ by I_{t-L+m} in Equation (4) readjusts the forecast for seasonality by reintroducing seasonal effects into the forecast. For a more extensive treatment of Winter's method, see Makridakis et al. (1983), Lewis (1983) and Winter (1960). The updating equations for the smoothed error tracking signal are given by Trigg (1964: 272) as follows:

$$\begin{aligned} \text{Smoothed error} &= (1 - \alpha_1) \text{ previous smoothed error} \\ &\quad + \alpha_1 \text{ latest error} \end{aligned}$$

$$\begin{aligned} \text{Mean absolute deviation (MAD)} &= (1 - \alpha_1) \text{ previous MAD} \\ &\quad + \alpha_1 \text{ latest absolute error} \end{aligned}$$

$$\text{Tracking signal} = \text{smoothed error/MAD}$$

These updating equations are expressed in a more concise form by Gardner (1983: 10) as:

$$\begin{aligned} E_t &= \alpha_1 e_t + (1 - \alpha_1) E_{t-1} \\ \text{MAD}_t &= \alpha_1 |e_t| + (1 - \alpha_1) \text{MAD}_{t-1} \\ T_t &= E_t / \text{MAD}_t \end{aligned}$$

where t represents current time, E_t is the smoothed error, e_t is the present error, MAD_t is the mean absolute deviation, $|e_t|$ is the modulus or absolute value of the forecast error, T_t is the smoothed error tracking signal and α_1 is the smoothing coefficient $0 \leq \alpha_1 \leq 1$.

Deriving the tracking signal value is possible because for every unique permutation of smoothing coefficient values in the models there is an associated upper and lower limit to the trip values. These values were obtained by the original simulations. Greatorex and Reynolds (1988) developed the mathematics and contains sample tables of values. The value is the outcome of the choice of smoothing coefficients and selected confidence limit. Table A1 shows the relevant smoothing coefficients.

APPENDIX 2: GUIDE TO FIGURES 2-7

Table A2 shows the models, data type and level of change. To take Figure 2 as an example, we have plotted a forecast of the actual data and compared it with the actual known values. If the forecasting method is competent to model the data, then we would not expect a perfect forecast, but one in which there were errors around the actual value. If these errors were within an acceptable theoretical limit, then we would consider the forecasting model to be 'doing its job' and producing acceptable forecasts. Thus should excessive errors be thrown up, they will be due to a change in the underlying data pattern. The role of the tracking signal is to pick up this potential deviation. Therefore in Figure 2 we are 95% certain that nothing is untoward provided that the tracking signal value remains within ± 0.38 ; if this value is exceeded, then there is a problem. We are therefore alerted in period 9 that all is not well; up until period 8 the forecast and actual values are moving together, but in period 8 they diverge. The forecast expects the actual value to rise, but, in fact, it falls sufficiently for the 'trip' to occur in period 9. The model does not trip earlier where there is almost the same degree of error because the forecast was predicting (correctly) a fall in turnover. By letting the data run for 40 periods we obtain multiple trips, but it is the first that alerts us.

The tracking signal values are read from the derived statistical tables described in the text and Appendix 1. We have called the data quarterly for sake of illustration, but what is important is that there is a reasonable run of data which could be hourly, daily or weekly. In all the figures we have multiplied the tracking signal and the trip limits by a factor of 10 to highlight the pattern. Figure 2 shows how difficult it can be to spot such deviations by sight; Figures 3-7, by using simulated data, are visually more obvious.

Provided that the appropriate forecasting method is chosen and that there is a sufficient run of accurate data, then the practising adviser, consultant or bank manager can now manage by exception, only reviewing those firms who fall outside his/her acceptable predetermined limits. If the adviser is particularly worried, then they can set the trip at a very cautious level. In practice, the results would be reviewed from a spreadsheet rather than as a graphical output. Although the method has obvious advantages where the person is handling a great deal of data covering many firms, there is no reason why the small business could not use the technique. Lotus 1-2-3 or Excel run on a 486 personal computer are perfectly capable of running the model once the 'best-fit' initial parameters have been set. Optimizing the performance of the forecasting model(s) does, however, require competence in statistical analysis.

Moving towards a control technique to help small firms monitor and control key marketing parameters: a survival aid

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Small to medium-sized enterprises, Marketing management, Control, Business analysis, Consultancy

Abstract

This article considers that one way to help the small- and medium-sized enterprise (SME) to survive is to offer it a robust but simple monitoring and control technique that would help it manage the business effectively and this, in turn, should help to increase its chances of survival. This technique should also be of interest to all people involved with monitoring or advising a large number of small enterprises or business units within a larger organization. For example, a bank manager or a small business consultant responsible for a portfolio of firms. The authors utilize process control techniques more often used in production and inventory control systems to demonstrate how one might monitor the marketing "health" of small firms.

Introduction

The authors are concerned with developing a quantitative method to help SMEs manage their operations more successfully, and thus hopefully increase their survival rate. It will also be of particular use to those who provide business advice and services to the small business. The behaviour of the SME is described by reference to a life cycle/stages framework. The proposal is that either a single, or several, key performance indicator(s) are monitored and that, when they fall outside an acceptable range, a warning message is generated. This requires an effective forecasting method, preferably one that utilises and "learns" from past data and a method by which to track unexpected deviations and generate a warning message. For the former it is argued that exponential smoothing models are suitable. For the tracking signal through which the data are monitored, a smoothed error tracking signal based on the work of Trigg *et al.* (Trigg, 1964; Trigg and Leach, 1967) is employed. The generation of the exception message must be related to a particular confidence level and for this cumulative probability tables for the tracking signal are needed.

Stage models

Most SMEs in the UK do not grow and thrive but fail within five years (Department of Trade and Industry, 1999). In trying to understand the dynamics behind such a performance then the adoption of a life-cycle model approach to the firm is appropriate. Such a framework encompasses the riskiest situation – the survival of the growing firm as it moves through its life-cycle. Equally this article has relevance for the SME in the "static" situation in which it remains at a

particular stage but still has to address those problems peculiar to that stage. Many life-cycle models assume that the firm proceeds in a somewhat orderly fashion through defined stages: however, some variants of this approach introduce "crisis points" which delineate the stages. Such episodes have to be successfully addressed for the firm to move to the next stage of development (see, for example, Scott and Bruce, 1987). As shown by Hanks *et al.* (1993), whilst different authors subscribe to a different number of stages in their respective models, in general they can be reduced down to the generic stages of start-up, expansion, maturity, diversification, and decline. Critics of the life-cycle approach argue that these models are too restrictive due to their implicit assumptions, one of which is that the firm carries out functions concurrently rather than consecutively (Storey, 1994). This issue was addressed by Eggers *et al.* (1994), who, whilst still retaining the stages approach of the original Churchill and Lewis (1983) model, allowed for an organisation to develop in a more "organic" fashion – they can "hypergrow" (skip stages) or "backslide" to previous stages. This revisited and reworked model considered six stages: conception, survival, stabilisation, growth orientation, rapid growth, and resource maturity.

However, we suggest that if the models are treated as a general schema then they do serve to remind us of the practical problems that the firm needs to address and, roughly, when to expect such problems to manifest themselves. The attraction of the Scott and Bruce (1987) approach is that it is quite specific in suggesting what such managerial problems might be and their location in the life cycle. At worst such an approach serves to remind us that young, pioneering firms in respect of their behavior and, hence, their needs are very different from their maturer counterpart. Hanks *et al.* (1993) have demonstrated through statistical analysis of data patterns for their chosen industry sector



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(high technology ventures in Utah) that one can infer from actual data, rather than have to speculate upon, the existence of identifiable life cycle stages. They identified four such stages – start-up, expansion, maturity, and early diversification.

The factors that cause small business failure are depressingly familiar. They probably can be subsumed under the categories of any, or all, of the deficiencies in human capital, financial capital or external trading conditions (Cressy, 1996). Whilst the typical problems facing the SME need not manifest themselves in failure, the top three consistent problems faced by UK SMEs, as reported in the *NatWest SBRT Quarterly Survey of Small Business in Britain* (1999), are: low turnover/lack of business; governmental regulations and paper work, and cashflow/payments and debtors. The proposition in this article is that one might be able to increase its life expectancy if a simple but robust model could be found that would help the SME identify potential crisis points. The type of approach that we are proposing either could be used by the SME itself to monitor its key commercial variables or could be used by advisers and other interested parties who have responsibility for monitoring a large number of SMEs – for example, commercial bank small business advisers. Certainly the approach could help to track two of the aforementioned problem areas through the provision of more timely and accurate data or, perhaps, helping the SME to react more quickly, or to partly mitigate some of the consequences that would be caused by such problems.

The proposed method

The advantages of this proposed method are that it is easy to apply, can be calculated on a fairly simple Excel spreadsheet package (Greatorex) and the underlying statistical framework is well proven, as demonstrated by the age of our technical citations. What has made the model accessible to the SME is the calculation by one of the authors (Reynolds, 1986) of confidence limits for the smoothed error tracking signal, which then allows a tracking signal to be applied in practice. The disadvantages of the model are that it is data hungry in the sense that the more past data that are available, the more accurately the models predicts, and that to run the procedure some statistical knowledge and ability to “fine tune” the model are required. However, the former problem may not be insurmountable if the SME has, say, daily sales figures, and in the latter case

some limited contact with an adviser would help with the fine tuning. The authors believe that the following criteria, which are necessary for the technique to be useful and valid, are met to a sufficient degree either in theory or in practice:

- 1 That the concept of identifiable stages and their concomitant and unique commercial problems and challenges within a life cycle schema is acceptable and realistic.
- 2 That exponential smoothing forecasting models are reliable and suitable for predicting future values of the appropriate data. At this stage the authors are concerned only with producing one period ahead forecasts. Indeed tracking the errors of the “n” period ahead forecasts produces a less sensitive tracking signal (Reynolds and Day, 1996).
- 3 That the monitoring scheme is accurate, simple to understand, economises on the storage of data and is robust to whatever data series is employed.
- 4 That Trigg’s tracking signal is a reliable tracking device, capable of picking up both unexpected step (large) and ramp (gradual) changes in the underlying data pattern, and reporting such unexpected deviations as quickly as possible. Additionally cumulative probability values are available for the tracking signal which can be used to set control limits for a wide choice of sensitivity.
- 5 Suitable data are available to use as a leading indicator. For the purpose of illustration we have used sales turnover but realise that this may not be the best indicator, and that a combination of indicators may well be needed – particularly to capture more subtle effects such as entrepreneurial ability.

The main concern of this article is to establish the validity of items 2, 3 and 4 above.

The forecasting procedure

In monitoring the key marketing parameters of small firms the authors have made use of exponential smoothing to produce one period ahead forecasts of the parameter values. If the input data used in the forecasts are behaving as expected, then the forecasting errors will be normally distributed and will lie within certain bounds. These forecasting errors can be tracked with a tracking signal in order to identify as quickly as possible any unexpected patterns in the errors, which in turn could indicate possible unexpected changes in the underlying input data. If the tracking signal is computed as a derivative of

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the one period ahead forecast error, then it will be normally distributed. It should lie within certain cumulative probability boundaries, provided that the underlying input data are “well behaved” and within certain expected limits of variation, given the specific model used. The authors are not using this forecasting procedure with the intention of producing forecasts *per se* but as part of their process to enable the monitoring of selected performance variables. Exponential smoothing has been adopted to provide these forecasts, because: exponential smoothing has replaced moving averages as the predominant method used in short-term forecasting (Montgomery and Johnson, 1976; Makridakis and Hibon, 1979); second, evidence from the literature strongly suggests also that quantitative techniques are generally superior in accuracy to qualitative techniques (Hogarth, 1975; Sarbin, 1943; Slovic, 1972; Mabert, 1975).

Other studies by Bauman (1965), Geurts and Ibrahim (1975) and Newbould (1974) have concluded as well that simpler methods such as exponential smoothing in terms of accuracy do as well as or better than more sophisticated models. Both Geurts and Ibrahim (1975) and Makridakis and Hibon (1979) show that exponential smoothing outperforms the more sophisticated Box-Jenkins models. Interestingly, the comprehensive study by Witt and Witt (1992) on modelling and forecasting demand in tourism concluded, *inter alia*, that more complicated econometric models do not necessarily outperform more naïve models.

The tracking signal

The first tracking signal designed specifically for forecast control was used in inventory control and proposed by Brown (1962). This is defined as the sum of forecast errors divided by the mean absolute deviation (MAD) and is known as the Simple CUSUM technique. The smoothed error tracking signal, the procedure used in this article, was developed by Trigg (1964) and based on the earlier work of Brown (1962). The real difference in his method is that he uses a “smoothed error” in the numerator of the tracking signal instead of the sum of errors. In the simple CUSUM, Brown applied exponential smoothing to the modulus of the error to produce a smoothed MAD, and the sum of errors was calculated by summing the plus and minus values of successive errors. Trigg retains the smoothing of MAD but in addition applies simple exponential smoothing to the plus and minus errors to

produce a smoothed error as the numerator of the tracking signal instead of the sum of errors. These variants are explained and discussed in the Appendix.

Tracking signal control limits

In this article the authors are using a forecasting procedure, not with the intention of producing forecasts for planning purposes, but as a means of monitoring performance and comparing it with an expected outcome. SMEs need to know as soon as possible when a forecast has gone “out of control” in order to avoid the mistake of basing important decisions on poor information and, if necessary, to carry out corrective action. The tables of confidence limits have been produced for use with the smoothed error tracking signal for each of the main exponential smoothing models. That is Simple Exponential Smoothing, Brown’s One-Parameter Linear Exponential Smoothing, Holt’s Two-Parameter Linear Exponential Smoothing and Winter’s (1960) Seasonal Method. Since Holt’s method is more frequently used than Brown’s method, the authors have only discussed the use of Holt’s method. These cumulative probability tables contain many hundreds of individual confidence limit values that could be integrated into a computerised monitoring and control system. Their advantage is that they impart greater accuracy to the technique because they allow a greater permutation of smoothing coefficient values to be used. In essence the coefficient for the forecasting level equations can now be different from the coefficient used in the tracking signal equation. The first published report of a study using different values of smoothing coefficients in the forecasting equations from that used in the tracking signal ($\alpha > \alpha_1$ or $\alpha < \alpha_1$) was by McKenzie (1978). He showed that the performance of the smoothed error tracking signal (T) may be significantly improved by such a simple alteration in its application.

Methodology used to obtain control limits

Cumulative frequency tables were produced for the smoothed error tracking signal using “well behaved” data produced by simulation. The method involved setting the parameters for a particular model, e.g. Holt’s (1957), and then generating random errors drawn from a normal distribution and adding these to the time series. Tables were produced using the forecasting models of Simple Exponential

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Smoothing, Holt's Two-Parameter Linear Exponential Smoothing and Winter's Seasonal Method. Many possible permutations of smoothing coefficient values were used for level component, trend component, seasonal index (for Winter's (1960) Model) and tracking signal. These tables are able to serve as "tracking signal confident limit tables" when smoothed error tracking signal values from "real" one period ahead forecasting runs are compared to the theoretical, simulated values. If the value of the smoothed error tracking signal (T_t) in the forecast procedure exceeds the value given in the table (the modulus of T_t is shown in the tables) for a given permutation of smoothing coefficient values, i.e. trend component, seasonal components etc. – then the tracking signal T_t would be said to have "tripped" at a certain level of confidence, i.e. 95 per cent level, 99 per cent level etc. The tracking signal "critical value" produced using this simulation exercise agrees with the limited range of values reported by Batty (1969), Trigg (1964) and Gardner (1983) for simple exponential smoothing and agrees with the theoretical values produced from equations derived by McKenzie (1978) for Holt's Two-Parameter model of linear exponential smoothing. Critical values were produced for the Winter seasonal model, although there is nothing in the literature of either a theoretical or an empirical nature for this model to compare these critical values with. A detailed account of this methodology is reported by Reynolds (1986) and discussed by Reynolds and Greatorex (1988). Readers are referred to these for a more detailed coverage of the procedures used. It is not possible to show the comprehensive cumulative probability tables derived for T_t in this article, as, for example, the tables for Winter's method alone extend to some 20 pages. A full comprehensive set of cumulative probability tables for a wide range of smoothing coefficient value permutations and for use with all the exponential smoothing forecasting models discussed in this article is available on request from the authors.

Trialling the model

Figure 1 reports six runs of the model – five of these (a to e) are using hypothetical data and one (f) is using actual reported quarterly sales data from a local company for a ten-year period. The one set of actual data is reported from an exercise that applied this technique to four case study companies. Case (f) is a company in the authors' local economy with

data being obtained from secondary published sources, the selection parameters being companies with a turnover of fewer than £2m per annum, who were employing fewer than 50 people, and were not a subsidiary of another company. The final criterion was that they had exhibited some variation in their financial performance over the last ten years, as indicated by their "ICC score" (a composite financial score of financial soundness). This case is presented also as Figure 2. This example demonstrates very well how difficult it is to identify unusual changes in the underlying data by merely looking at a plot of the data. The other three case study companies were located in the North East of England and had between 20 and 200 employees. The authors discuss them in the next section of this article. Standard forecasting models (those of Holt (1957) and Winter (1960) and simple exponential smoothing) were used to test the ability of the tracking signal to monitor step and ramp changes (shocks) in underlying input data for both the hypothetical simulated time series and real time series obtained from small firms. These forecasting and tracking signal programs, in conjunction with the tables of tracking signal "critical values" discussed earlier, were then used to test the reaction of T_t to a step or ramp shock for both the simulated and real time series data. In this sense the forecasting methodology is used as a marketing monitoring and control procedure.

Discussion of results

As discussed above, the technique has been applied to four case study firms, only one of which is reported in Figure 1 (result f) and graphed as Figure 2. Results obtained from using the procedure look promising at present in cases where the input data exhibit some predictable pattern, and appear to be robust and suitable for a range of data patterns including data exhibiting seasonal or cyclical patterns. However, when the input data exhibit extreme variability, as in the case of the other three case study firms drawn from the North East of England, the method performs less well (Reynolds *et al.*, 1995). Because the data are virtually impossible to predict with any of the exponential smoothing forecasting models available, tracking the one period forecasting errors is a pointless exercise. The one period errors are so large that the resulting tracking signal exceeds its predetermined control limit virtually every time period. This is the one very serious drawback and limitation of

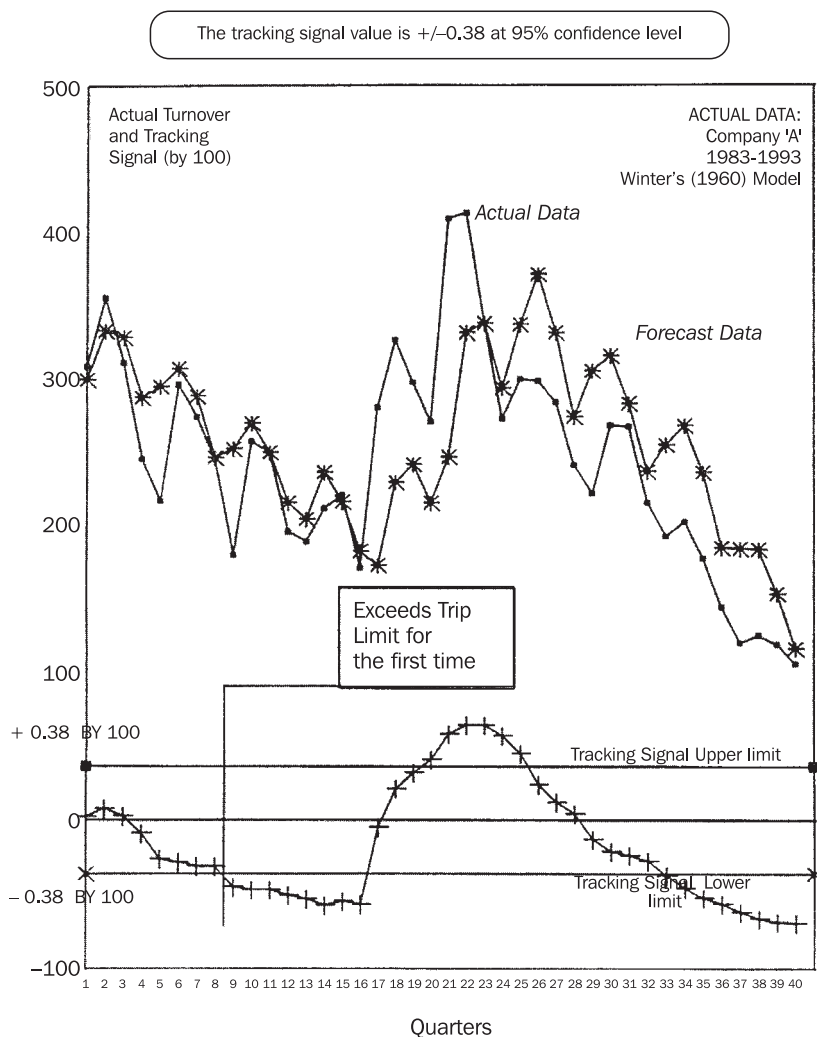
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Figure 1
Six runs of the model using hypothetical (simulated) data and real data

Type	Data 'displays'	Model	Step change	Ramp change	Trips within (number of time periods)
(a)	Simulated Linear trend	Holt's Linear Trend	yes, 5%		one
(b)	Simulated Linear trend	Holt's Linear Trend		yes, 2%	two
(c)	Simulated Stationarity	Simple Exponential Smoothing	yes, 5%		one
(d)	Simulated Stationarity	Simple Exponential Smoothing		yes, 2%	two
(e)	Simulated Seasonality	Winter's	yes, 5-8%		two
(f)	Real Seasonality	Winter's		yes	two

Figure 2
Figure 1 in graph form



the proposed scheme. Of course the authors are simply using sales as input data; it may be possible to find, or even derive, a more stable leading indicator to use as input data and hence improve the general applicability

of the procedure under a wider range of more volatile conditions.

In those cases where the underlying input data were predictable with an exponential smoothing forecasting model, the smoothed

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error tracking signal T_t was found to be extremely responsive. For example, when the simulated data reported in Figure 1 were subject to a step change of approximately 5 per cent of the mean level in the cases where the underlying mean level of the data was stationary or displaying a linear trend, the tracking signal "tripped" within one time period of the introduction of the step "shock." When, again, simulated data were subject to a "ramp" change of approximately 2 per cent in the underlying mean input data, the tracking signal "tripped" within two time periods, usually within one time period. When the real small firm data from the author's own area were used, the method proved to be highly robust and "tripped" within two time periods (Figure 2). These data were exhibiting a ramp change and were the most predictable of the four cases mentioned.

The idea of monitoring the commercial marketing health of small firms using some form of monitoring device or "tracking signal" seems to work well in principle for a wide range of situations where the underlying input data are time-dependent enough to be predicted by an established exponential forecasting model. In cases where predictability is impossible with such a model because of the chaotic nature of the underlying input data, the procedure fails and this is its main limitation. However, some derivative or composite of sales, or wider parameters, would probably provide more valuable and more responsive input data.

Given the importance of being able to monitor the commercial health of the SME so that crisis points can be identified before they occur, and thus remedial action can be considered and taken, we argue that our proposal merits further attention and development. Despite the limitations this method does have two strong points in its favour, namely:

- 1 An exponential smoothing forecasting system, coupled with a monitoring procedure in the form of the smoothed error tracking signal, is a suitable and robust procedure and one suited to the range of data characteristics found in commercial data.
- 2 The use of more sophisticated performance measures by potentially reducing the variability of the chosen leading indicator should reduce the main limitation of the procedure discussed above. The potential benefits in terms of improved survival and growth for the SME are sufficiently enticing to continue the search.

Conclusion

This article has suggested that a relatively simple but robust procedure is available to help the typical SME manage and interpret key performance data. Given that SMEs are vulnerable to failure, pressured by external market forces, and may well have to contend with turbulent and dangerous life cycles, we hope that such a procedure could help to contribute to a longer life span. The method we have chosen, and discussed, is not without problems but results so far are encouraging enough for further refinement to be undertaken.

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Appendix. Technical details

For *Simple Exponential Smoothing* the one step ahead forecast produced in current time is denoted by F_{t+1} and the actual current demand value X_t . Using this we get:

$$F_{t+1} = \alpha X_t + \alpha(1 - \alpha)X_{t-1} + \alpha(1 - \alpha)^2 X_{t-2} + \alpha(1 - \alpha)^3 X_{t-3} \text{ etc.} \quad (1)$$

Transcribing the equation for F_{t+1} into F_t by subtracting 1 from all the subscripts, we obtain:

$$F_{t+1} = \alpha X_{t-1} + \alpha(1 - \alpha)X_{t-2} + \alpha(1 - \alpha)^2 X_{t-3} + \alpha(1 - \alpha)^3 X_{t-4} \text{ etc.} \quad (2)$$

If the equation is rewritten as:

$$F_{t+1} = \alpha X_t + (1 - \alpha)[\alpha X_{t-1} + \alpha(1 - \alpha)X_{t-2} + \alpha(1 - \alpha)^2 X_{t-3} \text{ etc.}] \quad (3)$$

It can be seen then that the equation for F_t is exactly the same as that which appears in brackets in the equation for F_{t+1} .

Substituting F_t for this we obtain:

$$F_{t+1} = \alpha X_t + (1 - \alpha)f_T \quad (4)$$

This is the basic equation defining a simple exponentially weighted moving average given by Holt (1957), and from which all other models of exponential smoothing derive. More correctly, the process is a geometrically weighted moving average, the exponentially weighted moving average being its analogue in continuous time (see Reid, 1969).

For *Holt's Two-Parameter Linear Exponential Smoothing* the forecast is formed by using two smoothing coefficients, $0 \leq \alpha \leq 1$ for the original series, and $0 \leq \beta \leq 1$ for the trend. The updating equations for Holt's (1957) method are:

$$\text{LEVEL } S_t = \alpha X + (1 - \alpha)(S_{t-1} + Z_{t-1}) \quad (1)$$

$$\text{TREND } Z_t = \beta(S_t - S_{t-1}) + (1 - \beta)Z_{t-1} \quad (2)$$

$$\text{FORECAST } F_{t+m} = S_t + mZ_t \quad (3)$$

where S_t is the level in time "t", Z_t is the trend component and F_{t+m} is the forecast

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produced in time “ t ” for “ m ” periods ahead of current time. Basically the trend Z_t is multiplied by the number of periods ahead to be forecast m , and added to the value of the level S_t .

Winter’s (1960) *Three-Parameter Linear and Seasonal Exponential Smoothing* model is an extension of Holt’s (1957) linear model, in that it includes an extra equation that is used to estimate seasonality. The updating equations for the Winter model are given by Makridakis and Wheelwright (1989, p. 98) as follows:

$$\text{OVERALL SMOOTHING } S_t = \alpha(X_t/I_{t-L}) + (1 - \alpha)(S_{t-1} + Z_{t-1}) \quad (1)$$

$$\text{TREND } Z_t = \varepsilon(S_t - S_{t-1}) + (1 - \varepsilon)Z_{t-1} \quad (2)$$

$$\text{SEASONALITY } I_t = \beta(X_t/S_t) + (1 - \beta)I_{t-L} \quad (3)$$

$$\text{FORECAST } F_{t+m} = (S_t + mZ_t)I_{t-L+m} \quad (4)$$

where L is the length of seasonality (e.g. number of months or quarters in the year etc.), Z_t is the trend component, I_t is the seasonal adjustment factor, and F_{t+m} is the forecast for m periods ahead: α , ε , and β are the smoothing coefficients for overall smoothing, trend and seasonal components respectively.

The overall smoothing equation (1) differs slightly from Holt’s equation (1) in that the first term is divided by the seasonal number I_{t-L} which adjusts X_t for seasonality by reviewing the seasonal effects which may exist in X_t . The estimate of seasonality, calculated with equation (3), is given as an index fluctuating around 1. The seasonal index is a ratio of the current value of the series X_t divided by the current single smoothed value for the series S_t . If X_t is greater than S_t , the ratio will be greater than 1, while if X_t is less than S_t the ratio will be less than 1. S_t is a smoothed average value of the series that does not include any seasonality, the values of X_t contain both seasonality and any randomness in the series. To smooth out this randomness, equation (3) weighs the newly computed seasonal factor X_t/S_t , with β and the most recent seasonal number corresponding to the

same season with $(1-\beta)$. This prior seasonal factor was computed in period $t-L$, where L is the length of seasonality.

The form of equation (3), used to calculate the seasonal component, is similar to that of other smoothing equations; there is a value, in this case the ratio X_t/S_t , which is multiplied by a smoothing coefficient β and is then added to its previous smoothed estimate which has been multiplied by $(1-\beta)$. Equation (2) used for the smoothing the trend is exactly the same as Holt’s trend equation (2) discussed earlier. Equation (4), used to produce the forecast in Winter’s model, is the same as the corresponding formula used to produce a forecast in Holt’s (1957) model (equation (3) for Holt), except that the estimate for the future period $t+m$ is multiplied by I_{t-L+m} . In the equation for overall smoothing (1) X_t was divided by I_{t-L} to remove any seasonal effects that may exist in X_t . Multiplying the value of $(S_t + mZ_t)$ by I_{t-L+m} in equation (4) readjusts the forecast for seasonality by reintroducing seasonal effects into the forecast. The updating equations for the smoothed error tracking signal are given by Trigg (1964, p. 272) as follows:

Smoothed Error = $(1-\alpha)$ previous smoothed error + α latest error.

Mean Absolute Deviation (MAD) = $(1-\alpha)$ previous MAD + α latest absolute error.

Tracking Signal = Smoothed Error/MAD.

These updating equations are expressed in a more concise form by Gardner (1983, p. 10) as:

$$E_t = (\alpha e_t + (1 - \alpha)E_{t-1}) \quad (1)$$

$$\text{MAD}_t = \alpha|e_t| + (1 - \alpha)\text{MAD}_{t-1} \quad (2)$$

$$T_t = E_t/\text{MAD}_t \quad (3)$$

where t represents current time, E_t is the smoothed error, e_t is the present error, MAD_t is the mean absolute deviation, $|e_t|$ is the modulus or absolute value of the forecast error, T_t is the smoothed error tracking signal, and α is the smoothing coefficient $0 \leq \alpha \leq 1$.

Application questions

- 1 What are the particular crises, at different stages of its life, that a small firm must most critically deal with?
- 2 How effective would this procedure be for autonomous business units in a larger organization?

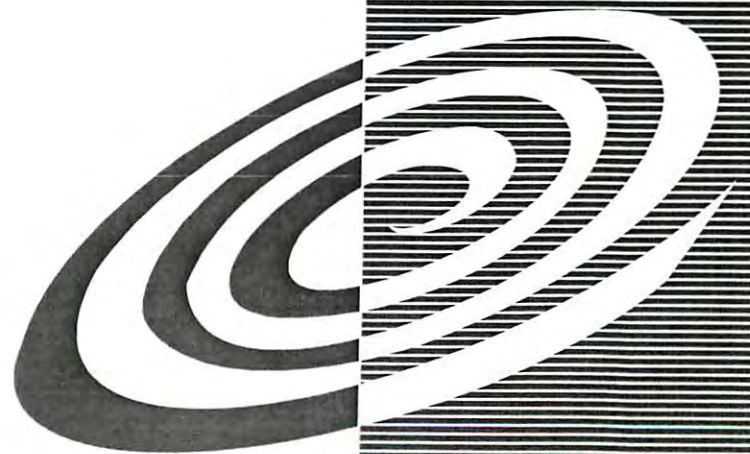
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АКТУАЛЬНЫЕ ВОПРОСЫ МАРКЕТИНГА

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ГЕНДЕРНЫЕ СТЕРЕОТИПЫ В РЕКЛАМЕ (на материалах современной российской рекламы)

Т.В. АВСЕЕВИЧ, В.Ю. МАМАЕВА

ГОУ ВПО «Омский государственный университет им Ф.М. Достоевского»

Методология гендерного анализа – один из ведущих гуманитарных подходов социальных исследований XXI века – предполагает изучение социальных процессов и отношений с двух сторон, проведение так называемых женских и мужских исследований, в том числе изучение социального поведения, роли мужчин, а также взаимное сравнение положения мужчин и женщин в различных сферах, изучение гендерных отношений, социальной организации между полами, конструирования гендера в современном обществе, установление фактов и причин, посредством которых неравенство по признаку пола возникает и воспроизводится. Сегодня гендер воспринимается не просто как новая парадигма в исследовании пола, а как прообраз нового видения, новая модель общественных связей и взаимодействия. Гендерные исследования (gender research) имеют междисциплинарный характер и ведутся на базе философии, социологии, психологии, истории, экономики, этнологии, лингвистики и пр.

Реклама как элемент массовой культуры в силу исторически сложившихся обстоятельств последних полутора десятков лет стала одним из наиболее привлекательных для исследователей объектов изучения. Цель данной формы массовой коммуникации состоит не только в оказании воздействия на адресата, но и в изменении мировоззрения реципиента, которое способствует проявлению социальной активности. Подобное направленное изменение сознания реципиента рекламы зачастую базируется на открытом или завуалированном использовании в ней гендерных стереотипов, мотивов, ролей. Рассмотрение проблемы воздействия рекламы с данной точки зрения началось на западе еще в 1960-е гг., когда гендерная критика рекламы выделилась в самостоятельное направление ис-

следований. По прошествии нескольких десятилетий данная проблема приобрела актуальность и в России, так как современная российская реклама, во многом копирующая зарубежную, стала эксплуатировать множество гендерных стереотипов, что проявляется через массовое использование ограниченного числа образов мужчин и женщин в рекламе.

Рассмотрение проблемы воздействия рекламы с точки зрения гендерного подхода является основным направлением нашего исследования, одна из задач которого, в свою очередь, заключается в изучении гендерных стереотипов современной российской рекламы.

Современная социальная наука различает понятия «пол» и «гендер». В гносеологическом плане «гендер» происходит от греческого слова «генос» – происхождение, материальный носитель наследственности, рождающийся. Оно соответствует русскому понятию «род» (в английском языке – «gender» – род, опыт рода) [1; 4; 5]. Биологический пол не может быть объяснением различий социальных ролей мужчин и женщин в разных обществах. В понятие «гендер» входит комплекс социальных отношений и представлений, возникающих на основе половых различий, вся сумма накопленных человеком культурных традиций, с помощью которых определяется сознание и модели поведения.

В этом смысле гендер – социокультурный конструкт, который означает, что быть мужчиной и женщиной – вовсе не обладать определенными природными качествами, а выполнять те или иные социополовые роли. В рамках этого понятия объясняется, как во многих обществах женщины и мужчин воспринимают и оценивают, обосновывая гендерными особенностями различия в распределении политической власти, экономического дохода и собственности. Гендер

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A BAYESIAN APPROACH TO FORECASTING DECISIONS IN SMALL FIRMS

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ABSTRACT

The authors are interested in how SMEs forecast sales. We suggest as a working proposition that many entrepreneurs are inherently, but unconsciously, 'Bayesian' in their predictive thinking. Thus we speculate that such a forecasting procedure would fit well with their skills, particularly where they value subjective judgement. A possible perceived barrier to using objective forecasting techniques, namely, the lack of information to start off the procedure can be overcome by using a Bayesian approach which whilst 'objective', can be started using subjective information. Data has been collected from UK and Russia SMEs to see what forecasting procedures they use currently.

INTRODUCTION

This paper examines the sales forecasting practices of small firms and then goes on to discuss the application of Bayesian decision theory in the production of sales forecasts for small firms. The management of many SMEs feel unable to use formal objective forecasting techniques because of a lack of information to start off the forecasting procedure. Evidence from the authors own work suggests that the management of many small firms make no formal sales forecasts at all. However, a more robust procedure is available which overcomes the lack of initial starting information for forecasting – and this is based on Bayesian decision theory. In a sense many small firm entrepreneurs are inherently 'Bayesian' in their thinking approach to predicting events in that they often rely on subjective estimates at least for initial starting values. The basic principles of Bayesian forecasting procedures should be relatively easy for small business managers to grasp and apply. More importantly Bayesian forecasting utilises both subjective and objective methods. Small businesses should be both comfortable with, and have, subjective knowledge and experience, and encouraging them to use, in part, a more objective approach, can only

strengthen their sales forecasting competence. Such a procedure should be well within the competence level of the majority of small business managers and has the added benefit of utilising their own experience and judgement. Hence such a procedure should not only be useful to the small business manager but should also have strong intuitive appeal as the initial starting conditions of the model is based on the managers own judgement.

THE IMPORTANCE OF THE SMALLER FIRM

SMEs make an invaluable contribution to the wider economy in both Russia and the UK (but which is often overlooked) including increasing competition, creating jobs, building effective networks, sharing knowledge and making a positive contribution towards social inclusion. The importance of small firms and entrepreneurship generally in achieving economic growth in contemporary economies is widely recognised both by policy makers and economists (Van Stel, Carree and Thurik (2005), Wennekers, Van Stel, Thurik and Reynolds (2005), Acs (2006), Acs and Armington (2006)), Audretsch, Keilbach and Lehmann (2006), Lundstrom and Stevenson (2005)). Small firms are big business: they contribute significantly to employment, turnover and the number of businesses in the UK.

In the UK as a whole, SMEs account for over half of employment (58.7 per cent). This is also true for each region and country in the UK except London, where SMEs only account for 47 per cent. For the South West, Wales and Northern Ireland, this figure exceeds 70 per cent. For each region and country in the UK, no more than 0.2 per cent of enterprises are large (250 or more employees), and at least 99.0 per cent of enterprises are small (0 to 49 employees). The proportions of enterprises that are medium-sized (50 to 249 employees) range from 0.5 per cent (in the East of England, South East and South West) to 0.8 per cent (in the North

A Bayesian approach to forecasting decisions in small firms

East and Northern Ireland) see DTI National Statistics URN 06/402 News Release 2006.

The development of small business in Russia since 1998 has been affected by crucial decisions of central government by which the taxes have been cut and 'red tape' reduced. As a result the registration of new enterprises has become both simpler and cheaper and consequently the number of small businesses has grown. The situation in Omsk region is indicative of Russia as a whole.

However, where Omsk does differ is that for many years it used to be one of the most important

industrial centres in Soviet Union producing electronics, engines for aircraft, agricultural equipment and many other engineered goods. However after perestroika Omsk industry has collapsed. Five years ago small businesses in Omsk mostly represented trade services. However since 2000 positive changes have come to life and industrial enterprises have started up. Our research shows that in parallel to this, the number of small businesses in industry is increasing.

<i>Year</i>	1995*	2001*	2002*	2003*	2004*	2005**
Number of small enterprises in Omsk region	6 519	10 856	10 973	10 864	12 460	14 435

* Omsk region annual statistics 2005; ** Omsk region annual statistics 2006.

<i>Year</i>	1995*	2001*	2002*	2003*	2004*	2005**
Number of industrial small enterprises in Omsk region	989	1 504	1 327	1 242	1 543	1 816
Sales (m. roubles)	289,6	1494,7	2087,7	2963,9	4648,0	9529,1

* Omsk region annual statistics'2005; ** Omsk region annual statistics"2006.

Alongside the positive trends mentioned above, Russian small business is experiencing some particular obstacles at the moment. Research and monitoring at the Omsk State University in (2002-2006) show that these obstacles as a whole are quite similar to these in Omsk region and can be summarized as:

- the lack of professional and political integration of businessmen. It means that there is no small business lobby in Russia which could influence some real official decisions;
- the lack of trust to the state and its representatives. Central and local government provide some assistance for small business but in practice businessmen either are not ready or don not want to get it.

We do believe that the successful development of small enterprises both in Russia as a whole and in Omsk region depends on cooperation and communication between businessmen themselves and between them and the state.

THE NEED FOR SALES FORECASTING WITHIN ALL FIRMS INCLUDING SMEs

The recognition of the importance of forecasting was first illustrated in the United States by Ledbetter and Cox (1977). They found that forecasting techniques were used by 88 per cent of the 500 largest US industrial companies. It was also established that no other class of planning

techniques was used as much as forecasting. Although forecasting is important in most functional areas of a firm, the forecasting of sales is particularly important (Sanders and Ritzman 2004). The sales forecast is the bedrock on which company plans are built and for this to be sound, the forecast must be built on a firm scientific foundation (Wacker and Lummus 2002). The central issue facing businesses is not *whether* to forecast, but *how* to forecast. The forecaster can choose 'subjective' or 'objective' methods or a mixture.

The availability of appropriate data is of central importance to the development of any forecasting system. Obviously dependent upon the degree of accuracy required, most forecasting techniques require a considerable amount of data collection and processing (Zareipour, et al 2006). The selection of the most suitable forecasting technique depends on the availability of existing data and/or company's ability to acquire such. For example, a technique requiring a long historical time series would be of little use if data was only available for the past year (Conejo et al 2005). If data accuracy or validity were questionable, it would hardly be worthwhile, or cost-effective, to spend time and effort using a sophisticated technique known for its precision (Jobber and Lancaster 2003). In forecasting, the principle of 'garbage in/garbage out' applies; a forecast will only be as good as the data used in its compilation.

The management of all firms -and SMEs are no exception- are involved in making decisions about the future *but* in the present. In a sense that is what the job of management is really all about, at least at the more strategic level. The act of preparing for the future whether in business or any other area of our lives implies forecasting, consciously or subconsciously, of tomorrow's condition. In our personal lives, such predictions are usually made on an informal, subjective basis. If they turn out to be wrong, we can usually adjust our personal circumstances. However, we rarely enjoy the same degree of flexibility in our working lives, particularly if we are an SME owner manager. Managerial decisions are usually of a more formal nature and of greater consequence. The very nature of such decision-making involves forecasting future conditions (Lawrence and O'Connor 2000). It is not a question of whether managers should forecast or not but merely how are they to do it? Small firms are often considered to lack formal marketing skills (Carson, Cromie, McGowan and Hill 1995) and project management skills (Murphy and Ledwith 2007), however sales forecasting is fundamental to management's ability to plan, budget and control (Lawrence et al 2000). They are the bedrock of all other management forecasts since they are dependent upon an accurate sales forecast (Mentzer et al 2002). These forecasts then form the basis of budgetary control systems (Mentzer and Moon 2005).

Managerial decisions are not always strategic and much of a busy manager's time is taken up with day-to-day operational issues which, although not of the same magnitude as strategic decisions, are nonetheless important to the manager because of the proportion of their time that they occupy. Management requires forecasting information to assist them in making operational decisions, although the required time horizon for such forecasts is shorter than for strategic decisions. For example, for the marketing manager to set monthly sales targets, operational expense or advertising budgets, they may require regular short-term forecasts for each product, broken down according to product type, size, colour, salesperson's territory, channel of distribution and even by individual customer. Whatever type of decision is being made, forecasting is required. Forecasting can make a contribution to the successful management of the small enterprise, whereas poor forecasting can lead to high inventories and associated stockholding costs which must be paid for out of working capital, or under-production and unrealised market potential (Stanton, Etzel and Walker 1999).

CRISIS POINTS IN SMALL FIRMS

All firms, of whatever size, need to make predictions or forecasts about future conditions (Tkacz 2001). The term 'prediction' is often reserved for subjective 'qualitatively' based forecasts, for example: the sales force composite technique. Whereas the term 'forecasting' is often used for objective 'quantitatively' based forecasting procedures e.g. moving averages, exponential smoothing, regression etc. Bayesian forecasting is a mixture of the two and involves both objective and subjective forecasting elements.

Forecasts may be required for an important 'one-off' decision such as when a business may be considering expanding by acquisition, diversifying into a totally new market or modernising its production processes. Such decisions tend to be long-term and strategic, rather than operational. In such situations, because of the importance of the decisions being made, it is important that forecasting receives careful consideration, meaning an investment of time and money in the forecasting process. However many of the decisions the small firms managers have to make are more routine tactical or operational. As Bischoff, Belay and Kang (2000) state:

"The choice is not a trivial one--for at least twenty years leading economists and econometricians in business, government and academia have argued both sides of this issue. It is important because no business decision-maker can avoid making forecasts. Decisions about stocks of raw materials, goods in process and finished goods, among other things, must be based on forecasts. The advent of the Internet does not change this necessity: at best the process is speeded up" (p. 12).

The need for an adequate and appropriate sales forecasting framework can be linked to the literature on growth and life cycle models related to small firms (Scott and Bruce 1987; Greiner 1972; Hanks et al. 1994; Cope, 2003). Scott and Bruce (1987) argue that a small business develops by moving through five growth stages, each with their own characteristics. Because the transition from one stage to the next requires change, it is accompanied by some crisis or another. Crises tend to be disruptive and problems of change can be minimised if managers are proactive rather than reactive (Steinmetz 1969, Deakins and Freel 1998). Thus crucially, sales forecasting may help them in this respect. Prior knowledge of what generates crises and of what to expect in each stage will smooth the process of change and may improve their chance of adequately dealing with the crisis and hence survival (Dodge and Robbins 1992;

Garud and Van de Ven 1992). Scott and Bruce (1987) claim that they have tested the model and that it is robust enough for them to be able to generalise across all small firms. Albeit that organisations move along the curve at different speeds and the spacing of crises are likely to differ between firms and industries. Indeed, the original authors were themselves aware of these limitations and argue that what they provided was:

“A diagnostic tool to assist in analysing a firm’s present situation. It is also meant to be an indicator of what strategies appear suitable at various stages in an organisation’s growth. It is, however, only a tool and cannot make the decisions for management. They must rely on their judgment for that. Hopefully that model will add to their information and thus enable them to make better judgments.” (Scott and Bruce, 1987:48).

As indeed would the adoption of Bayesian forecasting that both exploits and plays up to the exercise of informed judgement.

BAYESIAN DECISION THEORY

Probability theory studies the possible outcomes of given events together with their relative likelihoods and distributions. In fact there is considerable debate about exactly what probability means in practice. Some mathematicians regard it as simply a component of abstract theory, while others give it an interpretation based on the frequencies of certain outcomes (Quintana and Amer 1998). However the Bayesian approach is a mixture of both subjectively derived probabilities and mathematically derived likelihoods (Gómez-Villegas, Maín, and Sanz, 2002). This technique is named after Reverend Thomas Bayes (1702 to 1761), a statistician. A fully detailed historical account of Bayes can be found in Buck and Sahu, (2000); Singh and Provan, (1996); Lin, Mayers and Ye (2000) and in the very informative St Andrews University site, (2003). Bayes’s original account is freely available (see: Bayes 1736, 1764).

However some account of Bayes and his early work is of enough specific interest to the topic of this paper to discuss below. Bayes set out his theory of probability in ‘Essay towards solving a problem in the doctrine of chances published in the Philosophical Transactions’ of the Royal Society of London in 1764. The paper was sent to the Royal Society by Richard Price, a friend of Bayes, who wrote:

“I now send you an essay which I have found among the papers of our deceased friend Mr Bayes, and which, in my opinion, has great merit... In an introduction which he has writ to this Essay, he

says, that his design at first in thinking on the subject of it was, to find out a method by which we might judge concerning the probability that an event has to happen, in given circumstances, upon supposition that we know nothing concerning it but that, under the same circumstances, it has happened a certain number of times, and failed a certain other number of times” (see Condorcet, 1785, Boole, 1854 and St Andrews University WWW site, 2003)

Despite the fact that Bayesian Decision theory was developed in the 18th century, it has only recently been widely adopted (Buck, 2001). The method incorporates the firm’s guesses at data inputs for the statistical calculation of sales forecasts. It uses network diagrams showing the probable outcome of each decision alternative considered. These are shown together with expected values and associated probabilities, initially derived on a subjective basis (see Smith and Faria, 2000) Bayesian statistical forecasting, like all Bayesian statistics is based on two basic concepts. First, uncertainty about unknown quantities is expressed using the language of subjective probability, and, given new information or data, probabilities are updated using Bayes rule or procedure (Ghosh and Ramamoorthi 2003, Quintana, 2006).

Many statisticians and forecasters believe that Bayesian inferential methods have advantages over classical statistical procedures for a wide range of inferential problems mainly because the initial stating probabilities are arrived at subjectively thus opening up the potential of statistical inference, including sales forecasting applications, to a much wider range of problems, particularly those sorts of problems often found in marketing (Albert, 1996, also see the reference for the International Journal of Clothing Science and Technology report 2003 (anonymous)). One of the problems of using probabilities in a statistical model is in ascertaining initial probabilities to commence the forecasting process (Bolfarine, et al, 2005). Bayesian statisticians differ from ‘purist’ statisticians in the respect that ‘purists’ view the concept of probability as the relative frequency with which an event might occur (Iglesias, et al, 2004). The Bayesian view is that probability is a measure of our belief and that we can always express our degree of belief in terms of probability (Buck et al 1996). Although the initial probabilities are derived subjectively (the figures are based on judgmental opinion, rather than on objective calculation) proponents of Bayesian theory believe that such probabilities are perfectly valid and hence perfectly acceptable as initial starting points in an extensive

quantitative forecasting process (Müller et al 2005). It is this subjective nature of arriving at the initial probabilities that makes the Bayesian approach useful in solving business problems for which initial probabilities are often unknown and are difficult or impossible to calculate using objective methods (Faria and Smith, 1997a, Finucane et al 2003, Gaglio and Katz, 2001).

To use the Bayesian approach, the decision-maker must be able to assign a probability to each specific event (Pole et al, 1994). The sum of the probabilities of all such events considered must be unity (one). These probabilities represent the magnitude of the decision maker's belief that a particular event will take place (Faria and Souza, 1995; Faria and Smith, 1997b). In business situations such decisions should be delegated to personnel who have the knowledge and experience to assign valid initial subjective probabilities to the occurrences of various business events. These initial probabilities are based on previous experience of information (such as published secondary data or simply the manager's own subjective judgement based on experience) acquired prior to the decision-making process. For this reason, the initial subjective probabilities are referred to as 'prior probabilities' (West and Harrison, 1997).

When making business decisions, the financial implications of actions must be taken into account. For example, when a manager is considering investing a firm's surplus cash, they must consider the probability of making a profit (or loss) under different economic scenarios and also assess the probability of such scenarios or events occurring (Pole et al., 1994). Applying Bayesian decision theory involves selecting an option and having a reasonable idea of the economic consequences of choosing a particular course of action. Once the relevant future events have been identified, the decision-maker assigns prior subjective probabilities to them (West and Harrison, 1997; Huerta and West, 1999). The expected pay-off for each act is then computed and the act with the most attractive pay-off is then chosen. If pay-offs represent income or profit, the decision-maker usually chooses the act with the highest expected pay-off (Lopes et al., 2003; Singh and Valtorta, 1995).

INTERIM CONCLUSION

Evidence from the literature above, and from the primary research from case study one presented below, suggest that many managers and owners in small firms tend to favour their own subjective judgement when asked to make decisions involving

predictions. Thus Bayesian forecasting procedures would seem to offer an interesting option given that it offers a good 'fit' between the forecasting requirements of small firms and those skills that small firms managers/ owners seem to rate most highly i.e. the use of their own subjective judgement.

Two obvious research questions follow on from this, firstly to what extent do those SME owners and/or managers who declare themselves to be entrepreneurial and/or marketing competent – or given the interests of the audience for this paper – both, feel more comfortable with a Bayesian approach. This could be crudely summed up as: are entrepreneurs Bayesian? Secondly what forecasting, if any, and of what type do SMEs practice?

We have collected but not analysed data on the first question and in this paper concentrate on the second question. Case Study Two is a sample of 170 local companies to Huddersfield University, all but two companies were within a 15 mile radius drawing predominantly from Huddersfield, Halifax and Leeds. Data was collected by mail shot (130 cases); e-mail (13 cases); telephone interview (20 cases), and 'face-to-face' (3 cases). Case Study Three is a sample of 54 companies local to Omsk in Russia. The English questionnaire was translated into Russian, then mail shot to local companies, the results were then translated from Russian into English by our Omsk colleagues. All 224 cases have been coded and put onto an SPSS database.

SALES FORECASTING PRACTICES IN SMALL FIRMS

Case Study One: Phase One

This involved three exploratory group interviews of eight people and a moderator each. The group members included entrepreneurs/managers running their own small firms, counselors from various organisations involved with advising or supporting enterprise, small business advisors from the commercial banks, consultants and trainers to small firms from both the private sector and such bodies as Business Link. Conversations within the group discussions were recorded and a thematic content analysis carried out. The information gained from these interviews was used to design a postal questionnaire to be used in the second part sample survey. This returned 320 respondents from 1200 that were posted out.

Case Study One: Phase Two

Questionnaires were sent out to a representative sample of 1,200 small firms in the

Kirklees and Calderdale local authority area (jurisdiction) of West Yorkshire, England. This area was chosen because one of the authors' universities is in the area. A combination of lists was used as a sampling frame including the local Chamber of Commerce Membership Directory (which identified firm size), local trade directories and a small firm database held by the University.

The sample was stratified by the type of industry found in the area: textile manufacturing; chemical processing and related industries; transport and distribution services; construction; light engineering; and other financial/business services; and, in proportion to the importance of a particular sector to the local economy in terms of contribution to local GDP (see Bhattacharya, D. 2007, Alreck and Settle, 1995, Everitt, 1995). In order to ensure the sample of respondents matched the initial stratification design final post stratification of the marginals was conducted.

The questionnaire asked respondents to rate the importance, as they perceived it, of various marketing and sales topics which could, if selected and rated highly enough by a sufficient number of respondents, be incorporated into a training course, which they would be invited to attend at subsidised rates. Respondent's selection and rating of various sales and marketing topics gave the authors a proxy measure of how respondents perceive the importance and usefulness of conventional sales and marketing topics to the running of their businesses. The list of possible course topics specifically included sales forecasting. The rating procedure was in two parts. Respondents were asked firstly to select from a prepared list the three course areas that they would find most useful and/or interesting. A space was provided for respondents to include topic areas not on the list. Having completed this section of the questionnaire respondents were then asked to go through each topic area on their list and rate it as either 'Very Useful', 'Quite Useful' or of 'No Use at All'.

Results from the three group discussions were somewhat alarming as all agreed that in general small firms do not make use of formal sales forecasting (whether objective or subjective) or predictive techniques on an on-going or regular basis. In the case of the management of many small firms the only time such forecasting procedures were used was as part of an 'official' business plan that small firm management had to complete in order to get a bank loan or government grant. Even under these conditions subjective predictions rather than quantitative objective sales forecasts were the norm. The owners and managers of smaller firms

placed greater value in their own experience and subjective judgement than in official sources of information or formal predictive or forecasting procedures. The main themes emanating from the discussion in order of importance are as follows:

1. The majority of small firms make no formal sales forecasts either using quantitative or qualitative methods
2. Managers and owners of small firms use subjective judgement in a range of decisions including those decisions involving some form of prediction
3. The majority of small firm owner/managers have little understanding of formal forecasting procedures
4. When sales forecasts are made it is usually that the small firm has been 'forced' to make a forecast as part of a business plan to be submitted to a bank for a loan
5. When predictions are required the majority of small form managers/ owners use their own experiential judgement
6. The majority of small firm managers/ owners do not consider the ability to make reasonably accurate sales forecasts a particularly important skill.

The survey questionnaire was designed using the information gained from the group discussions. The survey results supported the general conclusions of the group discussions. Sales forecasting was very low down on the list of priorities reported by the survey respondents in fact it was not formally rated in the three most important topic areas per se by any of the respondents although some mentioned subject areas that might contain sales forecasting subjects such as marketing research. However when asked to formally rank the three most important sales or marketing areas to the success of their business none entered sales forecasting. Also when respondents were asked to list any other courses or subject areas not already discussed none of them mentioned sales forecasting. Even subject areas that might have contained elements of sales forecasting in them such as marketing research and marketing planning received very low ratings. In fact only 5.6 % of respondents rated marketing research as the area they would find most interesting if attending a course and only 1.9 % of respondent rated marketing planning as the area in which they would be most interested. None of the respondents rated sales forecasting as the course they would find most interesting.

In the second phase of the rating procedure respondent were asked to go through all the

possible course topics on the list (including the topics they may have added in the open ended space provided) and put each course topic in one of three categories which were either 'Very Useful', 'Quite Useful' or of 'No Use at All'. Six respondents out of 320 (1.8%) rated sales forecasting as 'Very Useful' (a somewhat internally inconsistent response considering none of the respondents had entered sales forecasting as one of the three most useful topics on the list), 46 (14.3%) rated sales forecasting as 'Quite Useful' and 271 (84.6%) rated it as being of 'No Use at All'.

So the data from the sample survey confirmed that sales forecasting is not regarded as particularly important by the managers of small firms and if they were given the opportunity to attend a free business course none of the respondents expressed any interest in attending a course on sales forecasting specifically even if heavily subsidised i.e. sales forecasting was not included in the three most important topic on the list (including topics that might be added to the list) by any of the respondents. When, in the separate exercise respondents were asked to rank the usefulness of a course in sales forecasting to their organisation 84.6% rated it as no use at all. There were a few (six) internally inconsistent answers which can be expected from a survey of this size. However overall the results from both the qualitative and survey research were conclusive.

A Pearson Chi Square test was used to test whether there was any significant difference between the six different commercial and industry sectors used to stratify the sample survey. The responses describes above were taken as a proxy measure of the respondents' perception of the importance of sales forecasting to their firm. The Null Hypothesis (H_0) was that there was no significant difference between the groups in relation to the expressed interest in attending a course in sales forecasting. The alternative hypothesis (H_1) was that there was a difference. The data used was nominally scaled and hence a non parametric test was considered appropriate, and so Pearson's Chi-Square was used to test (H_0) against (H_1). Six (33.3%) of the 18 cells in the contingency table had expected frequencies less than five. Given that Chi square is not valid if more than 20% of the cells in the contingency table have expected frequencies less than five, in a second run the column cells were collapsed with the cells for 'Very Useful' and 'Quite Useful' merged into the column cells 'Very/ Quite use'. The calculated Chi square value was 3.049 whereas the tabulated Chi square value at the 5% level of significance is 11.07. As the calculated Chi square value is not equal to or

greater than the tabulated Chi square value (H_0) was accepted. There was no discernable association between respondents rating of sales forecasting as an important management skill and the industry sector the respondent belonged to. There was an equal degree of disinterest and perceived importance amongst all of the commercial/ industrial sectors surveyed.

Case Studies Two and Three

The questionnaire consisted of four classification questions; fourteen questions on forecasting practice, two on sales staff training and nine and twelve questions that attempted to capture marketing and entrepreneurial orientation respectively. Given that both case studies used the same questionnaire we have reported the results jointly.

Questionnaires were completed by chairman (8); owners (18); directors (125); managers (28); sales executives (6), and others such as company accountants (38). The majority of respondents (109) had just two managers whilst eighty-five of the SMEs had between three and ten managers – the rest of the sample having over seven named managers. Most of the respondents provided services (112). IT, manufacturing, retail and 'other' providing twenty, thirty-one, seventeen and forty-one replies respectively. One hundred and sixty three SMEs had fifty employees or less; thirty-eight had between 51-100, and twenty employed over 100 in their SMEs.

This dataset gives us somewhat more encouragement in respect of a positive attitude to forecasting. The majority of firms claim to use forecasting, believe it to be an appropriate management activity and almost believe that they could not survive without it (Exhibit One). At this stage the sample is often not large enough to compute Chi-square and we need to collect more data. The raw data does suggest some differences within this sample between the Omsk and West Yorkshire SMEs. We tried to design question fourteen not only to capture what data they used in forecasting but to see if they used 'ex post' data such as a fall in sales – or that they tried to use a leading indicator such as a change in enquiries to predict ahead. Exhibit Two shows that importantly firms may be using the latter approach.

A Bayesian approach to forecasting decisions in small firms

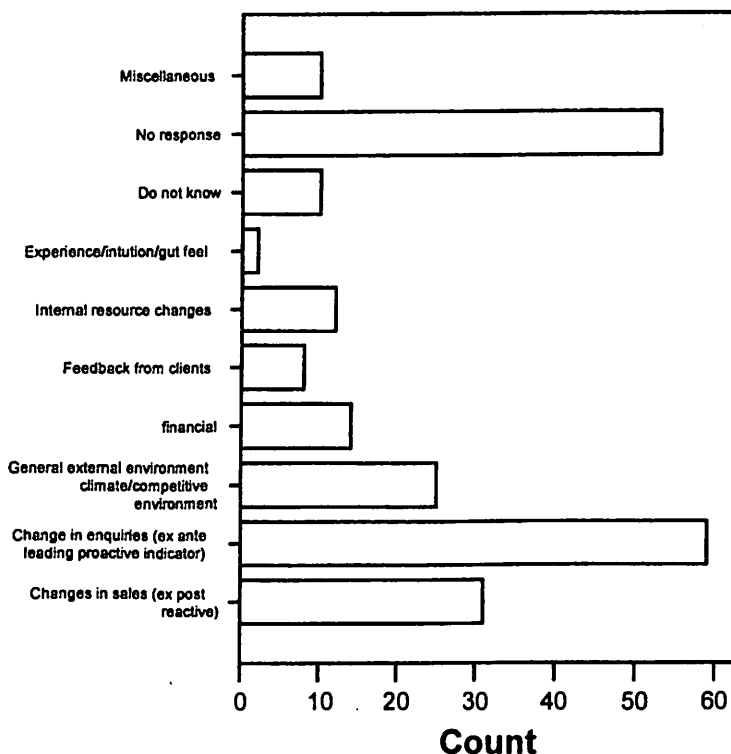
EXHIBIT ONE: Summary data, selected questions, percentages					
QUESTION ONE			UK	OMSK	
What do you understand by the term forecasting?		Trying to see next year	3	2	
		Predicting using history and current trends	10	6	
		Predicting finance planning, staff, production, sale	30	19	
		Predicting business performance	2	17	
		Predicting market changes	14	18	
		Using data to anticipate future needs	0	20	
		Predicting the future	27	15	
		Other Answer	14	0	
QUESTION TWO					
Do you use forecasting?		Yes	72	83	
		No	15	13	
		Other Answer	13	04	
QUESTION THREE					
What sort of things do you try to forecast?		Sales alone	14.1	22.2	
		Sales and cash flow	7.6	14.8	
		Sales and profits	10.6	13.0	
		Sales and market trends	8.2	22.2	
		Sales related total:	40.5	72.2	
		Profits	6.5	1.9	
		Cashflow	2.9	0	
		Other	18.2	7.4	
		Market trends	6.5	3.7	
		Profits and cash flow	4.7	1.9	
		Profit and market trends	2.4	1.9	
	No response	15.9	11.1		
QUESTION FOUR					
What information do you use to make the forecast		Past/current data alone	26.5	35	
		Experience alone	2.4	6	
		Market trends alone	7.1	9	
		Customer feedback alone	12.9	0	
		Other alone	15.9	2	
		Past/current data and experience	1.2	7.4	
		Past/current data and market trends	10.0	16.7	
		Past/current data and customer feedback	3.5	5.6	
		Experience and market trends	2.4	1.9	
		Market trends and customer feedback	1.2	3.7	
	No response	17.1	13		
Percentages may not add to 100 due to rounding					
<i>Do you find forecasting reliable and accurate?</i>					
	yes	no	do not know	other	no response
Omsk	52	7	0	35	6
West Yorkshire	53	22	2	11	12
<i>Is forecasting an essential management activity?</i>					
	yes	no	other answer	no response	
Omsk	52	7	35	0	
West Yorkshire	79	6	4	11	
<i>Could the SME survive without forecasting?</i>					
	yes	no	do not know	other	no response
Omsk	44	46	0	7	2
West Yorkshire	45	38	0	7	10
<i>If you knew more about forecasting could you manage better?</i>					
	yes	no	do not know	other	no response
Omsk	76	0	0	17	7

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West Yorkshire	56	26	2	6	10
<i>Have you prevented problems using forecasting?</i>					
	yes	no	other	no response	
Omsk	65	18	7	10	
West Yorkshire	45	30	10	15	
<i>How far ahead do you forecast?</i>					
	Less than a year	1 to 2 years	2 to 3 years	3 plus	no response
Omsk	28	33	7	6	26
West Yorkshire	20	31	12	18	20
<i>Do you use a computer programme for forecasting?</i>					
	yes	yes and named	no	other answer	no response
Omsk	9	33	47	4	7
West Yorkshire	9	25	43	9	13

Percentages may not add due to rounding

EXHIBIT TWO: Question Fourteen, If there was one thing that you could sue to predict future problems – what would it be? (Omsk and Yorkshire data combined)



Perhaps unsurprisingly the firms are most concerned with trying to forecast 'sales'. They seem however not to place a great deal of reliance on intuition and 'gut feel' alone as a forecasting tool and this is in contrast to the implication that can be drawn from case study one, we need to do more work on the role of intuition and perhaps link

it to the role that plays in the now well established opportunity recognition literature stream. However the sample seems to believe that they want, and could, forecast better and so a Bayesian approach still has the potential to improve their forecasting capacity. An obvious research direction is to increase the Omsk sample and to consider if there

are statistically significant differences between the UK and the Russian samples and what are the transferable skills lessons and techniques.

CONCLUSION

It is frequently said that forecasting is the key to success, and poor forecasting can lead to high inventories and associated costs that use up working capital, or result in under-production and unrealised market potential. Forecasting is important in most areas of the firm, but forecasting of sales is particularly important since predicted sales are the base on which all company plans are built.

Evidence from the empirical work suggested that the majority of small firms in the first West Yorkshire sample do not use sales forecasting procedures in any meaningful way. The second West Yorkshire sample and the Omsk sample give us more hope that forecasting plays a more central role.

Even so the use of a Bayesian type approach to strengthen forecasting is still a foreseeable possibility. Particularly because such forecasting is within the skill set of many small businesses particularly when a simple personal computer programme can be adopted. Indeed the very notion of a Bayesian approach – the combination of subjective and objective methods allows the small business to be comfortable with utilising their subjective knowledge and experience. Equally the combining of subjective knowledge within a more objective scenario might well encourage more thoughtful and accurate forecasting with the commensurate benefits as discussed in this paper. For those who need to be encouraged to start more formal forecasting, Bayesian decision trees, for example, could provide an intuitive and logical starting point. Forecasting should not simply be for the larger and more established SMEs.

Given that the evidence from the literature reveals that many small firms under perform or even fail completely because of poor planning skills, especially longer term planning skills, then sales forecasting using a Bayesian approach should be encouraged. Given that forecasting is needed at all time horizons if a business is to be managed properly, small businesses should be encouraged not only to forecast sales better but to develop short, medium and long term sales forecasts for different types of decisions.

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THEME 2.0**CONTEXT: FOCUS DOWN**

How does an entrepreneurial marketing paradigm guide and inform the SME or eSME concerning

2.2: *Relationships*: Leverage; relationship marketing; counsellors; and, family business.

Two conference proceedings; two journal articles.

- | | |
|---|---|
| Exhibit 221
Conference proceedings
1995 | Day, J. with Reynolds, P.L. (1995). A Low Cost and Low Risk Scheme For Small Entrepreneurial Firms to Enable Them To Increase Both Sales and Profitability from their Existing Customer Base. In G.E. Hills, D.F. Muzyka, G. Omura, & G.A. Knight (Eds.) <i>Research at the Marketing / Entrepreneurship Interface</i> (pp.551-556). Chicago, IL: Institute for Entrepreneurial Studies, University of Illinois at Chicago. |
| Exhibit 222
Journal article
1998 | Day, J. with Reynolds, P.L., & Dean, A.A. (1998). Relationship marketing: Its key role in entrepreneurship. <i>Long Range Planning</i> , 31(6), 828-837. |
| Exhibit 223
Journal article
2006 | Day, J. with Reynolds, P.L., & Lancaster, G.A. (2006). Entrepreneurship and the small to medium-sized enterprise: A divergent/convergent paradox in thinking patterns between advisers and SME owner-managers. <i>Management Decision</i> , 44(5), 581-597. |
| Exhibit 224
Conference proceedings
2005 | Day, J. with Day, J.C. (2005). Fanning the Flames of Family Business: A case Study of Two Long Surviving West Yorkshire (UK) Small Businesses. In G.E. Hills, R. Teach, J. Monllor, & S. Attaran (Eds.) <i>Research at the Marketing / Entrepreneurship Interface</i> (pp.38-61). Chicago, IL: Institute for Entrepreneurial Studies, University of Illinois at Chicago. |

A LOW COST AND LOW RISK SCHEME FOR SMALL ENTREPRENEURIAL
FIRMS TO ENABLE THEM TO INCREASE BOTH SALES AND
PROFITABILITY FROM THEIR EXISTING CUSTOMER BASE

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ABSTRACT

This paper demonstrates how straightforward and relatively low cost market research techniques can be profitably employed by small entrepreneurial firms, many of which have only limited resources to devote to market research activities. Particular emphasis is placed on the concept of 'leveraging' which the authors define in this context as the process of increasing the proportion of total spend on a given class of product or service with a particular supplier.

BACKGROUND

The authors will discuss the methodological details and post research implementation of resulting recommendations of two 'customer service appreciation' exercises and show how data from such relatively low cost surveys can be used to increase sales from a small firm's existing customer base. It is also shown how a public relations dimension can be incorporated into such surveys by careful design. Once again public relations is a luxury that few small entrepreneurial firms can usually afford. It is shown how the information from such surveys can provide entrepreneurs with a plethora of information enabling them to evaluate existing policies and to help stimulate new ideas for future business activities. Some of this information can be put to practical use immediately whilst other information will help in the formulation of medium and longer term improvement programmes. A model of small firm growth and development is discussed and the concept of crisis points in the early stages of the life cycle of small entrepreneurial firms is examined. The authors show how a low risk growth strategy, which minimizes the possibility of the firm encountering a "crisis point" can be chosen and executed with the information provided from relatively simple and inexpensive "customer service appreciation" surveys. Finally it is shown through the use of specific illustrations drawn from the case studies, how the major problems facing small entrepreneurial firms seeking growth are marketing problems and that many of these problems can be at least partially if not completely solved through marketing activity. The case study scenarios clearly demonstrate the interface between the typical business problems faced by small, entrepreneurial firms and a marketing approach to their solution.

INTRODUCTION

The most valuable asset a small firm has is its portfolio of existing customers (see Webster 1992, Spekman 1988, Van de Venn 1976, Anderson and Soderland 1988, Gronroos 1991, Gummesson 1987, Turnbull and Wilson 1989). The management of small firms are by their nature as entrepreneurs often preoccupied with developing and expanding into new business areas. This is usually done by management entering new markets with existing products or developing new products for existing markets or both. These strategies involve a high level of risk and uncertainty, and in the case of product development often a high level of financial investment. Entrepreneurial firms often pursue such ambitious and high risk strategies when the plain fact is that many of them are not fully exploiting their existing customer base with their existing range of products or services.

There are many reasons why people consider becoming entrepreneurs, necessity, personal and financial reasons amongst them. Unless potential entrepreneurs have a substantial amount of capital of their own to draw on or they can borrow substantial amounts of money, most start off running small enterprises. Entrepreneurs have a wide variety of aspirations, the most important one is usually survival. Unfortunately evidence from literature suggests that many do not in fact survive over the first five years of trading. On finding themselves able to survive, most entrepreneurs turn their mind to loftier ambitions....growth! There are very few entrepreneurs running very small firms who are content to stay that way, most have growth ambitions of some kind, even if these are relatively modest. When considering ways in which they might grow many entrepreneurs consider developing new products or services, basically extending their product or service range. Many also feel that they need to extend their customer base and consequently spend a lot of their time trying to do that. So it would seem that a great deal of a small business person's time is spent either trying to develop new product service offerings or chasing after new business and acquiring new customers. But are these the correct strategies for a very small business to pursue? It is the position of the authors that entrepreneurs running small enterprises should first fully capitalize on and exploit their existing customer base. before considering new product development or growth.

But how can entrepreneurial managers of small enterprises formulate a successful strategy which will enable them to fully capitalise on and exploit their existing customer base? What tools can they use to provide them with the necessary information on which to base such a strategy? One method, is to use relatively low cost customer service appreciation surveys, making use of simple market research sample survey methodology. The information obtained can be employed by the entrepreneur to bring about improvements in the following areas: increased customer spend and profit; evaluation of marketing programmes e.g. direct mail,

evaluating sales force effectiveness; appraisal of the quality of technical backup; assessment of stock availability and delivery reliability; evaluation of their customer service levels with an associated opportunity to create a beneficial public relations 'spin off'.

A THEORETICAL PERSPECTIVE

The Scott/Bruce/Cooper Schema suggests that growth will take place at one of two points: between crisis points/period and through crisis points/periods. Day/Reynolds (1993) have suggested that the firm may be particularly vulnerable at the crisis points if there is additional external pressure, such as poor trading conditions in that particular industry or a general recession. Equally the speed at which the firm is able, or willing, to progress is conditioned by their entrepreneurial capacity. The way in which the firm addresses, or even considers, the growth opportunity can be both a reflection of their entrepreneurial ability or a direct cause of trading problems and perhaps failure. Most business advisors have anecdotal evidence of small businesses overtrading or selecting unsuitable growth strategies (see Reynolds and Day 1993(A) and 1993(B)). Here we need to consider the quality of the entrepreneurial growth strategy facing the individual firm. It is just possible that a firm might grow by joining a growing industry, taking a fixed market share and therefore not indulging in a short-term strategy. However, in the long term, industry dynamics would probably precipitate the firm into a crisis period, or slow down its growth. In our context the Ansoff Growth Matrix is sufficient to distinguish between the most obvious growth strategies.

Our contention is that firms should exhaust all the possibilities of existing products in existing markets before attempting to exploit other opportunities. This applies particularly to the new small firm since this approach is both resource effective and allows key customer/supplier relationships to be exploited as part of the marketing mix, thus creating a 'unique selling point' that is difficult to replicate. For this reason alone most small business advisors do not recommend competitive strategies based heavily upon price competition equally such a strategy makes no sense from a theoretical viewpoint. Information in markets displays asymmetries which in themselves are sufficient to create a USP but more fundamental propositions can be drawn, namely: price should remain sticky in both the short and long term. (unless general costs are rising); the small firm should assemble an optimal portfolio of customers, and should mutual exploit existing customers.

If markets met the economists definition of perfect then there would be no information asymmetry for either the firm or the customer and prices would be homogeneous. As markets are described more realistically information asymmetry increases and variation in prices begins to occur. In the first situation price is an invalid dimension for competition - whilst in the second situation it is merely

undesirable. The firm, crudely, has two types of customers, those with whom it is trading currently and those who might be future customers. Reducing price in the presence of information asymmetry merely gives a gain to existing customers of lower prices but that may not induce them to buy a great deal more whilst it will take time for potential customers to hear of the price reduction and become actual customers. If the small firm is in a market where information is conveyed via advertising, brochures etc. and not by word of mouth then it is unlikely to be able to afford sufficient advertising to disseminate its price reductions to new customers. Unfortunately for the small business the information asymmetry is itself asymmetric. If it raises prices then there is now an incentive for its existing customers to look elsewhere and it will have to, in the future, spend resources both human and non-human in regaining lost customers or persuading new customers to trade with them. Therefore one can conclude from both an economic and marketing perspective price alterations as a competitive strategy is not the most obvious one to adopt.

Customers themselves are not homogeneous and therefore the firm needs to assemble an optimal portfolio of customers. Some customers will require very little or no information about the product and service prior to purchase, for example those who purchase frequently and on a repeat basis. Other customers, particularly new customers, may require large amounts of the firm's time before, or in association, with the purchase decision. To be able to assemble such portfolios requires customer information and a realization of the implications of such knowledge. Finally the small firm needs to exploit its existing customers who represent a lower opportunity cost of obtaining business. They are already doing business with the firm, thus saving the cost of searching for them, the key question is whether they will do more business with the firm. So given that many small firms will wish to grow and that such growth implies both risk and the using up of scarce human and non-human resources - the chosen growth strategy needs to be both viable and effective. As illustrated by the two indicative case studies in this paper too many small firms are unwilling to go for the obvious growth strategy of working their existing customer base harder and, in turn developing a USP through customer range and service.

THE IMPORTANCE OF EXISTING CUSTOMERS

Opinion expounded in the literature would suggest that the most important asset any firm can possess, not just small firms, is their existing customer base. Literature in the important areas of relationship marketing and internal marketing all discuss the importance of present customers. (see Barnes 1989, Collins and Payne 1991, Flipo 1986, Gronroos 1981, Gummesson 1987, Piercy and Morgan 1991, Richardson and Robinson 1986,. In their rush for growth do many small firms appreciate this importance? The fact is that many small firms are running after the 'holy grail' of growth in the wrong direction. The majority of very small firms can achieve most if

not all of the growth they can financially handle without over trading and running into financial difficulties by properly exploiting the potential of their existing customer base.

As Gronroos (1991) explains, during the 1980's a new concept, "Relationship Marketing" emerged in the marketing literature. In most business situations the marketing budget which is needed to create an interest in a firm's products or services, and to turn this interest into effective demand and hence sales, is high. Likewise the effort, time and money needed to contact prospects and develop new customers is quite extensive. This activity is often carried out at the expense of existing customers who consequently, because of the limited resources of small entrepreneurial enterprises, have less time, effort and resources expended on them. It is most often much less expensive to have a stable customer base where resales and cross-sales occur on a regular basis (see Gronroos p8). As the competition increases, it becomes more and more important for a firm to protect its existing customer base. Hence focusing on increasing short-term business through new customer introductions can become an expensive strategy. It would be far better to "cement" relationships with the existing customer base and in that way foster substantial long term business. The importance of managing these buyer-seller relationships begins to be recognised in the marketing literature of the 1980's (see Webster 1984, Jackson 1985). In industrial markets, buyer-seller relationships have typically involved relatively long-term contractual commitments (see Turnbull and Wilson 1989), but even these relationships were often at arms-length and adversarial, putting the customer against the vendor in a battle focused on low price (Corey 1978; Spekman 1988, Webster 1992).

MULTIPLE SOURCING AND GROWTH THROUGH LEVERAGING

Many customers, particularly larger customers tend to "multiple source" as a risk reduction policy especially when they are dealing with small firms whom they perceive to be higher than average risk in terms of survival. This means such large firms often purchase only a relatively small proportion of their requirements of a particular good or service from one supplier. By capitalising on the information gained from relatively low cost customer service appreciation surveys entrepreneurs can increase business from their existing customer base using the principle of leveraging. This principle can be demonstrated by considering a hypothetical medium or large sized customer spending 20% of their total annual spend on a particular product or service with a small firm. If the entrepreneur can persuade the customer to increase spend with them to 30% of annual total spend this has the effect of increasing the entrepreneur's business from that particular customer by 50%. This is the simple principle of leveraging, and surely growth through "leveraging" sales from the firm's existing customer base using existing products and/or services is the most sensible and risk averse strategy for small, entrepreneurial firms with limited resources. The information gained through the

application of a simple "customer service appreciation survey" allows the firm to build and increase the proportion of total spend with the supplying firm.

CUSTOMER SERVICE AND SATISFACTION

In the past customer service has been seen by many firms as a low priority "back room" activity usually given to junior staff members. Customer service departments were historically complaints departments. In the 1990's customer services is seen by many as providing the competitive edge and the standard by which customers judge our organization's performance (Tschohl 1991, Seman 1993, Jones 1993). An effective customer service strategy can be a significant strategic weapon which, if used with imagination, can lead to a sustainable competitive advantage. As Parasuraman et al (1990 state),

"In the long-run, the most important single factor affecting a business unit's performance is the quality of these products and services, relative to those of the competitor" (p.9).

Whether the firm is engaged in supplying products or services high levels of quality customer service helps create repeat customers, i.e., those who come back again and, who often "pass on the good word" to others. Parasuraman et al (1990) have expounded both tenets of service quality and the 'GAPS' model that help companies understand the concept of "service quality", the measurement of service quality and the diagnosing of problems. The "GAPS" model so called because it highlights differences or "gaps" that need to be closed in order to provide outstanding levels of customer service.

Customer satisfaction is a subjective measure of a company's performance and encompasses both the customer's expectations and the active product of service delivery. An integral part of any measurement programme is the inclusion of key elements of customer service and satisfaction and guidance on these can be obtained from customer service appreciation surveys. Basically this involves a questionnaire carefully constructed from exploratory qualitative information and administered by post, telephone or personal interview. Analysis uses straightforward frequencies, cross-tabulations and simple 'listing' commands which ensures that the analysis is specifically related to individual customers or customers groups and is therefore of immediate operational value.

CASE NUMBER ONE: WHOLESALE ELECTRO LTD (WEL), WEST YORKSHIRE

Background:

WEL is a small family owned electrical wholesaler (called a factor in the UK) based in West Yorkshire, England, with four branches in the region and annual turnover is approximately 3M pounds (\$4.5 M). It is a private limited company. Customers include independent (jobbing) electricians, small electrical contractors (2-5 employees) and the maintenance departments of medium, and sometimes, quite large firms in the area. Their product range covers tools and testing equipment, safety wear and general electrical equipment and fittings. Such a range constitutes most of that which an electrician or maintenance engineers would need on a regular basis. Particularly expensive equipment or out of the ordinary products can be ordered from the Firms own catalogue or from a range of manufactures brochures which the firm supplies. Orders can be placed in person by calling at the trade counter or by telephone or mail. A technical telephone advisory service is available.

Scenario:

The company has been trading for six years (at case date) and in that time had grown from a total turnover of £ 250,000 (\$375,000) in the first year. The management of the company, a family comprising of four equity (stake) holders, had felt that they had spent so much time growing the business and finding new customers that it had lost touch with them. Management thought that it was doing the "right thing" since after all in their opinion the firm had achieved quite spectacular growth, but evidence was circumstantial and intuitive. So they decided to commission a customer service appreciation.

Method:

The survey involved the use of a postal questionnaire which were administered to all of their existing 1,250 customers. Its purpose was to establish the degree of satisfaction or dissatisfaction of various important elements of the business. The postal questionnaire, the covering letter, the return envelope and the outgoing envelope were carefully designed and selected to be of the highest quality. The questionnaire, letter and envelope had the firm's name and logo incorporated and all documents were professionally produced and printed. Particular attention was paid to the wording of the covering letter, principally to maximize the response rate of the survey but also to deliberately convey the impression of concern and care for customer's needs. The intention was to demonstrate to the customer that WEL was a highly customer oriented, market driven firm that regarded customer care and customer satisfaction with the utmost importance. After two weeks a further letter along with all the original material was sent to non-respondents, after a further two weeks the survey was closed.

Results:

In the first two weeks the company received 265 completed questionnaires, the second wave of responses produced another 94 making a total of 359 replies. Questionnaires had been pre-coded to provide the following classification variables: Size of firm, type of customer, geographic, location, brand used normally, and total spend category with WEL. In order to provide the information to classify respondents in this way, management had to 'clean' and reclassify their customers database - itself a highly beneficial exercise. Many of the non-respondents were 'returned to sender' (150 firms) because they had ceased trading or moved. Management themselves were unaware of these changes and once again had to update and 'clean' the database for a second time. This updating and 'cleaning' exercise was in itself of significant value to the company and would yield future value when they came to use it for such things as direct marketing using direct mail and 'outgoing' telephone marketing. The questionnaires had been constructed on the basis of depth interviews with all of the four partners and each of the four branch managers. The interviews were taped with transcripts produced for analysis. Once again this additional 'in-company' qualitative research was of significant value to management as it provided a consolidation of views from 'key' internal staff. Key areas of concern were identified and they were incorporated into the questionnaire as questions and rating scales. The returned questionnaires were analysed in terms of frequencies and cross tabulations using SPSS-PC+. Results indicated a number of shortcomings which needed to be addressed. Since these could be related to specific customers which were "listed off" during the analysis particular actions could be under taken for specifically identified firms. Below we offer four examples from the wealth of information obtained.

1	Since both total spend and the proportion of that spend with WEL were obtained, customers could be prioritised and targeted appropriately. This part of the exercise was fundamental in providing information to enable management to formulate strategies to 'leverage' sales from customers spending a relatively low percentage of their total spend with WEL.
2	Companies who had not received a sales brochure, price list or received a personal sales call were noted and sent such the next week.
3	The consumer interface covering attitude of staff, queuing, availability of parking, technical help was again revealed specifically by client company.
4	Information was provided on the performance of individual field sales staff.

By relating the analysis of the questionnaires to specific companies the consultant was able to prepare highly operational action plans for the short, medium or long term. These plans being customer specific and formed the basis for targeted future marketing improvements and acted as criteria for future evaluation. Generally the firm was able to bring about improvements in the following areas:

A	increased customer spend and profit margins through leveraging
B	evaluation of internal marketing efficiency, particularly that of delivery staff, counter staff and sales force effectiveness
C	quality of technical backup and advice and the usefulness of catalogues and price lists
D	Monitoring and evaluation customer appreciation and service e.g. stock availability, delivery reliability and speed of order processing.

As a result of carrying out this survey, WEL was able to address a number of key marketing weaknesses in a customer specific manner. They were able to improve dramatically the overall level of service to their existing customer base. Additionally they were able to increase significantly both total sales and profitability. Overall they were able to increase sales by approximately 27% from existing customers within twelve months. This is an average figure since they were able to leverage some customers spend by 100%. The information provided by the survey enables management to carry out remedial, internal and external marketing actions. A follow up telephone sample survey based on a representative selection of 100 firms carried out twelve months after the postal survey indicated a significant improvement in the perceived level of service offered to customers. The total cost of the consulting was £1,500 (\$2,250) with the follow up telephone survey costing £700 (\$1,050). The firm chose to use a consultant but could have done the work themselves but for the opportunity cost of management time. A final point is on the achievement of a public relations 'rub off' from the exercise. Because the covering letter had been drafted with great care, the inclusion of a pre paid envelope and the use of high quality stationery and printing quality, the telephone sample follow up study indicated that the company was perceived as more 'caring', and more customer oriented as a result of carrying out the research exercise.

CASE NUMBER TWO: A REGIONAL DEPARTMENTAL STORE (RDS), ENGLAND

Background:

RDS is one of a few family owned department stores in the UK and is located in the centre of a traditional Northern industrial town. The firm started as a small shop situated in the city outskirts some 90 years ago, selling textile products such as curtains and towels often bought in bulk as 'seconds' and heavily "stunted" (frequent use of below the line sales promotions). Today there is still only a single store but this extends over three floors of a fully owned building in the middle of the city, comprising of some 750,00 square feet of retail selling space and 500,000 square feet shared parking facility. The firm offers a range of products which are mainly textile based and they have introduced recently a number of concessions into the store. On the ground floor is clothing and accessories; on the first floor is fabric both made up and unmade, and a made to measure curtain service is offered; the

second floor comprises furniture and accessories including beds and bedroom furniture, living room furniture, carpets and rugs, etc.

The two other similar well established department stores both in type and product range in the city centre are owned by a national retailer. In terms of market positioning one of these stores is slightly down market from RDS, is keener on price and uses 'stunting' more aggressively. The other store is positioned slightly 'up market' in terms of product range, quality, etc. and consequently charges a higher market price in some areas and tends to use "stunting" less aggressively. There is a great deal of overlap in product range amongst the three stores and they are continually vying for position. All three are actively "stunting" in this overlap area. All three are well established and have been in the city centre for three generations. Each with its own "core" of loyal customers, some of whom visit with their children, mother and grandmothers. People from this city are very traditional in values and culture like many people who have lived in traditional 'working class' Northern Britain, and not only reside in the same area from one generation to another, but often tend to follow in their parents footsteps in terms of shopping habit and loyalty.

Scenario:

The store's problem was to retain customers although in the overlap area they keen to compete away customers, whilst having no desire to change their relative market positioning. The threat to their existing market position came not only from the other two stores but also from a brand new indoor shopping complex being built on the outskirts of the City, and at that time the largest in Europe. They really did not know what their customers thought of them, for example, was their patronage due to traditional inertia or because they were offering good value and competent customer care. The family that owned the store virtually thought of their customers as 'part of the family'. The Chairman of the company took a very paternal attitude towards customers and was often to be found floor walking and talking to customers. It decided to carry out the survey as their non-family store managers in particular realised the potential of such an approach.

Methodology:

Depth interviews were taken with each of the family members and the store manager. A group discussion was carried out with a range of staff - both depth and group interviews were taped and transcribed and provided valuable data, particularly about staff attitudes, even in their raw form. They enabled areas for further investigation through a customer appreciation survey to be identified. Once again questionnaires were used only this time the survey was carried out on a sample basis and administered by personal interview in the store. A minor beverage/food incentive was given for participation. Six well-dressed and well-briefed female interviewers were positioned in key areas of the store and they wore

official store security badges. Information about the survey and participation incentive was posted at the store entrances. The 500 questionnaires were analysed by age, sex, frequency of visit, degree of store loyalty and in particular their residential area by postcode (zip code) and not customer specific.

Results:

Once again results indicated a number of areas that needed to be addressed and illustrative examples are:

1	certain floor layouts needed to be changed along with the quality of fittings
2	dissatisfaction with certain product ranges
3	operational improvements to the store in its day to day management routines.
4	the recognition, and exploitation, of areas of strength such as the restaurant
5	corporate work wear worn by sales staff was perceived to be a decade out of date
6	a postcode (zip code) analysis enabled them to design locally targeted communications via through the door coupons and careful selection of various "free" local newspapers. Local radio advertising was used and well focused.

Because of the labour intensive nature of the data collection the cost was £2,500 (\$3,750) about 1% of the cost of improvement measures subsequently undertaken. A follow up survey of 100 customers six months later cost an additional £500 (\$750). Two years after the survey the store has suffered some decrease in sales as a result of the new out of town shopping mall but this was so for all of the city centre shops. Nevertheless the follow up survey did indicate that customer satisfaction has improved. Once again, as in the case of the previous example, the follow up survey did seem to indicate that the customers who were surveyed thought the exercise to have been largely for their benefit and consequently viewed the company as more 'caring' and as taking the trouble to actively seek out customers opinions. Hence by careful design the research exercise was also able to deliver an additional public relations dimension.

CONCLUSIONS

This paper has argued both from a theoretical and practical viewpoint the need for growing entrepreneurial firms to maximise returns from a particular approach to managing growth before contemplating more risky and resource intensive strategies.

In many areas of commerce and industry products and services are increasingly taking on the characteristics of undifferentiated commodities. In the search for a competitive advantage the management of firms are looking to the provision of quality customer service and satisfactions as strategic marketing tools.

Small firms particularly must offer something different, something that adds value to the customer's experience of trying them out or using them regularly, rather than using more proven and well established firms! Small firms can rarely compete on matters such as price but they can compete on service. They can use service to enhance their perceived value in the eyes of potential and existing customers. They can use service to compensate for their lack of potential price competitiveness when compared to larger firms and use service as a tool to cement relationships with a view to building long term repeat, sustainable business. An important first step is the use of customer appreciation surveys. These need not be carried out by professional consultants and even if they are the plethora of small business consultants usually means that costs are low compared to expected returns.

Both of the research exercises discussed here demonstrate that many of the problems facing small entrepreneurial firms who are seeking ways of either growing or even just protecting their existing market position, can be addressed by the use of fairly inexpensive and straightforward marketing solutions that are well within the capabilities of an entrepreneur who may well be a non marketing specialist.

Finally it can be seen from the examples presented here that the customer service appreciation survey approach not only yields highly operationally useful and actionable, customer specific information which can be used creatively by entrepreneurs to bring about significant improvements in business performance in a relatively short space of time. Such surveys can also deliver a significant 'public relations dimension' which is valued by customers at little or no additional cost to the main survey.

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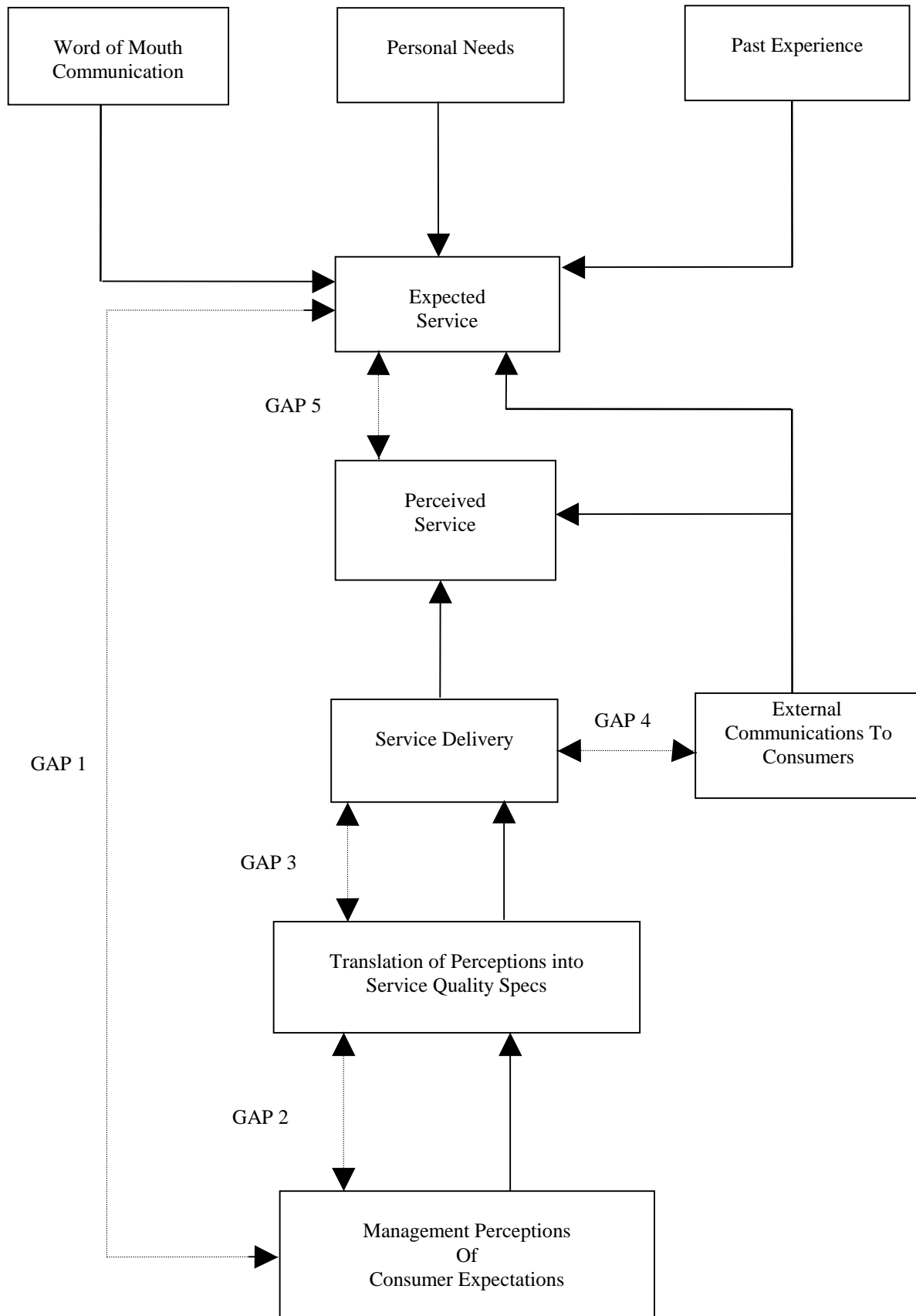
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Relationship Marketing: Its Key Role in Entrepreneurship

John Day, Aftab Ahmed Dean and Paul L. Reynolds

MARKETING AND ENTREPRENEURSHIP ARE RELATED ideas, good entrepreneurs practice marketing, and some of the best marketing behaviour is entrepreneurial—but they are not the same. This article considers one aspect of marketing—relationship marketing. Much of the current literature suggests that the creation of a sympathetic internal culture is an important factor in the success of relationship marketing but we argue that a more important variable is the entrepreneurial orientation of the SME. Thus the more appropriate consideration is the link between relationship marketing and the entrepreneurial capacity of the SME.

To give structure to our argument we have used the emerging marketing entrepreneurship paradigm as a framework. This has two advantages: firstly, it does not assume that marketing and entrepreneurship are the same; secondly, it allows us to consider appropriate definitions of entrepreneurship and marketing, and, their relationship—in this case the link between relationship marketing and entrepreneurship.

This article proceeds by discussing some general notions about entrepreneurship prior to discussing the contemporary relationship marketing literature which underpinned the questionnaire used. We then consider why marketing and entrepreneurship are not one and the same; the link between relationship marketing and entrepreneurship; and the measurement of the entrepreneurial capacity or orientation of the SME. In order for our “best practice” ideas to be of use we need to persuade the reader that entrepreneurship can be learned, so that less entrepreneurially inclined SMEs can not only recognise good practice but can implement it. Finally, we invite the reader to consider the relevance of our findings to their particular business.

The authors argue that relationship marketing can readily be adopted by a small entrepreneurial business but it will need to be adapted to the entrepreneurial environment into which it is introduced. Results from initial research suggest that entrepreneurial enterprises employ relationship marketing more effectively than less entrepreneurial organisations and they derive commercial benefits such as higher growth rates and fewer customer defections. The authors argue that entrepreneurship can be learned and so less entrepreneurial firms have the potential to learn from more successful entrepreneurs. They offer some specific recommendations but they recognise that the task is not easy because the SME has to create an internal culture that is capable of both embracing relationship marketing and being alert to opportunity. © 1998 Elsevier Science Ltd. All rights reserved

Entrepreneurship

One objective of this article is not to deliver a history of the study of entrepreneurship but we need to offer three cautions. Firstly, we still have little overall consistency in the defining of the term ‘entrepreneur’, perhaps given the nature of the entrepreneurial act that is not in itself surprising. The whimsical use of Winnie the Pooh by Kilby¹ still serves as a good general warning to us all!



“The search for the source of dynamic entrepreneurial performance has much in common with hunting the Heffalump. The Heffalump is a large and rather important animal. He has been hunted by many individuals using various ingenious trapping devices, but no one so far has succeeded in capturing him. All who claim to have caught sight of him report that he is enormous, but they disagree on his particularities. Not having explored his current habitat with sufficient care, some hunters have used as bait their own favourite dishes and have then tried to persuade people that what they have caught was a Heffalump. However very few are convinced, and the search goes on”.

Secondly, that search has been long and is still continuing. Cantillon² in 1751, was probably the first western economist to have recognised the unique attributes of the entrepreneur. He argued that the entrepreneur, in essence, bought at certain prices and sold at uncertain prices and therefore assumed the role of risk taker. This search has involved, and is likely to continue to do so, several academic disciplines. For example those readers and strategists preferring to quote from Sun Tzu³ ‘The Art of War’ might select the epigram:

“All men can see the tactics whereby I conquer—but what none can see is the strategy out of which victory is evolved”.

The third caution is that if entrepreneurship is considered to be a unique attribute, and one in scarce supply, then we would truly endorse the Sun Tzu quotation, and this article could only report the good but not transferable practices of the successful SME. So we would have no practical advice to offer to those who do not practise such behaviour, and, presumably offer nothing of interest to those already practising this behaviour.

Fortunately we take the view proposed by authors such as Drucker⁴ that entrepreneurial behaviour, at least to some degree, can be practised by all—thus we can offer sensible managerial lessons that can in full, or part, be adopted by SMEs. We discuss this more seriously below but for the moment assert that our opinion is not along the lines of Bryson . . .⁵

“Among the many thousands of things that I have never been able to understand, one in particular stands out. That is the question of who was the first person who stood by a pile of sand and said, ‘You know, I bet if we took some of this and mixed it

with a little potash and heated it, we could make a material that would be solid and yet transparent. We could call it glass’. Call me obtuse, but you could stand me on a beach till the end of time and never would it occur to me to try to make it into windows”.

Relationship Marketing

Relationship marketing as a concept, and practice, has become well established in recent years and involves the company in assessing and modifying their corporate culture. So we have both moved away from transactional models and developed the sophistication of the approach. For instance, in 1995 Gummesson⁶ was writing about the thirty tenets of relationship marketing rather than the more often used and conventional ‘4P’ or ‘7P’ models. The success of relationship marketing might also be measured by the small but discernible academic backlash whereby some authors, for example, Chaston,⁷ feel compelled to remind us, and correctly so, that sometimes the customer is happy with simple transactional exchanges.

Gummesson^{8,9} Gronroos,¹⁰ Houston and Gassenheimer,¹¹ and Peppers and Rodgers¹² levelled the following, but not atypical, criticisms against traditional marketing: the inability to discriminate and differentiate between appropriate service levels and customers; a focus that is synonymous with the expensive process of customer acquisition; the use of incentives and/or promotions that do not differentiate between loyal and/or profitable customers and casual transactions; incentives and/or promotions which do not always reach the most valuable customers, and finally, displaying limited respect for internal marketing. Christopher *et al.*¹³ encapsulate much of the debate as shown in Table 1 and our definition of relationship marketing is the adoption by SMEs of those practices as detailed in the right hand column of this Table.

Some authors such as Cardwell¹⁴ further argue that a company’s very survival in the 1990s will depend upon their moving closer to the customer, fully under-

TABLE 1. The marketing strategy continuum

Transaction focus	Relationship focus
<ul style="list-style-type: none"> ● Single sale ● Discontinuous customer contact ● Focus on product features ● Short term scale ● Little emphasis on customer service ● Limited commitment to meeting customer expectations ● Quality is the concern of production staff 	<ul style="list-style-type: none"> ● Customer retention ● Continuous contact ● Focus on product benefits ● Long term scale ● High emphasis on customer service ● High commitment to meeting customer expectations ● Quality is the concern of all staff

Source: Christopher *et al.*¹³

TABLE 2. The advantages of a relationship marketing strategy

	References
(1) Close relationship with customers The company develops over time tighter ties with its customers. These may be technological, knowledge-related, information-related or social in nature. This knowledge gives the company an immense competitive advantage. The more that customers educate the company about their individual tastes, the more reluctant they will be to repeat the process with another supplier.	Craig, ²¹ Gronroos ^{10, 16} Clark and Payne, ²² Peppers and Rodgers ²⁰
(2) Improvements in customer satisfaction The company can monitor customer satisfaction as the company has direct knowledge of how satisfied its customers are with the offering. The dialogue with each customer allows the company to find additional (or to tailor) products/services for the customer. The company will be able to anticipate and meet the needs of their customers.	Gronroos ¹⁶ Clark and Payne, ²² Palmer ²³ Craig, ²¹ Peppers and Rodgers ¹²
(3) Financial benefits Long term relationships, where both parties over time learn how to interact with each other, lead to decreasing relationship costs. The customer will pay a price premium for the product/service. Loyal customers are more profitable. Customers will refer new prospects. Acquiring a new customer costs more than retaining an existing one. Losing one customer not only loses the revenue from that sale, but also the expected cash flow that could have been generated over the lifetime of the relationship. Improved customer retention also leads to increased employee retention.	Congram, ²⁴ Gronroos ¹⁰ Clark and Payne, ²² Fay, ²⁵ Gronroos, ²² Peppers and Rodgers ²⁰ Fay, ²⁵ Reichheld and Sasser ²⁶ Clark and Payne, ²² Fay ²⁵ Clark and Payne, ²² Desatnick ²⁷ Reichheld and Kenny ²⁸ Clark and Payne, ²² Reichheld ²⁹

standing customer needs and wants, building a relationship and thus creating consistent customer dedication. Therefore, companies need to pursue a policy for retaining existing customers (Dwek),¹⁵ although, this is not to deny that sometimes a one-deal-at-a-time approach may be a good strategy (Gronroos).¹⁶

One might argue also that the 1990s have seen the acceptance of the relationship concept because of the growth of perceived product parity, increasing competition, increasing customer sophistication and price sensitivity, plus the reduced cost-effectiveness of traditional promotional media (see Marketing Guide).¹⁷ Authors such as Gummesson¹⁸ and Christopher *et al.*¹³ have suggested that relationship marketing is a new paradigm, whilst practitioners such as Bain *et al.* (see Reichheld)¹⁹ and Peppers and Rodgers²⁰ recommend that companies focus their efforts on customer retention and development to increase their sales. The assumed advantages gained by the adoption of such a marketing approach are summarised in Table 2.

Marketing and Entrepreneurship

The notion that marketing and entrepreneurship are not one and the same is found in the work emanating

from the University of Illinois at Chicago/American Marketing Association, and latterly the Academy of Marketing, Symposia.³⁰ In this article we introduce three of these approaches. The first is to note that some authors distinguish between an entrepreneurial orientation and a marketing orientation. Miles, Russell and Arnold³¹ take this a stage further and compare those two orientations to a quality orientation. Their preliminary findings conclude that:

“a quality orientation appears to augment the customer satisfaction, needs focus, integrative approach of a marketing orientation with the innovative, proactive, risk accepting tendencies of the entrepreneurial orientation”.

Connected clearly but not the same, as Carson³² argues:

“There are similarities and dissimilarities between entrepreneurial decision making and formal marketing planning and management competencies and contact networks”.

He then discusses those competencies that should be shared by both the entrepreneur and the successful marketing manager such as the development and use of personal contact networks, the need for good analytical and judgmental decision skills, and innovation and creativity. However, he does feel that entrepreneurial decision making is much more informal,

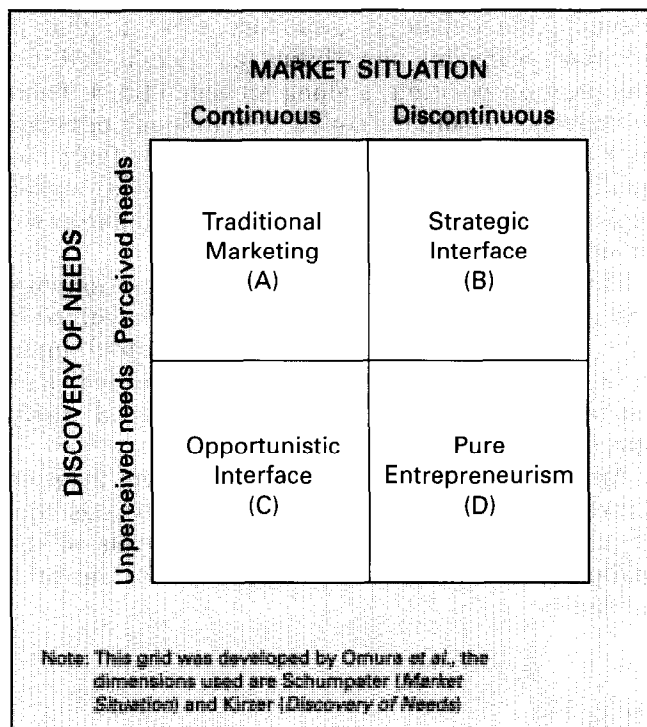


FIGURE 1. The marketing/entrepreneurship matrix.

haphazard and opportunistic than a more formal, sequential and system-orientated marketing decision making process.

Finally, we might argue for an approach where entrepreneurship is defined rigorously and marketing takes on a different role depending upon market conditions. This is the work of Omura *et al.*³³ The dimensions of the grid in Figure 1 are Schumpeterian³⁴ and Kirznerian³⁵ definitions of entrepreneurship. In the former the entrepreneur exploits large ‘fractures’ in economic life and carries out at least one of the following strategic acts:

- produces new goods
- utilises new production methods
- creates and exploits new markets
- uses new sources of supply
- is responsible for the reorganisation of industry practice.

Henry Ford and the Model T is a good encompassing example. He needed to build a mass production system in order to deliver the vehicle at a price that would change the car from a middle class indulgence to a working tool. The Kirznerian entrepreneur works in markets that are not initially in equilibrium and is ascribed the role of bringing together the buyer and the seller whom would not previously have been com-

mercially aware of each other, and thus, have been unable to conduct a beneficial exchange. Alternatively, it is the Kirznerian entrepreneur who realises the unperceived needs of the consumer by exposing them to new opportunities and products. A contemporary example being the current state of the Internet—with relatively low UK household personal computer ownership and connections to the net, the potential is still to be captured by entrepreneurs. The current competition between two incompatible connection devices (via the standard PC or via a dedicated decoder connected to a TV set) showing that the market has not yet settled down to an equilibrium, and so, a whole range of mutually beneficial exchanges still awaits the marketplace.

As Figure 1 shows in Quadrant (A) there is no entrepreneurial activity given that consumer demands are well articulated and known and the economy is not in turmoil. Marketing becomes fairly impotent and is reduced to gathering information about known preferences. In Quadrant (D) there is great flux and turmoil, consumer needs are not well articulated, or if they are, change rapidly. Opportunities abound for the company able to recognise and exploit them. Marketing has a far more proactive and aggressive role to play. Referring back to Miles *et al.*,³¹ they argued that there would be a greater need in turbulent environments for any one of the three orientations that they discussed. The notion of the entrepreneur discussed by Carson fits perfectly into Quadrant (D).

Given the above debate the authors felt that a study which looked at relationship marketing in the context of an SME’s entrepreneurial behaviour would yield interesting insights for the relationship marketing debate. Thus our research focuses on both the marketing and the entrepreneurial behaviour of the SME. The marketing strategy adopted by an SME will be shaped and influenced to a large degree by the nature and competence of the entrepreneur and Narvin and Slater³⁶ showed that companies with a strong marketing focus performed better. Thus we argue that the entrepreneurial SME will have a greater (relationship) marketing orientation than their less entrepreneurial counterpart. This will be seen through the key components of any relationship marketing strategy—customer retention and development.

Assessing the Entrepreneurial Orientation

As we have suggested previously, there has been, and still is, a wide diversity of definitions of both the individual and the act (see, for example, Chell and Haworth;³⁷ Ginsberg and Buchholtz).³⁸ Some authors see the act of creating the organisation as the defining moment whilst other argue for the recognition and exploitation of serial opportunity. In team managed

SMEs we need to consider the transmission mechanism by which the entrepreneurial behaviour of the owner is permeated throughout the SME. Most contemporary authors would accept that a behavioural definition of the entrepreneur “they are what they do” rather than a trait approach “they are as we describe them”, for instance—male or female; energetic, etc. is the more meaningful. Several authors argue that it is possible to use psychometric testing to measure entrepreneurial attributes, indeed, several general entrepreneurial scales do exist, and additionally one sometimes sees standard personality tests such as Myer-Briggs used. Impartiality on behalf of both the practitioner and the investigator however can be clouded by the social role that entrepreneurs are often expected to play, crudely that of a hero. An opposite view is that at worst, ‘entrepreneur’ can be a pejorative description of certain business behaviour.

Covin and Slevin³⁹ consider an entrepreneurial orientation having three dimensions—risk taking, innovation and proactiveness, and the attendant entrepreneurial behaviour being reflected in management style and process. For example, a conservative management style would be reactive to market changes, as opposed to the proactive stance taken by an entrepreneurial management style. Chell *et al.*^{40,41} classify the business owner along a spectrum from entrepreneur through to caretaker with quasi-administrator and administrator as intervening hybrid positions. Entrepreneurs are seen as being alert to opportunities and proactive in taking the initiative and trying to control events, whereas, caretakers would be much more concerned with effective management but well within their perceived comfort zone. Hence in our study we categorised SMEs entrepreneurial orientation by the nature of their planning activity, and to cross-check this classification we used the Schumpeterian criteria discussed previously.

Returning to the consideration of whether our results can be used by SMEs to improve their relationship marketing performance, there are two issues: firstly, the extent to which our results can be generalised away from the particular industry we have studied—this we leave for the reader to consider in the light of their own experience; secondly, the extent to which entrepreneurship is seen as an inherited characteristic, the old nature versus nurture debate. We would agree with the view taken by Drucker⁴ that entrepreneurial behaviour is not confined to a select group of individuals. He argues that entrepreneurs act as innovators and through numerous case studies drawn from the private and public sector demonstrates that such behaviour can be found throughout the United States economy. Other authors, such as Casson,⁴² argue that it is the entrepreneur alone who possesses intuition and foresight, and because of that entrepreneurial decisions cannot be delegated to professional managers within that organisation. In

essence, the debate is also very close to that of whether managers are ‘born or made’, and the compromise position is along the same lines. There will always be both the stellar entrepreneur and manager but there is scope also for raising the (variable) quality of managers and entrepreneurs—we are all probably capable of behaving with a little more enterprise given the right stimulus.

The authors decided to use a mailed questionnaire and to draw from that twenty SMEs to be involved in a more detailed qualitative semi-structured interview, all the interviews were tape recorded, subsequently transcribed and then analysed using appropriate qualitative techniques.

Apart from some sample quotations from the semi structured interviews in Table 3, this article is concerned only with the quantitative analysis of the mailed questionnaire. (See appendix for research method)

Results

Table 3 is an introductory generalisation of the results that does not distinguish between the entrepreneurial and non-entrepreneurial SMEs. The left hand column concerns the bedrock of relationship marketing, the retention and development of a customer base. The responses being the answers most cited by the respondents to the mailed questionnaire. The brief quotations in the right hand column, are taken from our first general look at the results from the qualitative data (the twenty interviews), are the only part of the qualitative data reported in this article, and are included simply to impart some humanity to that data!

Analysis of the data in the mailed questionnaires suggested that all participants acknowledged and claimed to use relationship marketing to some extent. However, further analysis of the data through comparing the entrepreneurial to non-entrepreneurial SMEs, showed significant (statistical) differences. We have reported this in Table 4 by showing those categories where the entrepreneurial sub sample exhibited a statistically significant difference to their non-entrepreneurial competitors.

Not unsurprisingly, the return on their behaviour is that they are larger (by employee numbers), experienced greater growth and the group as a whole had, on average, fewer customer defections. This defection figure is calculated from the mean values reported in the Appendix (Table 5). Cross-checking our measure of entrepreneurial behaviour, they behave like the Schumpeterian entrepreneur discussed earlier. This is both reassuring in respect of how we have measured entrepreneurial orientation, as well as giving an insight into their actual behaviour in practice—they are more adventurous and do innovate.

TABLE 3. Customer retention and development programmes—some typical responses

Characteristics discussed and responses	Sample quotation
(1) Factors significant to creating a loyal customer: consistent service, reliable delivery, offering extra service, empowering employees	"... I would say pre-sales consultancy and post sales service, which I would bundle together as a whole service area"
(2) Improvements gained from developing close relationships with customers: product quality, service quality, market awareness, profitability	"We continue to meet them, whether or not the customer has a problem, so that we can proactively say to them ..."
(3) Frequently observed qualities in a loyal customer: purchases at standard price, regularly purchases, doesn't make risky decisions, customers business is growing, older managing director	"A truly loyal customer will not even look anywhere else, they would trust us to give them the best price, and the best deal without having to question us".
(4) Importance of communicating with customers: determine state of relationship, determine customer needs, solicit other business, ask for referrals	"The bottom line is opportunities to sell. We make sure that the client is happy, if they are happy, we will get referrals, if they are not happy we need to know about it, and keep our name in their thoughts".
(5) Opportunity to create new products/services: customers business is growing, market awareness on our part	"Certain customers demonstrate more ability, and have more emphasis on planning than others, and customers that plan ahead tend to be able to predict what is going to happen".
(6) Opportunity to leverage more business: determine state of relationship, offer extra service	"Once we have created a relationship we try to be more involved ... so that when they commit to buying from us that is the beginning of the relationship rather than the end of it".
(7) Greatest cost of acquiring a new customer: administration, discount pricing	"We try to make it a quality (offering) and we spend a lot of in-house hours designing the mailer ... a lot of time researching that market, then designing something we feel would hit home to the market".

Importantly for the thrust of this article, these entrepreneurial SMEs are practising relationship marketing more thoughtfully and competently as shown in the last section of the table. All the SMEs in the sample may proclaim the virtues of relationship marketing but the entrepreneurial SMEs use and employ it more effectively. They are more likely to ask existing customers for referrals, less likely to use discount pricing as a crude promotional strategy and pay more attention to crucial aspects of internal culture. Hence our assertion that the key relationship to consider is the one between relationship marketing and entrepreneurial orientation.

Because our industry sector contained growth SMEs, we were able to carry out cross-tabulations to determine the strength between SME growth and the individual relationship marketing variables. One significant result of particular interest was that exit interviews with all employees exhibited the strongest direct association with SME growth.

Exit interviews are where the company is concerned enough to interview departing employees on their reasons for leaving the company. At first this might seem counter-intuitive; for example, as a consultant, would this be the only advice you would give

to the SME keen to grow? However, on further thought this behaviour is presumably just signalling the presence of constructive and effective relationship marketing policies.

This factor has been cited by several authors as one critical element of a relationship marketing strategy. As one writer put it "... to have satisfied customers, the firm must also have satisfied employees" (George)⁴³ ... and ... "the exit interviews carried out with employees can provide an ideal opportunity to determine any areas of improvement in the service levels. This in turn will improve customer retention because of job pride and satisfaction" (Reichheld).²⁹

Implications for Management

Managers of smaller businesses should consider the following implications for their businesses:

- It is difficult to create a competitive edge by using relationship marketing alone, since both the entrepreneurial and the non-entrepreneurial SMEs claim to use relationship marketing.

TABLE 4. Differences between entrepreneurial and non-entrepreneurial companies

	Entrepreneurial Responses
<i>General profile of the SMEs</i>	<ul style="list-style-type: none"> ● have a greater relationship marketing focus ● have almost twice as many full time employees ● experienced greater growth in the last 3 years
<i>Defection analysis²</i>	<ul style="list-style-type: none"> ● lose anywhere between 2–30% fewer customers from their customer base compared to their competitors
<i>Entrepreneurial orientation (as demonstrated by Schumpeterian behaviour)</i>	<ul style="list-style-type: none"> ● have been more focused on innovative behaviour in the last year and appear to wish to continue to be so in the future ● are significantly more innovative and adventurous
<i>Relationship marketing dimensions</i>	
<i>Importance of communicating with customers</i>	<ul style="list-style-type: none"> ● communicate to determine customer needs ● communicate to ask for referrals
<i>Awareness of customer needs</i>	<ul style="list-style-type: none"> ● are more aware of customer needs ● informing and training employees on customer requirements
<i>Improvement from close relationships</i>	<ul style="list-style-type: none"> ● achieved improvements by developing other business opportunities
<i>Internal incentives</i>	<ul style="list-style-type: none"> ● reward their employees with both monetary and non-monetary schemes ● promoting employees based on performance and experience
<i>Cost associated with acquiring a new customer</i>	<ul style="list-style-type: none"> ● do not use discount pricing as a promotional strategy to gain new customers

¹ Significance is at least 0.05 probability level.

² The difference between proactive and reactive is 2%, and between, proactive and informal 30%. Calculated by taking the percentage difference from the lowest mean loss to customer base as reported by the proactive SMEs; see Table 5.

- However entrepreneurial firms appear to use relationship marketing in a more appropriate and effective way; and
- ... this does result in performance differences that are worth striving to obtain.
- Accepting the explanation about the exit interviews should serve as a reminder that employee defection and customer defection rates are inter-linked and both need to be minimised. Entrepreneurial SMEs also use internal employee incentives more effectively.
- Continuous personal contact with customers is one of the key features of Table 4, and in our current analysis of the qualitative data is coming out as a key factor.

engage in a much more measured, calculated and effective approach to what is at the heart of the relationship marketing concept—customer retention and development.

We are not offering a simple panacea, we are arguing that not only does the SME have to adopt all the internal cultural aspects of relationship marketing, but that without a creative, innovative and entrepreneurial management culture as well, success will be limited. Successful and growing SMEs have to practise relationship marketing fully in order to make that competitive difference.

However, provided that entrepreneurial behaviour is not seen simply as an inherited ability then the successful behaviour of these entrepreneurial SMEs can be emulated to some degree by their less entrepreneurial competitors.

Conclusions

The findings of the research have contributed to our understanding of entrepreneurship and relationship marketing in SMEs and their inter-linking. The main conclusion drawn is that *entrepreneurial SMEs*

Appendix on Research Method

As resources were limited, a single industry study was decided upon and in the locality of the authors' university! We decided to sacrifice breadth for depth and so con-

TABLE 5. Entrepreneurial orientation and company background

[] Median value	Entrepreneurial orientation		Less entrepreneurial orientation		n		
	Proactive		Reactive			Informal	
Number of years trading (mean value)	[14]	23	[14]	20	[15]	17	57
Principal market for main product/service line	UK		Regional/UK		Regional		60
Number of different products/service lines offered (number and range of response)	6-10		6-10		11-20		55
Stated % market share for main product/service line (mean value)	4.58		3.26		3.33		
Annual turnover (£m) (range)	1-6		0.5-1		0.5-1		59
Number of full time employees	[55]	74	[30]	35	[21]	34	59
Number of part time employees	[3]	6	[2]	7	[1]	2	39
Customer defections reported as % loss to customer base (mean response)	5.74		5.83		7.45		50

The majority of the SMEs had multiple owners and were first generation businesses still run by the founders (rather than inherited or purchased as a going concern).

In the sample the number of proactive SMEs was 26, reactive—24, and informal—10.

Proactive are the most entrepreneurial, informal the least entrepreneurial and reactive an intermediate case.

Not all respondents answered all questions, nor were all questions equally relevant, i.e., number of part time employees, so sample size *n* varies.

centrated on one local industry sector and included within the sample frame independently owned SMEs with between 10-99 employees who had been trading for more than three years. Business services were chosen partly because we surmised that they would have, or should have, strong and continuous links with their customers, and partly because on the data base that we were using (Lotus One-Source) this sector had experienced the highest growth over the last decade. Our reasoning here was that it might be a sector more predisposed to exhibiting entrepreneurial behaviour. In the main this sector covered printing, marketing services and computer services, and so would be offering clients both a pure service and a product/service mix. We did not include financial services as we felt that they might in the main, for example, be offering only an annual insurance contract—thus minimising customer contact.

Using the Lotus One-Source national company database, 102 SMEs located in West Yorkshire (our local area) met the selection criteria. Sixty responses were received, from which a random sample of 20 SMEs were selected for in-depth semi-structured interviews to explore further the results of the mailed questionnaire. The postal questionnaire and the semi-structured interview schedule were piloted with four SMEs. Additionally it was tested for its structure and layout with a group of marketing and sales personnel on a part time Masters programme at the University. It was sent out in 1996 to marketing managers. We telephoned all potential respondents prior to the mail out to explain the project and to encourage participation.

Table 5 profiles the data set and shows the breakdown between entrepreneurial and non-entrepreneurial SMEs. By using both a quantitative and qualitative instrument we hope to reinforce and complement the findings from each instrument. Equally it would encourage the maximum utilisation of the data at our disposal by producing the greatest density of coverage of the area. In this sense, the question of density overlaps the question of validity. The mailed questionnaire contained 181 questions categorised into eight sections. The questions were informed by the litera-

ture search into relationship marketing (Table 2) and our choice of measures for entrepreneurial orientation discussed previously. The first section involved eliciting general information on the profile of the SME: number of years trading, number of employees, number of product/service lines, geographical coverage of sales, etc. and their planning style. This was followed by a section to determine their entrepreneurial behaviour and growth performance. The final six sections of the questionnaire concentrated on relationship marketing, and sought to identify the extent to which the SME pursued key relationship marketing activity, namely: competitor, customer, segmentation, profitability, loyal staff and customer defection analysis.

To capture the entrepreneurial dimension, the SMEs were asked firstly in the mailed questionnaire to categorise their planning style. They were requested initially to select one response from: ad hoc/informal, conservative, reactive, proactive, adapting to circumstances, taking advantage of circumstances and other. Taking the planning behaviour as paramount, SMEs were classified into proactive (entrepreneurial) and two non-entrepreneurial categories... reactive and informal. Proactive can be considered as seeking and exploiting opportunity and being alert to possibilities.

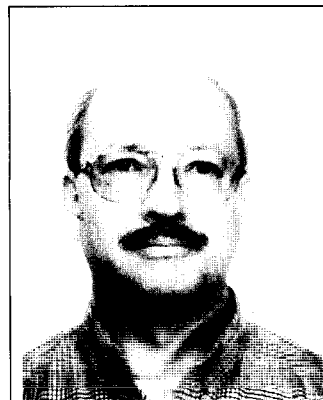
To cross-check this classification, we used the Schumpeterian criteria discussed in a previous section. In the next stage of the research, which is not reported in this article, we are using respondents' reactions to self chosen critical incidents in their business history to further consider their entrepreneurial or non-entrepreneurial behaviour.

The data was analysed using SPSS. As most of the questions were either of a Likert scale dimension (ordinal data) or categorical responses (nominal data) non-parametric statistics were used. Chi-square (Cramers *V*) was used to test for the strength of association between categories and Kruskal-Wallis to determine the significant difference between the entrepreneurial and non-entrepreneurial SMEs. The reliability of the responses was verified by using Cronbach's Alpha. The correlation coefficients for variables within each section revealed an acceptable level of Cronbach's Alpha greater than 0.6.

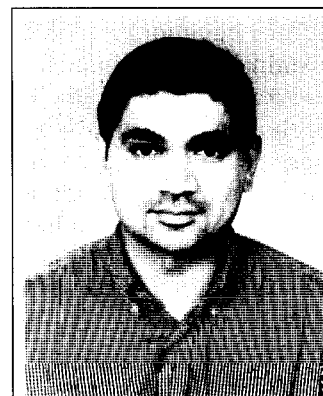
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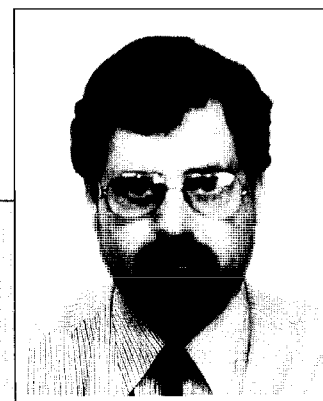
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Entrepreneurship and the small to medium-sized enterprise

The small to medium-sized enterprise

A divergent/convergent paradox in thinking patterns between advisers and SME owner-managers

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Abstract

Purpose – The purpose of this paper is to suggest a framework for competing theories of entrepreneurship but to argue for transparency in one's attempts to understand this phenomenon. Then to argue that, when matching small business advisers to small business, one should consider their entrepreneurial abilities and match as appropriate. A parsimonious method is suggested to measure entrepreneurial ability – divergent thinking.

Design/methodology/approach – A discussion of entrepreneurship and a proposed matrix that considers the relative entrepreneurial abilities of both partners and is then expanded to account for different decision scenarios.

Findings – A simple test for divergent thinking is suggested to measure entrepreneurship, applied to some hypothetical scenarios, and is supported by some broad evidence on the relationship between small businesses and commercial banks.

Research limitations/implications – At this stage a conceptual article but with real implications for managing SME and adviser relationships.

Practical implications – Should lead to a better understanding by both the SME and their advisers of what each party needs to contribute to ensure a successful outcome.

Originality/value – Provides a framework for classifying entrepreneurship and a different perspective on the SME and adviser relationship; suggests a different way from, say, traditional entrepreneurial orientation scales by which to measure entrepreneurial capacity of either the adviser or the SME.

Keywords Entrepreneurs, Small enterprises, Medium-sized enterprises, Commercial banks

Paper type Conceptual paper

Introduction

Whilst Blackburn *et al.* (1991) had noted that over the previous decade, the term “enterprise culture” had become a dominant theme in the discussion of small enterprise in the UK, one could argue that on the evidence of the work in the special issue of *Entrepreneurship: Theory & Practice* in 2001 (Davidsson *et al.*) there were still formidable problems in conceptualising and operationalising this concept. This article argues that a similar fate might happen to the terms “entrepreneurial” and “entrepreneur” unless the wealth of conflicting research in this area is translated



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effectively into the “broad church” of SME models. As was stated succinctly by Kilby (1971) researchers have both been pursuing different targets and using different methodologies (Watkins-Mathys, 2005). What we have is a wealth of data lacking consistency both of purpose and intent.

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Much attention has been focused on understanding entrepreneurial personality either through the unsatisfactory trait approach or through the superior behavioural approach (Davidsson, 2005). However, better results are compatible with mainstream economic rationalisations of the entrepreneur, e.g. the entrepreneur as risk taker (Cantillon, 1751), as innovator (Schumpeter, 1934), as one who uses perception and/or adjustment (Kirzner, 1973) and the various contemporary syntheses of these by Casson (1982) and Binks and Vale (1990). It is these classifications that are adopted here.

We argue the importance of a clear and rational definition of the entrepreneur and entrepreneurial process by showing the impact of such on the relationship between SMEs and their advisers, where the authors allow for interaction between entrepreneurial or non-entrepreneurial advisers and entrepreneurial or non-entrepreneurial clients. This allows for more subtle interactions than often held populist views like the dynamic thrusting SME constrained in its development by a myopic and over-cautious commercial lender.

SMEs need to seek out information and one of their sources is from interaction with advisers in the private, public or quasi-private sectors of an economy (Acs and Audretsch, 2005). This article argues the critical importance of matching advisers and SMEs by reference to their entrepreneurial capacities. A novel method for capturing this has been suggested. For SMEs, this assesses their ability to think divergently, for which we use the Torrance Test. This could be considered a necessary but not sufficient approach, and so we would suggest that as a second stage check, the SME be asked to articulate their vision for the business.

This article seeks to set out a framework that helps to reconcile the often conflicting definitions surrounding entrepreneurs and entrepreneurship (Welsh, 2004). Whilst our understanding of entrepreneurs can come from several disciplines, this article adopts a set of characteristics and actions that are compatible with more rigorous economic definitions. This approach allows the reader to employ judgement as to whether the authors’ views on “less satisfactory” definitions represents a positive or normative contribution to the debate.

In practice, despite their preferences, the authors argue that what is needed is not the acceptance of a single unambiguous definition of the entrepreneur, but a transparency of approach so that we are all aware of what phenomena each of us believes that entrepreneurship embraces. Albeit this still leaves a possibility for confusion as noted by Kilby (1971) cited in Hebert and Link (1982). For those countries less embracing of A.A. Milne’s Winnie the Pooh books, it is the notion of us all employing our own particular definition of the entrepreneur and in the process disregarding other equally valid definitions that leads to the confusion in the hunt! However the Heffalump metaphor has an endearing and lasting place in contemporary entrepreneurship theory.

“The search for the source of dynamic entrepreneurial performance has much in common with hunting the Heffalump. The Heffalump is a large and rather important animal. He has been hunted by many individuals using various ingenious trapping devices, but no one so far has succeeded in capturing him. All who claim to have

caught sight of him report that he is enormous, but they disagree on his particularities. Not having explored his current habitat with sufficient care, some hunters have used as bait their own favourite dishes and have then tried to persuade people that what they have caught was a Heffalump. However very few are convinced, and the search goes on.”

Entrepreneurs are recognised by their actions and not their characteristics (Virk, 2004). Gartner (1989) demonstrated that this approach was more logical and consistent than the trait method. In 2001, he chastises the academic entrepreneurial community for their wide ranging and inconsistent definitions of the entrepreneurial process but through the medium of elephants rather than heffalumps! Here Gartner uses the better known metaphor of the blind men and the elephant, where the blind men only able to understand the elephant by touch, see it variously as a snake, a tree trunk, and so forth, depending upon where they touch. Interestingly Mintzberg *et al.* (1998) employ this metaphor in the context of schools of strategy.

We propose that SMEs seek advice because information is asymmetric in its distribution, and they do so whenever search and decision costs can be lowered through seeking advice. Thus one behaviour/action of an entrepreneur is to seek information. Extending this view, we argue that because entrepreneurs are actors in the market, and actively seek information about customers, products, costs, etc., they are involved in the marketing function. Logically, more entrepreneurial companies will use marketing techniques and employ and benefit from them more consistently than less entrepreneurial firms. In support of this view one could cite the work from colleagues interested in the entrepreneurial marketing interface in both the UK and the USA, for example Hills (1995) argues that the fate of the small business is often determined by their ability to be both competent entrepreneurs and marketers. When defining entrepreneurship the authors make use of this extension.

Companies will, therefore, seek and learn from diverse informational sources, both externally from the market, customers, advisers, etc., and internally from production processes, colleagues, and so on (Acs and Varga, 2005). This article concerns itself both in how they acquire and use external information and in particular external advice from advisers.

Taxonomies of entrepreneurial behaviour

The authors sought to find methods of identifying entrepreneurial behaviour that could be applied equally to SMEs and their advisers that although simple and robust, could be considered to have compatibility with, and draw upon, extensive academic debate and literature in this field (Davidsson, 2006). To this end, for the SME we have adopted a dual definition in a similar manner to that used by Pinchot (1986). When discussing intrapreneurship, he required entre/intrapreneurs to be doers and visionaries. This “necessary but not sufficient” test would ensure that both artists – who he considered to be visionaries but unable to translate that into practical outputs, and artisans who exhibited the reverse characteristics hard work, would not classify as entrepreneurs. It is the entrepreneur who has the winning combination of action and vision. In this article the authors’ propose a measure of a person’s predisposition to a particular thinking style, either convergent or divergent combined with whether they can articulate a business vision. This second check is not unlike the approach taken by

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the Babson GEM Consortium in their Global Entrepreneurship Monitor (2004) as they distinguish between the small business and the entrepreneurial small business

The Marshallian view is that markets are in equilibrium or move to equilibrium rather rapidly. The Schumpeterian view is that markets move from periods of equilibrium through periods of discontinuity to new equilibrium states. The Austrian (Kirznerian) view is that equilibrium is not the natural state of markets. Rather, it is disequilibrium, and the role of the entrepreneur is to discover and exploit such information asymmetries, and by so doing, bring the market to eventual equilibrium. Schumpeter (1934) argued that the role of the entrepreneur is to innovate, and in so doing move the economy from one equilibrium to another via a period of disequilibrium (see also Brown and Ulijn, 2004). Such innovation could come about from one or more of the introduction of a new product; a new method of production; the exploitation of a new market; the use of new source(s) of raw material, and the reorganisation of an industry or its processes. He also distinguished between the entrepreneur and the capitalist; the latter being the provider of capital, and ascribed the taking of risk to capitalists since it would be they who could lose their capital (Alvarez, 2005). For Kirzner (1973) and the Austrian School the entrepreneur exploits information asymmetries in markets that are by their very nature in disequilibrium. Such a view of markets is the antithesis of the view held by Adam Smith. There is a fundamental difference in approach in that the Schumpeterian entrepreneur seeks to destroy an equilibrium situation whilst the Kirznerian entrepreneur is operating in a market assumed to be in disequilibrium (Smith, 2005). Therefore, their role is to exploit the informational imperfections and to bring the market to eventual equilibrium. Figure 1 and subsequent discussion suggests perspectives from which we can address definitions of entrepreneurs.

1. Trait theory

At a naïve level it seeks to select relevant traits and to argue that these occur in a sufficient number of repeated cases to capture the uniqueness of the entrepreneur. For example, many entrepreneurs are male, showed entrepreneurial behaviour in their teens, exhibited a need to prove achievement to their father, are married, come from an ethnic minority, etc. Whilst these may be true, they are not sufficiently reliable to act as predictors of entrepreneurial capability and they lack a coherent theoretical underpinning

2-3. Personality and behavioural

This is superior to the trait approach and this article focuses on such behavioural definitions. Here we are concerned with what the entrepreneur does and not what they are, and better economic definitions parallel this approach. Economists have argued that entrepreneurs innovate or exploit information asymmetries, whereas Gartner (1989) raises the issue of behavioural definitions particularly well in the entrepreneur created organisation. Thus, the entrepreneur is distinguished from the small business owner in the general run of events. Gartner's well made analogy of the difference between the trait and the behavioural approach is between describing an American football player by his physical characteristics compared to the obvious view that if someone plays football, he must be a football player. Gartner's objective is to refocus academic thinking about characterising the entrepreneur and to ask what it is about

1	Trait	Search for common traits of successful entrepreneurs	Lacks predictive power & tends to produce 'larger than life' profiles
2	Personality	Search for a definitive entrepreneurial personality	Superior to trait and can handle complex psychological dimensions
3	Behavioural	Focusing on what they do and not on what they are	Superior to trait and compatible with the better economic definitions
4	Competencies	That entrepreneurs have equal, but different competencies to non-entrepreneurs, managers, or others operating in a large business environment	Multidimensional e.g. Carson <i>et al.</i> (1993, 1994, 1995), or uni-dimensional e.g. focus on, say, growth ability. (Hill, 2001)
5(a)	Economic Compliant	That entrepreneurs have a different attitude to risk/uncertainty; innovation/disruptions, and exploit informational asymmetry	Separate mainstream economic schools – Knight (1921), Schumpeter (1934), Kirzner (1973)
5(b)	Economic Compliant – Synthesis	As above, but synthesising more than one broad school of thought, examples being Casson (1982), Binks & Vale (1990), Omura (1994) and Drucker (1986)	Drawing from more than one school and taking a holistic viewpoint
6	Strategic Management Compliant	If entrepreneurship is valuable, then larger firms will seek to gain from its application (intrapreneurship). The nature of the relationship between entrepreneurship & strategic management	Growing importance in strategic management literature e.g. Jacobson (1992); Miles and Covin (2002) although intrapreneurship has a more established history e.g. Pinchot (1986)

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Figure 1. Entrepreneurial definitions

organisation creation that is different to just running the business. Providing that we focus on the behavioural, and not the trait dimension, then we could consider other entrepreneurial functions than just the creation of the business, but we need to be very certain that they are entrepreneurial actions. The problem is accentuated, as Gartner points out, in that it can be difficult to separate out valid traits from their behavioural counterparts: "How do we know the dancer from the dance?" But his work created a needed paradigm shift.

4. Competencies

Entrepreneurs may well make different decisions and use different decision making processes than non-entrepreneurs. Many authors exploit this dichotomy to distinguish entrepreneurial from non-entrepreneurial individuals. For Casson (1982) the entrepreneur carries out those actions that cannot be sub-contracted to other employees – that is his or her judgmental skills. Carson *et al.* (1994, 1995), argue that there is a distinguishable set of marketing competencies that exist alone for the entrepreneur or entrepreneurial SME; namely a unique combination of judgement,

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experience, knowledge and communication. Hill (2001, 2002) summarises well this school of thought.

5(a). Economic-compliant

To try and summarise an understanding and role of the entrepreneur in economic terms is difficult, but the authors draw attention to some key issues (Hougaard, 2005). Initially, economics serves the entrepreneur badly. Richard Cantillon (1751) writing just prior to Adam Smith (1776) was an exception and he argued that the entrepreneur, in essence, working with existing products in existing markets, bought at certain prices and sold at uncertain prices, therefore, assumed the role of risk taker. Their alertness to profitable transactions brought “demand” and “supply” into equilibrium from previous disequilibrium situations, which created an opportunity.

The work of Adam Smith and subsequent followers all but drove out the entrepreneur from economic analysis, not through ignorance or deliberate intention, but as a consequence of philosophical persuasion and necessity. Smith’s great contribution was to show that even with selfish consumers and selfish producers, each only interested in their own wellbeing, they could strike acceptable bargains through a decentralised market system and this would tend to equilibrium. Not surprisingly, the infant social science adopted the conventions of the physical sciences and embraced Newtonian concepts of order and equilibrium. Subsequent development of microeconomics through a mathematical routine drives out the human qualitative side of the entrepreneur, who becomes merely a calculator and maximiser responding to, but never creating, consumer needs (Parker, 2005). As eloquently summarised by Baumol (1968):

One hears of no clever ruses, ingenious schemes, brilliant innovations, of no charisma or any other stuff of which outstanding entrepreneurship is made; one does not hear of them because there is no way in which they can fit into the model.

Knight (1921) distinguished between risk (that is insurable) and uncertainty. Thus, the entrepreneur operates in an uncertain environment making judgements about future profitable situations.

5(b). Economic-compliant – synthesis

Several contemporary authors have attempted to synthesise the broad schools of thought. Casson (1982) achieves this by employing an encompassing definition:

An entrepreneur is someone who specialises in taking judgmental decisions about the co-ordination of scarce resources.

Binks and Vale (1990) take a hierarchical approach that is summarised in Figure 2, that as well as incorporating a Schumpeterian dimension is also amenable to an Austrian interpretation. The refining role serves to remind us that entrepreneurship is not a continuous activity and is more likely to be discontinuous. Omura (1994) uses both Schumpeterian and Austrian dimensions as can be seen in Figure 3.

6. Strategic management-compliant

Whilst traditional strategic management literature has been concerned with areas such as leadership, culture, innovation, new product development, vision and creating a competitive edge, it has often not explicitly drawn this out in a formalised

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entrepreneurial framework (Shane and Delmar, 2004). A quick, albeit imperfect test, is to take the index of either of two popular UK strategy texts, Thompson (1993) or Johnson and Scholes (1999) and to note that whilst the concomitant topics are there, and often entrepreneurs are used as examples, a unifying framework is not. Accepting that one role of these texts is to give a broad overview of the subject area, then this is indicative of the importance ascribed to an explicit entrepreneurship framework. On the positive side, the components are there and the strategic management literature considers entrepreneurship more formally. We note a few indicative contributions: Mintzberg (1994a, 1994b) proposed new definitions of planning and strategy and organisational changes in systems, culture and leadership to enact these. In Strategy Safari (1998), the entrepreneurial school of strategy with vision as a distinguishing feature is offered but not integrated into traditional strategy thought. Goddard and Houlder (1995) consider the nature of strategy and the role of the strategist. Jacobson (1992), Levy (1994) and Kippenberger (1993) all consider issues of change, turbulence and unpredictability. Finally, whatever strategic planning does or does not do, Miller and Cardinal (1994) demonstrate that it does have a positive influence on a firm's performance (see also Chandler *et al.*, 2005; Delmar and Shane, 2004; Honig *et al.*, 2005; Honig and Karlsson, 2004).

An important consideration is that of intrapreneurship and the debate as to whether entrepreneurs can co-exist within a large corporation and bring to that organisation the benefits and drive of the individual entrepreneur. Pinchot (1986) demonstrated that this

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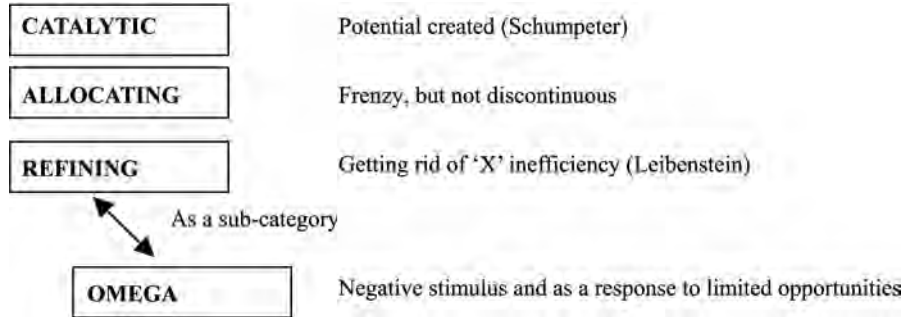


Figure 2.
Binks and Vale synthesis of entrepreneurial types



Figure 3.
The Omura grid with Kirznerian and Schumpeterian dimensions

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is possible, particularly when some of the assumed traits of the entrepreneur, such as a singular desire to maximise their own monetary wealth are dismissed. Equally, for achievement driven entrepreneurs then they may be better able to achieve their goals within a large organisation. Carrier (1994) convincingly argues that intrapreneurship is a valid notion for even small to medium sized firms and provides a useful definition of intrapreneurship:

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“The taking in charge of an innovation by an employee or other individual working under the control of an enterprise. Innovation in this context means the introduction of a change leading to an increase in the firm’s competitiveness.”

In conclusion the authors’ argue that: unless the term entrepreneurship is defined explicitly then studies are difficult to compare. They may be incompatible and hamper the understanding of small business behaviour, particularly the entrepreneurial small business. Economic compliant definitions of entrepreneurship that emphasise information seeking, innovation, discontinuity and disequilibrium are to be preferred.

The relationship between the small business and their advisers

The relationship between advisers and SMEs can be critical to their success, and we need to consider both the type of decision and the degree of entrepreneurial behaviour of both the SME and their advisers. In this way we might be able to ensure that appropriate advisers are matched both to the business and the decisions that need to be taken. Entrepreneurial businesses behave in different ways to non-entrepreneurial businesses and it is essential to distinguish between the two. This differing behaviour will result in different needs to be fulfilled by advisers (Sibley-Butler, 2005). If one considers that advisers can demonstrate different degrees of entrepreneurial behaviour, the question of matching becomes more important. The propositions are:

- (1) An understanding of SME/adviser relationships will lead to better, more measurable outcomes in respect of quality decisions and the viability of the business measured in terms of financial success, survival, etc.
- (2) This relationship depends upon two broad factors:
 - the nature of the decision; and
 - the degree of entrepreneurial capacity as demonstrated by: the SME; and the adviser.
- (3) Both matches and mismatches will occur in the advice given and sought.

In order to demonstrate (1)-(3) above we need to be able to:

- measure entrepreneurial capacity/behaviour for, the SME and the adviser;
- develop a schema to identify matching and non-matching outcomes in the adviser/client relationship; and
- be able to link adviser advice and SME performance.

We now develop issues involved in achieving these aims.

One could attempt to proxy entrepreneurship by capturing Austrian (Kirznerian) information seeking behaviour and Schumpeterian product and market behaviour to provide empirical validation of Figures 3 and 4. However, the authors are proposing the use of convergent and divergent labels coupled with vision articulation to proxy entrepreneurship. If creative/divergent thinking is coupled with an ability to clearly

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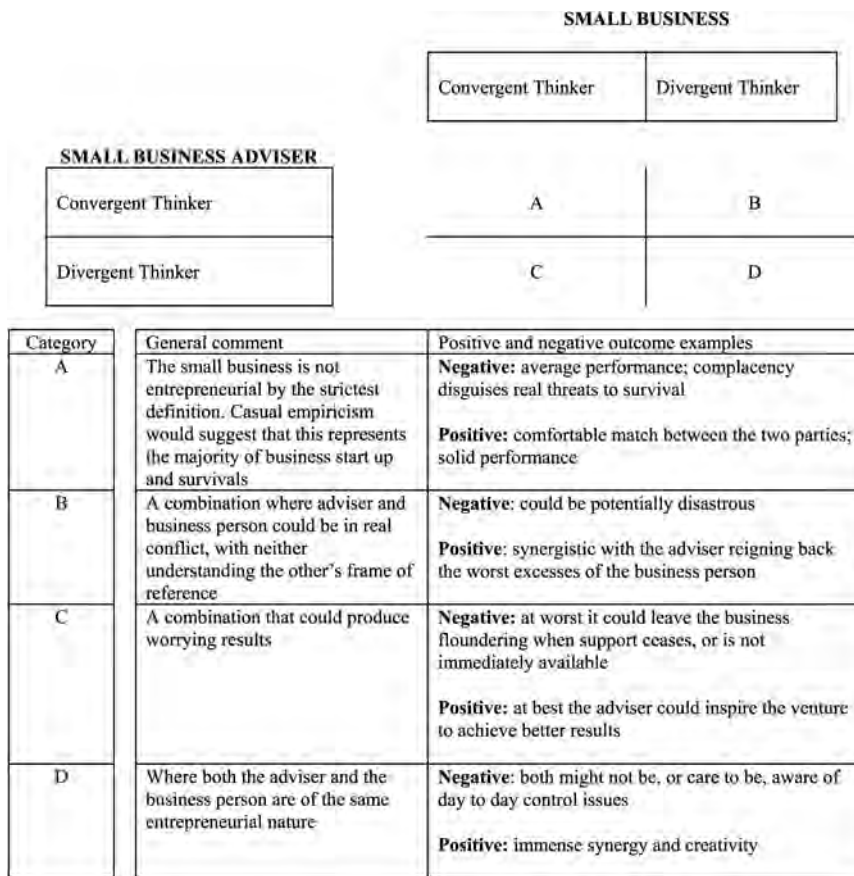


Figure 4.
The adviser/small business – convergent/divergent matrix

articulate an entrepreneurial vision for the company, the authors are more convinced that the convergent/divergent thinking test is a suitable proxy for entrepreneurial behaviour. The advantages of this approach are its simplicity and general applicability whilst being underpinned by appropriate theoretical economic, marketing and behavioural foundations. More particularly, our main hypothesis is that entrepreneurs think in a different way to non-entrepreneurs, and they think divergently rather than convergently. Hence, if a reliable test was available to separate the two, then we would have a way to define entrepreneurial behaviour.

Even with the recent development of parsimonious measures of Entrepreneurial Orientation – which capture appropriate behaviours (Knight, 1997; Kreiser *et al.*, 2002), we believe that employing a convergent/divergent approach has several advantages:

- (1) It is more allied to a behavioural than a trait approach, but less constrained by a specific organisational context than conventional measures of Entrepreneurial Orientation. Authors such as Pinchot (1986) and Drucker (1986) would argue that entrepreneurship is a more common attribute in the general population

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than one might believe (Sing and Lucas, 2005), and that it does not merely manifest itself in the starting up of a private business.

- (2) It could prove to be a simple yet accurate measure, whilst being free of some of the definitional incongruities thrown up by other methods, e.g. as Gartner (1989) contended, those studies that distinguish between small firms and entrepreneurial small firms by distinguishing between the pursuit of personal goals and profit/growth goals.
- (3) In applying a test that is initially neutral with respect to the particular entrepreneurial behaviour it is trying to capture, allows us to potentially use the same test on both advisers and their SME clients.
- (4) The notion of divergent thinking is generally associated with highly creative individuals, who perhaps rarely subscribe to “conventional wisdom” and tend to be something of “free spirits”, often reluctant to “follow the crowd”. In contrast, convergent thinkers display the opposite characteristics. Elements of this debate have a certain commonality with, for example, the work of Carson *et al.* (1994) and Brown (2001) on the practice of marketing in entrepreneurial SMEs, namely that their marketing in practice is often more flexible, intuitive and informal than that set out in standard marketing and strategy texts.

The disadvantages of our approach revolves around whether or not we can depict entrepreneurial spirit by recourse to one measure, and the extent to which there are available and reliable psychometric or other tests that can capture divergent and convergent thinking, and we seek to avoid lengthy and detailed test situations. The key constraints are how narrow an approach can be taken before sacrificing reliability, consistency and explanatory power of the data, whilst not losing focus on creativity itself. So, for example, we argue that tests such as the Myers-Briggs test for personality, although it has been used in this context before by a number of small business researchers – is too complex (Myers-Briggs and McCaulley, 1985).

The adviser/small business interaction

Most small business owners interact with an adviser at some stage in its development. Taking the simplest case, we propose a grid as shown in Figure 4. There are four possible matching combinations, each of which could result in either a positive or negative outcome and Figure 4 speculates on these.

Excluding environmental influences, there are four other dimensions that need accounting for:

- (1) the interaction may be voluntary or involuntary;
- (2) there may or may not be a desire for mutuality of outcome;
- (3) the type of outcome sought; and
- (4) whether the contact is formal or informal.

Taking the latter first, there is anecdotal evidence that indicates that for very small business these are supported and helped by the spouse, who would be a natural person to turn to for advice. In many situations there is a desired mutuality of outcome. As Molian (1994) hypothesises, small firms that employ consultants are more likely to implement their findings if they perceive a cultural and business fit with their

proposals. The type of outcome sought will also be of importance. A small firm wanting a book-keeping function fulfilled is more likely to seek a convergent accountant than if they are desirous of some legal, yet more creative, accounting scheme. Finally, the context of the interaction may be voluntary when the meeting is sought by the SME, or involuntary where the client has no choice but to attend. Figure 5 illustrates.

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Measuring convergent and divergent thinking

The measure we suggest is a simplified version of Torrance's Test (Torrance, 1962, 1965, 1972) but one that would be reinforced by attempting to capture vision. The simplified version can be a "brainstorming exercise" where the responses by participants are rated according to: fluency (the number of uses quoted); flexibility (the number of categories quoted); and originality of the idea based upon how many or few prior mentions of that idea were generated.

Thinking divergently is a necessary, but not wholly sufficient, criterion for defining the entrepreneur in that the divergent thinking must be within an appropriate context that is contiguous with true entrepreneurial behaviour. Getzels and Jackson (1962) distinguishes between the high IQ and the highly creative child; the former is good at intelligence tests, but weak on tests that set out to measure creativity, whilst the latter is weak as measured by intelligent tests, but strong on creativity. From this he argues for the use of the terms convergent and divergent thinker to describe the process of their thinking patterns. What it is not then possible to do, is to proceed in absolute terms i.e. to assume that convergent thinkers are not, as such, creative and divergent thinkers are, per se, creative. Creativity and high IQ need not be mutually exclusive, and what the measure is trying to pick up is the bias that the individual possesses towards one mode of thinking or the other. Whilst this is potentially confusing, in reality the literature on the entrepreneur reviewed above, and the work by Drucker (1986) could be interpreted as suggesting that entrepreneurship can be seen as a bias rather than an absolute. Additionally, the Schumpeterian entrepreneur over his or her lifetime is likely to switch between pure entrepreneurship and Leibenstein entrepreneurship that is more akin to the management process. In essence, this is

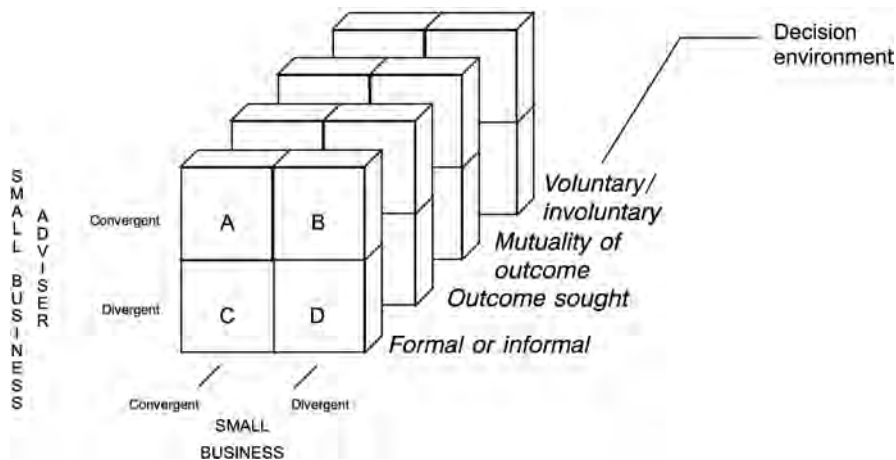


Figure 5.
The adviser/small business – convergent/divergent matrix: a more realistic scenario

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exploiting information asymmetries within the organisation, for example, by reducing the costs of production. As with all psychometric and allied tests there are competing tests with often-conflicting outcomes. The simplified Torrance Test that we propose is by no means the only available test. In general, tests for divergent thinking use open-ended scenarios that encourage creative answers, e.g. how many uses are there for xyz; how many meanings are there of word abc; commenting on a particular controversial statement.

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Policy implications: the commercial bank relationship; a brief scenario

A brief scenario of where a better understanding of the adviser/SME relationship is important can be demonstrated by the relationship between small businesses and their commercial bank.

We have seen the report by the Competition Commission (2002) into the supply of banking services to small businesses and the forthcoming review by the OFT of those undertakings. Preceding this activity was the so called Cruikshank Bank Review, more formally, "Competition in UK Banking: A Report to the Chancellor of the Exchequer" in 2000 that covered some aspects of the small business/bank relationship. In respect of the current OFT review, the view of the Federation of Small Business, who are never afraid to be critical, is:

Despite improvements in small business banking in recent years, the FSB believes more can be done to improve services and has pledged to work with the OFT on the review.

Angela Silberberg, FSB Deputy Policy Manager, said:

The service provided to small businesses by the large banks for many years was disappointing and the progress that has been made in recent years has been good news for small firms. The FSB supports self-regulation by the banks and has found that they have an open and constructive approach to the reviews of the Banking Code. However, we feel that they can do more to protect business customers by ending branch closures and promoting inter-bank agreements, which allow customers to use branches where they do not have an account. We look forward to working with the DTI on ensuring that the banks achieve practical solutions for small firms.

Times have been more difficult, for example, scanning the financial press during the late 1990s made salutary reading. The fourth annual report from the Forum of Private Business published in 1994 based on a survey of 5,500 enterprises, indicated that there were perceivable differences in the treatment of small business customers by banks, but switching costs inhibited many small businesses from changing lender. The head of a major bank "small business services" was reported as saying:

The most significant constraints on the growth of small business remain low demand, late payment, red tape and lack of skills (*The Guardian*, 1994).

A feature in the *Yorkshire Post* (1994) conveyed, a then, not atypical attitude:

The banks, for their part, blame business collapses – particularly among small to medium-sized enterprises – on poor management and the failure of company directors to educate themselves on the need for sound financial management. If only business people, especially the smaller ones, would construct proper financial plans, say the banks, they would get the loans they ask for. After all, they insist, there is plenty of money sloshing around. The real problem is finding a worthwhile business to lend to. . . .and from the same source:

Following a Treasury inquiry into the role of banks in small business, Bank of England Governor Eddie George chose not to blame either the banks or small business for the antagonism which has built up over the past two years. He claimed there were 'exaggerated expectations on one side and insensitivity on the other', but believed the main source of the problem was the high rate of company failures during the recession. The relationship between the lender and the borrower has never been an easy one, but now, with banks becoming much more conciliatory, a more open relationship is developing between bank manager and small businessman. Moreover, many smaller businesses are developing a more professional attitude to business, encouraged by the banks, and are acquiring a financial acumen that will help in the banking process. Clearly the wounds will take a while to heal but already the banks have woken up to the ideal of a long-term relationship with a business, and businessmen are learning that honesty does pay – though not always when it comes to a free lunch.

Clearly the relationship has improved over the past decade but we would argue that a better understanding and matching of bank advisor and client based on their perceived entrepreneurial capabilities would be sensible.

Implication of our proposal

We have argued for a better understanding of the adviser/small business relationship particularly with regard to the entrepreneurial capabilities of both parties, and alternative outcome scenarios have been discussed. SMEs in practice seek advice from sources including fully private, governmentally owned and governmentally supported but privately delivered. Thus, the notion of matching appropriate advisers to clients has wide-ranging applicability. A novel way of attempting to measure entrepreneurial capacity based upon divergent thinking ability (backed up by vision articulation) has been suggested, and some important consequences of such a measure have been explored. The main advantage of this approach, apart from its simplicity in application, is its consistency and compatibility with mainstream economic and behavioural definitions of entrepreneurship.

Truly entrepreneurial businesses will behave in different ways to the non-entrepreneurial businesses and have different needs in respect of help and advice from both public and private agencies. Being able to make such a distinction is important both for government policy setting and helping to ensure that expectations for SME performance are met.

Conclusion

In theory we need to be able to understand the meaning of entrepreneurship, and, in practice we need to be able to measure this behaviour. This article started by reviewing briefly key themes in the academic understanding of entrepreneurship and offers a taxonomy through which to classify these. Whilst naïve trait approaches are not helpful, when trying to understand the phenomenon of entrepreneurship we should recognise that complexity, and insights from several academic disciplines means that we do not have to accept a single pedagogic approach but rather we should insist on a transparency of definition and approaches. We propose a simple way of measuring entrepreneurial capacity through considering how entrepreneurs think and behave – divergent thinking. The corollary of this is convergent thinking which can be used to measure non entrepreneurial behaviour.

SMEs interact with advisers all the time and both need to maximise the outcome of the relationship and so we propose a “matching” of adviser to SME that accounts both for their respective entrepreneurial capacity and the situation for which advice is sought. The optimal outcome is by no means simply achieved by matching “like-for-like”, that is only entrepreneurial advisors with entrepreneurial SMEs. Thus we explore more subtle combinations in our matrix. We illustrate some of our views by considering an important relationship – that of the small business and their bank.

Further research would be to actualise the matrix and to see the extent to which our simple measure of entrepreneurial capacity was superior or inferior to more established scales such as entrepreneurial orientation. Even as a conceptual model we hope that this article would help advisers to consider how best to help the SME and to understand the implications of their and their client’s entrepreneurial capacity and particular needs.

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**FANNING THE FLAMES OF FAMILY BUSINESS: A CASE STUDY OF TWO
LONG SURVIVING WEST YORKSHIRE (UK) SMALL BUSINESSES.**
J.C. Day and J. Day..... 38 - 61

(2014, this version reset margins to fit layout of PhD & minor layout changes to Appendix One)

**FANNING THE FLAMES OF FAMILY BUSINESS: A CASE STUDY OF TWO LONG
SURVIVING WEST YORKSHIRE (UK) SMALL
BUSINESSES.**

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ABSTRACT

In a special issue of the Journal of Business Venturing (2003), the Editors argued that family and business viability are inseparable. This premise is used in the interpretation of results from the two oldest firms within our sample of fifty-nine firms, all of whom who have survived at least three generations.

INTRODUCTION

Whilst family-owned businesses comprise a large proportion of the world's companies they are regarded as the most complex form of business organisation due to the overlapping of ownership, control and family membership (Birley et al 1999). Birley et al (1999) suggest that only 30% of western family businesses survive into the second generation and 15% to the third. Though Rodriguez et al (1999) indicate that the survival rate is higher in the United States of America with 70% surviving to the second generation.

Rogoff and Heck (2003) in our view perhaps make rather too much of 'recognizing family as the oxygen that feeds the fire of entrepreneurship', in the sense that one might argue that since most businesses are small (at least as defined by number of employees) and many of these are family owned ... that given that most SMEs are not entrepreneurial (in the strictest sense) *understanding family* will not add greatly to our understanding of entrepreneurship. However, this is rather an ungenerous comment on their Editorial Title.

The fundamental point that they make well, is that we should take a greater interest in the family part of the family first/business first continuum, indeed that such a continuum might be considered too crude a metric. To quote directly in order to illustrate one of their themes:

"From a contextual standpoint, these decades of investigation have, however, taught us the same lesson that Lavoisier proved with regard to fire - entrepreneurship does not take place in a vacuum. Just as fire is fed by oxygen, entrepreneurship is fed by the oxygen of financial resources, human resources, education, economic conditions, and family. Although family permeates most business ventures, surrounding virtually every entrepreneur, contributing financial and human resources for most ventures, and providing a major source and origin of education and values that are critical to entrepreneurs, research into entrepreneurship has generally sidestepped investigating family as a source

"The sharing of resources, including social networks, between the family and business is a major influence on the ability of each to thrive—that is, a venture's ability to thrive along with its family remaining viable."

" Conversely, families who own and manage businesses thrive best when the family can effectively mobilize the business for its well-being. Businesses and families are invariably and inextricably interlocking and overlapping elements, which can best be viewed, studied, and understood in relationship to the way they interact to create and sustain one another. This is the emphasis of this special journal issue ... "

The authors became interested in the survival of family-owned businesses in the local area when a number of firms advertised their 150th anniversary in 2002. A small research grant in 2003 permitted the study to take place using an experienced and empathetic ex-small business owner to identify multigenerational family businesses and to undertake structured interviews with as many as possible. The use of a member of the local business community initially influenced the businesses contacted. Four were initially identified from the publicity in 2002, however not all of these were willing to take part in the survey. The consultant identified a number of other family businesses from personal contacts; from that point the consultant used the local informal family business network to identify other multigenerational businesses in the area. A number of companies contacted the consultant directly asking why they had not been approached. As a result the study became much larger than originally envisaged with nearly one hundred companies being contacted and fifty-nine interviewed.

Table 1. Multi-generational Family-owned Businesses: Huddersfield and environs.

Industry	Date	No. generations	Industry	Date	No. generations
Textiles	1541	16	Construction	1908	4
Manufacturing	1740	8	Textiles	1911	3
Construction	1802	9	Transport	1915	5
Transport	1813	5	Textiles	1916	3
Agriculture	1823	6	Textiles	1918	4
Printers	1840	7	Manufacturing	1920	4
Agriculture/	1842	6	Manufacturing	1920	3
Retail	1852	5	Retail	1920	3
Service	1852	5	Service	1920	3
Textiles	1860	3	Service	1920	3
Retail	1863	5	Property	1922	3
Manufacturing	1864	5	Retail	1922	3
Textile	1875	4	Textiles	1922	3
Scrap Metal	1876	4	Retail	1923	3
Retail	1882	4	Transport	1923	3
Transport	1887	4	Construction	1924	4
Retail	1888	4	Manufacturing	1924	4
Food Products	1889	5	Property	1924	3
Property	1890	3	Construction	1925	3
Manufacturing	1891	4	Textile	1927	4
Textiles	1893	4	Printers	1928	4
Textiles	1897	4	Retail	1928	3
Accountant	1900	3	Textiles	1929	5
Retail	1900	3	Transport	1930	3
Construction	1902	4	Transport	1934	3
Service	1902	3	Construction	1935	3
Textiles	1902	4	Manufacturing	1946	3
Accountants	1903	4	Wholesales	1948	3
Textiles	1905	4	Textiles	1950	3
Coal Mining	1908	4	Textiles	1960	3

As part of the interview process a series of semi-structured questions were posed and three questionnaires were completed, to identify their entrepreneurial orientation; their marketing orientation; and the extent to which they could be classified as 'family-first' compared to 'business-first'. These questions are shown in Appendix 1. The consultant found that most companies were eager to talk about how their company had developed over time, though some companies were less forthcoming concerning those questions relating to family relationships. A number of companies contacted were in the process of winding up the business due to lack of family members willing to take over, or the companies were being taken over by larger companies. These businesses were not willing to take part in the survey.

In total 59 businesses provided information for the survey, Table 1 lists the industry sector, date founded and number of generations for the sample. This paper compares the two oldest surviving family businesses and considers the areas of similarity that may help us to understand why these companies have managed to survive for so long

THE CASE STUDY COMPANIES

The two companies under consideration in this paper were founded in 1541 and 1740 respectively, these dates being the accepted start of the family businesses. Table 2 outlines the key points in each company's history. Company A has survived sixteen generations and B eight. Initially both companies focused on growing their core businesses either by acquisition, as in Case Study A, or by organic growth, as in Case Study B. Whilst in different industry sectors the companies have been influenced by similar impacts of the macro-environment over time and initially responded in a similar manner to the opportunities provided. In both cases the companies have benefited from the early adoption of new technology in the 1850-70 periods. Both companies avoided the impact of the depression in the interwar periods in the twentieth century by recognising the opportunities to be gained from the provision of goods to the military in times of war. (1915-18 & 1939-45).

In the latter part of the twentieth century both companies faced the impact of downturns in their home markets. Company A from the increase competition from the textile industry overseas, and company B from the downturn in the mining industry in the UK due to the increased competition from cheap coal imports. It is at this stage that the companies have reacted in different ways.

Company A did not meet the challenge from the overseas textile trade. Instead of trying to compete it gradually declined before recognising that the most valuable asset it had was property and so changed the company focus to the leasing and development of property. In addition it developed the family trust into an arts foundation to help local artists and crafts people. Company A still has a strong family focus with only direct family members as shareholders. The younger generation are still actively involved in the company.

In comparison Company B has developed a more focused and competitive business, recognising that reliance on the UK mining sector was risky. It has developed other markets and continued to grow organically by responding to customer requirements. This is a continuation of the company's original strategy. Company B moved away from the direct family members as shareholders early in its history the partnership with a distant cousin being set up in 1850. Currently the partnership is with a non-family member. The younger generation is not interested in the family business, this could mean that the company will cease to exist as a family business once the current generation retires.

Table 2. Case Study A & B

Case Study Company A		Case Study Company B	
The company has changed over time in response to changes in the business environment. Starting in the textile industry and changing in response to the changes in technology and latterly in the market. Now into property and Arts & Craft development.		The company has stayed within the same product area since it's foundation as a Blacksmith. The emphasis is on producing the whole tool – wood turning handles rather than buying in, production of the full edge tool range for a wide range of industries - Agriculture, gardening, mining, telecommunications, and civil engineering.	
1541	Purchase of fulling mill by ancestor from Wakefield Dioceses recorded.	1695	Earliest record of ancestor as a Blacksmith.
1681	Legal rights to use the water for the fulling mill.	1740	Move location, first accepted record of family business as Blacksmiths.
1680's	Marries local landowner's daughter £10,000 dowry invested in the business.	1800	Recorded as 'Edge Tool Makers'.
1795 - 1820	Depression – survive and grow due to contracts for uniform cloth from various armies not just UK.	1850	Partnership with distant cousin Blacksmith & Edge Tool Makers.
1798	Purchase large mill.	1850 – 1870	Introduce steam power and gas lighting. Woodworking machinery. Import hickory from USA. Lease new property.
1800	Luddites smash new looms.	1879	Company described as 'Shovel Makers' meeting demand from local coal mining industry.
1812 - 15	Enlarge mill site. Bring together all aspects of wool production under one roof.	1900	Install copying lathes & make handles for other tool makers.
1850 - 1900	Expand company introducing new technology.	1914 – 18	Dramatic increase in demand for tools.
1912	Charitable trust formed to benefit employees on retirement.	1939 – 45	Dramatic increase in demand for tools.
1928 - 38	Depression – survives and grows due to contracts for uniform cloth and fabric for aircraft.	1980's	Miners strike – develop wider product and customer base
1950 - 60	Post war boom – demob suits, Channel new style fashion.	1989	New partnership with non-family member to bring in new blood.
1960 - 80	Change in fashion – less wool, increased competition from overseas.	1999	Move factory site to meet increased demand.
1967	Start closing sections of the company. Failure to meet competition. Set up a property company. Change in business focus.	2004	Partnership thriving but the next generation is not interested in the business
1990 - 2004	Set up art gallery and site for craft businesses.		
The company is now focused on the property business and the Art Charity. The aim is to return something to the community. All the shareholders are blood relatives though non -family members are in senior positions or used as advisors and the younger generation is actively involved in the business.			

ANALYSIS

Both companies were interviewed and asked a number of key questions as well as completing three questionnaires covering the following areas.

- 1 Family – Business Orientation – based on the work by Cromie, Dunn, Sprout and Chalmers (2001).
- 2 Entrepreneurial Orientation – based on Miller & Friesen (1982) & Knight (1997)
- 3 Market Orientation – based on the work by Lado, Maydeau-Olivares and Rivera (1998).

Family – Business Orientation

A family first orientation would expect the majority of the responses to be in the ‘most like us’ category. The Case Study companies show a more balanced profile with Company ‘A’ having 21 responses in the 1 category, 2 in categories 3 & 4 and 5 in category 5. Company ‘B’ has 19 responses in category 1; 4 in categories 2&3 and 2 in category 5. This indicates that whilst both companies exhibit a high degree of ‘family first’ Company B is more business oriented than A. A preliminary examination of the responses from the two companies reveals 17 out of 30 areas in common. These are listed in Table 3 whilst Figure 1 compares the responses to the questions on a 1 – 5 scale with 1 representing ‘most like us’ and 5 ‘least like us’.

Table 3. Family - Business Orientation

Summary of Question	Common Scores	Summary of Question	Common Scores
Restrict Shares to Blood Relatives		<i>Incremental approach to market & produce development</i>	<i>1</i>
<i>Retain control of profits.</i>	<i>1</i>	<i>Monitor opportunities and threats</i>	<i>1</i>
<i>Long-tenures management teams</i>	<i>1</i>	<i>Family values negotiable</i>	<i>1</i>
Don't use outside advisors		Few formal meetings	
<i>Long-term orientation</i>	<i>1</i>	No family councils or constitutions	
<i>Family are senior managers</i>	<i>1</i>	Conflict suppressed or avoided	
<i>Small management Teams</i>	<i>1</i>	<i>Incompetent family members are employed</i>	<i>5</i>
<i>Boards dominated by family</i>	<i>1</i>	Promotions are reserved for family	
Few outsiders in key managerial positions		Resentment from non-family members	
<i>Centralised decision making</i>	<i>1</i>	Equal reward for family irrespective of contribution	
<i>Family are very visible to customers and staff</i>	<i>1</i>	<i>Strong commitment and loyalty from family</i>	<i>1</i>
<i>Family control policy matters</i>	<i>1</i>	Spill over between family and business relationships	
<i>Family members work in the business both formally and informally</i>	<i>1</i>	<i>Sponsorship and donations to local interest groups</i>	<i>1</i>
Founders & spouses heavily involved		High profile in the community	
<i>Family labour can be underpaid</i>	<i>1</i>	Burden of responsibility felt by family	

Analysis of all 59 companies is currently being undertaken so it will be possible to identify if the responses to these 17 areas are common to all the multi-generational family businesses. If so it may be an indicator as to why the companies have been able to survive. These responses seem to link well to the evidence from research by the USA based Family Business Research Group that has used the Sustainable Family Business model (SFB model) to assess the sustainability of a family-owned business (Olsen et al 2003). This focuses on the role of the family as the rationale for survival rather than the entrepreneurial or business ability of the owner/management team.

Whilst it is recognised that the questionnaires only represent the opinions of the current generation it is most likely that the response to the family first / business first orientation is one that has been transferred down the generations and is the 'family' attitude rather than that of the individual.

Entrepreneurial Orientation

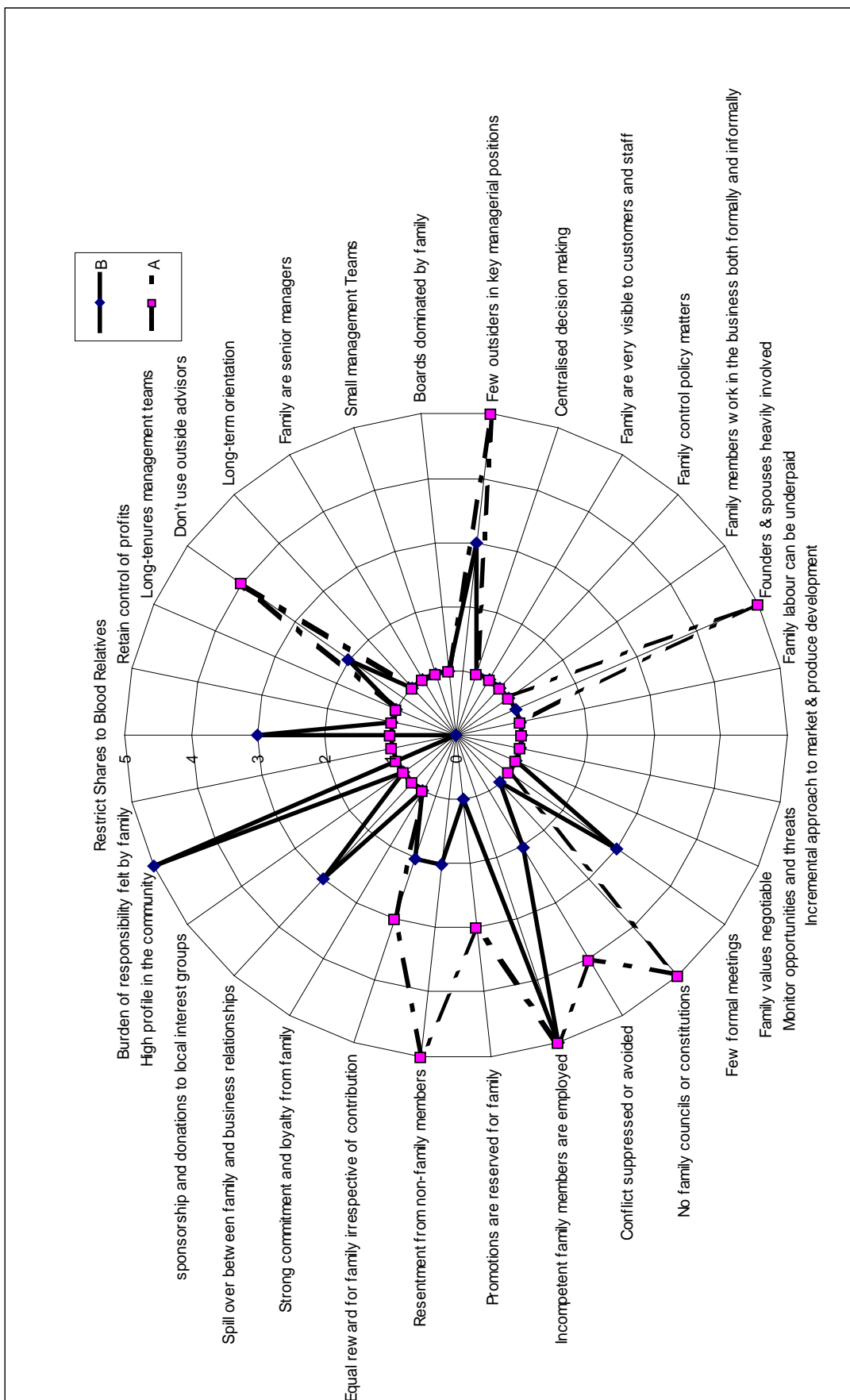
In contrast the questionnaire looking at Entrepreneurial Behaviour is based on the ENTRESALE developed modified by Knight (1997). This demonstrates a high degree of similarity between the two companies as illustrated in Figure 2a. The key areas of difference are in the responses to questions 1 and 3.

Company B regards itself as often being the first to introduce new products/services compared to Company A. The company profile indicates that this has been a feature of Company B for most of its history. The focus on products to meet or anticipate customer needs being a key aspect of its organic growth.

Company A regards itself as adopting more of a competitive posture than Company B. It can be argued that this is because Company A is in the process of developing a in a new business area so is mirroring the start up company with a more aggressive stance in making customers aware of the product/services it has to offer.

In contrast Company B has been expanding organically and has a high profile in its market area. Whilst both companies demonstrate elements of the Entrepreneurial Orientation neither appears to be at the forefront of entrepreneurial behaviour.

Figure 1 Comparison of Responses to Family / Business First Questionnaire.



Kreiser et al (2002) considered that the Entrepreneurial Orientation (EO) measure works best if it is structured with three sub-dimensions: innovation, proactiveness and risk-taking. Their research indicates that these three sub-dimensions are able to vary independently of each other. If this is applied to the results for Companies A & B it becomes apparent that Company B is more innovative, A is more proactive and both companies are moderate risk takers (Table.4). Thus both companies can be regarded as having an Entrepreneurial Orientation in one of the sub-divisions.

The scores for risk taking may be related to the interpretation of risk, Keiser et al (2002) cites Palich & Bagby (1995) as stating that “entrepreneurs may not think of themselves as being any more likely to take risks than non-entrepreneurs”.

The work of Miller & Friesen (1982) on Entrepreneurial Management Style focuses more on the internal culture of the business than Knight’s shorter questionnaire. When compared on this scale Company B has an overall higher score than A with answers to 8 questions at level 4 and 4 at level 5 as shown in Figure 2b. This would seem to indicate that the current management style of company B has the greater entrepreneurial focus.

Figure 2a. Entrepreneurial Orientation (based on Knight 1997)

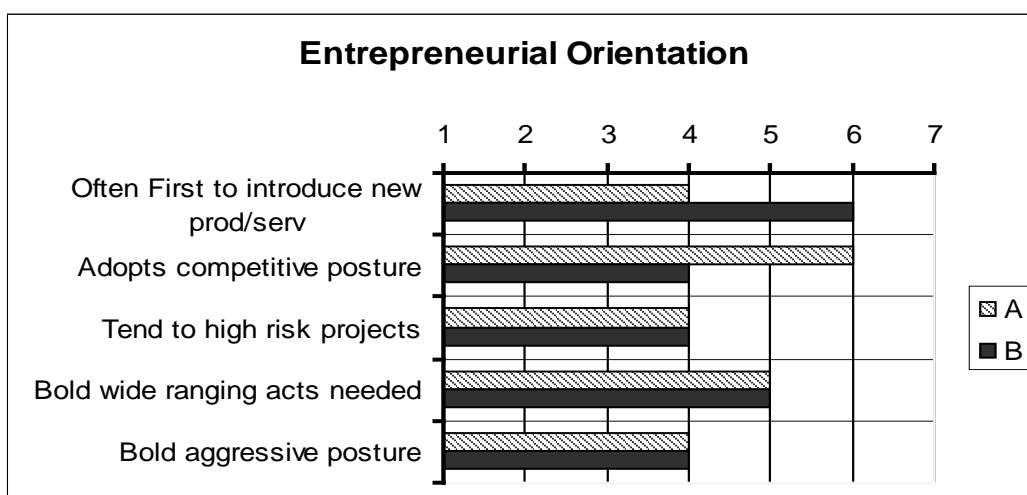
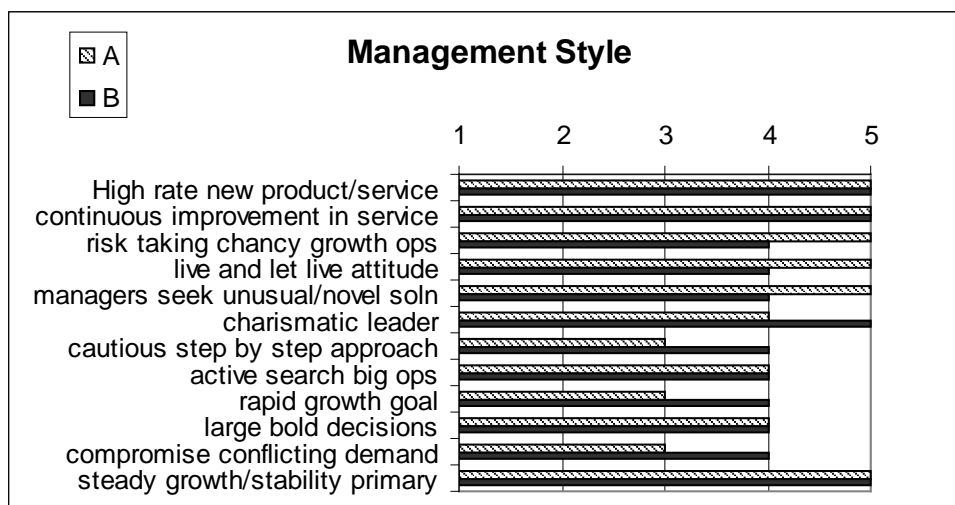


Table 4. EO sub-divisions.

Question	Sub-dimension	Company	Score
Introduction of new products/services, administrative techniques, operating technologies, etc.	INNOVATIVE	B	6
		A	4
Competitive, a "undo-the-competitors" posture	PROACTIVE	A	6
		B	4
High-risk projects (with chances of very high returns)	RISK	A & B	4
Bold, wide-ranging acts are necessary to achieve the firm's objectives	INNOVATIVE	A & B	5
Bold, aggressive posture in order to maximize the probability of exploiting potential opportunities	PROACTIVE	A&B	4

Figure 2b. Entrepreneurial Management Style based on Miller & Friesen (1982)



MARKET ORIENTATION

A comparison of the two companies market orientation based on the questionnaire by Lado et al (1998) is shown in Figure 3.

This shows the greatest difference between the two companies. The scoring is based on 1 = we fully do: 5 = never. Company B is demonstrates a greater strategic focus in relation to marketing orientation than Company A. The questions relating to distributors did not relate to Company A, however it is surprising that the company did not regard analysis of the business environment to be important. Also company A also does not regard itself to have much in the way of competition probably because it is operating in a very local area. If their horizon were to be extended to West Yorkshire rather than focusing on Huddersfield then there would be more competition for resources.

Company B is shown as having a greater market orientation. This reflects the nature of the product that is focused on the high quality, ‘craftsman’ end of the market requiring excellent relationships with customers and distributors and a keen awareness of the competition and the business environment.

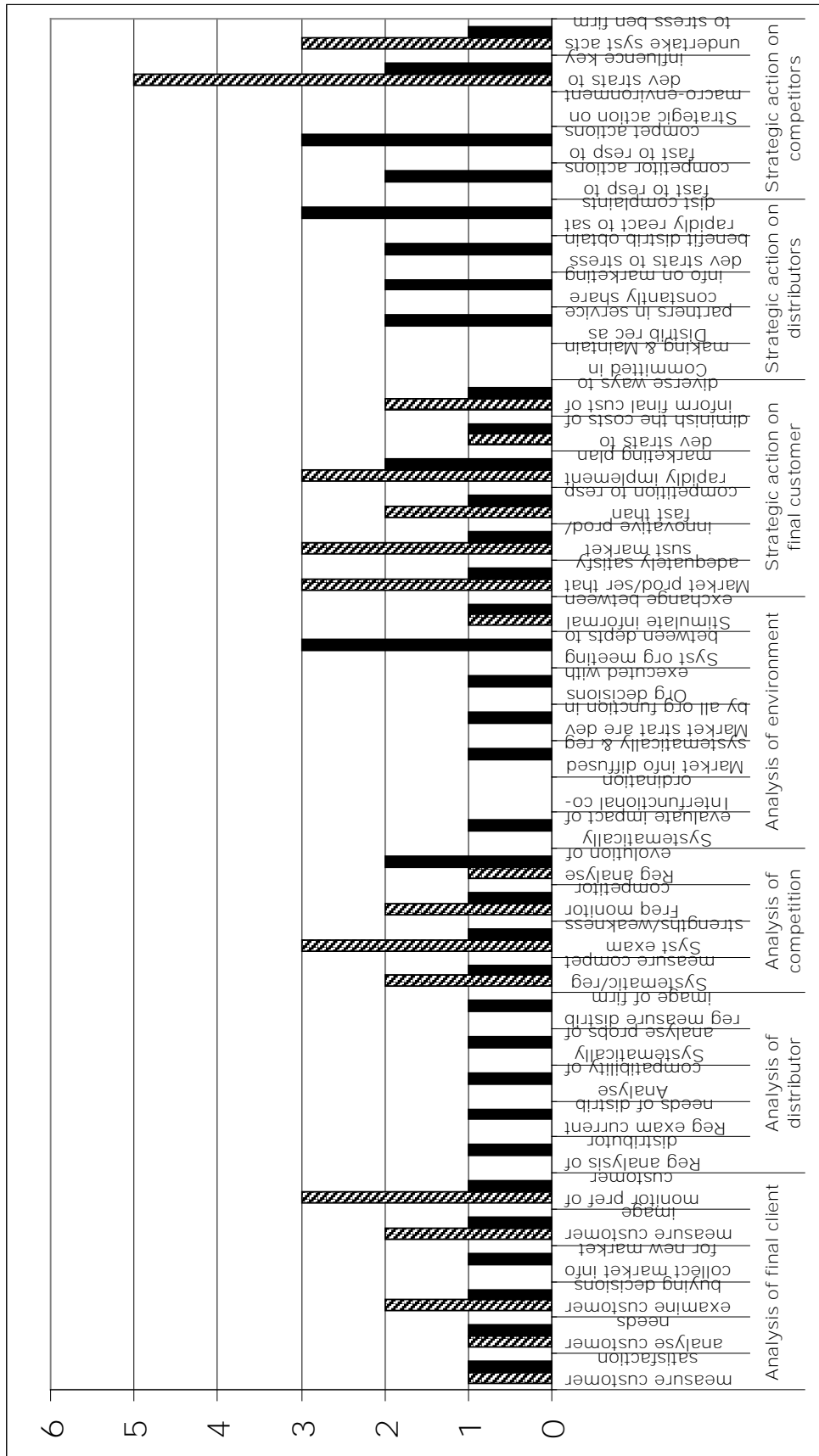
SUMMARY

The main area in common is the aspects of family first versus business first. These seem to confirm the work by Olsen et al (2003) on sustainable family businesses. Analysis of the data for all 59 companies will be undertaken to identify if these parameters are an indicator for family business survival.

The Entrepreneurial Orientation parameters need more careful analysis using the three sub-dimensions: innovation, proactiveness and risk-taking, and determining which elements of the EO are common to the sample.

Marketing Orientation is likely to be dependent upon the business sector and further analysis will need to consider this.

Figure 3. Market Orientation.



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APPENDIX 1

ENTREPRENEURIAL ORIENTATION MEASURE	
The distinctive activities that differentiate an entrepreneurial process from a non-entrepreneurial one (Miller and Friesen, 1982).	

Innovation:	Seeking of creative, unusual, or novel solutions to problems and needs. These solutions take the form of new technologies and processes, as well as new products and services	1,2,5
Risk Taking:	Willingness to commit significant resources to opportunities which have a reasonable chance of costly failure. These risks are typically moderate and calculated	3,4,6,11,12
Proactiveness:	Implementing or doing whatever necessary to bring an entrepreneurial concept to function.	7,8,9,10,13

Questions used, Likert One to Five Scale not shown, Poles were strongly disagree (1) / strongly agree (2)	
1	A high rate, compared to our competitors, of new product/service introduction (including new features and improvements)
2	Continuous improvement in the methods of service delivery
3	A risk taking tendency by all key executives in seizing and exploring chancy growth opportunities
4	A "live and let live" philosophy in dealing with competition
5	A tendency towards seeking unusual, novel solutions by senior executives to problems via the use of idea people brainstorming, etc
6	A top management philosophy that emphasises proven products and services, and the avoidance of heavy new product development costs
7	A charismatic leadership at the top
8	A cautious, pragmatic, step-at-a-time adjustments to problems
9	An active search for big opportunities
10	Rapid growth as the dominant goal
11	Large, bold decisions despite uncertainties of the outcomes
12	Compromises among the conflicting demands of owners, government, management, customers, employees, suppliers, etc
13	Steady growth and stability as primary concerns

Additionally, five questions were taken from the scale developed by Knight, which he argued had an international/cultural robustness. His first two questions on number of new products and services developed, and marketing activity were not used as these areas were covered by questions elsewhere in our combined research instruments.

<i>For the following, please circle, or tick, where you believe that you lie on the scale</i>								
<i>In dealing with competitors, my firm. ..</i>								
Is very seldom the first business to introduce new products/services, administrative techniques, operating technologies, etc.	<table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table>	1	2	3	4	5	6	7
1	2	3	4	5	6	7		
	Is very often the first business to introduce new products/services, administrative techniques, operating technologies, etc.							
<i>In dealing with competitors, my firm. ..</i>								
Typically seeks to avoid competitive clashes, preferring a "live-and-let-live" posture	<table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table>	1	2	3	4	5	6	7
1	2	3	4	5	6	7		
	Typically adopts a very competitive, a "undo-the-competitors" posture							

<i>In general, the top managers at my firm. ..</i>								
Have a strong proclivity for low-risk projects (with normal and certain rates of return)	1	2	3	4	5	6	7	Have a strong proclivity for high-risk projects (with chances of very high returns)
<i>In general, the top managers at my firm. ..</i>								
Believe that, owing to the nature of the environment, it's best to explore it gradually via careful, incremental behaviour	1	2	3	4	5	6	7	Believe that, owing to the nature of the environment, bold, wide-ranging acts are necessary to achieve the firm's objectives
<i>When confronted with decision-making situations involving uncertainty, my firm. ..</i>								
Typically adopts a cautious, "wait-and-see" posture in order to minimize the probability of making costly decisions	1	2	3	4	5	6	7	Typically adopts a bold, aggressive posture in order to maximize the probability of exploiting potential opportunities
Miller, D. and Friesen, P. (1982), <i>Innovation in conservative and entrepreneurial firms: two models of strategic momentum</i> , Strategic Management Journal, Vol. 3, pp. 1-25.								
Knight, G. (1997), <i>Cross-Cultural Reliability and Validity of a Scale to Measure Firm Entrepreneurial Orientation</i> , Journal of Business Venturing, Vol. 12, 213-225.								

Marketing Orientation Measure							
Again, we appreciate your help in completing this questionnaire. For each question, please score 1 – 5 as appropriate, or, not applicable (N/A). No right or wrong responses. Score 1= we fully do that Score 5 = not at all							
		1	2	3	4	5	N/A
Analysis of the final client							
1	We systematically and frequently measure customer satisfaction	1	2	3	4	5	
2	We periodically analyse our customers' current and future needs	1	2	3	4	5	
3	We regularly examine the factors influencing the buying decisions of our customers	1	2	3	4	5	
4	We regularly collect market information to detect the emergence of new market segments	1	2	3	4	5	
5	We periodically measure customers' image of our product/service	1	2	3	4	5	
6	We monitor changes in the preferences of our customers'	1	2	3	4	5	
Analysis of the distributor							
1	We systematically and frequently measure distributor satisfaction	1	2	3	4	5	
2	We regularly examine the current needs of our distributors	1	2	3	4	5	
3	We analyse the compatibility of our marketing strategy with the objectives of our distributors	1	2	3	4	5	
4	We systematically analyse the problems that our distributors can have with the marketing of our products	1	2	3	4	5	
5	We regularly measure the distributors' image of our firm	1	2	3	4	5	
Analysis of competitors							
1	We analyse our competitors' strategies systematically and regularly	1	2	3	4	5	
2	We systematically examine the strengths/weaknesses of our competitors	1	2	3	4	5	
3	We frequently monitor competitor marketing variables (price, product, promotion, market)	1	2	3	4	5	
4	We regularly analyse the evolution of substitute products/services	1	2	3	4	5	

Analysis of the environment							
1	We systematically evaluate the impact of the environment on our customers	1	2	3	4	5	
Interfunctional co-ordination							
1	Market information is diffused systematically and regularly to all functions within the firm	1	2	3	4	5	
2	Market strategies are developed by all organizational functions in a co-ordinated manner	1	2	3	4	5	
3	Organizational decisions are executed with a sense of personal commitment to serve the market	1	2	3	4	5	
4	We systematically organize meetings between the different functions to analyse market information	1	2	3	4	5	
5	We stimulate an informal information exchange between the different functions of the firm	1	2	3	4	5	
Strategic actions on final customers							
1	We market products/services that adequately satisfy the final customers' current needs	1	2	3	4	5	
2	We systematically market innovative products/services	1	2	3	4	5	
3	We are faster than the competitors to respond to the changes of our final customers' needs	1	2	3	4	5	
4	We rapidly implement our marketing plan	1	2	3	4	5	
5	We develop strategies to diminish the (monetary and psychological) costs of acquiring our products	1	2	3	4	5	
6	We inform our final customers on the diverse ways to obtain a better benefit from our products/services	1	2	3	4	5	
Strategic actions on intermediary customers (distributors)							
1	We are very committed in making and maintaining contact with our distributors	1	2	3	4	5	
2	Distributors are recognized as partners in serving end-users	1	2	3	4	5	
3	We constantly share information on our marketing strategies with our distributors	1	2	3	4	5	
4	We develop strategies to stress the benefits that distributors obtain from maintaining their relations with our firm	1	2	3	4	5	
5	We rapidly react to satisfy our distributors' complaints	1	2	3	4	5	
Strategic actions on competitors							
1	We are fast to respond to competitors' actions directed at our final customers	1	2	3	4	5	
2	We are fast to respond to competitors' actions directed at our distributors	1	2	3	4	5	
Strategic actions on the macro-environment							
1	We develop strategies to influence key groups within the macro-environment (consumers' associations, political groups)	1	2	3	4	5	
2	We undertake systematic activities to stress the benefits that the firm gives to the society in general	1	2	3	4	5	
Lado, N., Maydeu-Olivares, A. and Rivera, J. (1998), <i>Measuring market orientation in several populations: A structural equations model</i> , European Journal of Marketing, Vol. 32 No. 1/2, 23-39.							

Family First – Business First						
<p>We know that your discussions with us are going to be fascinating and full of interest but in order to help us structure and classify our research could you answer this questionnaire.</p> <p>If any of our questions offend you then please just decline to answer – this questionnaire is designed to see how much, or how little, business and family life intersect.</p> <p>We have ‘borrowed’ these questions from other research that itself attempts to understand this relationship.</p> <p>There are no right or wrong answers. Please circle or tick through your preferred answer</p>						
	Exactly like us	Very much like us	Somewhat like us	A little like us	Not at all like us	Not applicable
Restrict shares to blood relatives	1	2	3	4	5	
Retain control of residual profits	1	2	3	4	5	
Long-tenured management teams	1	2	3	4	5	
Don't use outside advisers	1	2	3	4	5	
Long-term orientation	1	2	3	4	5	
Family are the senior managers	1	2	3	4	5	
Small management teams	1	2	3	4	5	
Boards dominated by family	1	2	3	4	5	
Few outsiders in key managerial positions	1	2	3	4	5	
Centralised decision-making	1	2	3	4	5	
Family are very visible to customers & staff	1	2	3	4	5	
Family control policy matters	1	2	3	4	5	
Family members work in the business both formally & informally	1	2	3	4	5	
Founders and spouses heavily involved	1	2	3	4	5	
Family labour can be unpaid or underpaid	1	2	3	4	5	
Incremental approach to market & product development	1	2	3	4	5	
Monitor opportunities and threats	1	2	3	4	5	
Family values non-negotiable	1	2	3	4	5	
Few formal meetings	1	2	3	4	5	
No family councils or constitutions	1	2	3	4	5	
Conflict suppressed or avoided	1	2	3	4	5	
Incompetent family members are employed	1	2	3	4	5	
Promotions are reserved for family	1	2	3	4	5	
Resentment from non-family members	1	2	3	4	5	
Equal reward for family irrespective of contribution	1	2	3	4	5	
Strong commitment & loyalty from family	1	2	3	4	5	
Spill-over between family & business relationships	1	2	3	4	5	
Sponsorship & donations to local interest groups	1	2	3	4	5	
High profile in the community	1	2	3	4	5	
Burden of responsibility felt by family	1	2	3	4	5	
<p>Cromie. S., Dunn. B., Sprout. A., and Chalmers. D. (2001), <i>Small Firms with a Family Focus in the Scottish Highlands and Islands</i>. The Irish Journal of Management, Vol. 22. Iss. 2. pp. 45 – 66.</p>						

THEME 3.0**CONTEXT: FOCUS OUT**

How does an entrepreneurial marketing paradigm guide, extend and inform in wider and less traditional contexts?

- 3.1: Large organisations in private ownership;
- 3.2: Large organisations in public ownership and , in particular, CCT in the UK;
- 3.3: Public Arts (T-PASTs) which encompass both large & small organisations;
- 3.4: Within a geographical cluster and researched through a methodology that interfaces both marketing and entrepreneurship;
- 3.5: Within a geographical conflict zone.

Three conference papers; one conference proceedings; two journal articles

- | | |
|--|---|
| Exhibit 311
Conference
paper
2003 | Day, J. with Al-Mohammad, S.M. & Cook, J. (2003, August). <i>Considering the Role and Impact of Market Orientation and Entrepreneurial Orientation on the Performance of Marketing Information Systems (MkIS) within Large Organisations: A Case Study of UK Financial Services</i> . Paper presented at the American Marketing Association and the University of Illinois at Chicago – UIC Symposium on Marketing and Entrepreneurship, Chicago, IL. |
| Exhibit 312
Journal article
1998 | Day, J. with Reynolds, P.L., & Lancaster, G.A. (1998). A marketing strategy for public sector organisations compelled to operate in a compulsory competitive tendering environment. <i>International Journal of Public Sector Management</i> , 11(7), 583-595. |
| Exhibit 313
Conference
paper
1999 | Day, J. with Reynolds, P.L. (1999, August). <i>The Marketing of Public Sector Building Services in a changing Regulatory Framework – Does ‘Best Value’ Herald a Visionary Future?</i> Paper presented at the American Marketing Association and the University of Illinois at Chicago – UIC Symposium on Marketing and Entrepreneurship, San Francisco, CA. 6 th - 7 th August. |
| Exhibit 314
Conference
paper
2011 | Day, J. with Day, J.C. (2011, May). <i>Public sculpture themed projects as entrepreneurial marketing</i> . Paper presented at the GSCM - Montpellier Business School European Entrepreneurial Marketing Summit, Montpellier, France. 12 th - 13 th May. |
| Exhibit 315
Journal article
2010 | Day, J. with Kuah, A.T.H. (2010). Measuring Clustering Benefits and Competitiveness: What Do Players Really Value? <i>Singapore Management Review</i> , 32 (2), pp. 1-24. |
| Exhibit 316
Conference
proceedings
2012 | Day, J. with Muhammad, N. (2012, November). Growth and Entrepreneurial Orientation Behaviours of SMEs in a Conflict Environment: Swat Valley Pakistan. In <i>ISBE: Creating Opportunities through Innovation: Local Energy, Global Vision</i> . November http://www.isbe.org.uk/ Muhammad12 |

Considering the Role and Impact of Market Orientation and Entrepreneurial Orientation on the Performance of Marketing Information Systems (MkIS) within Large Organisations: A Case Study of UK Financial Services.

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Abstract: This paper offers a framework for looking at whether market information delivered by complex MkIS within large organisations is utilised in an entrepreneurial manner. As such it links together several important themes within the entrepreneurial marketing debate. Evidence is presented from the UK financial services to show the operationalisation of the model.

1 Preamble

Traditionally entrepreneurial marketing has concerned itself with the SME, this is both logical, in that many commentators see the SME as the engine of entrepreneurial behaviour, and that, the origins of the 'Interface' in the USA came about from the supposed neglect by marketing scholars of the particular qualities and peculiarities of the SME (see Hills et al, 1987 for the seminal exposition of this point)

This paper however is concerned with entrepreneurship in the larger organisation and sees this as an extension of the entrepreneurial marketing debate rather than a departure from the focus of that debate. On average, one might expect entrepreneurial SMEs to be those that grow into large firms, and despite the cautioning of taking too optimistic a view of the pre-disposition to entrepreneurialism of the small firm ... many large firms when seeking to be intrapreneurial, take the structure and assumed behaviour of the SME as a role model. Equally work by Carrier (1987) has argued convincingly that the relationship between intrapreneurship and organisational size should be seen as lying along a spectrum with even those quite small SMEs that are team managed needing to be aware of intrapreneurship.

In particular, this paper is concerned with how larger organisations, who should be information rich given their investment in MkIS, use information. Entrepreneurship literature has often ascribed to the entrepreneur the ability to use different information, to use superior information, and/or, to assemble and manipulate existing information differently from competitors (Casson, 1982).

Indeed, much of the ‘opportunity (seeking) literature’ follows this line of thought (Hills, 2000).

The fieldwork for this paper has just been completed (Fall, 2001) and consists of both postal questionnaires and a detailed case study involving several interviews with senior managers. In order to gain the research data we agreed to the anonymity of the case study organisation – however, the fieldwork was within the UK financial services industry.

This paper investigates the association between certain organisational characteristics and behaviours and how MkIS users (perceived) the performance of their system. Whilst current literature has addressed the influence of a number of organisational factors on the development and sophistication of MkIS, this study adds to the current literature by arguing that both market orientation (MO) and entrepreneurial orientation (EO) are strongly associated with the (perceived) performance of MkIS. Therefore, the authors develop a model representing the proposed associations between MO, EO and MkIS. Albeit that this is done in a wider organisational context.

A triangulated research design was adopted to examine these relationships and interactions. Two research approaches, (case study and mail survey), and two data collection methods, (questionnaire and interviews), were used to generate both quantitative and qualitative data. These provided an insightful stream of quantitative and qualitative data.

The major conclusion of this study is the argument that whilst it is important to acknowledge (as do previous studies) that the quality of market information is a strong indicator of the (perceived) performance of MkIS, users perceptions about the quality of this information are influenced strongly by other factors ... such as market oriented values, entrepreneurial orientation and market oriented behaviours. The perception of the quality of the information delivered, in turn, affects their willingness both initially to use, and subsequently how to employ, that data.

In summary, this paper attempts to explore an important issue in entrepreneurial marketing – how is marketing data gathered by MkIS employed, and is it employed in an entrepreneurial fashion? This study extends the Interface into the domain of larger organisations. One immediate policy conclusion is that there is a need for entrepreneurial champions as important motivators for achieving an entrepreneurial orientation.

2 Dataset

Data was collected by various means during 2001.

Following a small pilot (four senior managers and one academic were taken through the questionnaire by the field researcher), and, it was then mailed to thirty-one managers, with a response rate of fourteen useable replies ... the main research was carried out as detailed in Exhibit One.

EXHIBIT ONE

Research approach	Methods of data collection	Notes	Unit of analysis and sampling frame
Case study (Bank)		We used one particular provider for whom we agreed anonymity. A national bank with local branch structure	Managerial level involved in Marketing
Interviews		Interviews were used primarily to focus the research questions & develop the research instrument Likert Scales predominated with added comments sought	N =350
Questionnaires		Kolmogorov-Smirnov test for normality, showed data to be non -normal in distribution ... so non-parametric tests, correlation used. (Kendall's tau used also due to small sample size) Mean values and standard deviation used also.	Focus on organisational level behaviour 66/350 response rate Single bank national coverage
		Consideration given to reliability of scales (Cronbach Alpha); initially nine of eleven scales over 0.7 (highest 0.89); of the other two the deletion of two items raised value to 0.71; one scale remained at 0.35 (Intelligence Generation)	Management split into two levels of seniority
		Some consideration given to looking at non respondent bias	
Mail survey		Same level of analysis as above albeit this dataset did display more propensity to be normally distributed.	Sent to a wider population comprising of: other banks; building societies; personal insurance companies
Questionnaires			N = 90 49/90 response rate
Interviews		One with the case organisation; one other banking organisation; one large, and one small, insurance company; one small Building Society.	Convenience sample based on those showing particular interest in the mail survey.
		With the exception of the case bank, interviews were one hour and tape recorded.	National sample. N = 5

3 Model and Variables

Exhibit Two shows the variables that we sought to measure, and how they informed the questionnaire. Exhibit Three illustrates the Despande et al model. Whilst the 'naïve' set

of propositions was to look at how market information is utilised, when put into practise within the context of a large and complex organisation, the propositions themselves obviously became more complex, and Exhibit Four, details these. Finally, Exhibit Five shows how the model developed over the research process.

EXHIBIT TWO: Summary of the measurement scales adopted by this study.

Variable to be captured		Questionnaire Reference
Clan values Adhocracy Values Hierarchy Values Market Values Market Intelligence Generation Market Intelligence Dissemination Responsiveness Instrumental/Conceptual Utilisation Symbolic Utilisation Entrepreneurial Orientation Market information Quality		
<hr/>		
VALUES		
Model of culture types derived from an analysis of values, assumptions and interpretations of members (Deshpande, Farely and Webster, 1993)		
Clan	Characteristics: Participation, trust, internal orientation	1,6,11,16
Adhocracy	Characteristics: Adaptable, creative, external orientation	2,5,12,15
Hierarchy	Characteristics: Orders, rules, regulations, internal orientation	3,8,9,14
Market	Characteristics: Competitive, task-driven, external orientation	4,7,10,13
<hr/>		
MARKET ORIENTED BEHAVIOURS		
Scale describing a set of market intelligence related behaviours (Kohli et al's MARKOR, 1993)		
Market Intelligence Generation:	The collection of and assessment of both customer needs/preferences and the forces (i.e. task and macro environment) that influence the development and refinement of those needs	17,18,19,20,21,22
Market Intelligence Dissemination:	The process and extent of formal and informal, and vertical and horizontal, market information exchange within a given organisation	23,24,25,26,27
Responsiveness:	Action taken in response to intelligence that is generated and disseminated	28,29,30,31,32,33,34,35,36
<hr/>		
MARKET INFORMATION UTILISATION		
Scale describing two distinctive types of information utilisation (Diamantopoulos and Souchon, 1999)*		
Conceptual/instrumental Utilisation:	Direct and indirect positive application of market information produced by MkIS	37,38,39,40,41,42,43,44,45,46,47,48
Symbolic Utilisation	The negative application of market information produced by MkIS	49,50,51,52,53,54,55,56,57,58,59

ENTREPRENEURIAL ORIENTATION		
The distinctive activities that differentiate an entrepreneurial process from a non-entrepreneurial one (Miller and Friesen ,1982) **		
Innovation:	Seeking of creative, unusual, or novel solutions to problems and needs. These solutions take the form of new technologies and processes, as well as new products and services	60,61,64,
Risk Taking:	Willingness to commit significant resources to opportunities which have a reasonable chance of costly failure. These risks are typically moderate and calculated	62,63,65, 70,71
Proactiveness:	Implementing or doing whatever necessary to bring an entrepreneurial concept to function.	66,67,68, 72

MARKET INFORMATION QUALITY		
(developed from different sources)***		
A set of characteristics that reflect the value of market information to the intended user		
Timeliness:	Indicates that market information is processed and transmitted on time to be used by the decision maker	83
Completeness:	Indicates that market information includes all what the user needs to know about a certain situation	84
Accuracy:	Indicates that market information is error-free realistic, and can be relied upon in decision making,	85
Reliability:	Indicates the degree to which the user trusts market information and its source	86
Relevance:	Indicates that market information has a direct effect on the situation	87
Accessibility:	Indicates that market information is available when its needed	88

*	Certain modifications were made on the original terminology used in the scale to suit the purpose of this study.
**	Entrepreneurial Orientation was treated and measured as an overall concept through the whole of this study, any analysis was done on EO in general, rather than focussing on its sub components
***	Market information quality was measured and analysed as a sum of all the different characteristics associated with it.

Deshpande et al (1993) described these types of culture as:

- Clan culture: characterised by an emphasis on loyalty, tradition and internal maintenance.
- Adhocracy culture: focuses on innovation, entrepreneurship and risk taking.
- Hierarchical culture: emphasises predictability and smooth operations within a bureaucratic organisation.
- Market culture: characterised by an emphasis on competitive advantage and market superiority.

Diamantopoulous and Souchen defining

<i>Instrumental Utilisation</i>	is concerned with direct use of information	A decision to introduce a new product based on market research is an example of instrumental utilisation.
<i>Conceptual Utilisation</i>	refers to a less direct and more indirect application of information	Thus much of the use of information that provides general enlightenment to manager’s knowledge base can be considered conceptual.
<i>Symbolic Utilisation</i>	represents utilising information to legitimate predetermined positions, such as taking information selectively or otherwise distorting it to justify actions taken for other reasons	Information is distorted in order to support the decision-maker’s opinion in the eyes of his/her subordinates, colleagues, and supervisors, or when information is used to justify a decision made previously, perhaps on the basis of the decision-maker’s instinct.

EXHIBIT THREE: A model of organisational types

Source: Deshpande, Farley and Webster, 1993: 25

Organic Processes (Flexibility, Spontaneity)

Type: Clan

Dominant Attributes:

Cohesiveness, Participation
Teamwork, Sense of family

Leadership Style:

Mentor, Facilitator Parent-Figure

Bonding:

Loyalty, Tradition, Interpersonal
cohesion

Strategic Emphasis:

Toward developing human resources,
Commitment, Morale

Type: Adhocracy

Dominant Attributes:

Entrepreneurship,
Creativity, Adaptability

Leadership Style:

Entrepreneur, Innovator, Risk taker

Bonding:

Entrepreneurship, Flexibility, Risk

Strategic Emphasis:

Toward innovation, Growth, New
resources

Internal Maintenance

*(smoothing activities,
integration)*

External Positioning

(competition, differentiation)

Type: Hierarchy

Dominant Attributes:

Order, Rules and Regulations Uniformity

Leadership Style:

Co-ordinator, Administrator

Bonding:

Rules, Policies and Procedures

Strategic Emphasis:

Toward stability, Predictability, Smooth
operations

Type: Market

Dominant Attributes:

Competitiveness, Goal Achievement

Leadership Style:

Decisive, Achievement- Oriented

Bonding:

Goal orientation, Production,
competition

Strategic Emphasis:

Toward competitive
advantage and market superiority.

Mechanistic Processes (Control, Order, Stability)

EXHIBIT FOUR: Propositions in detail

VALUES and BEHAVIOUR TOWARDS MARKET ORIENTATION

P1: The more **the values** of an organisation conform to those market oriented ones, the higher its market oriented **behaviours**.

This proposition is divided into three major sub-propositions associating market oriented values with each set of market oriented behaviours.

market intelligence generation	P1.a	Holding all other measured variables constant, the more the values of an organisation conform to those market oriented ones, the higher the “market intelligence generation” behaviours associated with this organisation..
market intelligence dissemination	P1.b	Holding all other measured variables constant, the more the values of an organisation conform to those market oriented ones, the higher the “market intelligence dissemination” behaviours associated with this organisation.
market intelligence responsiveness	P1.c	Holding all other measured variables constant, the more the values of an organisation conform to those market oriented ones, the higher the “market intelligence responsiveness” behaviours associated with this organisation.

INTENSITY OF MARKET ORIENTATED BEHAVIOURS AND QUALITY OF MkIS

P2: The **higher** the **market-oriented behaviours** in an organisation, the **higher** the ((perceived)) **quality of market information** produced by the organisation’s MkIS.

Having proposed a relationship between market oriented values and behaviours it was suggested that market oriented behaviours should influence the (perceived) quality of market information produced by MkIS. Because we did not measure the actual performance of the MkIS – all responses are about the user’s perceived quality of the MkIS.

market intelligence generation	P2.a.1	The higher the “market intelligence generation” behaviours in an organisation, the higher the (perceived) quality of market data content collected by this organisation..
	P2.a.2	Holding all other measured variables constant, the higher the quality of data’s content, the higher the (perceived) quality of market information produced by MkIS.
market intelligence dissemination	P2.b	The higher the “market intelligence dissemination” behaviours in an organisation, the higher the (perceived) quality of market information produced by MkIS..

With regard to responsiveness, it was overlapped with market information utilisation, hence, it was proposed that:

market intelligence responsiveness	P2.c.1	The higher the responsiveness behaviours in an organisation the higher the conceptual/ instrumental utilisation of market information produced by MkIS”.
	P2.c.2	The higher the responsiveness behaviours in an organisation, the lower the symbolic utilisation of market information produced by MkIS.
	P2.c.3	The higher the conceptual/ instrumental utilisation of market information produced by MkIS, the higher the (perceived) quality of this information..

Exhibit Four: Propositions in detail ... continued/-

- P2.c.4 The **higher the symbolic utilisation** of market information produced by MkIS, the lower the (perceived) quality of this information.

After establishing the relationship between market oriented behaviours and market information quality, it was felt necessary to address the relationship between market information itself and the (perceived) performance of MkIS. Hence, it was proposed that:

INFORMATION and MkIS

- P3: The higher the (perceived) **quality** of market information, the higher the (perceived) **performance** of MkIS

With regard to the relationship between entrepreneurial orientation and MkIS's (perceived) performance, it was proposed that:

ENTREPRENEURIAL ORIENTATION and MkIS

- P4: The organisation's levels of **entrepreneurial orientation** will positively influence the (perceived) performance of its MkIS. This influence will take place through the manner under which **market information** produced by MkIS is utilised.

Considering both types of market information utilisation addressed by this study, the above proposition was divided into two sub-propositions:

- P4.a: The higher the **entrepreneurial orientation** of an organisation, the higher the **conceptual/ instrumental utilisation** of market information produced by its MkIS.
- P4.b: The higher the **entrepreneurial orientation** of an organisation, the lower the **symbolic utilisation** of market information produced by its MkIS..

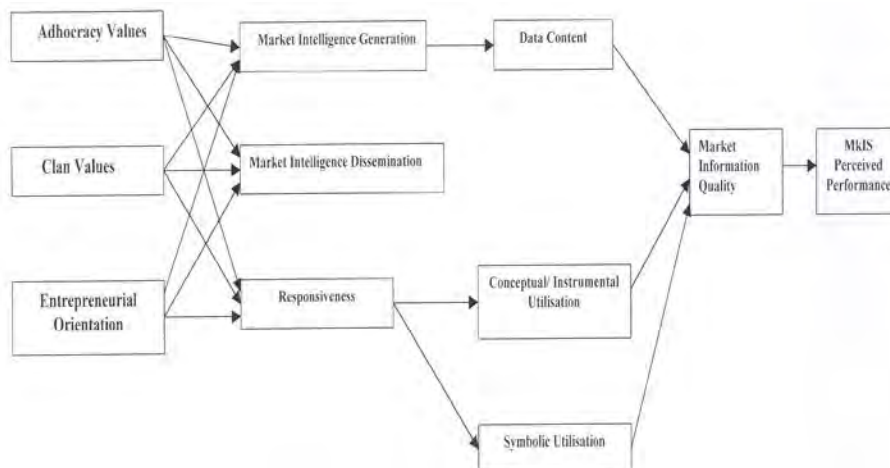
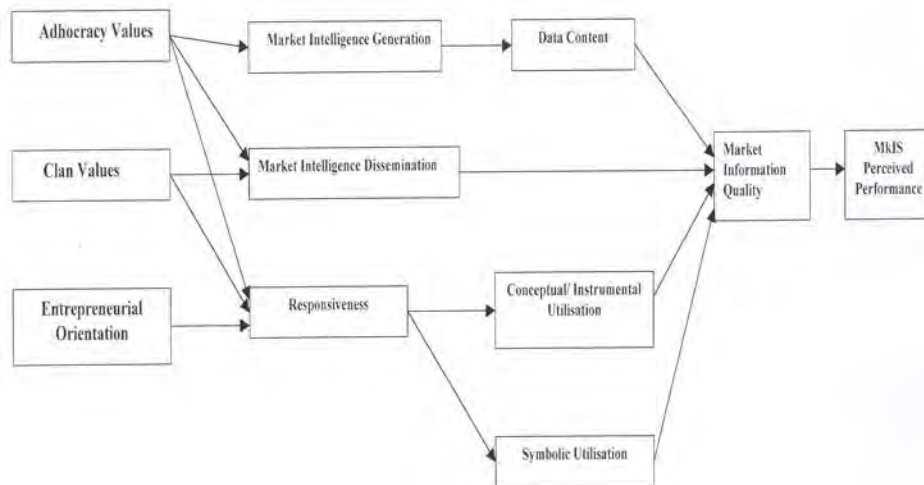
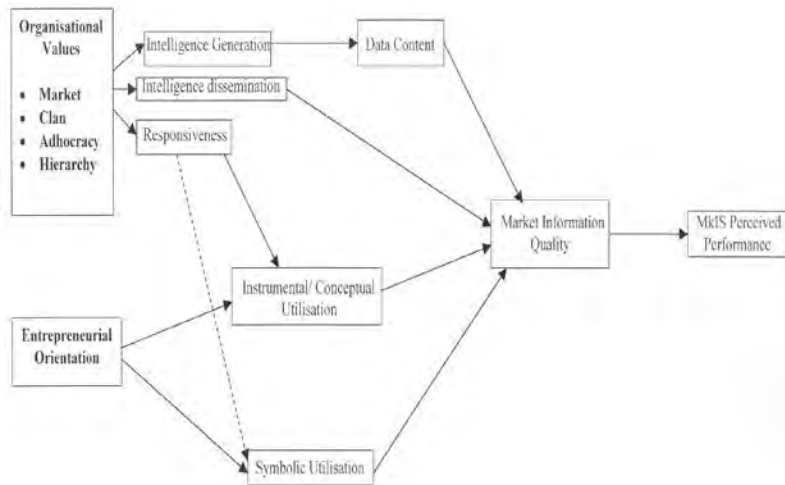
EXHIBIT SIX: Summary of results of tests on the study's propositions.

Proposition	Case Study (Bank) Results			Mail Survey Results		
	Rejected	Partially Accepted	Accepted	Rejected	Partially Accepted	Accepted
P1.a		✓			✓	
P1.b		✓			✓	
P1.c		✓			✓	
P2.a.1			✓			✓
P2.a.2			✓			✓
P2.b			✓	✓		
P2.c.1			✓			✓
P2.c.2			✓			✓
P2.c.3			✓			✓
P2.c.4			✓			✓
P3			✓			✓
P4.a	✓			✓		
P4.b	✓			✓		

Propositions were tested using the Kendall tau test at 95% significance or better.

EXHIBIT FIVE: Changes to the Study's Preliminary Model.

- 1 The Preliminary Model.
- 2 The Model after being tested in the Case Organisation.
- 3 The Model after being tested on the Financial Services Sample.



4 Discussion

Exhibit Six above summaries the results from the testing of the propositions.

Findings are discussed under four main headings: organisational values and their relation to market oriented behaviours; market oriented behaviours and the quality of market information produced by MkIS; the relationship between market information quality and the (perceived) performance of MkIS; and, entrepreneurial orientation association with MkIS. Finally, some comments on limitations of the study along with academic and managerial contributions are aired.

4.1 Organisational values and their relation to market oriented behaviours.

Proposition P1 has suggested that amongst organisational values (market, adhocracy, clan and hierarchy), the higher the market oriented ones (market and adhocracy values), the higher the market oriented behaviours of an organisation. Examination of the relationship between organisational values and market-oriented behaviours has resulted in the following three findings:

The main four types of organisational values were present in the organisations under study. Furthermore, qualitative analysis has underlined the existence of other different types of values such as continuous improvement, customer orientation and environmentally friendly values. This implies that organisations have different types of values that complement each other. The fact that certain values dominate at a certain time, for example market and hierarchy values in the case organisation, might be due to changes in direction forced by other variables such as organisations' external environment and management change.

Results from both data sets, that is case study and mail survey, have emphasised the influence of certain organisational values over market-oriented behaviours. While authors such as Moorman, (1995) and Deshpande et al, (1993), have considered that both market and adhocracy values were market oriented; in this study only adhocracy values have shown significant association with organisations' market oriented behaviours.

Hence, externally oriented attributes of competitiveness and goal achievement associated with market values, had no influence over organisations' market oriented behaviours. Interestingly, in the case study organisation, while lower levels of management have shown an association between market values and market intelligence dissemination and responsiveness behaviours, higher levels of management have shown no association between market values and any of the market oriented behaviours. Examining the differences in managerial levels between respondents in the case organisation, has underlined that higher level managers might have shown higher levels of competitiveness than lower level managers which might have consequently reflected on their market information behaviours. This argument is consistent with Moorman (1995) suggestions

that market values might have emphasised competitiveness and individual spirit in higher-level managers more than lower level managers. The fact that higher-level managers might be assessed in relation to their knowledge, and the information they have, might play a role in that as well

The fact that the association between organisational values and market oriented behaviours differed between managerial levels in the case organisation indicates that this association might be influenced by differences in job description and characteristics which might affect certain attributes in these values. For example, and in the case organisation, attributes of competitiveness and individual spirit were more emphasised in Group A managers (higher level managers), which reflected on their perceptions towards any association between market values, and market oriented behaviours. Also attributes of cohesiveness and teamwork were more emphasised in Group B managers (lower level managers) which reflected on their perceptions towards the association between clan values and market oriented behaviours.

4.2 Market oriented behaviours and the quality of market information produced by MkIS.

Proposition P2 has suggested that market oriented behaviours are associated with the quality of market information produced by an organisation's marketing information systems. This proposition was divided into several sub-propositions which addressed the variety in market oriented behaviours, and the different associations between these behaviours and market information quality. The following six findings were of significance:

Sub-proposition P2.1.a was accepted, by both case study and survey respondents, indicating that market intelligence generation behaviours were positively associated with the quality of market data's content collected by the organisation. While this argument has been theoretically emphasised (Glazer, 1997; Slater and Narver, 1995; Day and Glazer, 1994; Day, 1994a, 1994b) this study has provided some empirical support for it. The study further emphasised differences between managerial levels with regard to this association, higher levels of management in the case organisation felt that there was no association between market intelligence generation and market data quality while lower levels of management indicated an association between the two concepts.

Since sub-proposition P2.1.b was accepted, the quality of data's content was also found to be associated with the quality of market information produced by MkIS. This finding has further supported Balloun et al's (1998) "information manufacturing systems" perspective of information systems where market data was considered to be as an input that had a vital positive influence over the quality of market information produced by MkIS. Once more, differences in managerial levels had to be considered when examining this association.

In respect to sub-proposition P2.2, which suggested an association between market intelligence dissemination and the quality of market information produced by MkIS, findings from both sets of data were mixed. While a positive association between the two concepts was indicated by the case study, the surveyed organisations did not find this association to be significant. Examining the means of both the case organisation and the surveyed organisations, and in relation to Maltz and Kohli (1996) and Maltz (2000), it might be argued that the relationship between dissemination and market information quality is non-linear. Hence, and after a certain level, association between dissemination and quality will be negative. This could be related to the issue of information overload associated with increases in market intelligence dissemination levels.

In relation to Jaworski and Kohli's (1996) argument, sub-propositions P2.3.a and P2.3.b have suggested an association between responsiveness behaviours and both types of market information utilisation, that is conceptual/instrumental and symbolic. While both sub-propositions were accepted, findings indicated that responsiveness behaviours were positively associated with conceptual/instrumental utilisation of market information produced by MkIS, while they were negatively associated with symbolic utilisation of this type of information. This study has provided an empirical support to Jaworski and Kohli (1996) suggestions, in addition to emphasising that responsiveness behaviours are actions associated with positive utilisation of market information.

As for sub-proposition P2.3.c, its acceptance has emphasised the positive association between conceptual/instrumental utilisation of market information produced by MkIS and the (perceived) quality of this information. The acceptance of sub-proposition P2.3.d has further indicated that symbolic utilisation of market information was negatively associated with its quality. Hence, not only did the quality of market information produced by MkIS depend on the quality of processes used to generate and disseminate it, it was also related to the manner under which it was utilised. This finding is of importance since that market information produced by MkIS might be of high quality, however, the manner under which it is used might cause different perceptions to be drawn.

The acceptance of the sub-propositions in points four and five above has established the manner under which a market oriented behaviour like responsiveness will be associated with the quality of market information. Building on these sub-propositions, responsiveness represents a set of actions that require conceptual/instrumental utilisation of market information, which will reflect positively on perceptions about the quality of this information.

4.3 The relationship between market information quality and the (perceived) performance of MkIS.

The acceptance of proposition P3 by both sets of data has emphasised that the performance of marketing information systems was associated positively and strongly

with the quality of market information produced by these systems. Despite the significance of this finding, the fact that the quality of market information was itself influenced by other organisational factors indicates that the performance of MkIS is, consequently influenced by these factors.

4.4 Entrepreneurial Orientation Association with MkIS.

Quantitative findings have indicated that, generally, entrepreneurial levels within financial services were below average (3 on the Likert scale). While qualitative analysis has shown that financial services have indicated their willingness to innovate, they lacked in risk taking tendency and proactiveness, hence the overall results of entrepreneurial orientation were low. Further, financial services have differed in defining the concept of innovation. Definitions seemed to be influenced by the type of services organisations provided and the size and capabilities of these organisations.

Furthermore, financial services managers A and C seemed to reject the idea of becoming entrepreneurial, e.g. the financial regulations also had a hindering influence over financial services ability to become entrepreneurial. Nevertheless, organisations themselves did not encourage innovation through establishing reward schemes for innovations.

The rejection of both sub-propositions P4.a and P4.b has indicated that entrepreneurial orientation did not have a direct association with both types of market information utilisation. However, and in accordance with Binks and Vale's (1990) suggestions, an indirect association was established through the market-oriented behaviour – responsiveness.

	Case Study Bank			Mailed Survey
	Group A Managers	Group B managers	Overall	
EO & Market Intelligence Generation	Not Sig	Sig	Not Sig	Sig
EO & Market Intelligence Dissemination	Not Sig	Not Sig	Not Sig	Sig
Entrepreneurial Orientation & Responsiveness	Sig	Sig	Sig	Sig

4.5 Limitations

Firstly, and despite the insightful contribution of addressing multiple respondents in the same organisation using a case study approach, the fact that a single case was used has meant that replication of findings was not applicable. Secondly, the response rate of the questionnaire method applied to the case organisation was noticeably low (18.8%). Thirdly, and remaining within the case study approach, access limitations have hindered the study from conducting a sufficient number of interviews. Hence the qualitative data acquired from the case study was considerably limited in volume, despite being high in quality. This has also limited the study's ability to generalise the qualitative findings to

the case organisation. Fourthly, and in relation to the mail survey approach, the fact that results were obtained mostly from single informants in responding organisations. Fifthly, the fact that the survey approach has adopted a non-probability sample, that is convenience sample, has limited its ability to generalise the findings to the whole financial services market.

Finally, the sampling design and nature of the quantitative data collected from both survey and case study approaches has limited the study's ability in examining causality between addressed concepts and variables. The fact that quantitative data collected was not normally distributed has meant that the study's choice of statistical tests was limited to those nonparametric ones which run the risk of type II error, failing to declare a relationship while it exists in reality. Further, and unlike regression tests, these types of tests are unable to provide an indication of causality between variables.

4.6 Academic Contribution

However, despite the above limitations, and recognising the complex nature of the concepts addressed, we believe that this study has made some worthwhile conclusions.

It extends research conducted in the field of MkIS in the UK financial services market (e.g. Colgate, 1996, 1998, 2000; Fletcher and Wright, 1995, 1997; Fletcher et al, 1996). While previous authors have contributed to the implementation and sophistication areas of MkIS research, this study has addressed MkIS performance as an issue worthy of consideration. The study has underlined the fact that MkIS performance evaluation was a subjective issue dependent not only on the quality of market information produced by the system, but also on certain organisational characteristics and behaviours.

In addition to organisational characteristics and behaviours, the study has further underlined the influence of certain factors such as job description associated with managerial levels, services associated with MkIS and extent of interaction with the system on its (perceived) performance.

In addition to its contribution to the MkIS field, the study has contributed to the already limited research associating market-oriented values with behaviours. The adoption of the "competing values model" and Kohli et al's (1993) scale of market-oriented behaviours represents a new approach of examining this association. Other authors (Avlonitis and Gounaris, 1999; Meehan, 1997; Moorman, 1995) have not used such scales in the same study covering market oriented values and behaviours before. The findings of this study came to contradict some of Meehan's (1997) findings and add to Moorman's (1995) ones. Differences in findings were attributed to differences in scales adopted, and differences in the contexts of studies. Nevertheless, the findings add further support the association between certain market oriented values and organisational market oriented

behaviours. The study has raised the question of whether market values were really market oriented in terms of focusing on customers and their needs.

Interestingly, the study has underlined an association between entrepreneurial orientation and market-oriented behaviours. This finding is of interest since that it associates entrepreneurial orientation with market information behaviours, an issue theoretically addressed (Binks and Vale, 1990) but not empirically examined.

The study further explored the existence of entrepreneurial orientation in financial organisations. The study found that, albeit using a limited scale, financial organisations showed low levels of entrepreneurial orientation. The fact that certain entrepreneurial ventures and projects have been taking place in the market emphasises the applicability of the concept to the financial services market. However, financial organisations seem to lack commitment from top management to the cause of entrepreneurial orientation. Further, and in addition to regulatory restrictions, there is no real reward schemes to encourage innovation in these organisations.

We have also extended research in the field of marketing financial services. The study has found that certain market-oriented values do exist in the industry. It further emphasised a real orientation towards customers. The fact that an association was established between market oriented values and market oriented behaviours underlines the fact that financial organisations are starting to support the functional, behavioural, aspects of market orientation with the philosophical aspects emphasising customer satisfaction. This finding is of importance since that it addresses previous academic arguments which suggested that financial organisations have adopted the marketing function without any real cultural foundations (Thwaites and Lynch, 1992). This study's findings oppose this argument.

With regard to the scales adopted by this study, it should be noticed that developers of the market orientation scales (Deshpande et al, 1993; Kohli et al, 1993) have based their work on single country samples. Some have expressed concerns that these scales may not "internationalise" well (Meehan, 1997; Deshpande and Farley, 1998). This study's adoption of these scales in the UK context can be considered as a response to those authors' calls for applications in different national settings. Broadly, the findings of this study are consistent with those conducted in the same area of market orientation literature. Hence, the study contributes to the argument, emphasised by Meehan (1997), that the emergent understanding of market orientation is generalisable across national borders. As for the market information utilisation scale, it is believed that this is the first time this scale has been adopted in the study of market information utilisation. The scale was originally developed from the general literature of information and research utilisation, and was especially examined by Diamantopoulos and Schuton, (2000) in the export information area. Having applied certain changes to the terminology of the scale to address the special area of utilising market information produced by MkIS, reliability and validity tests were significantly encouraging. Hence, this study has successfully extended

the use of that scale in a different context which contributes to its validity and reliability as a measure of information utilisation.

The study further contributes to academic research in the area of utilisation and its association with information quality (e.g. Maltz and Kohli, 1996; Moorman, Deshpande and Zaltman, 1993; Deshpande and Zaltman, 1982, 1984; John and Martin, 1984). Nevertheless, the statistical limitations of the study make it hard to firmly establish the direction of any causality in this relationship.

The study also contributes to the general IS research in terms of applying a “triangulation” methodology. As anticipated, designing the empirical research in a triangulated manner has contributed to the study’s attempts in avoiding the limitations associated with using a single approach. It further made findings more valid and insightful, a point emphasised by Jick (1979).

4.7 Managerial Contribution.

For financial organisations seeking to implement market orientation, this study suggests that there is a need for associating activities with sound cultural values to support them. Without market oriented values established in organisations’ values systems, any market-oriented behaviours would lack in influence:

“While the behaviours have the potential to contribute to the development of an accurate mental model of the market place which can be used to inform decisions-making, whether the resultant market acumen is utilised to enhance customer value is a reflection of the businesses value system” (Meehan, 1997:133)

Having established a strong and significant association between certain market-oriented values (adhocracy) and market oriented behaviours, this study has underlined the critical bases and attributes necessary for financial organisations to develop effective market oriented behaviours. However, given that we did not address the process of developing organisational values, the study can not recommend the best way managers in financial organisations can implement and develop adhocracy values.

Further, and in addition to market-oriented values, the study has emphasised the importance of other internally oriented values, that is clan values, to the development of market-oriented behaviours. However, and as in the case of adhocracy values, the study cannot advise as to the best way of developing these values in financial organisations. Nevertheless, these values seem to have some sound bases in financial services underlined through these organisations’ emphasis on teamwork and participation, although some problems of information sharing seem to still exist.

The fact that in addition to organisational values, entrepreneurial orientation has been associated with market oriented behaviours is important. While adhocracy values might

also be associated with entrepreneurial orientation, the fact that entrepreneurial orientation underlines the three major behavioural components associated with market oriented behaviours might be of benefit for financial organisations since that they can benchmark their behaviours in terms of their innovativeness, risk management and proactivity. Combining adhocracy attributes with the behavioural aspects of entrepreneurial orientation might be of great benefit for financial organisations not only in terms of its influence over market oriented behaviours, but also in terms of its overall organisational performance.

With regard to MkIS performance, and in relation to the above contributions, the study suggests that financial organisations' evaluation of their marketing information systems, or indeed any information systems, should be undertaken with consideration to organisational characteristics and behaviours. Financial organisations should assess themselves on their levels of market orientation, both values and behaviours, and entrepreneurial orientation as a part of their assessment of MkIS. There is no point in having an advanced MkIS/MIST without having the necessary organisational characteristics and behaviours to support it and use it effectively.

4.8 Future Research Directions:

Despite its importance to the marketing efforts of organisations, research into MkIS is still limited and many research avenues remain relatively under researched. While examining the association and potential influence of certain organisational characteristics and behaviours over the (perceived) performance of MkIS, the study has discovered further possible avenues for future research in this particular area.

In relation to performance evaluation, future research can address the differences in managerial levels' needs of MkIS and its influence over the (perceived) performance of the system. It can also examine the influence of organisations' size and resources on the systems development and performance. Research should, perhaps, focus on the manner in which organisations' size, structure, formality and resources influence their ability in utilising market information produced by MkIS.

Our qualitative analysis has underlined that organisational values had a direct influence over the manner MkIS technology was developed and structured, hence, it might be worthwhile to address the nature of interaction between these values and MkIS technological development. Further, and with regard to one manager's comments about the lack of MkIS use in other parts of the organisation, studies that address the potential benefits and interaction between MkIS and other parts of the financial organisation might be of value. Whilst the fact that the study's questionnaire was too specialised to be answered by non-marketing managers has hindered its ability to address such points. It suggests an extension for future studies.

Obviously organisational values and behaviours change especially market oriented ones, and consequently changes in perceptions with regard to MkIS (perceived) performance. Hence, longitudinal studies might be of great use in emphasising changes in organisations' values systems and their association with changes in MkIS performance. This type of studies might also be useful in underlying the processes under which organisational values are established and developed.

Finally, having established the association between some organisational characteristics and behaviours and the (perceived) performance of MkIS, other concepts and factors might influence perceptions about the system. More exploratory studies can, hence, be valuable. These studies might attempt to take the findings of this study a step further by examining the causality of relationships between MkIS and organisational factors.

5 Conclusions

This study has attempted to study the association between certain organisational characteristics, namely market orientation and entrepreneurial orientation, and the (perceived) performance of marketing information systems (MkIS). This association was anticipated to take place through a number of associations between these characteristics and certain organisational behaviours, that is market oriented behaviours and market information utilisation. Despite the variety of these associations, the corner stone to all of them was the quality of market information produced by MkIS.

Building on the findings emphasised in the previous section, the major conclusion of this study is that the (perceived) performance of MkIS is not just determined by the (perceived) quality of its output, that is market information. While characteristics associated with market information quality such as timeliness, accuracy and currency will have an important role to play in perceptions towards the system's performance, other organisational values and behaviours will have a major role to play as well. In the specific context of this study, and in respect to its preliminary theory, it is concluded that:

“An organisation's characteristics of both market orientation and entrepreneurial orientation are associated with the (perceived) performance of its marketing information systems. Market orientation association with this performance takes place through the association between market oriented values and market oriented informational behaviours. Market oriented values are associated with market intelligence generation, dissemination and responsiveness behaviours, these behaviours influence the (perceived) quality of market information in different ways:

Market intelligence generation is associated with the (perceived) quality of market data generated as an input to MkIS, which is consequently associated with the quality of market information produced by it.

Market intelligence dissemination is associated positively with the quality of market information produced by MkIS until a certain extent where the association will end due to certain factors such as information overload.

Market intelligence responsiveness is associated with market information quality through its positive association with conceptual/instrumental utilisation of market information, and negative association with symbolic utilisation. Whilst conceptual/instrumental utilisation is high, and symbolic utilisation is low, information quality will be high.

While both market oriented values and behaviours are associated with the quality of market information produced by MkIS, market information quality is positively and strongly associated with the (perceived) performance of MkIS.

As for entrepreneurial orientation association with the (perceived) performance of MkIS, it takes place through entrepreneurial orientation association with market oriented behaviours, especially responsiveness which is associated with both types of market information utilisation.”

In addition to the above statement, the following conclusions can also be drawn:

While findings have re-emphasised earlier research which argues that organisational values can be wide and varied, it can be concluded that these values are not necessarily constricted to those underlined by the “competing values model”. Furthermore, while organisational values will complement each other, the rise of certain types of them depends on certain factors associated with the organisation and its environment.

Market oriented behaviours are associated with certain organisational values that are not necessarily market oriented. Specifically, clan values seem to have a special association with market oriented behaviours. Day (1994) suggests that this might be due to clans’ focus on customer linking which might encourage information related behaviours associated with this customer. Nevertheless, clan values need to be high enough in order to be associated with, and perhaps influence, market intelligence generation behaviours.

In relation to the above point, while previous authors have considered market values to be compatible with market oriented values, it is concluded that the operationalisation of market values in the “competing values model” is focused on competitiveness and individualism rather than customer understanding and satisfaction which might warrant further consideration to the argument that represents it as a market oriented set of values.

In respect to the changes in associations between the case study and survey results, which were emphasised by changes made to the study’s preliminary model, (Exhibit Five), it is concluded that differences in managerial levels and, consequently, job descriptions have certain influences on perceptions towards most of the concepts and associations addressed by this study. For example, the emphasis on certain attributes in organisational values will be associated with the managerial level or job description of those exposed to

them, market values in the case organisation for example. Furthermore, different managerial levels have shown different levels of satisfaction with the (perceived) performance of MkIS. Higher levels of management have shown lower levels of satisfaction comparing to lower levels of management. Having associated MkIS with market information retrieval services, this finding indicates that MkIS is probably less capable of providing required services to higher levels of management in comparison to lower levels, who more modestly associated it with data storage and processing services.

Obviously, differences in organisational size and nature of services provided will influence the development and sophistication of marketing information systems in the organisation. Furthermore, the availability and formality of research and development functions within organisations will influence these organisations' utilisation of market information. Once again, the formality and availability of these functions will depend on organisational size, structure, resources and nature of services provided.

Despite the low levels of entrepreneurial orientation shown by the industry in general, certain entrepreneurial ventures and projects such as IF (Intelligent Finance), Abbey National entrepreneurial franchising and Virgin One account have proved the applicability of entrepreneurial behaviours in the industry. However, in order for any entrepreneurial orientation to exist in any financial organisation, there is a need for certain persons who champion entrepreneurial orientation and perhaps reward those showing entrepreneurial spirit in the organisation.

In relation to the above point, the importance of entrepreneurial orientation to financial organisations should also stem from the fact that it has been associated with information behaviours and MkIS performance. Despite being indirect in nature, the fact that entrepreneurial orientation has a certain influence on the systems' performance is of great value and adds more insights to this study's findings since that it relates concepts such as innovation, risk taking and proactiveness to market oriented behaviours, market information utilisation and market information quality.

References

Available upon request

Appendix One: Questionnaire

Questions used, Likert One to Five Scale not shown,

Q1- Q72 inclusive: poles were strongly disagree (1) / strongly agree (2)

Q83 – Q97 inclusive: poles were strongly disagree (1) / strongly agree (2)

Q81: poles were very satisfied (5) / very dissatisfied (1)

Q82: poles were very high quality content (5) / very low quality content (1)

ORGANISATION'S VALUES

This organisation is very ...

01. Personal. It is like a family
02. Dynamic and entrepreneurial
03. Formalised and structured
04. Task and achievement oriented

Effective leaders in this organisation are generally considered to be ...

05. Innovators or risk takers
06. Mentors or sages
07. Producers or doers
08. Co-ordinators or organisers

This organisation is held together by ...

09. Formal rules and policies
10. An emphasis on tasks and goal accomplishment
11. Loyalty and tradition
12. Commitment to innovation and development

This organisation emphasises ...

13. Competitive actions and achievement
14. Permanence and stability
15. Growth and acquiring new resources
16. People and human resources

ORGANISATION'S (MARKET ORIENTATED) BEHAVIOURS

(*) phrase in parenthesis not in survey recipient's header.

(Market) Intelligence Generation ...

17. We meet with customers at least once a year to find out what products or services they will need in the future
18. We do a lot of in-house market research
19. We are slow to detect changes in our customers' product preferences
20. We survey end-users at least once a year to assess the quality of our products and services
21. We are slow to detect fundamental shifts in our industry (e.g. competition, technology, regulation, etc)
22. We periodically review the likely effect of changes in our business environment (e.g. regulation) on customers

(Market) Intelligence Dissemination ...

23. We have interdepartmental meetings at least once a quarter to discuss market trends and developments
24. Marketing personnel in our business spend time discussing customers' future needs with other functional departments
25. When something important happens to a major customer or market, the whole business knows about it in a

- short period
26. Data on customer satisfaction are disseminated at all levels in the business on a regular basis
 27. When one department finds out something important about competitors, it is slow to alert other departments

Responsiveness ...

28. It takes us forever to decide how to respond to our competitors' price changes
29. For some reason or another, we tend to ignore changes in our customers' product or service needs
30. We periodically review our product development efforts to ensure that they are in line with what customers want
31. Several departments get together periodically to plan a response to changes taking place in our business environment
32. If a major competitor were to launch an intensive campaign targeted to our customers, we would implement a response immediately
33. The activities of the different departments in this business are well co-ordinated
34. Customer complaints fall on deaf ears in this business
35. Even if we came up with a great marketing plan, we probably would not be able to implement it in a timely fashion
36. When we find that customers would like us to modify a product or service, the departments involved make concerted efforts to do so

Market Information Utilisation ...

37. Market information is actively sought out in response to a specific decision at hand
38. Market information is often used specifically to make a particular marketing decision
39. Decisions based on market information are more accurate than wholly intuitive ones
40. Our confidence in making marketing decisions is increased as a result of market information
41. Without market information, decisions made would be very different
42. Market information is translated into significant practical action
43. Market information is preserved so that it can be used by individuals other than the person who collected it
44. The majority of market information is not used
45. Market information often has little decision relevance
46. Our uncertainty associated with marketing activities is greatly reduced by market information
47. The same piece of market information is often used for more than one decision
48. No marketing decision would be made without market information
49. Market information is often gathered to justify a decision already made
50. Market information used to justify a marketing decision is often collected/interpreted after the decision has been made
51. Market information is often used to reinforce expectations
52. Market information is often not considered in the making of decisions for which it was initially requested
53. Instinct/intuition is often combined with information when making decisions
54. Market information is sometimes manipulated in order to justify decisions really made on the basis of instinct
55. Key executives often distort market information in passing it on
56. Market information is sometimes taken into account to justify the cost of having it
57. Market information is often used to back up hunches, prior to the implementation of a marketing decision
58. If market information is hard to obtain guesses are made instead
59. Market information frequently supports decisions made on other grounds

MANAGEMENT STYLE

(Not referred to as Entrepreneurial Orientation in survey recipient's header)

In my organisation, we have ...

60. A high rate, compared to our competitors, of new product/service introduction (including new features and improvements)
61. Continuous improvement in the methods of service delivery

62. A risk taking tendency by all key executives in seizing and exploring chancy growth opportunities
63. A "live and let live" philosophy in dealing with competition
64. A tendency towards seeking unusual, novel solutions by senior executives to problems via the use of idea people brainstorming, etc
65. A top management philosophy that emphasises proven products and services, and the avoidance of heavy new product development costs
66. A charismatic leadership at the top
67. A cautious, pragmatic, step-at-a-time adjustments to problems
68. An active search for big opportunities
69. Rapid growth as the dominant goal
70. Large, bold decisions despite uncertainties of the outcomes
71. Compromises among the conflicting demands of owners, government, management, customers, employees, suppliers, etc
72. Steady growth and stability as primary concerns

MARKETING INFORMATION SYSTEMS

73. A Marketing Information System represents a group of subsystems – some gather data and others process it. The data gathering subsystems are marketing research, marketing intelligence, and internal accounting. The processing subsystems produce information about product, price, distribution channels, and promotion.

Does the above definition describe exactly your organisation's Marketing Information System? Please tick the appropriate answer from the following...

Yes/no/do not know

If your answer to the above question is NO, please describe your organisation's Marketing Information Systems:

When you think of your organisation's Marketing Information Systems, what do you think of first? (Please tick only one).

74. Computer equipment and models/programmes
75. Data storage and processing
76. Market information retrieval
77. Reports
78. Areas of marketing operations
79. Different managers' information needs
80. Other

If you picked - Other, please explain...

81. To what extent are you satisfied with the quality and performance of your existing marketing information systems? (Please circle one number only).
82. How do you describe the content of the data collected by the organisation's staff and available to be handled by its Marketing Information Systems?

MARKET INFORMATION QUALITY

The following statements attempt to describe the quality of market information produced by your organisation's Marketing Information systems. Please circle the most appropriate number (1-5) in the blank space to the right of each statement using the following scale.

83. Market information is processed and transmitted on time for use
84. Market information includes all the necessary and needed information about any certain situation
85. Market information is free of error and can be relied upon in decision making
86. Market information is trustworthy and reliable

- 87. Market information has a direct influence on the situation
- 88. Market information is available when it is needed

To what level of management do you belong?

- 89. Senior management
- 90. Middle management
- 91. First level management
- 92. Other: If your answer to the last question was “other”, please explain your position in the organisation:

To which of the following do you belong? (please tick one only)

- 93. Marketing
- 94. Sales
- 95. Product development
- 96. Information systems
- 97. Other: If your answer was “other”, can you please specify your job description.

Please feel free to add any comments on the questions or the questionnaire in general

Thank you etc.

A marketing strategy for public sector organisations compelled to operate in a compulsory competitive tendering environment

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Introduction and issues

This article suggests that one neglected area is the entrepreneurial ability and capacity exhibited by public sector personnel. This sector is amenable to analysis through the application of the same concepts and theory as applied currently to the private sector. Indeed, in the area in which this paper concentrates, the government is attempting to instil those very disciplines. The UK economy has been undergoing substantial change in respect of the ownership of its public services with many key sectors now having been privatised or subjected to competitive pressures through, for example, arrangements such as Compulsory Competitive Tendering (CCT). Other examples are the devolution of financial budgeting decisions to schools, the development of the regional Training and Enterprise Councils (TECs) which look after the provision of skills training for the workforce and reforms in national health care and local doctors' surgeries.

An interesting research topic therefore is the extent to which the behaviour of these organisations has moved towards becoming more entrepreneurial. Economics literature is quite clear about why their efficiency may well improve through the change in ownership and re-distribution of property rights. Equally changes to the underlying competitive dynamics of their industry structure will affect behaviour. However, it is much less certain as to the entrepreneurial outcomes. Casson (1982) and Drucker (1986) hold opposite views on whether entrepreneurial characteristics are unique, and in short supply, as opposed to the view that all individuals have some predisposition to entrepreneurial acts given the appropriate trigger(s). Schumpeter (1934) and Kirzner (1973) define

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the basic entrepreneurial act in relation to the market and competitive conditions and information acquisition and opportunity exploitation respectively.

This paper examines one particular change in one part of the UK public sector and pays particular attention to one management task – marketing. A recognition, and practice, of this could be considered a precursor to becoming entrepreneurial. Through the frameworks offered by Omura *et al.* (1994) and Sashi and Lazer (1991) a formal link can be made into the marketing/entrepreneurship interface.

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The organisation covered is the South and West Yorkshire Local Authority Training Consortium. This covers the geographical area that was previously administered by these two primary level metropolitan counties. Since reorganisation their functions as appropriate have been assumed by the nine metropolitan district councils that were once their second tier. These district councils are divided into 92 (South Yorkshire) and 82 (West Yorkshire) smaller administrative districts. South Yorkshire has a population of approximately 1,300,000 citizens and West Yorkshire about 2,096,000 citizens.

Compulsory competitive tendering

General background

As Thomson (1992) argues eloquently the UK over the past decade and a half has been characterised by the desire of the state to “roll back its frontier” and there has scarcely been an area of the public domain that has remained untouched: central and local government, health, education and training and the professions. She goes on to argue that the themes of this government policy can be classified as privatisation, delegation, competition, enterprise, deregulation, service quality and the curtailment of trade union powers. These themes in themselves being underpinned by the three principles of: efficiency, effectiveness and economy, which could themselves be summarised as a search for value for money.

Richards and Rodrigues (1993) in an attempt to unravel the puzzle of why:

... in the current policy for management in the Civil Service ... have market forces, as in the current competitive tendering initiative, come to the fore, when management reform has previously been designed on the basis of change through centralised planning?

utilise the idea that one can distinguish between (as Hirsh, 1979) a Type A and Type B strategy, where:

Type A Strategies – centrally directed planning

involve strengthening the capacity to plan by establishing control over the definition of purpose, and devolving implementation within a tight framework. (Such) strategies have been applied where the Government's levers of direct control were powerful enough to achieve the purpose, as in the case of central government's direct employees. The common methodology is the establishment of strong corporate management, and the development of devolved budgetary systems which establish a clear chain of responsibility and management accountability for performance. For example: the reforms in the National Health Service from 1983 which focused on the creation of a framework for corporate strategic management and control.

 Type B Strategies – market competition

involve the introduction of a framework of competition in markets so designed as to produce efficiency-seeking behaviour. Sometimes this involved privatisation into private markets; sometimes privatisation into non-competitive circumstances, which required regulation: sometimes the creation of statutory frameworks requiring competitive tendering for services which formed part of the public service in question, such as office-cleaning or security. For example: CCT in local authorities.

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CCT in particular

Competitive tendering has been a part of UK government procurement for many decades and not necessarily linked to Conservative governments; for instance, the Labour party contracted out the cleaning of central government offices in 1967 (Bailey, 1995). From 1979 onwards the Ministry of Defence was concerned with contracting out support and ancillary services traditionally conducted in-house (Uttley, 1993). Hospital support services – catering, domestic services and laundry were out to competitive tender from around 1983. From the 1980s a small but significant number of local authorities were competitively tendering refuse collection either to outside contractors or to their own in-house operators.

The watershed, as it were, is when competitive tendering becomes a policy of compulsory competitive tendering required by statute. The Local Government Planning and Land Act of 1980 required that local government-related construction services were subject to CCT. The Local Government Act of 1988 extended CCT to the maintenance of grounds and vehicles, the management of local authority sports and leisure facilities, catering and the cleaning of streets and buildings, other cleaning and refuse collection.

CCT has been extended to white collar services with implementation dates between April 1996 and April 1997. As is normal, arrangements are in place to ensure the fair specification of the scope and nature of the contracts; that contract values below a certain monetary value (the *de minimis* rule) are excluded: certain functions are excluded and a detailed implementation timetable is set. Unlike the manual services which were subjected fully to CCT, only part of the white collar services need to be “CCTed” and this has been done by reference to:

taking account of the amount of work that can be readily subjected to tender, and to ensure that there is adequate provision for the internal client-side management of the service, as well as to provide for core democratic processes (Walsh, 1995).

Percentage of work to go out to CCT

Legal services	45	Construction and property services	65
Financial services	35	Information technology services	70
Personnel services	35	Housing management	95

There are important additional offsets that are allowed since local authorities can credit certain existing categories of work as if they had been subjected to CCT; these are:

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- work already performed by private providers;
- work that is done for schools under delegated budgets (LMS initiative);
- work that is provided for other local services that themselves have been subjected to CCT.

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The gains from CCT

These can be considered as cost based, choice based and structural. The UK government has an ideological commitment to the benefits of competition whilst having seen that those local authorities that had tendered out services in the early 1980s had realised cost savings (Szymanski and Wilkins, 1993). Structural issues concern whether one can consider a marketing culture and ethos to be acceptable:

the welfare state was the expression of the fulfilment of citizenship rights, emphasising equity and equality, and the importance of meeting basic needs if people were fully to be members of society.. The relationship between the state and its citizens was not to be one of free exchange, as happens in markets, but one of mutual obligations and duties. The basis of state operations was to be political decision and implementation through bureaucratic organisations, operating without partiality. The state bureaucracy operated on the basis of plans rather than markets, ensuring that equity and fairness were maintained. Citizens were seen as having obligations, as well as rights within the public realm, for example the payment of taxes. The state expressed the collective nature and the mutuality of obligation of society (Walsh, 1991).

Cost savings from CCT

Some of the best debate and data in the UK centre on the case of refuse collection, with data drawn from the period prior to 1988. Thus the sample consists of those local authorities which had voluntarily contracted out its service, offered the work for contract but awarded it to its own internal team and those which had not sought tenders.

Szymanski and Wilkins (1993) provide a useful summary and extension of this work. The methodology used to determine cost savings is both econometric and quantitative using production functions and isoquant analysis and qualitative drawing from case study examples. Researchers encountered the usual problems concerning data set reliability; identifying immediate effects that may differ from medium- to long-term effects, particularly when the contracts are renegotiated; and the usual specification problems as theoretical economic models are translated into testable propositions. Therefore as might be expected the sizes of estimates vary; however, their direction does not, with studies indicating cost savings. One typical set of estimates from Domberger *et al.* (1986) for refuse collection suggested cost savings of 22 per cent where the work had been tendered out to private contractors and 17 per cent savings where the work had been won by the in-house team. Ganley and Grahl (1988) criticised this work on two counts, first on the data set used and second on the sources and nature of the savings, and it is this latter criticism that is relevant for this paper. More specifically they argued that cost savings arose only because:

improvements in local costs have been realised through pressures in labour markets rather than through competition: in many cases this meant large-scale redundancies and a deterioration in working conditions; private contracts had been won only through loss-leading behaviour; and, the quality of services had been reduced by contracting out, demonstrated by the high levels of complaints and payment of significant penalties for under-performance. (cited in Szymanski and Wilkins, 1993).

Having taken account of these data-handling criticisms Domberger *et al.* (1988) on re-estimating their equations found little difference; however, particularly amongst the critics of the following CCT legislation, the second set of criticisms have found currency. Szymanski and Wilkins (1993) conclude, *inter alia*, that using data in the four year period immediately prior to the 1988 Act:

- competitive tendering and contracting out reduced unit costs by around 20 per cent;
- in-house providers have a smaller impact on the level of costs than contracting out, but the difference is not statistically significant at 5 per cent;
- some evidence that renewed contracts are let at a higher price suggesting either deliberate or unintentional initial underbidding;
- most cost savings for contracting out can be associated with productivity improvements.

CCT and marketing, and entrepreneurship, and the interface

It is not the purpose of this paper to argue whether the public sector has been, is now or has ever been capable of being entrepreneurial. We can all find anecdotal examples to illustrate our favourite position. There have, however, been papers presented in 1995 at both this Workshop and the Babson Frontiers of Entrepreneurship Conference that show that the public sector either on its own or in collaboration with private sector partners is so inclined.

If we describe organisations by an ownership variable (private or publicly owned) and by a competition variable (competitive or non-competitive market) then it serves to remind us that being non-competitive can be as much the prerogative of the private sector as the public sector.

A more difficult issue is the type of goods and services provided by the public sector. Classifying goods as rival (person A's consumption reduces the stock until more are made) or non-rival and excludable (unless the good is paid for, the consumer can be excluded) or non-excludable gives us purely private goods (rival and excludable) and purely public goods (non-rival and non-excludable). Marketing clearly applies to the first but less clearly to the second since for public goods there will be both "free riders" – who consume but under-contribute to the costs – and forced riders who receive more of the good than they desire. This arises simply because the quantity of the public good supplied is by default the same to all consumers irrespective of their individual preference.

As has been in effect argued above by Walsh (1991) there is some doubt as to the universal application of marketing to the public sector. Scrivens (1991) argues that marketing as outlined by Kotler (1988) will only work when a number of basic conditions are met – at least two parties where one party has something of value to the other party and where both are willing and able to

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deal with each other. Additionally each party must be capable of communication and delivery, and each must be free to accept or reject the offer. Since the public sector has functions which do not meet these criteria then the role of marketing as a philosophy, as distinct from a collection of useful techniques, is in doubt.

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However, the public sector does for reasons of assumed equity or fairness deliver many goods that can be considered private goods or quasi-private goods and hence amenable to a marketing philosophy.

One advantage of CCT is that it at least focuses the organisation's mind on the notion of the customer and issues such as price and exchange relationships which are at the heart of marketing. The arena is complicated further by the political aspects of the public sector, notions of the public good and responsibility and the fact that much of the output is service based.

The authors have argued elsewhere for a tripartite perspective on the interface covering marketing, entrepreneurship and an organisation descriptor and therefore see no conflict with introducing the interface into this sector of the economy.

Of interest is the idea proposed by Dobson (1996) that in considering the marketing aspect for the public sector marketing should be defined as appropriate by drawing from a standard definition of marketing, a definition of services marketing and one of non-profit marketing.

Thus the customer can be treated appropriately as to whether they are perceived to be a citizen or a customer in the transaction.

There is no doubt that public officials have some sympathy towards an appropriate marketing stance. Dobson (1996) administered an attitudinal survey to marketing related Civil Servants (senior grade eight and above) and 24 responses from 17 departments were received. The sample size allows her only some preliminary conclusions but these are:

the degree of market-orientation in a government department is dictated by the degree of public/private orientation, the measurability of objectives, the culture of the organisation and finally the need to know and understand customers. The styles of marketing in government can be divided into three segments: services marketing, non-profit marketing and a combination of the two. However, the trend is towards a combination style which aims to provide value for money and a high service level whilst maintaining government ethics.

Opinions regarding the acceptance and ethical constraints of marketing in government were divided. This was attributed on the whole to a lack of understanding of marketing in government. This causes Civil Servants to be sceptical about the merits associated with being marketing orientated. However, there is pressure to move forward but the process is slow. The fact that marketing is less measurable and tangible than other private sector actions such as costing means that it is subject to much criticism. As a result when this study sought to find out the communications tools employed, the most popular tool was publicity because it was perceived as being relatively inexpensive and less controversial than other communication tools.

Walsh (1995) reporting on his recently conducted survey of the attitudes of 264 managers involved in local government CCT reveals a complex mixture of attitudes, namely:

-
- the majority of respondents felt that contracting made managers more business-like (76.8%);
 - that it made service standards clearer (64.7 per cent);
 - contracting had produced positive results in terms of accountability;
 - however, 69.8 per cent felt that contracting produced local difficulties:
 - co-operation between organisations was made more difficult;
 - creating administrative problems;
 - making the process of management more complex;
 - creating organisational conflict;
 - making authorities less flexible;
 - clients and contractors in some cases differed significantly in their perception of the actual problem area.

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In terms of common entrepreneurial frameworks such as Binks and Vale (1990), Omura (1994) and Sashi and Lazer (1991) the current position of much “CCTed” work is in the Leibenstein reduction of X-inefficiency quadrant, perceived and continuous environment (traditional marketing) and the existing products/existing markets (Marshallian and Kirznerian entrepreneurship) respectively.

Given the changes that many organisations have had to accommodate and the concomitant cultural change expected this is not a criticism but a realistic assessment of the current state of play.

The South and West Yorkshire case study

This section describes the situation as discussed by the authors with the South and West Yorkshire Local Authority Training Consortium. All information discussed in the research findings is used with permission. Local authority building and land professionals, such as architects, quantity surveyors, building surveyors and valuers are facing an uncertain and somewhat turbulent future. For the first time in their history they are being forced by the present government to submit to the “market discipline” of compulsory competitive tendering (CCT). Some managers see the new regime as an opportunity, although some see the new conditions as a serious threat to their professional existence. Many departments within this area consider their very survival to be in question, at least in their present form.

There is a real possibility that whole departments will be forced to close or at least “downsize”, resulting in much professional work currently carried out by such departments being transferred to the private sector. In an attempt to secure employment and the continued existence of their departments within local authorities, many managers are turning to marketing as a possible solution to at least some of their problems. One of the problems that the new CCT environment managers face is the fact that although their departments have to tender for their own local authority’s work along with firms in the

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private sector, they are not allowed to tender for the work of their potential competitors in the private sector. The majority of such senior managers have only ever worked in a local authority setting. They know little, if anything, of the subject of marketing except that all of the commercial firms seem to be involved in it and seem to spend quite a lot of money on the activity. Many have therefore reached the conclusion that, to compete effectively in the new competitive world, marketing is a strategic necessity and is generally speaking “a good thing”.

The results (Appendix) are from a self-completion postal questionnaire that was administered following an evening seminar with this Consortium. Response was on the low side with 15 completed questionnaires.

Whilst the responses to the questionnaire were positive and showed that the respondents were aware of the need to embrace CCT and gain strategic advantage through the new arrangements we have decided to maintain a degree of confidentiality in respect of the data. Therefore we have reported a consolidated set of results.

CCT postscript

On the 21 May 1996, the Department of the Environment (Local Government Competition Division) issued a Consultation Paper to interested parties concerning changes to CCT for professional (Finance, Personnel, Legal, Construction and Property and IT) and housing management services which included two changes proposed to security work and vehicle management CCT.

They wished to discuss making changes to:

- the percentage of work which must be exposed to competition;
- *de minimis* levels below which CCT is not required;
- credits and allowances which can be offset against the competition requirement.

Essentially these adjustments would make more of professional white collar work subject to CCT and additionally help to realise the expected efficiency gains. As stated in the consultation note, changes were being suggested to:

bring the effects of CCT into line with their original policy intentions which were to provide a reasonable challenge to local authorities to improve the efficiency and effectiveness of local service provision

and

not only to increase the volume of work put out to competition but to reduce the complexity of the CCT calculation process so that it is more transparent and imposes less of a burden on local authorities.

The review which was carried out between December 1995 and March 1996 covered all local authorities which were required to implement CCT by March 1996.

The concerns that had been raised and which led to the review were:

- local authorities complained that CCT involved significant costs and was not producing competition;
- private sector bidders and industry representatives complained that local authorities were frustrating competition;
- *ad hoc* surveys and comments by authorities suggested far less work was going out to competition than had been expected;
- these surveys and comments also indicated that significant private sector interest in bidding was not being taken forward to the formal bid stage and almost all CCT contracts were being awarded to in-house teams;
- the Audit Commission expressed concerns about the way that some local authorities were interpreting credits and allowances and said that in many cases the external auditor could not enforce a challenge to an authority's actions because of the wording of credits and allowances.

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The issues highlighted by the Review were:

- Less work than anticipated was being subjected to CCT, for example for construction and property service – the concern of this paper – only 9 per cent of the work in London and Metropolitan authorities has been exposed to competition. The requirement being 65 per cent.
- In other separate areas such as personnel and IT, services have been manipulated such that the decision to CCT is virtually at the discretion of the local authority. In housing management around 100 authorities will conclude that they are *de minimis*, which is many more than anticipated.
- Where work is going out to competition there is too little competition for many contracts. Outside of London, the average number of bids including in-house bids were two per Construction and Property services contract.
- In certain authorities all CCT contracts were being awarded in-house; for example 98 per cent of Construction and Property and Legal services work has been awarded to in-house teams.

To just set some of the disliked practices (at least by the DoE) into context with two examples. Where local authorities were doing work for schools which themselves were holding delegated budgets under the LMS (local management of schools) initiative, then this could be counted as part of the 65 per cent requirement. This was on the basis that the schools had already made their (competitive) choice of supplier. However, it was meant only to refer to work that the schools could contract under their delegated budget part of their funding whilst many local authorities interpreted it as all relevant work for schools.

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The second example concerns security work where by-laws have to be enforced and local authorities cannot transfer the powers to enforce by-laws. For such security work to be exempt from CCT it must first require the enforcement of by-laws and second personnel must spend 51 per cent or more of their time patrolling so called designated "controlled places". Some local authorities were adjusting work patterns to exceed the 51 per cent threshold and with *de minimis* exemptions were avoiding CCT altogether for security work. The DoE proposal is to increase this ratio to 81 per cent.

Conclusions

CCT is a genuine attempt by the UK government to instil competition and thus to secure the advantages of such in local authorities. CCT is not solely to be found in the local authority sector.

Empirical studies of, in particular, manual services have shown that competitive tendering has resulted in lower costs through greater efficiency. The same should follow through compulsory competitive tendering.

The concept of marketing can be seen as appropriate to the public sector albeit in a modified form and with a concomitant danger that tactical marketing swamps strategic marketing action.

Whilst proponents of CCT recognise the potential gains from the required restructuring of the organisation from being a provider to a facilitator and to the role of the management and enforcement of numerous contracts, little emphasis is placed on the entrepreneurial potential of such moves.

Perhaps it is rather too early in the life cycles of these organisations for such an ethos to be considered. In terms of the conventional models of entrepreneurship germane to the interface we are not yet dealing with organisations that are truly entrepreneurial in the sense of operating in discontinuous markets and meeting unperceived customer needs. That is not to say that entrepreneurial capacity is not there and indeed some authors would accept the reduction of X-inefficiency as an example of Leibenstein entrepreneurship and a legitimate first stage response both in theory and in practice.

In the specific case of building service professionals then they are aware of the need to employ better marketing tactics and strategy in order to compete successfully with private services. Equally they are aware of the existing culture and past and contemporary constraints that will make their task more difficult.

Thus doctrines such as relationship marketing and customer retention should find a cultural fit, particularly where public sector marketing is more about the building of long-term and trusting client relationships.

However, the very real constraints on not being able to compete on an equal basis for private clients will force them into a lop-sided arrangement whereby they can only exploit relationship marketing to hold onto an existing client base.

Whilst it is not entirely acceptable to divorce building service professional CCT from the plurality of values and objectives that political systems need to

accommodate, if central government is seeking a more entrepreneurial response from this group then it should, following a short transitional period, allow them to compete on equal terms in this marketplace.

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Appendix. Results from the questionnaire: open questions.

What has CCT meant or will mean to the organisation?

- Extra work in preparing for CCT strategies and creating the necessary informative documentation.
- Careful review of all activities and culture transformation.
- Ensuring that all servicing work is properly accounted for, understood and paid.
- Restructuring to reduce costs and potential departmental closures.
- Reduction in staff.
- Reduced productivity.
- Reduced income.

Does marketing have a role to play in the organisation?

- Marketing to other councils.
- Marketing is limited in scope because of legislation restricting service to city/local authority boundaries.
- In creating a loyal customer base and trying to attract new customers.
- With our internal clients and partners such as housing associations.
- Larger role if regulations preventing “cross-boundary” tendering are ended.
- In helping to determine positioning in the new market and with pricing policy, mix of services to be provided and promotion to existing and new clients.
- Only within council and public body projects.

In the new CCT environment, what are the goals of the organisation in the next five years?

- To survive/win CCT tenders.
- To maintain employment of existing workforce.
- To prove to Government that local authorities are efficient and provide value for money
- To maintain existing services.
- Improve efficiency and review traditional working methods.
- Deploy more IT.
- Effectively position ourselves in the new order to take whatever advantage is available.

What is the role of marketing within public sector CCT environment?

- Maintaining existing clients and to prove to them that they receive a better value service than from the private sector.
- Ensure clients know of full range of services.
- Attract new clients.
- To ensure that we are the first choice for the customer.
- Identify new opportunities and threats and to analysis of marketplace and segmenting the service(s) offered.
- Improve “internal marketing”.
- Change the mindset away from marketing as “sales” to appropriate strategic behaviour.
- To communicate the good work we do and to demonstrate breadth of technical expertise and resultant services on offer.
- If legislation changes to market services regionally, nationally and internationally.

Results from the questionnaire: consolidated SWOT

Strengths

Detailed knowledge of market
 Established contacts/client loyalty
 Experienced staff
 Good internal customer values through links to other council departments and wealth of in-house experience
 Knowledge of client needs
 Knowledge of local authority procedures
 Multidisciplinary services
 Quality service/technical abilities

Threats

Capable competitors
 Loss leading and aggressive private sector pricing
 Clients – price sensitive
 Traditional image
 Lack of commitment by local authority
 Takeover by private sector
 Declining public sector workload
 Further government legislation
 Privatisation of other services

Weaknesses

High overheads and inflexible working and pay structure
 No reward system
 Internal structure
 Static staffing structure
 Unable to employ on temporary contracts
 Unions
 Leadership
 Local government culture and past history/image
 Lack of commercial experience
 Need to develop commercial culture
 No business plan
 Restricted market

Opportunities

A chance to focus on our core skills
 Computerisation
 Cultural changes
 Improved management
 Multidisciplinary teams offering client services
 Diversification of services
 Greater independence from local authority financing restrictions
 Legislation changes that would allow us to tender for private work
 Loopholes in the legislation
 Loyal customers
 New customers such as housing associations
 New markets
 Partnership with private sector
 Scope for offering a building design service to the general public/businesses that exploits our ethical and honest public sector design practice ethos

A marketing strategy

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The Marketing of Public Sector Building Services in a Changing Regulatory Framework - Does 'Best Value' Herald a Visionary Future?

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ABSTRACT

This paper considers the relevance of relationship marketing in the context of the recent legislation in the UK designed to encourage local authorities to contract out the provision of some of their service functions. With the change of government in the UK, the focus has moved away from Compulsory Competitive Tendering (CCT) to 'Best Value'.

It is clear from Government pronouncements on 'Best Value' that it is designed to encourage Local Authorities to be more visionary, flexible and responsive in meeting customer needs and to use 'benchmarking' to monitor their standards. As such this should encourage Local Authorities to be both very concerned with relationship marketing and with creating an appropriate culture. If previous work by the authors is transferable as some kind of 'best practice' to this sector - then relationship marketing in the absence of an appropriate entrepreneurial culture, will only be a necessary but not sufficient philosophy to ensure commercial success.

INTRODUCTION

This paper considers the relevance of relationship marketing in the context of the recent legislation in the UK designed to encourage local authorities to contract out the provision of some of their service functions. With the change of government in the UK, the focus has moved away from Compulsory Competitive Tendering (CCT) to 'Best Value'.

This paper concentrates particularly upon Local Authority Architects and other related professionals such as surveyors, and the primary data is derived from a self completed questionnaire, completed by participants at two talks on marketing given by the authors in 1999 and 1995. Although designed for easy completion, the response rate for both surveys is modest (15 & 16 respectively), so we are being cautious and describing these results as exploratory.

Additionally we have introduced some work by Hoxley, commissioned by the Royal Institute of Chartered Surveyors in the UK that discusses some practical and tactical marketing actions that this group could employ.

Our propositions and findings are that:

These professionals are still constrained by being part of a larger organisation, and therefore one needs to consider an appropriate organisational and regulatory framework that allows them to act entrepreneurially. However 'Best Value' would appear to be offering the potential for that to happen.

Our original proposition that relationship marketing operates in one direction alone - simply the need to retain existing customers from defecting to aggressive new private sector players in the marketplace still holds. What has changed is that Local Authorities now have a wide remit to use 'Best Value' and to get close to their customers and this should increase the uptake of relationship marketing. What is clear from looking at the legislation is that is concerned overwhelming with using the private sector to change Local Authority behaviour. It is not about allowing Local Authorities to become more commercial themselves.

Whilst our sessions concentrated on practical marketing advice for these professionals - our questionnaire was more strategic in its questioning, hence, the work by Hoxley for the RICS is cited in this paper since it suggests some very tactical responses that could be made by this group of Local Authority professionals.

Whilst 'Best Value' is not designed to be CCT in disguise, it is clearly intended to make Local Authorities more accountable and competitive, and as such, continues the *raison d'être* of CCT.

It is clear from Government pronouncements on 'Best Value' that it is designed to encourage Local Authorities to be more visionary, flexible and responsive in meeting customer needs and to use 'benchmarking' to monitor their standards. As such this requires the Authorities to be very concerned with relationship marketing and with creating an appropriate culture. If previous work by the authors is transferable as some kind of 'best practice' to this sector - then relationship marketing alone particularly in the absence of an appropriate culture, will only be a necessary but not sufficient philosophy to ensure success.

GENERAL BACKGROUND

As Thomson (1992) argued the UK over the nineteen eighties and early nineties had been characterised by the desire of the state to 'roll back its frontier' and there had scarcely been an area of the public domain that has remained untouched: central and local government, health, education and training and the professions. She went on to argue that the themes of such government policy can be classified as privatisation, delegation, competition, enterprise, deregulation, service quality and the curtailment of trade union powers. These themes in themselves being underpinned by the three principles of: efficiency, effectiveness and economy which could themselves be summarised as a search for value for money.

Just as the nationalisation of industry in the UK had been associated with the post war UK Labour government, despite some very early nationalisation under some other political parties (for example, the Post Office and the British Broadcasting Corporation), equally the recent 'privatisation' policy has been seen as an element of a free market encouraging Conservative Party. Thus it should have come as no surprise that the current Labour Administration abolished the current CCT regime.

However from the beginning it has emphasised that CCT would be replaced by a statutory duty to achieve 'Best Value' which whilst avoiding some of the major problems with the CCT regime reinforces much of the philosophy of CCT. The Local Government Bill enacting this change came into force this Summer (1999).

'BEST VALUE' AND CCT

CCT in particular

Competitive tendering has been a part of UK government procurement for many decades and not necessarily linked to Conservative governments, for instance, the Labour Party contracted out the cleaning of central government offices in 1967 (Bailey, 1995). From 1979 onwards the Ministry of Defence was concerned with contracting out support and ancillary services traditionally conducted in-house (Uttley, 1993). Hospital support services - catering, domestic services and laundry were out to competitive tender from around 1983. From the 1980s, a small but significant number of local authorities were competitively tendering refuse collection either to outside contractors or to their own in house operators.

The watershed, as it were, was when competitive tendering became a policy of *compulsory* competitive tendering required by Statute. That is Local Authorities had for certain 'defined activities' to win the right to carry out the work through their own Direct Labour Organisation (DLO), or, Direct Service Organisation (DSO) in an open competition with private providers.

The Local Government Planning and Land Act of 1980 required that local government related construction services were subject to CCT. The Local Government Act of 1988 extended CCT to the maintenance of grounds and vehicles, catering and the cleaning of streets and buildings, other cleaning and refuse collection; with the management of local authority sports and leisure facilities being added via secondary legislation in 1989. Whilst there is no statutory minimum or maximum contract periods for the '1980 Act' work or professional

services, Local Authorities are asked to ensure that they are consistent with those activities for which there are minimum and maximum contract periods ranging between four to ten years.

CCT was then extended to white collar services with implementation dates between April 1996 and April 1997. As was normal, arrangements were put in place to ensure the fair specification of the scope and nature of the contracts; that contract values below a certain monetary value (the 'de minimis' rule) are excluded; certain functions were excluded and a detailed implementation timetable set. Unlike the manual services which were subjected fully to CCT, only part of the white collar services needed to be 'CCTed' and this was done by reference to:

"taking account of the amount of work that can readily subject to tender, and to ensure that there is adequate provision for the internal, client-side management of the service, as well as to provide for core democratic processes." (Walsh, 1995).

Housing Management was set a target of 95% contracting out, construction and property services, the subject of this paper, 65% whilst Personnel Services had the lowest requirement at 35%.

There were important additional offsets that were allowed since local authorities could credit certain existing categories of work as if it had been subjected to CCT, these were:

- ◇ work already performed by private providers
- ◇ work that is done for schools under delegated budgets (LMS initiative)
- ◇ work that is provided for other local services that themselves have been to CCT

Whilst the Labour Administration desired to replace the CCT regime, it did not feel able to allocate Parliamentary space to processing the Bill until this year. Thus from July 1997 it let it be known that it would like Local Authorities to consider adopting 'Best Value' philosophies in advance of the legislation; awarded thirty-seven pilot projects to look at implementation and 'Best Value' good practice; and made some minor but important changes to the requirements to the scheduling of CCT in the Authorities who were about to CCT some of their activities.

One obvious reason for introducing CCT was to reduce the cost of provision, and in the case of one of the earlier 'blue collar' exercises - Refuse Collection, Szymanski and Wilkins (1993) conclude, inter alia, that using data in the four year period immediately prior to the 1988 Act, that:

- ◇ "competitive tendering and contracting out reduced unit costs by around 20%
- ◇ in house providers have a smaller impact on the level of costs than contracting out, but the difference is not statistically significant at 5%
- ◇ some evidence that renewed contracts are let at a higher price suggesting either deliberate or unintentional initial underbidding
- ◇ most cost savings for contracting out can be associated with productivity improvements."

Walsh and Davies (1993), reporting on 'blue collar' initiatives, found that CCT resulted in an average reduction in service costs of 6.5%; that the reduction of costs was the greatest in refuse collection, building cleaning and grounds maintenance but that street cleaning and school meal costs tended to rise following CCT. Where the work was awarded 'in-house' the greatest cost reductions were achieved through pay and conditions of staff.

They concluded that the impact of competition on the Local Authorities was fundamental and that the advantages and disadvantages were

Advantages	Disadvantages
<ul style="list-style-type: none"> ◇ forced Local Authorities to fundamentally review services ◇ improved monitoring of standards ◇ led to a better knowledge of services & their costs ◇ yielded some financial savings ◇ reduced bureaucratic controls on DSOs ◇ accompanied by clearer performance targets 	<ul style="list-style-type: none"> ◇ prescriptive nature of competition ◇ increased complexity of management ◇ worsening position of the workforce ◇ DSO managers felt that they were at a competitive disadvantage because of the tight regulations

Walsh (1995) reporting on his survey of the attitudes of 264 managers involved in local government CCT revealed a complex mixture of attitudes, namely:

- ◇ “the majority of respondents felt that contracting made managers more business like (76.8%)
- ◇ that it made service standards clearer (64.7%)
- ◇ contracting had produced positive results in terms of accountability
- ◇ however, 69.8% felt that contracting produced local difficulties:
 - co-operation between organisations was made more difficult
 - creating administrative problems
 - making the process of management more complex
 - creating organisational conflict
 - making authorities less flexible clients and contractors in some cases

In the particular case of professional services, all did not bode well though, as the following illustrates. On the 21 May 1996, the Department of the Environment (Local Government Competition Division) issued a Consultation Paper to interested parties concerning changes to CCT for professional (Finance, Personnel, Legal, Construction & Property and IT) and housing management services which included two changes proposed to security work and vehicle management CCT.

They wished to discuss making changes to:

- ◇ the percentage of work which must be exposed to competition
- ◇ de minimis levels below which CCT is not required
- ◇ credits and allowances which can be offset against the competition requirement.

Essentially these adjustments would make more of professional white collar work subject to CCT and additionally help to realise the expected efficiency gains. As stated in the Consultation note, changes were being suggested to:

...“bring the effects of CCT into line with their original policy intentions which were to provide a reasonable challenge to local authorities to improve the efficiency and effectiveness of local service provision”

and

“not only to increase the volume of work put out to competitive but to reduce the complexity of the CCT calculation process so that it is more transparent and imposes less of a burden on local authorities.”

The review which was carried out between December 1995 and March 1996 covered all local authorities who were required to implement CCT by March 1996. The concerns that had been raised and which led to the review were:

- ◇ “local authorities complained that CCT involved significant costs and was not producing competition,
- ◇ private sector bidders and industry representatives complained that local authorities were frustrating competition,
- ◇ ad hoc surveys and comments by authorities suggested far less work was going out to competition than had been expected,
- ◇ these surveys and comments also indicated that significant private sector interest in bidding was not being taken forward to the formal bid stage and almost all CCT contracts were being awarded to in-house teams,
- ◇ the Audit Commission expressed concerns about the way that some local authorities were interpreting credits and allowances and said that in many cases the external auditor could not enforce a challenge to an authority’s actions because of the wording of credits and allowances.

The issues highlighted by the Review were:

- ◇ that less work than anticipated was being subjected to CCT, for example for Construction and Property services - the concern of this paper, only 9% of the work in London and Metropolitan authorities has been exposed to competition. The requirement being 65%.
- ◇ In other separate areas such as Personnel and IT services have been manipulated such that the decision to CCT is virtually at the discretion of the local authority. In Housing Management around 100 authorities will conclude that they are de minimis, which is many more than anticipated.
- ◇ Where work is going out to competition there is too little competition for many contracts. Outside of London, the average number of bids including in-house bids were two per Construction & Property services contract.
- ◇ In certain authorities all CCT contracts were being awarded in house, for example 98% of Construction & Property and Legal services work has been awarded to in house teams. “

To just set some of the disliked practices (at least by the DoE) into context with two examples. Where local authorities were doing work for schools who themselves were holding delegated budgets under the LMS (local management of schools) initiative then this could be counted as being part of the 65% requirement. This was on the basis that the schools had already made their (competitive) choice of supplier. However it was meant only to refer to work that the schools could contract under their delegated budget part of their funding whilst many local authorities interpreted it as all relevant work for schools.

The second example concerns security work where bylaws have to be enforced and local authorities cannot transfer the powers to enforce bylaws. For such security work to be exempt from CCT it must firstly require the enforcement of bylaws and secondly personnel must spend 51% or more of their time patrolling so called designated ‘controlled places’. Some local authorities were adjusting work patterns to exceed the 51% threshold and with de minimis exemptions were avoiding CCT altogether for security work. The DoE proposal was to increase this ratio to 81%.

The ‘Best Value’ Era

Starting with pronouncements in July 1997 and culminating in the Local Government Bill printed on 17 June 1999, which is currently on its third reading in the House of Lords, ‘Best

'Value' has replaced the requirement for CCT with existing CCT contracts being allowed to run their natural contractual life and then not be renewed. However 'Best Value' does not imply that functions cannot be contracted out, rather that Local Authorities have a wider choice of strategies to achieve efficient and effective provision of goods and services.

'Best Value' Defined

From the Explanatory Notes published alongside the Introduction to the 1999 Local Government Bill and the twelve principles first set out in June/July, 1997, one can define the 'Best Value' concept and understand the practical requirements:

The following notes refer to the Local Government Bill as brought from the House of Commons on 25th March 1999 [HL Bill 42] ©1999. Prepared: 26 March 1999

The purpose of Part I of the Bill is two-fold. Firstly, it subjects most bodies within the local government finance system in England and Wales to a new duty to make arrangements for the achievement of 'Best Value' in the performance of their functions.

'Best Value' for these purposes is described as securing continuous improvement in the exercise of all functions undertaken by the authority, whether statutory or not, having regard to a combination of economy, efficiency and effectiveness.

Secondly, the Bill provides for the abolition of Part III of the Local Government, Planning and Land Act 1980, Part I of the Local Government Act 1988, and certain provisions within the Local Government Act 1992, which require certain defined authorities-including councils and police and fire authorities-to submit specified activities to Compulsory Competitive Tendering (CCT).

The Government published a provisional list of twelve Key Principles of 'Best Value' in June 1997, which were later reproduced in both the English and Welsh Green Papers referred to below.

The Government built upon these Key Principles in its Green Paper Modernising Local Government: improving local services through 'Best Value', which was published on 3 March 1998, and Modernising Local Government in Wales: improving local services through 'Best Value', published in April 1998. The latest statement of the Government's policy on 'Best Value' was contained in Chapter 7 of the White Paper Modern Local Government: In Touch with the People and in Chapter 7 of Local Voices: Modernising Local Government in Wales, which were both published in July 1998, setting out the Government's wider plans for the future of local government.

Figure 1: 'Best Value' - 12 Provisional Principles (June/July 1997)

1. The duty of 'Best Value' is one that local authorities will owe to local people, both as taxpayers and the customers of local authority services. Performance plans should support the process of local accountability to the electorate.
2. Achieving 'Best Value' is not just about economy and efficiency, but also about effectiveness and the quality of local services - the setting of targets and performance against these should therefore underpin the new regime.
3. The duty will apply to a wider range of services than those covered by CCT.
4. There is no presumption that services must be privatised, and once the regime is in place there will be no compulsion for councils to put their services out to tender, but there is no reason why

services should be delivered directly if other more efficient means are available. What matters is what works.

5. Competition will continue to be an important management tool, a test of 'Best Value' and an important feature in performance plans. But it will not be the only management tool and is not in itself enough to demonstrate that 'Best Value' is being achieved.
6. Central government will continue to set the basic framework for service provision, which will in some areas now include national standards
7. Detailed local targets should have regard to any national targets, and to performance indicators and targets set by the Audit Commission in order to support comparative competition between authorities and groups of authorities.
8. Both national and local targets should be built on the performance information that is in any case needed by good managers.
9. Auditors should confirm the integrity and comparability of performance information.
10. Auditors will report publicly on whether 'Best Value' has been achieved, and should contribute constructively to plans for remedial action. This will include agreeing measurable targets for improvement and reporting on progress against an agreed plan.
11. There should be provision for intervention at the direction of the Secretary of State on the advice of the Audit Commission when an authority has failed to take agreed remedial action, or has failed to achieve realistic targets for improvement.
12. The form of intervention should be appropriate to the nature of the failure. Where an authority has made limited use of competition, and as an exception to the usual rule, intervention may include a requirement that the service or services should be put out to competition. Intervention might also take the form of a requirement that an authority should accept external management support, and may relate either to specific services, or to the core management of the council.

The disenchantment of the current administration with CCT was first extensively documented in their Improving Local Services through 'Best Value' Consultation Paper, for which the closing date for comments was 1 May 1998. However the Government recognised that it had no Parliamentary time in the early months to enact the required legislative changes and therefore encouraged the setting up and monitoring of thirty seven 'Best Value' pilot projects to see what might constitute good practice, and these were monitored, by amongst others, Warwick (University) Business School. the following quotes are indicative of the attitude of the Government, and are taken from: <http://www.local.doe.gov.uk/cct/improvbv/policy1.htm> - Modernising Local Government, June 1997.

Improving the quality of local services, and the efficiency and economy with which they are delivered, is a key objective of the Government's plans to modernise local government. Its manifesto commitment to introduce a duty on local authorities to obtain 'Best Value' will be the principal means by which these improvements are made. It will complement the parallel change that are proposed to the way in which councils engage with and lead their local communities (the programme of democratic renewal) and to the conduct of elected members and employees (the new ethical framework). These changes, together with those proposed for the local government finance system, will reinforce and re-invigorate local democracy, restoring local choice and accountability. (1.1).

Efficient and effective public services are an essential part of the fabric of a healthy democratic society. Many local authorities recognise this and successfully achieve high standards, often in difficult

circumstances. Others are less successful, and provide services that fall well short of the best that can be achieved within the resources that are available. The Government's proposals for 'Best Value' will address these shortcomings head on. They will require councils to meet the aspirations of local people for the highest quality and most efficient services that are possible at a price that people are willing to pay. (1.2).

The Government recognises that there have been many examples of improvements to both the efficiency and effectiveness of local services in recent years, and that some of these have been dramatic. Such improvements have generally taken place where councils have been highly responsive to the needs of their local electorate and innovative in deciding how and by whom services should be delivered. Changes have often taken place without any increase in resources: indeed resources have frequently been freed to improve services and keep down local taxes. *We aim to build on these successes.* (1.3)

We will learn from the lessons of the past. Some initiatives have succeeded in sharpening performance and encouraging new skills and resources from the private and voluntary sectors into local government. Others have had positive effects, but because they were imposed or seen in isolation from other measures, the benefits that they brought have been offset by a tendency to discourage local ownership and responsibility. (1.4).

Compulsory competitive tendering (CCT) is an example of this last sort of initiative. It required authorities to consider the standard and cost of the services for which they were responsible, and widened the choices available as to how services were provided. It persuaded reluctant authorities to address difficult management issues that needed to be tackled. But under CCT service quality has often been neglected and efficiency gains have been uneven and uncertain, and it has proved inflexible in practice. There have been significant costs for employees, often leading to high staff turnover and the demoralisation of those expected to provide quality services. Compulsion has also bred antagonism, so that neither local authorities nor private sector suppliers have been able to realise the benefits that flow from a healthy partnership. All too often the process of competition has become an end in itself, distracting attention from the services that are actually provided to local people. *In short, CCT has provided a poor deal for employees, employers and local people. CCT will therefore be abolished.* (1.5).

Finance and accounting arrangements under CCT, including the requirement for in-house teams to meet a specified financial objective and to keep trading accounts to demonstrate the achievement of these objectives, have brought a transparency and financial discipline to in-house operations. It has meant that failure to deliver performance in line with commitments has been highlighted and action taken. *However, these arrangements have added complexity and bureaucracy* and have drawn the Secretary of State into the detail of financial performance. (ANNEX 2).

To summarise, and quote Clelland (1999) reported that Lincolnshire Local Authority had endorsed the 'four Cs' framework to delivering 'Best Value':

CONSULT	COMPARE	CHALLENGE	COMPETE!
identify customers	establish baseline position	against current internal standards	
review existing methods	considering joining benchmarking clubs	should result in (im)proved processes	
explore new ways to engage customers	contact and consult appropriate external organisations		

Source: Management Accounting (British) April 1999, v.77, 4, p.40,

The UK Government is determined that Local Authorities will behave in such a fashion, for example:

Coverage

- ◇ 'Best Value' will cover more services than CCT alone ever did
- ◇ A culture in which authorities decide what services are to be provided on the basis of what suits them as providers is not an option. (1.6).

Operational Aspects

- ◇ There is a better way, designed to put the interests of the public first. It derives from local authorities' unique status as directly elected bodies, and is based on their ability to provide community leadership and a focus for partnership. In effect, they will need to guarantee efficient and effective local services irrespective of who it is that actually delivers those services. The Government's approach to improved local services is a pragmatic one. What matters is what works. The form of service delivery should not be determined by ideology. Both public and private sectors have important roles to play, often in partnership. (1.6).
- ◇ As far as possible, the intention is to specify only a general framework, within which local authorities will be free to establish what their communities require and to respond as they judge appropriate within the resources available to them. Yet there is also a need to put pressure on poor or mediocre authorities to seek sustained improvements in service standards whilst controlling and as far as possible, reducing costs. Achieving the right balance between local discretion and central specifications therefore the key to the success of the policy. (3.2).

Performance Monitoring

- ◇ The duty of 'Best Value' will apply to all local authority services, and the framework to put that duty into effect will promote local accountability and sustained improvement in service performance. Central government will set that basic framework and in some areas specify minimum standards and possibly targets, but generally both standards and targets should be set locally. This diversity of approach can be justified in terms of the different interests which central government has in respect of the performance of local services. (4.1)
- ◇ There are detailed and complex inspection and regulatory frameworks centred around a Local Performance Plan
- ◇ The Local Performance Plan will provide the common link between these elements and the principal means by which authorities will be held accountable for the quality and efficiency of their services. In developing this proposed framework, the Government will draw on the experience of the pilot 'Best Value' authorities and of others.
- ◇ Demonstrating 'Best Value' will require authorities to be aware of the full costs of individual services, monitor financial performance, and satisfy local people that they have met their targets as set out in the Local Performance Plan. (ANNEX 1)

Competition and Structure

- ◇ This is not to say that competition is dead: very much the reverse - it will remain a key test and assurance in many cases. But we must allow for different ways of demonstrating and achieving competitiveness. 'Best Value' Conference Speech by Hilary Armstrong, Minister for Local Government, New partnerships with the private sector, conference, 12./02/99. from www.local.detr.gov.uk/cct/bvcspeak.htm
- ◇ The 'Best Value' framework will not require services to be privatised. Nor will it specify how a service should be provided. However the duty to obtain 'Best Value' means that services should not be delivered directly if other more efficient and effective means are available. Competition will therefore continue to be an essential management tool for securing improvement, and an important

means of demonstrating in a transparent way that 'Best Value' is being obtained. The Government is minded to issue statutory guidance to the effect that an authority must have a clear and a suitable means to demonstrate that the services for which it is responsible are being provided at a cost and to a standard which bear comparison with the best. This guidance - which might take the form of good procurement or tendering practice - could include a general presumption that services should be exposed periodically to competition except where authorities are able to argue convincingly why this is inappropriate. The Government has no intention, however, of returning to the somewhat mechanical and inflexible approach to contracting which CCT characterised all too often. It recognises that effective partnership requires a different approach, which reflects the characteristics of the service in question and the preferences of the private and voluntary sectors, as well as service users. (4.16).

- ◇ A requirement to use and develop competition as an essential management tool should not be interpreted as a requirement to put everything out to tender. There are a number of ways that an Authority might meet the test of competitiveness. It could, for example:
 - ◇ commission an independent benchmarking report so that it could restructure the in-house service to match the performance of the very best private and public sector providers
 - ◇ provide a core service in-house and buy in top-up support from the private sector. This would enable comparisons to be made that could help improve in-house performance or result in more of the service being bought in externally
 - ◇ contract out a service to the private sector after competition between external bidders only
 - ◇ form a joint venture or partnership following a competition for an external partner
 - ◇ tender part of a service with an in-house team bidding against private sector and other local authority bidders, before deciding whether to provide the bulk of a service internally or externally
 - ◇ dispose or sell-off competitively a service and its assets to another provider (DETR, WP Modern Local Government In Touch with the People (7.29))

- ◇ It is in no-one's interest, not least that of the local taxpayer, for there to be an external competition with no prospect of it attracting interest from prospective providers. Under CCT this has not been unusual. There is no good reason why this should be the experience under 'Best Value'. Fair competition in a climate where employees' rights are respected, & where local authorities & the private & voluntary sectors are working in partnership to deliver what local people want, should encourage new providers & therefore new options for delivering efficient quality services. The process of carrying out a fundamental performance review should be designed to foster an open & constructive dialogue with all those who might have something to offer - be it expertise, innovative skills, or financial resources. Encouraging a healthy & diverse market for local services should not therefore be seen as a burden on authorities but as a necessary step in obtaining 'Best Value' for local people (4.17).

- ◇ To the extent that authorities are successful through the review process in attracting interest in alternative ways of providing services, they may conclude that there are advantages in providing a service on a partnership basis - through, for example, a joint venture company. The Government is keen to encourage such partnerships. They can bring additional private sector resources to areas where they are needed, and enable local authorities to plan ahead with more confidence. In some circumstances, the partnership route can enable an authority to concentrate on ensuring that the appropriate employment conditions are secured without the tensions that can arise under competitive bidding. We are willing to consider ways in which these arrangements might be facilitated, including changes to existing legislation on local authority companies where there are other means of securing the appropriate fiscal and proprietary safeguards. Where an authority is unable to consider partnership options, because current legislation requires a service to be carried out by the authority itself, then the Government is also prepared in principle to consider enabling them to do so using the provisions of the Deregulation and Contracting Out Act 1994 - if this were thought to be helpful in achieving 'Best Value' and if appropriate safeguards to ensure propriety and fairness could be ensured by other means (4.18).

RESULTS

Our results review two sets of self completed questionnaires of fifteen and sixteen responses each conducted at a requested marketing seminar from the South and West Yorkshire Local Authority Training Consortium in 1999 and 1995. Whilst from the same professional area - these are not matched respondents. At the time of the 1995 survey, we described the situation as:

Local authority building and land professionals, such as architects, quantity surveyors, building surveyors and valuers are facing an uncertain and somewhat turbulent future. For the first time in their history they are being forced by the present government to submit to the 'market discipline' of compulsory competitive tendering (CCT). Some managers see the new regime as an opportunity, although some see the new conditions as a serious threat to their professional existence. Many departments within this area consider their very survival to be in question, at least in their present form.

There is a real possibility that whole departments, will be forced to close or at least 'downsize', resulting in much professional work currently carried out by such departments being transferred to the private sector. In an attempt to secure employment and the continued existence of their departments within local authorities, many managers are turning to marketing as a possible solution to at least some of their problems. One of the problems that the new CCT environment managers face is the fact that although their departments have to tender for their own local authority's work along with firms in the private sector, they are not allowed to tender for the work of their potential competitors in the private sector. The majority of such senior managers have only ever worked in a local authority setting. They know little, if anything, of the subject of marketing except that all of the commercial firms seem to be involved in it and seem to spend quite a lot of money on the activity. Many have therefore reached the conclusion that to compete effectively in the new competitive world marketing is a strategic necessity and is generally speaking 'a good thing'.

Whilst the responses to the questionnaire were positive and showed that the respondents were aware of the need to embrace CCT and gain strategic advantage through the new arrangements we have decided to maintain a degree of confidentiality in respect of the data. Therefore we have reported a consolidated set of results. In this Paper Exhibit One reproduces a 'consolidated' SWOT.

Our interest remains still at the operational rather than the strategic level - just how can these professionals respond to the CCT/BV environment. Whilst all of the current sample of sixteen were either operating under, or potentially affected by CCT, rather than the 'Best Value' regime, as suggested by the previous discussion of the history of 'Best Value' whilst it may be a more 'humane' regime it still seeks the competitive responses implicit in succeeding in a CCT regime. Thus our data picks up on the wider notion of these professionals responding to a more competitive regime. In any event they would have been aware of the requirements of the 'Best Value' legislation but none were one of the pilot projects mentioned before.

As is shown by Exhibit One, these professionals faced a major threat - the encroachment of private contractors upon their market but without being able to seek as much private sector work as they might desire. Thus we concluded that for them relationship marketing was not only necessary but that it should, and probably could, only be used to retain existing customers. Encouraging, the majority of those in the later sample accept that CCT has changed their working practices for the better. However the types of worries that they articulate, as shown in Exhibits Two & Three, look to be very similar to those of four years ago, and it is not clear that 'Best Value' will make their commercial lives any easier.

The current 'Best Value' changes present this group with both opportunities and threats. There is now more opportunity to work with, rather than in competition with, the private sector but their services could still be contracted out. Indeed, the more independent and seemingly peripheral (in organisational structure not value added) such units are, and given that Local Authorities are going to have to develop more transparent cost allocation systems, the more vulnerable this group. One of the reasons that 'CCTing' personnel functions had one of the more modest targets was that it was seen as integral to the organisation and difficult to wholly outsource, other than in well defined functions such as payroll.

At least one of the major UK consultancy groups was keen to point out the benefits of national coverage/scale economies to the Select Committee taking evidence during the consultation period.

At least now government sentiments sound encouraging - the bringing in to the discussion of partnership, and indeed networking - with the private sector and with the electorate, such that implementing a full as opposed to the previously partial relationship marketing programmes, is now possible. The Pilot Projects had a choice of whether to conduct 'Best Value' projects at just a single function level, or to incorporate through several layers and functions and whether to adopt at a corporate and strategic level, whilst neither approach is superior, and depends upon local circumstances, one third of the pilot projects sought from the start for such a holistic approach (Warwick University, 1998) and this is an encouraging backdrop against which to see relationship marketing developed

Exhibit One: Results from the 1995 Questionnaire - ‘consolidated’ SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"> ◊ Knowledge (detailed) of market ◊ Knowledge of client needs ◊ Knowledge of local authority procedures ◊ Experienced staff ◊ Quality service/technical abilities ◊ Multidisciplinary services ◊ Good internal customer values through links to other Council Departments and wealth of in-house experience ◊ Established contacts/client loyalty 	<ul style="list-style-type: none"> ◊ Internal structure ◊ Static staffing structure ◊ Unions ◊ High overheads & inflexible working & pay structure ◊ No reward system ◊ Unable to employ on temporary contracts ◊ Leadership ◊ Local government culture and past history/image ◊ Lack of commercial experience ◊ Need to develop commercial culture ◊ No business plan ◊ Restricted market
Threats	Opportunities
<ul style="list-style-type: none"> ◊ Capable competitors ◊ Loss leadering and aggressive private sector pricing ◊ Clients – price sensitive ◊ Traditional image ◊ Lack of commitment by local authority ◊ Declining public sector workload ◊ Takeover by private sector ◊ Further government legislation ◊ Privatisation of other services 	<ul style="list-style-type: none"> ◊ A chance to focus on our core skills ◊ Multidisciplinary teams offering client services ◊ Cultural changes ◊ Diversification of services ◊ Partnership with private sector ◊ Loyal customers ◊ New customers such as housing associations ◊ New markets ◊ Scope for offering a building design service to the general public/businesses that exploits our ethical and honest public sector design practice ethos ◊ Greater independence from local authority financing restrictions ◊ Legislation changes that would allow us to tender for private work ◊ Loopholes in the legislation ◊ Improved management ◊ Computerisation

EXHIBIT Two: Respondents Characteristics and General Background

Organisation	Growth over the last three years? (Clients or value of work)	CCT affected	For the Better or Worse?
Organisation A	stable now but faced decline	yes	better / worse
Organisation B	stable now but faced decline	yes	better /worse
Organisation C	stable	yes	better
Organisation D	stable now but faced decline	No	N/A
Organisation E	growth	yes	better

Typical professional areas were:

architect, building surveyor, engineer, project engineer, quantity surveyor.

The sixteen respondents came from:

five different Authorities (2,3,1,4,6)

Departmental size ranged from:

50 to 200,
average = 81,
median =62

Exhibit Three: Responses to Three Areas of Concern, all responses listed, Organisations A - E.

Org ⁿ	Current aims and objectives	Current concerns about work & position in marketplace	Factors crucial to survival & success
A	to stay in business, offer good service, expand into other areas e.g. project management to outside building work, to offer best practice to provide a value for money service to the local community (highways, drainage, structures) and to work in competition with other consultants for part of this work	declining capital programmes and thus the need for alternative opportunities tied to clients who find us and not the reverse; can't explore the market and cannot innovate	continuing improvement, innovation, changing practices and diversification to fully integrate into the commercial market and look for other areas of income generation; to improve the local perception of the Council
B	to provide engineering (highway) services to our local citizens	maintaining market position and clients declining role, lack of opportunity and lack of appreciation and rewards	political help efficiency
C	provide services to other departments & public	do not get enough work from other Departments; private consultants moving in to take over work	mainly external such as Government funding for public projects continuing
D	turnover and profit to provide a quality service for all our clients - however small to be seen to be competitive and value for money and not privatised	reducing turnover & profit being outsourced because we make money and are not fully appreciated to stay Local Authority owned and to use IT more effectively	marketing flexibility, diversification, luck, trust marketing of services, ability to diversify be innovative, pro-active and respond to the marketplace
E	'Best Value', corporate governance, customer satisfaction, addressing changing environment to provide a competitive & value for money service, to comply with Standing Order provide efficient service to clients for design services to become customer focused, to maximise revenue surplus deliver projects on time & within budget and acceptable quality and costs to be within fees charged	look for change and adaptation, contraction, profitability, marketing erosion of client base by external practices tendering for work, change in funding with more work being funded out of central government 'lottery' proceeds - so more work at risk complacency of workforce to competition Imposed Local Authority restrictions and Trade Union processes meeting and balancing out corporate, corporate, social and commercial objectives; even better client delivery; using new technology to improve, speed up and standardise tasks where appropriate particularly to handle 'one-off' situations more effectively; improve quality control.	look to the future, changing roles, client base remaining economically viable in the changing marketplace, providing the service that the client requires maximising fees and reducing paperwork better customer relations changes in staff culture and changes in Council policy overcoming the concerns raised

With Local Authorities primed to consider and develop benchmarking and with many considering 'Best Value' across the organisation as a whole, the climate for relationship marketing should improve dramatically. The work by Hoxley for the Royal Institute of Chartered Surveyors is useful in that it ranks the factors that are important for clients in selecting professional help, this again suggests that the existing local authority professionals are not without operational weapons - particularly since the first seven factors do not particularly suggest an insurmountable private sector advantage, albeit they do suggest that length of time in practice and a marketing orientation are desirable factors, and thus Local Authorities do not face an easy operational marketing problem.

Exhibit: Four: Hoxleys Appointments Process Factors, Selection Factors in Order of Decreasing Importance

recommendation & referral	1
speed of response to initial approach	2
reputation of practice	3
similar projects undertaken	4
working for similar clients	5
accessibility of personnel	6
personnel's experience	7
level of fees	8
access to other professionals	9
amount of P1 cover	10
appearance of offices	11
size of practice	13
time firm established	14

At a strategic level, one concern could be that as we have argued elsewhere, and generalising from a private SME sample, it is the more entrepreneurial SMEs who gain the best benefits from practising relationship marketing. (Exhibit Five). In other words, given that there will be differences in the competence with which relationship marketing is enacted - a real competitive edge requires there to be an entrepreneurial culture as well. Whether government sentiments about vision and flexibility coupled with a loosening of the regulatory straitjacket translates into more entrepreneurial local government, and into this function, in particular, remains to be tested.

However these professionals have relative strengths given that their profession is by its nature creative, they have recognised and addressed the problems imposed by CCT, and work by Hoxley at the operational marketing level..

Exhibit Five: Significant ^A Differences between Entrepreneurial and Non-Entrepreneurial SMEs

Selected Mailed Questionnaire Categories	Entrepreneurial SMEs Responses
General profile of the SMEs	<ul style="list-style-type: none"> • have a greater relationship marketing focus • have almost twice as many full time employees • experienced greater growth in the last 3 years
Defection analysis ^B	<ul style="list-style-type: none"> • lose anywhere between 2-30% fewer customers from their customer base compared to their competitors
Entrepreneurial orientation (as demonstrated by Schumpeterian behaviour)	<ul style="list-style-type: none"> • have been more focused on Schumpeterian innovative behaviour in the last year & appear to wish to continue for the future • are significantly more innovative & adventurous
Relationship Marketing Dimensions:	
<i>Importance of communicating with customers</i>	<ul style="list-style-type: none"> • communicate to determine customer needs • communicate to ask for referrals
<i>Awareness of customer needs</i>	<ul style="list-style-type: none"> • are more aware of customer needs. • informing and training employees on customer requirements
<i>Improvement from close relationships</i>	<ul style="list-style-type: none"> • achieved improvements by developing other business opportunities
<i>Internal incentives</i>	<ul style="list-style-type: none"> • reward their employees with both monetary and non monetary schemes. • promoting employees based on performance and experience
<i>Cost associated with acquiring a new customer</i>	<ul style="list-style-type: none"> • do not use discount pricing as a promotional strategy to gain new customers

^A(at least 0.05 probability level)

^B difference between proactive and reactive is 2%, and between, proactive and informal 30%.

Calculated by taking the percentage difference from the lowest mean loss to customer base as reported by the proactive SMEs, see Exhibit Four.

Source: Day/Aftab/Reynolds, Long Range Planning 1998

CONCLUSIONS

CCT was a genuine attempt by the UK government to instil competition and thus to secure the advantages of such in local authorities. Empirical studies of, in particular, manual services, showed that competitive tendering had resulted in lower costs through greater efficiency and the same would be followed from compulsory competitive tendering.

However, whilst proponents of CCT recognised the potential gains from the required restructuring of the organisation from being a provider to a facilitator and to the role of the

management and the enforcement of contracts, little emphasis was placed on the entrepreneurial potential of such moves. The wording used alongside the 'Best Value' initiative, and the potential flexibility in the contractual arrangements, gives some hope that initiative, innovation, entrepreneurship will be key actions.

In the specific case of building service professionals under both CCT and 'Best Value' they are aware of the need to employ better marketing tactics and strategy in order to compete successfully with private services. Equally they are aware of the existing culture and past and contemporary constraints that will make their task more difficult.

Thus doctrines such as relationship marketing and customer retention, should find a cultural fit, particularly where public sector marketing is more about the building of long term and trusting client relationships. Unlike CCT, 'Best Value' appears to offer more flexibility in that authority wide cultural changes will be needed, private industry practices such as benchmarking will become commonplace and relationships with private partners will be different.

Should the notion of partnerships turn out to be overtly competitive then the work by Hoxley indicates the type of operational marketing that would be successful against private competitors, however, relationship marketing alone may not be enough to generate a competitive edge unless that is coupled with an entrepreneurial culture. Thus these professionals face two problems - to adopt the best marketing practices available as well as to address their organisation's entrepreneurial culture.

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“European Entrepreneurial Marketing Summit”

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Public sculpture themed projects as entrepreneurial marketing

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Abstract

Authors working in the ‘interface’ have often conceptualised it as a two circle Venn diagram. One of the earliest of these was Gardner (1991) so implying that the interface was more than just a coincidental meeting of two academic disciplines, namely, entrepreneurship and marketing. This paper adopts a three-circle schema with the context of the third circle being social enterprise, or at least, enterprise with some social connotation. It considers also social and for-profit positions in respect of the entrepreneurship part of the interface. We illustrate these two extensions by discussing a range of seven public arts projects that all have an element of social enterprise and where, in particular, the smallest ventures are themselves excellent examples of entrepreneurial marketing. Between them, these seven public art projects illustrate the nature and working of such projects.

INTRODUCTION

Cows in New York and Chicago; steelhead trout in San Luis Obispo and New York State; rabbits in Cleveland; and cats in Catskill, are all examples of what can be conveniently termed after Decker (2002) *themed public sculpture*. Essentially local artists or groups are encouraged to decorate mass produced hollow identical forms that have been sponsored by local organisations or businesses, these are then displayed within a locality, and usually auctioned off at a charitable event at the end of the season. The whole event usually has a head sponsor.

In 2006, Vancouver had one hundred and six life size standing bears; Baltimore had one hundred and fifty-four, six foot by three foot fish in Summer 2001; San Luis Obispo had a more modest twenty exhibits in their 'Trout about Downtown' in 2005. The Baltimore 'Fish out of Water' event raised over \$650,000 for city youth programmes. Certainly in the western hemisphere it seems *de rigueur* to employ punning titles, we leave it to the imagination of the reader for titles such as: 'A-lure-of- the-sea' and 'clown fish'.

Keyes and Barker (2007) cover eighty-seven public art projects that follow the broad description of themed public sculpture adopted in this paper. Their book claims that there have been over 200 events, and, recently one of the main suppliers of blank sculptures mentions over 350 projects in which they alone have been involved (Cowpainters, 2011). It seems to be accepted that the original project that started them all was the 1998 display of cows in Zurich which then inspired 'Cows on Parade' in Chicago in 1999. Apart from the social enterprise benefits of such events, according to Decker (2002), the Zurich event brought an extra one-million visitors to the city. Clearly there are elements of true Schumpeterian entrepreneurship in the original scheme, and then, a raft of imitative entrepreneurial behaviours.

Such public art is not solely a western cultural phenomenon, Singapore in the recent past has sponsored a competition featuring lions; Hong Kong race horses; Macau has seen a project (Waiting around the corner) based on decorating and transforming life-sized facsimiles of bus stops. Xiamen hosted the 2010 CowParade, the 71st city in the world and the first on the Chinese mainland. They co-hosted with Taipei who had held the event previously. Xiamen plan to house the pieces permanently and to have follow up annual themed events. At the launching press conference, the benefits of the project were argued to be: "International CowParade, as an increasingly influential event in the world, will not only improve Xiamen's city image, but also drive cultural consumption," said chairman of the Genshen Zhiye Culture and Creativity Group" (Wox 2009).

In respect of public art – once one gets behind the seemingly *de rigueur* puns in the artwork titles, it could be argued that these displays mirror the culture, traditions and aspirations of their communities. So it is hardly surprising that Nashville chose guitars and Florida Dolphin. Mason in the Preface to Keyes and Barker (2007) argues that the success of the cows in Chicago was the accessibility of the sculptures, that cows are a 'universal and comforting' animal and that the number of artworks and the use of the same basic form created a theme and impact which promoted discussion by viewers.

CONTRIBUTION TO THE INTERFACE

Many elements of these projects are of relevance to the entrepreneurship marketing interface. They allow us to reflect on, and expand, the work of colleagues on art and metaphor and enterprise, and, the nature of social entrepreneurship. The projects themselves are often exemplars of entrepreneurial marketing, particularly where the activity is being carried out by resource constrained small social or commercial enterprise and/or providing small business with cost effective marketing communications through sponsorship or hosting the artwork. Apart from the obvious social enterprise aspects, these public exhibitions have associated side benefits to do with tourism, place marketing and cluster building. Again, areas in which our workshops have shown interest.

We use the wording 'helps us to expand' advisably given that, other authors in the Interface have considered these elements previously. For example, Fillis has written four seminal pieces on entrepreneurial marketing and art (2000; 2002; 2004; 2010). Other contributions from the Journal of Research in Marketing and Entrepreneurship are: Wilson and Stokes (2002), Rentschler and Geursen (2004), and McAuley and Clarke (2009) who cover the arts, craft and cultural entrepreneurs. Barbour and Turnbull (2002) consider heritage tourism whilst Pascal (2005) and Kuah (2002) have considered clusters. A wider perspective can be gained by considering work in the so called 'Blue Books', more formally, Research at the Marketing / Entrepreneurship Interface (annual, edited by Hills, G.E. and colleagues).

THE BUSINESS MODEL

Displays a commonality of design and operation but some ventures have less regard for the commercial 'back-end' of the project. Ventures start with a number of sculpture blanks – usually in fibreglass and usually three dimensional. Local artists (or groups) are matched with sponsors; the work completed and then displayed at appropriate locations. Artists may or may not be paid for their initial piece. There are launch and secondary events and then the completed works are usually auctioned with the proceeds going to a designated charity. Themes are either to do with the creature, and/ or the animal is used as a general canvas.

The more established and larger 'operators' (for example, CowParade and Elephant Parade) run effective web based and physical shops selling memorabilia including miniature versions of selected creatures. These can develop into long term brands, for example, the CowParade brand, logos and trademarks owned by CowParade Holdings Corporation, West Hartford, Connecticut. According to their website (CowParade 2011): "CowParade's line of figurines is among the top collectibles in the world. Each figurine is an exact replica of an authentic cow created as part of a CowParade event. There are over 500 figurines in the collection." Model cows come in three sizes 12", 6" and 3" in length and are priced at \$75-100; \$25-35; \$10-15 respectively. Other themed artefacts are available. If you are both brave and not short of space, \$5000 will buy a cow close to the original size. CowPainters (2011), a major supplier of forms cover commercial and non commercial well:

"Public art in *your* town!

"Looking for ways to heighten awareness of your organization's mission while generating much-needed program funds? Public art projects are the result of community partnerships that bring project organizers, artists, sponsors, local businesses and social groups together toward the common goal of enriching their community. These dazzling art-on-the-street projects turn downtown business districts into neighborhoods and bring joy into the hearts of onlookers. Everyone benefits from these whimsical, amusing and unexpected sculptures - increased tourism boosts revenue for local governments and merchants; local artists enjoy greater recognition of their work; sponsors obtain goodwill from their support; and project organizers and local charities raise additional funds for their good works".

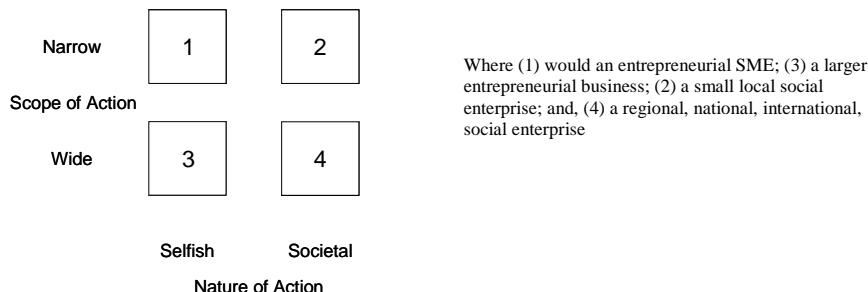
THE INTERFACE NOTION

The authors of this paper conceive the interface as a three circle Venn diagram and argue strongly for the third circle to bring context into the debate. Authors working in the 'interface' have often conceptualised it as a Venn diagram. One of the earliest of these was Gardner (1991), who employed a two-circle diagram implying that the interface was more than just a coincidental meeting of two academic disciplines, namely, entrepreneurship and marketing. Carson (1995) followed this view as well. This paper adopts the three-circle schema with the context being the social enterprise and not necessarily the traditional subject of investigation, the SME. Day (1998) proposed a three-circle Venn diagram in which the third circle provided an organisational context. Hills and Hultman (2006) combined entrepreneurship, marketing and innovation.

Assuming that marketing and entrepreneurship represent different academic domains then the implication is that within the diagrammatic overlap, the two disciplines mutate to form 'entrepreneurial marketing' and that this brings a different insight into actual behaviour than do the two disciplines alone. Once again, Carson (1995) rehearses these arguments in detail, Omura et al (1994) make out a convincing case for entrepreneurship and marketing being distinct academic domains (and thus candidates for integration), whilst Hills and Hultman (2006) modify and, in effect, update the Omura et al (1994) matrix. Hansen (2010) reminds us that the Venn diagram is only a metaphor. The extent to which the mutated entrepreneurial marketing domain is either a new paradigm or simply an appropriate, and needed, adaptation of conventional marketing theory and practice has been and always will be open to debate. It is not the purpose of this paper to provide such a literature review but at the risk of being too terse, Carson et al (1995) and Hills and Hultman (2006) provide interesting 'markers' of the debate that are separated approximately by a decade of contributions. Detailed contributions by these and other authors can be found in the University of Illinois 'Blue Book' series of research symposium proceedings, and the published papers and proceedings of this Academy of Marketing Special Interest Group (Entrepreneurial and Small Business Marketing) who provide twenty years and thirteen years respectively of 'interface' papers. Kotler (2005) would be the apotheosis of formal marketing practice, whilst authors such as Brown (2001), Carson et al (1995), Hills (2002) and Stokes (2000) would be supporters of the radical adaptation of standard marketing theory and practice when applied to the small to medium sized enterprise.

ENTREPRENEURSHIP OR SOCIAL ENTREPRENEURSHIP INTERFACE

This paper takes an agnostic view as to whether there are fundamental core differences between the motivation and behaviour of entrepreneurs and social entrepreneurs. It proposes the following framework as a starting point.



Classic definitions of the entrepreneur and the entrepreneurial act are compatible with the notion of social entrepreneurship. For example, one could argue that both Schumpeter (1942) and Pinchot (1985) can be interpreted as supporting a universal concept of entrepreneurship. From Schumpeter:

” To act with confidence beyond the range of familiar beacons and to overcome that resistance requires aptitudes that are present in only a small fraction of the population and that define the entrepreneurial type as well as the entrepreneurial function. This function does not essentially consist in either inventing anything or otherwise creating the conditions which the enterprise exploits. It consists in getting things done.”

That is not to argue that within this broad approach individual motives may differ, the obvious one being the pure drive for capitalist profit but the attributes and skills exhibited by the business entrepreneur and the social entrepreneur can be close. But differences there are, for example, from within the Interface, we have arguments such as from Bjerke and Dalhammer (2006), that:

“Above all, those who participate in these cases are not inspired by traditional business entrepreneurs. Nor do they intend to improve on government’s job. In their own, no doubt entrepreneurial, style they rather try to be part of building a better world by struggling to make some marginal activities in the Swedish society more central – and more public. And they do this without applying marketing or management as we normally understand these terms”. (Our italics)

Shaw and Carter (2005) argue as well for differences:

“These findings suggest that while the contemporary practices of social enterprises have many similarities with their for-profit counterparts, differences can be found. Firstly, with regard to opportunity recognition, social entrepreneurship is distinguished by its focus on unmet social needs and its locally bound provision. Secondly, while both for-profit and social entrepreneurs maximize network embeddedness, the latter utilize networks to build local credibility and support for their social enterprise. Thirdly, social entrepreneurs rarely invest or risk personal finance in their ventures neither do they seek profit maximization for personal gain. Personal risk for social entrepreneurs clearly exists: but it is the investment of personal local credibility and reputation, rather than finance that is jeopardized by their entrepreneurial actions. Failure implies not financial loss, but a loss of personal credibility, while success implies not financial gain, but increased social and human capital through an enhanced personal reputation. Fourthly, while for-profit and social entrepreneurs share a belief in the centrality of their role, social entrepreneurs more clearly must include and, indeed must share credit for success with, a collective of volunteers and beneficiaries. Finally, both for-profit and social entrepreneurship requires creativity and innovation, however, in the social context, this is manifested mainly in managerial actions by applying novel solutions to intractable social problems.”

THE SEVEN CASES

Two of the cases are describes in some detail below as they illustrate the typical way in which these projects are organised (Exhibit One). Vignettes for the other five cases are at the end of this paper. In the second part of this section we compare and contrast all seven cases using the framework shown in Exhibit Two. Exhibit Four shows examples of these public artworks.

CASE STUDIES ONE and TWO: THE YEAR OF THE RABBIT, CLEVELAND and CAT 'N AROUND CATSKILL, CATSKILL

St Clair-Superior is a well established and culturally diverse neighbourhood in Cleveland, Ohio, USA. The majority of the population in this area are Black and Hispanic with a very small percentage of Asians. The area is approximately three miles west to east, and, one mile to one and one-half miles at its widest north to south point. On the western edge of the area, a seven by ten block neighbourhood is known and branded as Asiatown.

Within the area, a non profit organisation, the St. Clair Superior Development Corporation is attempting to bring together local stakeholders (residential, commercial, arts and culture, and industrial business) to leverage community and business development. SCSDC was formed by the merger in 1999 of the St. Clair Business Association and the St. Clair Superior Coalition. The Year of the Rabbit (2011) is the fifth in series themed around the Chinese Zodiac.

Catskill is in the south-eastern part of Greene County in New York State. Greene County along with the adjacent counties, Delaware, Sullivan and Ulster forms the area known as the Catskills which includes the Catskill Mountain area. Greene County is the northern most county of the group. Within this town (ship) is the so called village of Catskill which is located on the west bank of the Hudson adjacent to the part of the Catskill mountain range. It has a well defined linear main street, which forms the centre piece for the public art display. The village is about 2.8 square miles. The population is around 4000 and the wider 'town' has a population of 7,775. Catskill main street is about 130 miles from the centre of Manhattan.

Exhibit One: Details and Comparison of The Year of the Rabbit (2011) and Cat'n Around Catskill (2011)

PROJECT CONCEPTION and ORGANISER



Year of the Rabbit 2011
St. Clair Superior Development Corporation, Cleveland, Ohio, USA.

The St. Clair Superior Development Corporation (SCSDC) service area extends from East 30th Street on the Western Boundary to Martin Luther King Boulevard as the Eastern Boundary, South to Superior and Payne Avenues and North to the Lake in Cleveland, Ohio. Current Programs deliver immediate community benefits and seed the way for future economic development. It is a 501 c/3 non-profit organization.

"February 2nd begins the Year of the Rabbit on the Chinese calendar, and to celebrate we will fill our community with a collection of public art pieces in honor of the Year of the Rabbit! Local artists will apply their talent & creativity to the fiberglass rabbit sculptures to create an assortment of unique pieces of public art. The Rabbit will be placed outside local business establishments in Cleveland, and will be auctioned in the Fall 2011"



Cat'n Around Catskill 2011.
Heart of Catskill Association/Catskill Chamber of Commerce, Catskill, New York State, USA.

"The Heart of Catskill Association/Catskill Chamber of Commerce is a local not-for-profit 501(c) 6 corporation that works to facilitate the revitalization of Catskill's traditional and historic business districts. Since the social and economic well being of our community affects all of us, we do not believe it should be left in the hands of government alone. Our goals are to foster an atmosphere that will encourage business development and expansion, and to raise funds for the implementation of revitalization efforts."

"Attention All Artists.....The Public has Spoken. They said Bring The Cats Back for the 5th Year!!!!

Sooooo, yet a fifth litter of purrfect kitties will once again preen themselves on Catskill's Streets for Cat'n Around Catskill 2011. This year we will continue the 'no theme' scenario!! Gear up and let your imagination run wild. The possibilities are endless. Once again, all the newest, all the coolest will be taking up residence in Catskill for the summer of 2011. There will be promotions and special events throughout the season. Patrons who sponsor the cats and artists who decorate them will be promoted in print, on the web, at events and in the streets!! Fiberglass cats, approximately 28 inches, either in a sitting or standing position and mounted on a base, will be purchased by a sponsor and then painted and decorated at the whimsy of the artist. The cats will be on display in Catskill from Memorial Day through Labor Day 2011. Following their summer on the street the cats will be auctioned at the "Cat's Meow Auction and Gala" on Sunday, September 25th. In profound appreciation for the work done by our artist last year we raised the artist's share to 30% of the gross amount for which the cat is auctioned. This will remain the same for 2011 with a little caveat. Artists who return their cat by the due date will receive the 30%. Those coming in after only 25%. The remaining net will be divided among local not-for-profit agencies to support the arts, youth programs, senior programs, animal welfare and future Catskill promotions. [Last] year (2010), even in a down economy our 59 cats grossed \$60,000!!!

Don't "paws" for a moment!!! Due to the huge success of last year's event we are anticipating a much larger response. We must however limit the number of available cats to 60, so complete the artist packet quickly and become eligible to decorate a famous 'Catskill Cat' and join in the fun of 'Cat'n Around Catskill 2011' ".

DESIGN GUIDELINES



The Rabbit art pieces will be located outside highly visible St. Clair Superior & other Cleveland area business & educational establishments. The Rabbit may be removed for periodic special events. When creating a design, please consider normal wear and tear and portability. This is an interactive project, which allows the public to touch and feel the designs so they should be created with durability and public safety in mind.

The artist may paint, sculpt, transform and adorn the rabbit form but such additions need to be clarified at the time of submission. Structural integrity must not be compromised. Asian themes are appropriate, but are not required. The design should not include any direct advertising of a product or company. The sculptures are fiberglass and measure approximately 40" high. Any additional costs incurred as a result of alteration to the original form are the artist's responsibility. Artists should bear in mind that the audience will be broad based and of all ages; designs should be appropriate for public display. Designs that are religious, political or sexual in nature will not be accepted. Up to two design proposals may be submitted.



Artists may alter the basic cat form but cannot compromise its structural integrity. The artist may paint, sculpt, transform or adorn the cat, using mosaic, mirrors, tiles, or other media. "Cat'n Around Catskill 2011" is a public art event, so the Cats will be placed in highly public, accessible locations where the public can touch the designs. Public safety is a significant concern. Designs should be created with durability and safety in mind & must be appropriate for public display, those that are religious, political or sexual in nature will not be accepted. Corporate logos and advertising are not permitted. A review panel will evaluate all designs. This review panel has the sole discretion to accept or reject any design.

ARTIST REMUNERATION



Before the sculpture is exhibited, it must be inspected by a representative of the Selection Committee and SCSDC. If it is determined that an artist's finished rabbit sculpture has been completed in substantial conformity to the artist's approved design, it will be approved, and the artists will receive a \$400 honorarium. In addition, each artist will receive 2 tickets to the Year of the Rabbit Auction in September 2009 (a value of \$250). Each artist will be acknowledged on a plaque attached to the base of the Rabbit sculpture and in all appropriate publications.



All artists will receive: a \$50.00 stipend when their cat is delivered, this to help defray the cost of supplies; and, 30% of the gross price that your individual cat brings at the auction. (25% if not in by due date). One Ticket to the Gala and Auction in September. Your name on the Brochure, Map and Guide and name displayed on the Cat display platform. A web page featuring your cat, your bio and the sponsor.

ASSOCIATED PROGRAMMES



In addition to the public art, the Year of the Rabbit Project will also include a variety of Asian & art education programs and events throughout the year. These will include the Year of the Rabbit Unveiling Festival, a youth art & culture education program for St Clair Superior neighborhood schools, and various cultural events throughout the year!

SELECTION PROCESS



Submitted proposals will be reviewed by a Selection Committee made up of local prominent arts related professionals to ensure that the designs conform to the standards set forth in the application. All designs are subject to the Selection Committee's discretion and the Committee reserves the right to reject any submitted proposals. SCSDC staff and board members will not be involved in the selection process. Designs chosen by the Selection Committee will be presented to potential sponsors who will commission one or more artist proposals for production.



Artists submit their designs (limited to 3 submissions per artist) to the "Cat 'n Around Catskill 2011" Committee who will review all submission packages for inclusion in the project, this will be completed in late January 2011. Once your design has been approved you will be invited to the Sponsor/Artist reception where sponsors will select their artist. The sponsor will make the final selection of the design. Your cat will be available to you in mid February.

Exhibit One(b): Timeline for the two public art projects

	Year of the Rabbit 2011	Cat'n Around Catskill 2011
November 2010	Artists Pack and call available	
December 2010		Artists Pack and call available
January 2011	Artist proposal submissions due Committee Announces Selected Proposals Artists Portfolio of Designs Complete	Artist Proposal Submissions Due
February	Rabbit sculpture moulds given to artists (02 February, Chinese New year Begins)	Artist / Sponsor reception Notification of selection Cat sculpture moulds delivered to artists
March		
April	Completed rabbit due	
May	Unveiling of the Rabbit Rabbits installed in the Neighbourhood	Completed Cat due Cats installed & unveiled for Memorial Day (30th May)
June		
July	May to September Community Arts and Culture events	Artist's picnic, Dutchman's Landing, Catskill
August		
September	Rabbits returned to artists for touch-up AUCTION EVENT	(cats removed from streets – Labor Day (07 th September) Cat's Meow Gala and Auction at the Historic Catskill Point

Source: Event Packs for Artists (2010 /2011) Wording has minor edits for brevity but is essentially as written by the organisers.

Exhibit Two below compares and contrasts several key features of seven selected events using the five ‘Shaw and Carter’ criteria above with some additional criteria. The authors have made their judgement based upon reading and reviewing publicity material along with press and internet releases etc. The cases are not randomly selected but we believe are indicative of these types of events. If we perceive entrepreneurial marketing somewhat generally as behaving in an entrepreneurial fashion and maximising impact in spite of a limited budget, and, along the way exploiting personal contact networks and utilising low cost marketing communications, such as word of mouth and public relations, then all of these projects qualify. The most commercial of the organisers is CowParade – it is an international commercial enterprise that has strong brand imaging and well thought through event merchandising. The most modest project of the seven is the bus-stop school project in Macau sponsored by a well established local arts organisation. All the more delightful by being there in Macau where, as expressed more eloquently by Archer and Kelen (2011):

“Today, Macao is promoted as a tourist destination that offers ultramodern casinos and luxurious hotels as well as World Heritage-listed architecture. In recent years, the people of Macao have sometimes felt themselves the victims of contradictory forms of recolonization—by Beijing on one hand and by Vegas-style casino capitalism on the other. Between these gigantic pincers, what chances of survival have local culture and custom had?”

The extent to which the projects are designed predominantly to capture out of town tourists alone varies. All of the projects offer maps/trails, some form of brochure and appropriate promotion. For CowParade there are (not unsurprisingly) wide variation in the goals and aspirations of the venues. The Wisconsin Cow Parade seemed more concerned with promoting the dairy industry than increasing tourism alone. The Xiamen CowParade had more of a feel of a tourism campaign particularly given their ambition to create a permanent exhibition arena. Leaping Trout although concerned with tourism centred on pure river quality within a catchment area and seemed to be rooted in a more general concern for the primary preservation of a specific environment. Cat’n Around Catskill had a clear aim to bring business into town, Disney would be hard pressed to build a more iconic small town American main street. The Year of the Rabbit has both a social edge (community maintenance and building) and a hard edged commercial aim to make the area more attractive for commercial and residential investment. Interestingly the consistent annual theme drawing on the Chinese horoscope concerns only a few blocks square in the area and trades on the growing but minority Asian population. San Luis Obispo Trout Downtown clearly had some ambition to raise the profile of downtown but was predominantly concerned with funding a local day-care facility. Barrel Art Napa Valley celebrated 25 years of fund raising by bringing together 25 artists, 25 wine barrels and 25 wineries. This event felt much more of an affirmation of their philanthropy over the last quarter century than a tourist centred campaign.

Turning to the five Shaw and Carter (2005) criteria. All were locally bounded albeit some areas larger than others! The Year of the Rabbit and Catskill covering particularly small areas and immediate populations, CowParade Wisconsin a larger geographical area and constituents / stakeholders (Wisconsin Dairy Farmers and their stakeholders). Regarding unmet social needs probably only Cat’n Around Catskills, Year of the Rabbit and San Luis Obispo Trout met genuinely unfulfilled needs – commercial sustainability, community building, and the local health facility respectively. This is open to some interpretation, for example, CowParade Wisconsin contributed almost half to the target for an already established local hospital funding campaign.

As might be expected network building was present but varied, Wisconsin CowParade concerned the network of dairy producers and marketers; Leaping Trout was a tight network of local people and the final auction was held on the premises of a local artists social enterprise; Cat’n Around Catskill was fundamentally run by the local chamber of commerce and business support organisation; The Year of the Rabbit was again a local support agency. San Luis Obispo’s primary network was into the local day centre; Macau bus-stops were local schools, and Barrel Art Napa Valley was the latest event organised by the Napa Valley Vintners, a professional non-profit trade organisation.

All these public arts projects have increased social and human capital, several are on-going regular events or have plans to be run again and all carry the reputation of their organisers, and in a very visible way. CowParade is probably an (honourable) exception as the one most likely to behave as a commercial profit maximiser.

Each case illustrates some interesting aspect of entrepreneurship; CowParade can be seen as the Schumpeterian innovator; Leaping Trout an imitative act of entrepreneurship where they saw a transferable concept in Alsaka, and who were physically close enough to the Catskill public arts project for this to act as an exemplar for their project. It is probably the best (social) entrepreneurial marketer of the group given that it leveraged so much value out of so little physical and financial resource. Cat’n Around Catskill can be seen again as imitative but has a real strength in playful wordplay to market the event, readers not fond of cats or bad puns may disagree! The Year of the Rabbit has recognised the opportunity to link the growth of ‘Asiatown’ with the Chinese Zodiac

which gives it a potential twelve year cycle. Waiting for you around the corner (Macau Bus-stops) is one of the few that the authors have noticed that does not use animals as the main motif, and is a schools based initiative. Finally, Barrel Art Napa is interesting not particularly for the use of wine barrels, however appropriate that theme, but in the drafting of the competition of the rules. Some of these public arts projects allow what is really only minor adornment of the forms (Rabbits and Cats for example), Barrel Art Napa allowed the artists to deconstruct the barrels should they so wish. The responses ranged from the interesting but conventional – applied artwork to the barrel, through some modification to the barrel, for example the placement of brushwood by a ‘twig’ artist, to deconstructing the barrels. In one case into a ballerina and another into a musical instrument and another into a flight of ducks!!

EXHIBIT TWO: COMPARISON OF PUBLIC ART EVENT FEATURES

	Place Building (PB) encourages people to visit or change perception of the place	Number of sculptures displayed	Commercial Enterprise, scale 1-5, 1 is most commercial	Purely to capture tourists, scale (L)ower if capture does not appear a priority	Locally Bound	Unmet Social Needs	Network Building	Share credit for success. (Very subjective as based on Press Releases)	Novel Solutions / Entrepreneurship
Waiting for you around the corner, Macau, (2007)	PE	08	5	L	yes		Schools and Schoolchildren	Not known	School driven and choice of sculpture
Trout about Downtown, San Luis Obispo, (2005)	PE	20	4	L	yes	yes	Predominantly with the Health Provider	Yes	Collaboration downtown and social enterprise health provider
Barrel Art Napa Valley, (2005)	PE	25	4	L	yes			Long history	Novel set of rules leading to exceptionally creative responses
Year of the Rabbit, Cleveland, (2011)	PB	27	3	H	yes	yes	Town Business Support Agency	Less so	Tying together Chinese Horoscope years and Asiatown initiative
Leaping Trout, Phoenicia, (2010)	PE	29	5	L	yes		Tight network of local people and artists	Yes	Imitative but exemplar of working with a small budget
Cat'n Around Catskill, Catskill, (2010)	PB	59	2	H	yes	yes	Town Business Support Organisations	Yes	Imitative but exploits Public Relations very well
CowParade, Wisconsin, (2006)	PB	101	1	L	yes		Wisconsin dairy farmers and associates	Less so, world brand predominates	Schumpeterian
	Place Exploiting, the host venue acts as a backdrop so less about building reputation	Number of sculptures displayed	Social Enterprise, scale 1-5, 5 is most social	Purely to capture tourists, scale (H)igher if capture appear a fundamental priority	Locally Bound	Unmet Social Needs	Network Building	Share credit for success. (Very subjective as based on Press Releases)	Novel Solutions / Entrepreneurship

CONCLUSION

This paper has argued for an extension of the traditional two circle Venn diagram metaphor for entrepreneurial marketing and extended that past an obvious domain for that third contextual circle (SMEs) to encompass social enterprise. This was illustrated through seven cases of public themed sculpture. Such events are themselves an excellent illustration of entrepreneurial marketing.

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CASE STUDY THREE: LEAPING TROUT (2010)

Sullivan County is the closest of the Catskill counties to New York (about 90 miles to the north of central Manhattan). It covers an area of about 970 square miles, with a population between 75,000 to 80,000. Their greatest tourist claim to fame is that the Woodstock Music Festival (1969) was held at Bethel, the tourist office does however make claim to a gentler, and solitary, tourist pursuit in that the area gave birth to fly-fishing in the USA. The area is rural and contains the Ashokan Reservoir which is the oldest (1915) New York City owned water supply reservoir. The locations in which the trout were displayed –along the Route 28 road corridor: Arkville, Big Indian, Boiceville, Chichester, Mount Tremper, Phoenicia (which had the most concentrated display of fifteen trout), Pine Hill, Shokan, and, Woodstock, have a total population of about 10,250. This was a project operated on limited resources:

“sponsored by the Ashokan-Pepacton Watershed Chapter of Trout Unlimited, the all volunteer, community-based art project is the result of the hard work and talent of 29 local artists, 27 exhibitor venues and eight Trout Unlimited organizers ...” That’s 64 generous neighbours working hard ... Let’s make sure that they get the thanks and recognition they deserve,” said Mark Loete, a Chichester resident and chairman of the leaping Trout Committee”..... The purpose of the project is to stimulate community awareness of the conservation issues facing the Esopus Creek and the Ashokan watershed.” (Daily Freeman 2010)

For this project three foot long, 2-D aluminium cut outs were used and artists were given a very open brief in respect of design and media, so as to transform “the blank "canvas" into a rich and varied mosaic of artwork for the public to enjoy, and this resulted in the comment” (the leaping trout, 2010).

The project created both a trail map/brochure, and a website with artist biographies, photographs and information on display locations. The art remained on display until the end of the fishing season (September 2010). The trout were auctioned following a group show at a local art store –The Arts Upstairs, in Phoenicia, in addition, the website hosted an on-line auction throughout the summer. All proceeds went to this organising chapter of Trout Unlimited. The Arts Upstairs itself being a social enterprise, described by themselves as “a cooperative group formed by local artists to promote the arts in a setting of mutual respect and open communication with all members of the community. We encourage and welcome participation from persons of all ages, points of view, and walks of life”. Trout Unlimited is a national sporting and conservation organization with more than 150,000 volunteers in 400 chapters across the USA, and seeks “to conserve, protect and restore North America’s cold water fisheries and their watersheds.” In respect of this project, stating “All of the artists have graciously donated their artwork to help Trout Unlimited in its mission to conserve, protect, and restore our cold water resources, benefiting not I only our native trout, but also the millions of people in New York City who drink this same water. Water quality is everyone’s responsibility. Let’s celebrate and protect it!”

The Hudson Valley Times (2010) fills in more background, Loete, a fly fisherman and photographer, was looking to commemorate Trout Unlimited’s 50th Anniversary and took up this suggestion from his wife. Members of the local chapter of Trout Unlimited were reminded by members of similar initiatives particularly in Anchorage, Alaska, which has displayed painted salmon. The location is close also to Catskill with its recent tradition of cats. Apart from the obvious reasons for choosing trout, Loete is quoted also as saying “We figured leaping trout would be perfect” “They’re like puppy dogs, like newborn babies ... no one dislikes them”

Whilst this venture does have obvious commercial benefits, newspaper coverage emphasises that this is a grassroots venture and one concerned primarily with the quality of local water in the Esopus Creek for both tourist use (fishing and rafting etc) and water supply.

"We as a conservationist group, Trout Unlimited, wanted to convey the message that clean water benefits everybody, it's everybody's responsibility," said Loete. And everyone involved in the Leaping Trout Art project has seemed to benefit as well. "It incorporates all the businesses, all the artists, it brings people on a tour that takes them from place to place to see these trout, and also, in the habitat where the trout live," said Channon. "(YNN 2010)

The trout are now available as prints. The assistance provided by the Ashokan Watershed Mangement Programme was a very modest \$925 for outreach and website building.

CASE STUDY FOUR: COW PARADE (Various dates)

The consensus view is that CowParade had its origins in a project organised by Walter Knapp on behalf of the Zurich Retail Association in 1998. The model for the cow was taken from an indigenous Swiss breed of cow – the Brown Swiss, also a popular breed across the world with cattle breeders and milk producers. For example, the Brown Swiss Cattle Breeders' Association of the USA dates back to 1880. The actual form of the cow was created by Knapp's son Pascal, a sculptor, and in three poses, sitting, grazing and standing. Walter Knapp at that point in his career was most usually described as an artistic director and president of the International Association of Window Dressers. Zurich was his home town, and some sources claim that the idea came from a previous 1986 public art project in Zurich involving the symbol of the city ... lions. The Zurich event was called: "Land in Sicht", which literally translates to land ahoy (Land ahoy – off to Zurich seemingly the full title of the event).

The cows in Chicago are credited to a Chicago retail entrepreneur, Peter Hanig who having seen the Zurich street art when there on vacation gained the support of Lois Weisberg the Cultural Affairs Commissioner for Chicago, and CowParade was hosted in Chicago in 1999. CowParade claim to be the largest and most successful public art event in the world. With events having been staged in at seventy countries since 1999. These include: New York City and London (2002); Tokyo, Brussels and Dublin (2003); Prague and Stockholm (2004); Mexico City and Sao Paulo (2005); Buenos Aires, Boston and Paris (2006); Milan and Istanbul (2007); Hong Kong and Taipei (2009); and Xiamen (2010). On their website they estimate that over 100 million people have seen the cows, and they have raised through the auction of the cows at the end of the seasons, over \$20 million dollars. Exhibit Four below provides some more detail.

EXHIBIT THREE: EXAMPLES OF CHARITIES SUPPORTED BY COWPARADES**Europe**

Bucharest	2006	Special Olympics
Copenhagen	2007	Save the Children
Dublin	2003	Jack and Jill's Children Foundation
London	2002	Childline
Manchester	2004	Manchester Kids
Milan	2007	Champions for Children
Monaco	2005	Monegasque Association Against Muscular Dystrophy
Paris	2006	World Food Programme and Africa Alive Foundation
Stockholm	2004	BRIS

Africa

Durban, Cape Town and Johannesburg	2005	Childhood Cancer Foundation
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Asia

Hong Kong	2009	Hong Kong Society for Education in Art
Taipei	2009	Children's Art Charity
Xiamen	2010	Not named but 70% from the auction of the pieces is the usual charity donation.

North & South America

Boston	2006	Dana Farber Cancer Institute
Buenos Aires	2006	Instituto Leloir
Harrisburg	2004	Whitaker Center for Science and the Arts
Houston	2001	Texas Children's Hospital
West Hartford	2003, 2007	Connecticut Children's Medical Center
Wisconsin	2006	University of Wisconsin Children's Hospital

Source: CowParade website, accessed 2011

The cows are painted by both amateur and professional local artists obtained through an "Open Call" through "a targeted mailing to top artists, newspapers and television ads, and through cooperation with local arts organizations. The event maintains a portfolio of the design submissions from which event sponsors select." CowParades have ranged in size from 32 to 450 cows in (Auckland and New York City respectively) with an average event having 75 to 150 cows. Public display lasts between two to four months and the live auction of the sculptures, two to three weeks later. Artists are paid on average \$1,000 per cow.

The Wisconsin CowParade 2006 gives some interesting insight into the funds raised. The contribution to charity was \$582,650. The majority of the proceeds went on a project to build a new American Family Children's Hospital in Madison, with minor contributions to 30 other non-profit organizations. Sponsors of each cow auctioned could nominate 40% of the bid price to a local charity of their choosing. The live auction raised

\$394,200 (44 cows); the on-line auction \$188,450 (37 cows); an additional silent auction of memorabilia contributed the remaining \$30,700. The average auction price of the cows was: \$6814 and the range \$1050-\$13000 (SD. \$2878)

The benefit for the key sponsor, the Wisconsin Milk Marketing Board (a non-profit organization funded by the dairy farmers of Wisconsin that promotes the consumption of milk, cheese and other dairy products made in America's Dairyland) was:

"The CowParade Wisconsin auctions conclude an event that colorfully showcased the Wisconsin dairy industry to millions of people across the state and country. Throughout the event, dairy industry messages reached more than 15 million people via print, radio, television, and web media."

And

"This promotion put dairy on the front page in communities across America's Dairyland. The coverage we received far surpassed our expectations," said Patrick Geoghegan, senior vice-president of corporate communications at Wisconsin Milk Marketing Board" (Wisconsin Milk Marketing Board 2006)

CASE STUDY FIVE: TROUT ABOUT DOWNTOWN (2005)

Located in San Luis Obispo, California were twenty steel head trout sculptures. Organisers were the City, Friends of the Prado Day Centre (the main beneficiary from the fund raising), the Chamber of Commerce and representatives from local arts organisations. This grouping calling itself the 'Fish Commish. As is usual, information was provided on the location of the sculptures accompanied by 'trail map'. The forms were sold to local businesses, organisations or individuals, and local artists grouped together by Fish Commish created the sculptures. Although, subject to approval, the sponsor could provide their own artwork. Artists received a \$500 stipend. There was a head sponsor and three prize sponsors. The primary recipient of the money raised was the Prado Day Centre.

"The community contribution shows that people really care about our clients," Torres continues. Prado Day Center serves the poorest of poor, providing access to medical care, day care and other basic services. "They're here to get core services, ones they couldn't get without us," Torres says. "We offer showers, laundry facilities, hot lunches served by the People's Kitchen, and a place to make phone calls and receive mail and messages." "Since most of our clients are homeless and well below the poverty line, these services are essential for their daily living," Torres says. Prado Day Center serves an average of 90 clients daily with a high of 125 or about 32,000 clients per year, seven days a week.

According to Betsy Kiser, principal administrative analyst with the City, the Fish Commish hopes to contribute \$15,000-\$20,000 in income from the "Trout" auction to Prado Day Center. "Not only has the 'Trout' project brought a lot of people, locals and tourists alike downtown, the auction proceeds benefit a very worth cause." (Baer, S. 2005)

CASE STUDY SIX: WAITING AROUND THE CORNER, MACAU (2007)

This was part of the Macau Fringe Arts Event in 2007, this public art festival started in 1999 and celebrated its tenth anniversary in 2010. The year before this exhibition, the local authority had decided not to run the event as they wanted to create some ‘breathing space’ so that more local artists and organisations could be involved relative to overseas participants. The event was run under the auspices of (at that time) the only publicly initiated art space in Macau -The Old Ladies' House Art Space. With support from principally from the IACM (The Civil and Municipal Affairs Bureau) they had managed approximately 200 local art activities over the previous two years. Their publicity flyer for this event stated: “Our living habits is one of the important elements of our lifestyle and culture. ‘Waiting for you around the corner’ will start from the habits and living preferences from eight local schools in Macau to give us a new perspective of road signs” (The Old Ladies' House Art Space flyer). The art work was displayed from the 10th to the 25th November in a prominent square in Macau (Tap Seac Square).

CASE STUDY SEVEN: BARREL ART NAPA VALLEY (2005)

The following press piece describes the event admirably. The organisers accompanied the event with a stylish colour pocket brochure, listing and advising the location of the works and the sponsors.

“BARREL ART NAPA VALLEY TRANSFORMS CELLAR STAPLES INTO PUBLIC ART INSTALLATION; NOTED ARTISTS AND VINTNERS COLLABORATE TO TURN BARRELS INTO FINE ART EXHIBITION AND CHARITABLE AUCTION ITEMS

In celebration of 25 years of Auction Napa Valley success, 25 wineries have paired with 25 artists for a promotion that will pull 25 oak wine barrels out of the cellar and plunge them into the spotlight. Generously donated by Tonnellerie Quintessence, these 60-gallon wine barrels will be transformed into works of art through the Valley-wide Barrel Art Napa Valley exhibition and later auctioned off to raise funds for area beneficiaries. Created in a variety of mediums, the works will be on public display free of charge and open to the public from May 20 to September 30 at wineries throughout Napa Valley.” (Business Wire, April 21st, 2005)

The most interesting aspect of this event was that the rules of the competition allowed the artist a great deal of freedom in their interpretation and response. Because unlike the other six projects, actual wine barrels were used, and artists could within reason take the barrels apart, there was a much wider variation of work produced. Associated marketing memorabilia such as a set of greetings cards featuring each individual design were available

The competition instructions were ... “The chosen medium, the 60-gallon French oak barrel, will serve as the foundation of the artist’s work. Artists may dismantle the barrel, open the barrel, or alter its form. The finished piece must include one of the barrel heads, a minimum of 12 staves and 3 hoops” (Event details for participants).

EXHIBIT FOUR: PHOTOGRAPHS OF PUBLIC ART PROJECTS



Spirit Bears in the city, Vancouver, 2006; A Tribute to John Lennon "Was it just a dream", Artist: Dawn Joy Ritchie, Sponsor: TP Systems Ltd.



Cat in Catskill, 2010 and view of Main Street



Waiting for you around the corner, Macau, 2007



Trout about Downtown, San Luis Obispo, 2005



EXHIBIT FOUR (B): NAPA VALLEY '25'



BARREL WITH TWIGS
Paul Schick
Hosted by Napa General Store
© Artist and Barrel Art Napa Valley



BUBBLE and BARREL BALLET
Jeffrey David Jacklich and Lisa Splendid
Jacklich
Hosted by Domaine Chandon
© Artist and Barrel Art Napa Valley



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Measuring Clustering Benefits and Competitiveness: What Do Players Really Value?

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Abstract

Clustering bestows a beneficial environment by providing potential access to valuable local resources and favourable conditions that contribute to creating competitive advantage for firms. This paper presents a novel approach by integrating two research frameworks, one from each of economic geography and country marketing planning, to measure the benefits and competitiveness of the Singapore Financial Centre. A combination of a general benefits analysis and an importance performance analysis highlights the existence of important relationships and captures the needs of players within a cluster. Thirty-three personal interviews provide the exploratory dataset and illustrate the approach. This paper is relevant both to policymakers keen to develop, or initiate clusters, as well as academics and practitioners interested in the study of international competitiveness.

This paper combines and extends two research streams to present a novel approach in getting to the heart of the behaviour and needs of players in the Singapore Financial Centre. These are a General Benefits Analysis (GBA) and an Importance Performance Analysis (IPA) to explore the benefits and competitiveness of a cluster respectively. Data were sourced from a sample of 33 respondents to demonstrate the use of the approach in this exploratory study. There were six directors, 20 senior managers, and seven junior managers, all of whom had more than five years experience of working in that cluster and coming from a diversity of financial institutions. This novel approach contributes to the study of international management while offering a way to actualise Porter's (1990) diamond concept and apply it in practice.

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The extent of beneficial clustering effects is an important question, not least many governments and regional development agencies are expending a great deal of resources to the support of clusters (see, for example, McDonald, Huang, Tsagdis and Tuselmann, 2007). More particularly, within financial services, clusters are an obvious descriptor of key global financial districts (Reed, 1981; Sassen, 1991; Gieve, 2007). London, New York, Hong Kong, and Singapore are all leading world cities and all have prominent financial centres (Beaverstock, Smith and Taylor, 1999).

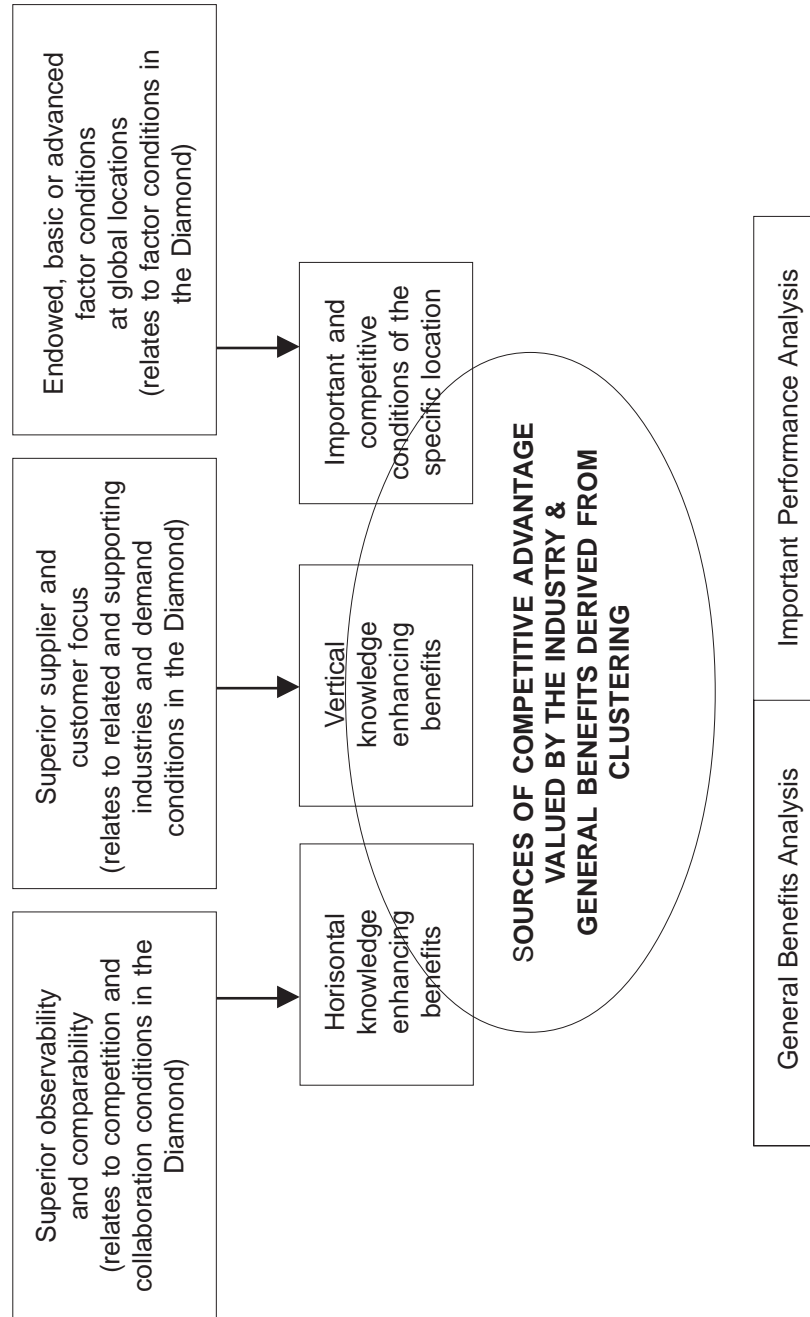
Reed (1981) observes the rise of a strong financial and banking district in Singapore more than a quarter century ago, with the origins stretching as far back as the early 1900s (Kuah, 2008a). The Singapore Financial Centre has recently undergone a liberalisation process from 1999 to 2003, and recently taken the number four position after London, New York and narrowly missing the third spot after Tokyo (Tucker, 2008). Therefore, the choice of this lesser-explored centre is of interest especially to management scholar interested in the Asia-Pacific region.

The current literature generally follows Porter's (1990) terminology of industry clusters. Four key determinants constitute the diamond of national advantage: factor conditions; demand conditions; related and supporting industries; and firms' structure, strategy and rivalry. The relationship between a location and its competitive industry cluster is symbiotic: clusters contribute to national competitiveness and national competitiveness drives globally competitive clusters. While Porter (1990) recognises the clustering phenomenon and provides an insightful definition, the concept does not suggest any way to measure it. It does not encourage the researcher to try to understand behaviour of a cluster, nor the needs of its players, in intimate detail.

This study draws inspirations from the IPA concept of Martilla and James (1977); the notion from Nielson (1983) of applying strategic marketing to a nation; and the work of economic geographers like Cook, Pandit, Beaverstock, Taylor, and Pain (2007). The GBA, which Cook et al (2007) propose, measures the benefits derived from the vertical and horizontal relationships in a cluster. The technique enables one to understand the extent of beneficial interactions between the cluster members, in which knowledge exchanges. However, it does not look at the value of the location attributes, the factor conditions, and their competitiveness. These are important reasons that attracted firms to a location in the first place and will continue to attract new entrants—the sign of a successful cluster (Porter, 1998). Martilla and James (1977) propose the concept of the IPA, which treats the cluster players as “customers” of the environment and analyses their needs and perceptions. Figure 1 presents the theoretical framework.

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Figure 1: The Theoretical Model



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The first column in Figure 1 represents the Cook et al's (2007) argument on the enhanced benefits gained from the horizontal interactions between firms in a cluster. This relates to the competition and collaboration of firms in Porter's (1990) strategy, structure, and rivalry component. The second column extends Cook et al's (2007) argument and represents the vertical interactions between a firm, its suppliers, and its customers. This column supports the need for related and supporting industries to cluster together (Porter, 1990), as some of the related industries are (internal) customers in a cluster and supporting industries are suppliers. In addition, the presence of customers and the cluster's ability to attract external customers represent the local demand conditions in a cluster. Finally, the third column represents the location attributes and factor conditions, which by using the IPA would reveal what the industry players value most, what attracted them there in the first place, and what might continue to draw new entrants.

One key advantage of IPA is that it lends itself to a simple visual representation. As has been shown recently by Day and Schoemaker (2005) on peripheral vision, and Kim and Mauborgne (2002) on strategy canvasses, reducing complex situations to simple and visual frameworks is hugely insightful. The output from an IPA can provide diagnostic information to help regional planners consider not only how much resource to allocate for cluster development but also where to focus that allocation.

Antecedents

Three important antecedent literature streams underpin the development of the theoretical model in Figure 1: firstly, the theory and practice of importance performance analysis; secondly, the consideration of the sources of international competitiveness; and lastly, a consideration of the forces that drives industry players' behaviour and superior conditions that cater to their needs.

Importance Performance Analysis

Martilla and James (1977) suggest the application of the importance performance grid, more commonly known as the importance performance analysis (IPA), which perpetuates in its diversity and applicability. For example, Deng (2007), and Zhang and Chow's (2004) apply on to the tourism industry; Vanryzin and Immerwahr (2007) on citizen satisfaction surveys; Helgesen (2007) on Norwegian fish exporters; Beldona and Cobanoglu (2007) on in-room hotel technology; Ibrahim, Joseph and Ibeh (2006) on United Kingdom banks and electronic service delivery; O'Leary and Deegan (2005) on Irish tourism, and Joseph, Yakou and Stone (2005) on university student satisfaction. These analyses seek to discover whether priorities that

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organisations give to their products or services are those that their customers actually value. By doing so, organisations can evaluate the priorities against their delivery performance.

Another technique is SERVQUAL (Parasuraman, Zeithaml and Berry, 1985), which measures the gap between customer expectations and service delivery. There are also derivatives, for example, E-S-QUAL (Parasuraman, Zeithaml and Malhotra, 2005). Some authors, for example, Joseph et al (2005); O'Neil and Palmer, (2004a and b); Aigbedo and Parameswaran, (2004) see them as complementary since SERVQUAL can be used to generate the salient attributes for an IPA, while the IPA is a simple way to demonstrate appropriate strategic actions. However, Hudson, Hudson and Miller (2004) argue that the IPA measures the difference between performance and importance, while SERVQUAL measures the difference between performance and expectations. Interestingly, Hudson et al (2004) show that SERVQUAL, the variation SERVPERF and IPA provide broadly similar interpretations of pertinent delivery attributes.

In practice, advances made on the IPA concept over the last three decades have been in the refinement of the measurement scales using statistical methods (see Abalo, Varela and Manzano, 2007; Deng, Chen and Pei, 2008) alongside more insightful interpretations, and drawing out of those concomitant strategies that maximise customer satisfaction (see Slack, 1994; Abalo et al, 2007; Bacon, 2003). These studies mainly concern business-to-consumer satisfaction. Customer satisfaction questionnaires, qualitative interviews or the econometric manipulation of large datasets provides the data and analysis.

This paper takes its cue from a fascinating and hugely innovative article by Neilson (1983) that advocates using strategic marketing planning at the country level. IPA can also be a useful technique to represent and analyse the data by obtaining the industry players' evaluations of their relative country performance based on their judgements of the importance of certain conditions. Key insights on the attractiveness of the location could be gathered. Policy makers could use the information as a diagnostic tool to determine the extent and priority of resource allocation needed to rectifying weaknesses in their local cluster.

The fundamental assumption of the IPA is that not all attributes will contribute equally to competitiveness of the location. If a country performs well in those conditions considered important by pertinent industry players, the nation can enhance the likelihood of a successful industry cluster. On the other hand, poor performance on an important condition may have detrimental consequences for both the industry and the country. In successful clusters, competitive cluster conditions are often resources for the firm, which

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may be rarer in origin and not easily assembled or replicated at another location.

Figure 2: Importance Performance Analysis and Decision Zones

Figure 2 (a)

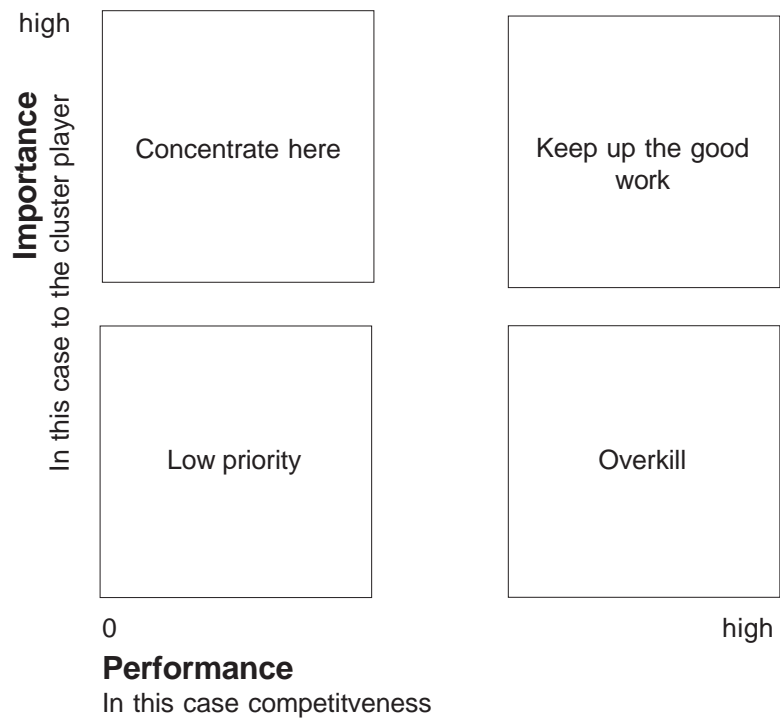
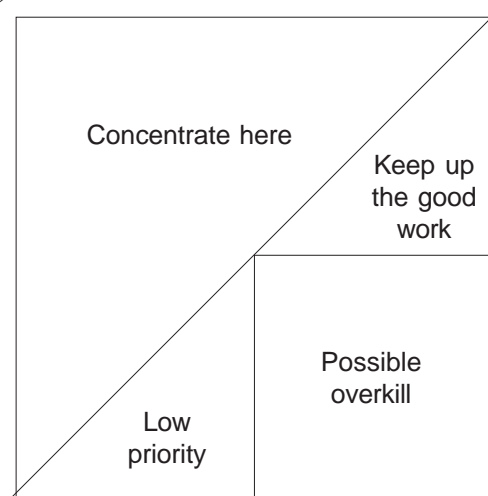


Figure 2 (b)



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Figure 2 (a) illustrates the original way that the Importance Performance Grid (matrix) divides into zones. *Figure 2 (b)* illustrates the next most popular zoning method, with a diagonal (or iso-line) drawn from the origin along where performance and importance are equal Eskildsen and Kristensen (2006) conduct an interesting discussion on how different authors have suggested dividing the grid. The results on a grid that combines the diagonal line and grid divisions that occur below that line (as Abalo et al, 2007) can provide insightful findings. The zoning of the matrix is critical, as it will affect the strategic advice given. Whilst the greatest strength of the matrix is its visual simplicity, the data point locations need careful and thoughtful interpretation and explanation to the client.

Sources of International Competitiveness

What affects competitiveness of a location may also come through the four pinnacles of diamond (see Porter, 1990): the factor conditions; demand conditions; related and supporting industries; and the firms' structure, strategy and rivalry. The popularity of the diamond concept among policymakers may in part stem from Porter's (2000) assertion that clusters are of benefit to all industries. The IPA approach has the potential to measure the extent to which firms in a specific industry value those clustering conditions provided by that location. For a government concerned with effective intervention, the diamond paradigm provides an obvious framework from which to draw and evaluate those environmental characteristics that would enhance competitive advantage for the firm. Porter's thoughts in this area is pervasive, since firms can draw resources from the proximate environment, they may seek to supplement their own value chain with the value system found in a cluster.

The diamond is a normative and rather non-evaluative concept as to what important conditions really matter to the firm in a specific industry. Porter was initially more concerned with describing the clustering development process rather than what actually takes place in the cluster (see Clancy, O'Malley, O'Connell, and van Egeraat, 2001).

Earlier cluster studies using solely the diamond framework (for example, Oz, 2002; Kuah, 2008b) either could not report what it was that the industry players valued particularly, or if they did concern themselves with the beneficial outcomes to cluster members it was without a great deal of focus. By concentrating upon a single cluster and bringing actual behaviour and needs into sharp focus, one can overcome one of the criticisms leveled at the Porterian Diamond—that it is too generalised an explanation when applied across nations.

Porter (1998b), however, points that the enduring competitive advan-

tage in a global economy lies increasingly in local things—knowledge, relationships, motivation—that distant rivals cannot match. Miller, Henthorne and George (2008), supporting Kuah's (2002) "economy of globality and proximity" principle, argue that the economies of small countries have an inherent edge due to their geographical compactness. Though the economy of globality means that production of goods and services does not necessarily need to be close to the end-user, proximity still provides many value-added services. One needs to look inside the cluster itself and to pay due regard to its historical evolution and particular characteristics. Economic geographers, such as Cook et al (2007), therefore prescribe focusing on the centripetal and centrifugal forces that actually act within a cluster.

Behaviours, Benefits, and Needs of Financial Clustering

Cook et al's (2007) study looks at the forces influencing financial services players at London Financial Centre to get to the heart of the behaviour of firms. They identify important aspects of the horizontal knowledge enhancing benefits (superior observability and comparability) and vertical knowledge-enhancing benefits (superior customer focus) as being attributable mainly to face-to-face contacts in the economy of proximity. They found that member firms benefited from benchmarking against competitors, being close to other leading competitors and to other organisations such as professional bodies. These are horizontal knowledge enhancing benefits. Cook et al (2007) identify that being close to market-leading customers and an appropriate labour pool are two of the vertical knowledge enhancing benefits.

While this research stream reveals many of the horizontal dimensions of interactions between firms in a cluster, which lends support to Porter's (1990) argument, it neglects an important part of the vertical dimensions (suppliers and supporting industries). The value system integrating the value chains of industries is an important dimension to clustering.

Porter (1990: 239–276) argues that the diamond is equally applicable to the internationalisation and competitiveness of the services sector, but does not provide specific examples of the financial services industry. Therefore, to understand further the needs of existing and potential players in an international financial centre warrants a further consideration of the extant literature.

Reed (1981) and Sassen (1991) emphasise the importance of political, communications, and regulatory conditions to the competitiveness for an international financial centre. Stable legal and regulatory environment arising from political stability (Hall, 1966), financial stability (Reed, 1981) and regulation (Sassen, 1991) are also necessary and important for interna-

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tional financial services. According to Porter (1998a), internationally competitive suppliers, or supporting industries, create advantages to downstream activities by delivering cost effective inputs and providing innovative and upgraded alternatives. Porter (1990) also suggests that technology played a role in the internationalisation of financial services, while Reed (1981) also recognises that a strong information and communication infrastructure is most important to an international financial centre.

Stable local infrastructure such as power supply is important to the electronic manufacturing and the information technology sector. In the London Financial Centre, the IT and financial clusters have a connected relationship (Kuah, 2008b). In addition, the corporation tax regime is thought to be an important consideration for businesses in London (Lascelles, 2003), while Nielsen (1983) hypothesises that tax reduction is one way which a government can intervene to promote its industry.

Finally, the availability of skilled labour is an important factor condition for services, especially where there is growing complexity of products and sophistication of customers (Porter, 1990). Firms in vibrant clusters can tap into this pool of specialised and experienced resources, thereby lowering their search costs and time wasted on the learning curve. One main feature for Singapore was its liberal government policy towards foreign talents and the lack of strong unions (Kuah, 2008a). These conditions, arising as the pinnacles of the diamond, may be what financial services institutions value from a clustered location like London or Singapore. The ranking of their importance is less obvious from the literature.

Method

The choice of the Singapore Financial Centre complements the Cook et al's (2007) study, particularly given that Reed (1981) and Beaverstock, Smith and Taylor (1999) argue that Singapore, alongside London, is one of the 10 "alpha" cities with significant financial agglomerations. The choice of the cluster meets similar criteria to those used by Porter (1990) and Clancy et al (2001) to distinguish leading economic clusters. Namely, the cluster holds a relatively large share of world exports in financial services; the sector is a sizable contributor to national exports with this cluster contributing some 12.3 per cent to Singapore's gross domestic product; and there is a positive balance of trade in services.

Data Collection

There were 33 face-to-face interviews conducted over a two-week period in summer 2003. Each interview lasted about 40 minutes using the semi-structured format to allow responses to flow. Personal contact net-

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works provided many of the interview referrals, but all had to be experienced industry players with more than five years in that financial centre and all had to be graduates in management positions. Because participants of this calibre were under obvious time pressure, the sample was a non-random snowball. Stratification occurred by sector type and organisational seniority to encompass the whole industry cluster. The data collected included the firm demographics and business activities in the cluster. Some of the participants were interviewed collectively but all responded individually. Questions were available beforehand to enable them to give more thoughts prior the interview. No one sought prior clarifications on these and this suggests that the questions were clear, or did not contain terminologies alien to the participants. The study had two main parts: 12 questions that looked at the cluster behaviour and knowledge-enhancing benefits, that is, the components of the GBA; and there are another 12 questions to capture the needs and perceptions of industry players on the relative importance and performance of clustering conditions, that is, the IPA.

Operationalisation of the General Benefit Analysis

The GBA concerns mostly intangible general benefits derived from clustering in the Singapore Financial Centre. Figure 3 details the 12 semi-structured interview questions in the first column and their theoretical rationale in the second.

Four of these questions concern horizontal knowledge enhancing benefits of competing firms, while six questions cover vertical knowledge enhancing benefits. Two of the questions are of a more general nature and less amenable to a precise classification. All these questions used a Likert Scale of 1 to 5 in soliciting the response, and are similar to Cook et al's (2007) but applied to the Singapore Financial Centre.

Operationalisation of the Importance Performance Analysis

This research derives conditions for the IPA through a positivist deductive approach using the extant literature on financial centres. Although other approaches are possible using managers' knowledge or focus groups to cater for SERVQUAL (see Aigbedo and Parameswaran, 2004; Hudson et al, 2004) and generating larger statistical datasets, there is no reason why expert industry players' perceptions are inferior.

The extant literature suggests conditions important to an international financial centre. They are: (a) good local economy and demand for products; (b) good regional economy and demand for products; (c) availability of supporting industries; (d) stable legal and regulatory environment;

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Figure 3: General Benefit Analysis and its Focus**Horizontal Knowledge Enhancing Benefits—Collaboration**

Local business organisations (such as the Chamber of Commerce) provide useful links

These are horizontal knowledge enhancing benefits through having professional bodies, trade associations and business networking organisations located nearby.

Universities and research centres provide a valuable source of new knowledge and information

Many technology clusters also enjoy benefits from linkages to nearby universities, 'think tanks', standards setting agencies and training institutes.

Horizontal Knowledge Enhancing Benefits—Competition

Most of the businesses that we support are located here

Reflecting the presence of an entire value system encompassing incumbents' value chains, a part of horizontal knowledge enhancing benefit by being among competing firms.

We can react to our competitors better as news spreads fast

Reflecting the desire to benchmark against competitors as there would be significant informational and knowledge spillovers. Another benefit of horizontal knowledge enhancing benefit by being among competing firms.

Vertical Knowledge Enhancing Benefits—Customers

It is easier to meet prospective clients and develop new businesses here

Reflecting being close to market-leading customers, with the ability to interact with them, a part of vertical knowledge enhancing benefit.

It is easier for customers to find us here

Customers external to the cluster will find it easier to interact as suppliers are more easily found, thus minimising search costs as customers can shop around and easily locate information on products and services. Another part of vertical knowledge enhancing benefit with the customers.

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Figure 3: General Benefit Analysis and its Focus (*Cont'd*)**Vertical Knowledge Enhancing Benefits—Labour Pooling**

The local labour market provides a pool of labour appropriate to our needs

Access to an appropriate labour pool or benefiting from a skilled labour supply is essential as a resource for the delivery of financial services, part of vertical relationship to sources of supply.

Key skills appropriate to our business are available in the local labour market

Reinforcing on specialised labour pooling and knowledge accumulation in a successful cluster, so that firms may be able to quickly tailor their needs and recruit people at short notice.

Vertical Knowledge Enhancing Benefits—Supporting Industries

It is easier to contact our supplier if we are located here

Reflecting access to local competitive supporting industries, a part of vertical relations with the suppliers.

We find the local supplier base valuable, including a pool of appropriate companies providing key services

Reinforcing the ability to find firms who will supply bespoke services, a part of vertical relations with the suppliers industry.

Other General Benefits

Our managers and staff like this location

The attractiveness and reputation of a location increases a firm ability to attract and retain key staff. Relates to the quality of infrastructure, transport and the environment.

It is a useful location to establish our reputation

Locating in a successful cluster provides potential customer with an indication of quality and reliability that translates into reputation. The address may increase one's perception of credibility and reputation.

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(e) good transportation and communications infrastructure; (f) availability of stable utilities; (g) availability of good fiscal policies (tax incentives); (h) availability of good offices and working environment; (i) incentives to employ local labour; (j) availability of skilled personnel; and (k) stable political environment. Interviewees are able to offer a response of their own.

The interviewees select the five most important conditions and rank them in order of importance to their organisations, and then from the same list to select and rank what they considered to be the five most competitive conditions for the financial centre. The conditions become markers on the IP Matrix after data normalisation.

One methodological issue that Abalo et al (2007) raised is that datapoints can crowd together and obscure differences. One way around this is to force respondents to choose only some but not all from the list, thus reducing overload or indecision that might lead to a lack of discrimination. Choosing the top five conditions would be an appropriate compromise. Clearly, this comes at a cost of losing some data but one could argue that these are the less influential attributes. A dual cross-hair and diagonal line approach to partitioning the matrix is used to draw out a discussion about strategic options.

As this study collects data on the participant's position in the company (classified as director, middle manager and junior manager), it can report both an overall matrix and sub-matrices to give a more rounded understanding of the sample. In general, this sub-matrices approach, where Wu and Webber (2005); Williams and Dossa (2003); and Bruyere et al (2002) suggest, avoids making management recommendation that are too simplistic.

Findings

General Benefit Analysis

Horizontal Knowledge Enhancing Benefits—Collaboration

There are 12 agreements and eight disagreements that local business organisations, such as the local chamber of commerce, provide useful links to the financial institutions. Another 13 industry players have no strong opinion on this issue. Similarly, there are 11 agreements and eight disagreements that universities and research centres provide a valuable source of new knowledge and information, with 14 expressing no strong opinion. Local business organisations are useful as networks, and universities and research centres provide a valuable source of new knowledge and information to some industry players, but the benefits are not widespread. The mixed results contrast findings from Cook et al's (2007) study on the London Financial Centre.

Horizontal Knowledge Enhancing Benefits—Competition

About 38 per cent of the industry players report that more than half of their businesses are in the local market and 2 per cent of the industry players report that more than half of their businesses lay in regional markets. This suggests that some of the business linkages in the Singapore Financial Centre lie beyond the shores of the city-state. In spite of this, the demand arising from the local economy is important to 58 per cent of the industry players and another 42 per cent of the industry players contend the demand arising from the regional economy is important.

Twenty-four industry players indicate there are good business-to-business relationships within the cluster, and they are located there to support other member firms. Most of the industry players (25 participants) agree that news spread fast in the Singapore Financial Centre and they can react to the news better by being in the cluster. These findings are in line with the Cook et al's (2007) study on London.

Vertical Knowledge Enhancing Benefits—Customers

Evidence exists to suggest that industry players find it easier to meet prospective business clients and develop new businesses in Singapore, with 25 industry players agreeing on this. This result suggests that the ability to interact with the clients forms an integral part of the vertical knowledge enhancing benefit. Also, there are 21 agreements and three disagreements on the general benefit that customers find it easier to find the firms when they are located in the Singapore Financial Centre. Again, the finding seems in line with Cook et al's (2007) study.

Vertical Knowledge Enhancing Benefits—Labour Pooling

For the question on the availability of key skilled personnel in the local labour market, 81 per cent of the industry players indicate that they find it beneficial to their performance. A total of 78 per cent perceive that the local labour market provides a pool of labour appropriate to their needs. One cannot ignore Singapore's skilled and educated labour force and almost 60 per cent of industry players contend its importance. Sixty per cent of the industry players also feel that Singapore is competitive with the provision of skilled labour for her industries, while 10 per cent perceive that there are credible incentives to employ the local skilled workforce.

An expatriate who was a former CEO of the Deutsche Bank Group, now managing director of his company, highlights that Singapore's labour force is "process-oriented and numerical", particularly suitable for financial services industries. Another observer, who is an assistant director in a foreign bank, points out: "Singapore has a pool of skilled labour whereby

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international players can actually tap into and set up offices here. Apart from Hong Kong and Japan, if you look at the rest of the region, in terms of the labour force standard of education, Singapore is quite far ahead. In terms of all the levels of labour force (*sic*) in the financial services, including intermediate management, or even top management, Singapore has provided adequately at all the levels.”

Vertical Knowledge Enhancing Benefits— Supporting Industries

The availability of supporting industries for the financial centre does not rank highly as an important condition by the 74 per cent of the industry players. However, in contrast, 18 industry players agree that they find it easy to contact suppliers, while another 13 express no strong opinion. Sixteen industry players point out that the local supplier base is valuable, including a pool of appropriate companies providing key services, but an equal number expressed no strong opinion on the matter. The fact that an almost equal number of players have no strong opinions on the issue of suppliers and supporting industries in the Singapore cluster is indicative of a less significant presence of strong competitive supporting industries. It does suggest that the presence of strong and competitive supporting industries is less important to such firms relative to other diamond conditions.

Other General Benefits

Twenty industry players agree that Singapore is a useful location to establish one’s reputation. With more discerning and sophisticated customers, locating in a cluster could provide an indication of quality and reliability for potential customers. Nineteen industry players feel that Singapore has a pleasant working environment, with only one disagreement. However, this benefit is quite general and does not cover the specificity of attractiveness in terms of transport, communication or buildings. The wording, in retrospect, may have been a little unclear on whether “environment” refers to the professional environment or to personal living space. Perhaps, this is why 13 industry players have no strong opinion on the matter.

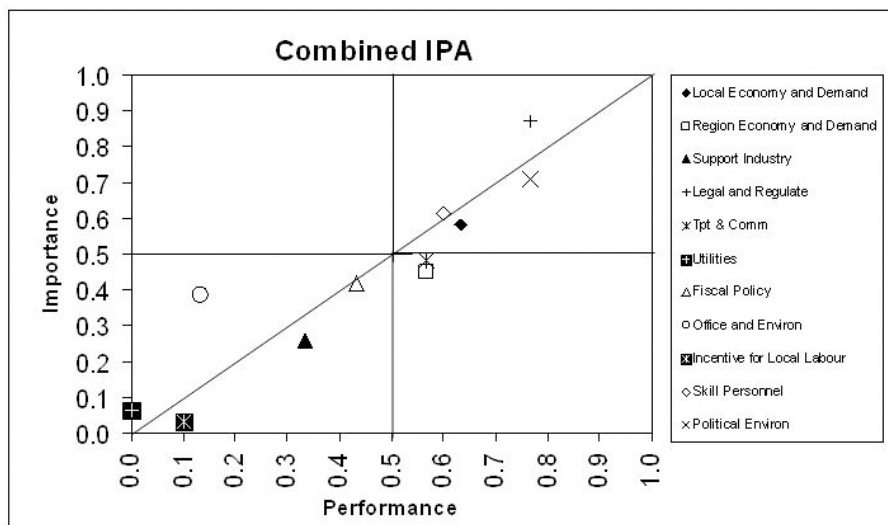
The important horizontal and vertical relationships that form the first two columns of the theoretical model (*Figure 1*) serves to illustrate some of the inimitable characteristics that make the Singapore Financial Centre one of the leading financial centres in the world. The following IPA reveals if the needs of the industry players are met.

Importance Performance Analysis

Figure 4 (a) presents the combined result of the IPA based on the 33 respondents. A traditional “cross hair” interpretation suggests that Singapore has supported its financial services industry with some of the essential diamond conditions, such as the legal and regulation framework, a stable political environment, an abundance of skilled personnel, and good local market and economy. There seems to be no particular area that Singapore needs to invest and improve in order to support this industry. The finding suggests that Singapore has correctly identified important cluster conditions and has maintained good conditions for this sector by being quite competitive in the important conditions. There are no scores in the “concentrate here” category; some “low priority” areas that need addressing; two variables that suggest “overkill” relative to expectations; and the rest are in the “keep up the good work” category.

Figure 4: Expectations of Different Groups

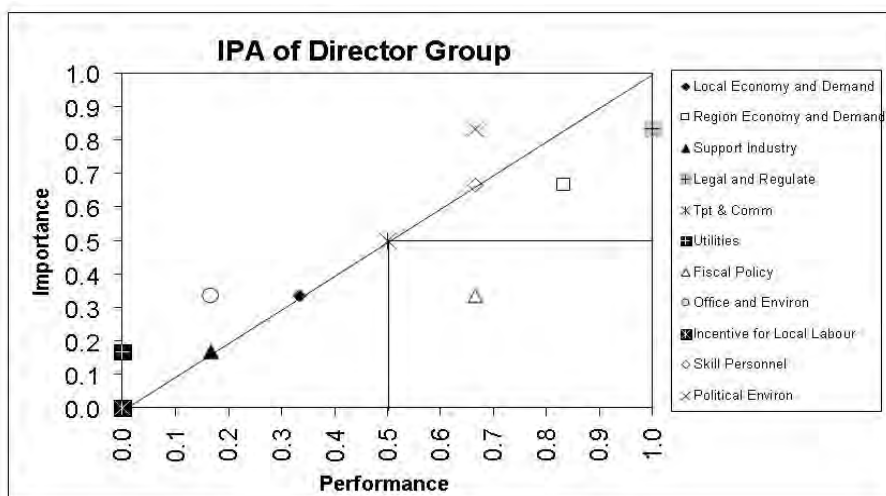
Figure 4 (a)



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Figure 4: Expectations of Different Groups (Cont'd)

Figure 4 (b)



Alternatively, in *Figure 4 (a)*, using the diagonal line as the boundary, then Office & Environment and Legal & Regulatory appear as areas on which to concentrate, but for different reasons. The former has a higher importance score than performance score (0.387, 0.133) and is a relatively poor performer. On the other hand, the latter is the best performer at 0.767, but the industry rates its importance as even higher. So it is not only low performing attributes that need enhancement, policy makers need to raise the “bar” at all levels. For all the other attributes, performance is on the right side of importance.

Different industry players will have different perceptions. *Figures 4 (b), 4 (c) and 4 (d)* present the IPAs for the subgroups. *Figure 5* summarises this variation by noting the responses for the subgroups; where JM is the junior managers group; MM, the middle manager group; and DG, the director group.

Figure 4: Expectations of Different Groups (Cont'd)

Figure 4 (c)

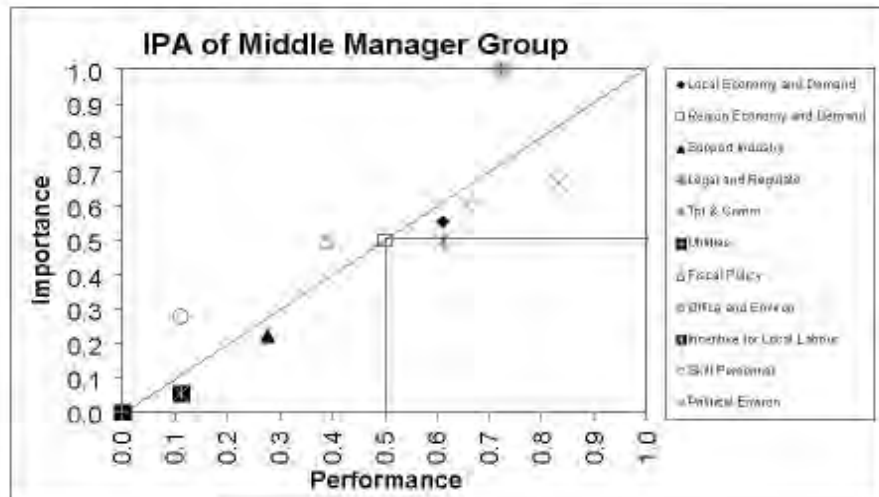
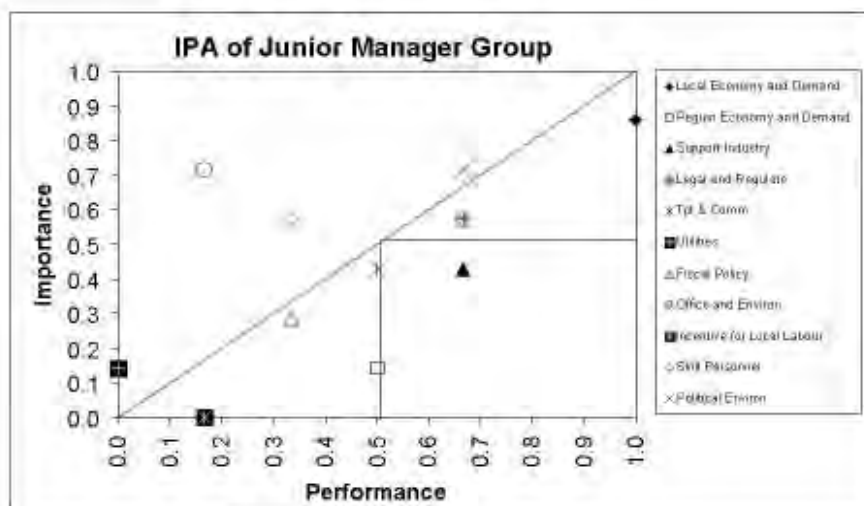


Figure 4 (d)



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The Director group consisted of six managing directors or senior vice-presidents in four sectors of financial services. Although the low number of respondents could make the results less meaningful, this might be balanced out by their obvious role as key strategic decision-makers for their companies. This group has identified as important: the country's legal and regulation framework; a stable political environment; and a good regional economy and demand (instead of just local demand). Transport and communication infrastructure is quite important and competitive. They also feel that whilst Singapore has a favourable fiscal policy, it is less important to their businesses.

The Senior Manager group is both the largest and widest ranging. This group consists of 20 respondents from seven of the eight sectors, and identifies important conditions as the legal and regulation framework; a stable political environment; abundance of skilled personnel; and a good local market and economy. As with the Director group, they place importance to a good regional market and economy, as is a good transport and communication infrastructure.

While the Director and Senior Manager groups display broadly consistent opinions, the Junior Manager group (consisting of seven respondents) displays greater differences in opinion to their more senior colleagues. Although this group identifies important conditions as being the legal and regulation framework; a stable political environment; and a good local market and economy, they feel that Singapore is less competitive in the provision of a good working environment and skilled labour. What is most interesting is that the Junior Manager group identifies supporting industries as being important, and that in this respect Singapore is competitive.

Some cluster literature argues strongly for the importance of the presence of supporting industries but two of our groups did not identify this as important. At this stage, the authors are unsure whether the finding captures a real difference by managerial level with their different set of concerns, or whether it is due to a small sample. In addition, these respondents are from the insurance sector.

Together, this section and the previous one have added a new insight into that relationships do matter to cluster players by integrating both the GBA and IPA approach; and, shown the importance (in line with existing literature) of considering an IPA by sub-group. While expressing some concerns about the subgroup sizes, it is still interesting to note the difference responses by the junior managers. Given that they represent the future wellbeing of that cluster, they may well be the very group that policymakers want to retain in the cluster.

Figure 5: Results from the Importance Performance Analysis Sub-group Matrices

	In the Concentrate here quadrant	In the Low priority quadrant	In the Possible overkill quadrant	In the Keep up good work quadrant	On the Diagonal (ISO) line
Local Economy & Demand			JM (*)	JM, MM	DG
Regional Economy & Demand				DG	MM
Supporting Industries	MM	MM	JM		DG
Legal & Regulatory Environment	MM	JM (*)		JM, DG	DG
Transport and Communication	JM, DG				MM
Utilities	MM	JM			
Fiscal Policy	JM, MM, DG	JM, MM	DG		
Office and Environment		JM, MM			DG
Incentive for local Labour				MM	DG
Skilled Personnel	JM			MM	
Political Environment	JM, DG				

Notes: JM—Junior Managers;
 MM—Middle Managers
 DG—Director Group
 (*)—on the boundary between two quadrants

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Conclusion

This paper presents a novel theoretical approach. It also illustrates that the approach yields a refreshing insight into the nature of clustering, its beneficial outcomes, and how better to cater to the needs of its industry players in Singapore. Business analysts and regional planners can gain valuable insights into what really matters on the ground to cluster members. The methodology contributes to the study of international competitiveness by extending and integrating two traditional research streams and applies the cluster concept in practice to deliver a sharp focus on what the industry players in a cluster really value within that business environment. Moreover, its simplicity has attractions when considering a dynamic and time-precious industry like financial services. The methodology is quick and relatively simple to administer and so eminently suitable to monitor long-term changes through repeated applications.

The analysis offers a good insight into how a financial cluster behaves and provides for its players in general and for the Singapore Financial Centre in particular. There are clearly some sources of competitive advantage in this location, such as the provision of skilled and specialised labor for financial services institutions as well as the buzz for new businesses and customers. Without a doubt, clustering bestows a beneficial environment by providing potential access to valuable, and by implication, difficult to replicate local resources that, in turn, leverage the competitive advantage of firms within that cluster. It is hardly surprising that governments and local planners would want to initiate or enhance clusters.

The general benefits analysis has similarities to the approach taken by Cook et al (2007) with a matching of many questions on beneficial effects, both vertically and horizontally, but this research extends the coverage on vertical relationships in the light of the diamond model. The approach would facilitate benchmarking one cluster against another. The importance performance analysis, in particular, is a good research tool for regional planners and business analysts to use in coming to a conclusion on the provision of clustering conditions for a particular industry, especially when influencing the location decisions for new entrants. Conventionally, IPAs explain and map the outcomes from large numerical datasets, but there is no reason not to use it with a smaller number of valuable industry player opinions. After all, they are the most important stakeholders in the cluster. There is every reason to keep this as simple and visual tool.

However, while arguing above that that a deeper qualitative approach is the way forward to understanding the subtle social nuances within a phenomenon, it may be of interest for some researchers to consider a research design based upon this combined approach and apply it to a larger and

random sample so that appropriate statistical methods like binomial test for the GBA or a multivariate regression for the IPA can be carried out.

While the dataset has a specific focus on a financial centre, some of the lessons on what is most important to an industry are transferable to other financial centres or indeed other clusters in the process of development. This article has moved the literature on clusters and financial centres along. Firstly, concerning important vertical and horizontal relationships and attractive cluster conditions; and, secondly to have reintroduced to the reader the important role that an IPA can play in considering strategy and policy to support cluster development.

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Growth and Entrepreneurial Orientation Behaviours of SMEs in a Conflict Environment: Swat Valley, Pakistan

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Objective: This paper explores both growth and entrepreneurial orientations and impact of a conflict environment on small manufacturing firms in North West Pakistan. Small businesses operate in a highly uncertain environment in this region. The two main objectives of this paper are to consider the key literature in the area of small firm growth, and to find out empirically how growth is being defined by those firms who operate businesses in developing and conflict environments. Secondly, to consider which dimensions of entrepreneurial orientation prevail, and which do not, in a conflict environment, and, what features of an entrepreneurial orientation assist firms in handling uncertainty.

Prior work: The current literature examines the growth and entrepreneurial orientation dimensions in developed countries. However, there is a lack of empirical data to explore how firms grow and survive in developing regions, especially in conflict zones. This paper initially studies growth factors, five dimensions of entrepreneurial orientation, and the wider environment as defined by academic scholars and researchers. Due to the lack of availability of empirical evidence, these behaviours within a conflict environment is an under-researched area. Therefore, we have attempted to study and contribute to the literature on entrepreneurship and small firms.

Approach: First, we review the relevant literature on small firm growth, and entrepreneurial orientation features. Secondly, we ask entrepreneurs which factors of growth were active or inactive, prior to there being a conflict environment (for the purpose of categorising firms). Thirdly, we take the standard entrepreneurial orientation scale that shows how entrepreneurial orientation capability prevailed before the start of a conflict environment (the so called 'war on terror'). Finally, several other variables were developed to show which dimensions of entrepreneurial orientation have been lost and which currently persist. Therefore, we collected both quantitative and qualitative data through survey and interviews from small manufacturing firms in the Swat region, which has been severely affected due to terrorism and extremism. In the survey sample, 110 firms were included where 80 firms stated their firms were growing and 30 stated they were struggling. Furthermore, from that sample, 16 semi-structured interviews were conducted to investigate more deeply the quantitative findings.

Results: Our preliminary results revealed that prior to this conflict environment, some growth elements had been achieved by growing firms, and some were targets for struggling firms. Our results also pointed out that growing firms have a more entrepreneurial focus compared to struggling firms, as measured by: innovativeness, pro-activeness, risk-taking and competitive aggressiveness. However, there is no difference in terms of the employees' autonomy. Furthermore, due to operating in a conflict environment, innovation, proactiveness, risk-taking capability and competitive aggressiveness have been lost. However, employee autonomy still exists and has been increased due to conflict environment, which has a somewhat positive impact on entrepreneurial activity. Entrepreneurs stated that they had to give more authority, flexibility, and to trust their employees more than ever before in order to handle this conflict situation.

Implications: The findings of this research will have significant implications both empirically and conceptually. It will provide a conceptual basis for studying other conflict environments across the world and will show how entrepreneurship might bring peace.

Value: This paper contributes conceptually to entrepreneurship literature by enhancing our understanding of the growth, entrepreneurial orientation and conflict environment in the North West of Pakistan. Also, it gives directions to policy makers on what initiatives must be taken to bring peace through entrepreneurship for those businesses which have been suffering due to terrorism.

Keywords: Growth, Entrepreneurial Orientation, Conflict Environment, Small Firms.

Introduction

Entrepreneurial behaviour and associated activity is often considered one of the key components for businesses to capture markets and move ahead. Entrepreneurial behaviours are being examined by academic scholars and researchers in different contexts, however, key behaviours which differentiate some firms from others can be captured through the concept of entrepreneurial orientation. Thus, this paper explores how the entrepreneurial dimensions of small manufacturing firms existing in a conflict environment in the North West of Pakistan (Swat Valley), are being affected due to terrorism. Therefore, to examine these firms adequately, three sections have been developed to address the research questions in this study. First, we separate firms into two main categories: growing and struggling. Here we mean struggling in the business context. These categorizations are supported by key factors frequently being discussed in the literature of small firms and entrepreneurship. Secondly, we go beyond this to examine entrepreneurial orientation behaviours from the perspective of entrepreneurs as well as how entrepreneurial orientation prevailed before the start of a conflict environment. Thirdly, we further explore which dimensions of entrepreneurial orientation have been lost and gained, and which factors are significant in handling a conflict environment.

This paper provides an overview to policy makers and firms on which sort of comprehensive policy measures that must be taken to assist firms being affected by conflict circumstances, in order to help them to surmount barriers and re-capture those entrepreneurial behaviours which have been lost due to the chaos. This paper also provides empirical evidence on which dimensions of entrepreneurial orientation help entrepreneurs to handle conflict environments, and, in particular, what entrepreneurial orientation feature(s) can best help firms handle such uncertainties.

Literature Review

A perennial question for management is why some firms grow and some do not grow. Whilst a solid response is not forthcoming, there is a common agreement that firms can grow when the environment is safe. Moreover, there are numerous factors underpinning growth behaviours. However, the most common features considered for measurement are: sales and employees (Barringer et al., 2005; Becchetti and Trovato, 2002; Carpenter and Peterson, 2002; Chaganti et al., 2002). Researchers have found a strong correlation between sales and employment growth (North and Smallbone, 1993; Storey et al., 1987). Using these prior studies, this paper initially identifies what sorts of growth factors were active prior to the conflict environment. The growth pattern can also be considered by using growth models, but such models have previously failed to analyse the exact nature of firms in particular stages (Dobbs and Hamilton, 2007; Levie and Lichtenstein, 2010). Therefore, increases (or lack of increases) in employees, sales, exports and multiple branches etc. are considered to categorize firms both those growing and struggling.

After categorizing firms, the next objective of this paper is to show how entrepreneurial orientation differences prevailed prior to a conflict environment. Entrepreneurial orientation (EO) refers to “the processes, practices, and decision-making activities that lead to new entry” (Lumpkin and Dess, 1996:136). That is new entry for an existing firm into markets or niches, and/or, the creation of a new organisation to carry that out. The scale was first introduced by Khandwalla (1977, cited by Knight 1997) which was subsequently refined by Miller and Friesen (1978) and by Covin and Slevin (1989) to provide an assessment of the company’s entrepreneurial orientation capability. Numerous studies of entrepreneurial orientation have concentrated on in three common features only: risk-taking, innovativeness, and proactiveness (Hughes and Morgan, 2007). However, Lumpkin and Dess (1996) drew on extensive research to characterise EO as being the product of five dimensions: risk-taking: innovativeness, proactiveness, competitive aggressiveness, and autonomy.

This paper analyses all of these five features, and because the scale might be assumed to be culturally sensitive (having first been developed in the context of American companies), the scale was refined and developed taking into account work by Kresier et al. (2002) and Hansen et al. (2009) that considered the appropriateness of using EO within other countries. However, in this paper after obtaining entrepreneurial orientation behaviours from firms existing in a conflict environment, it also examining which dimensions of entrepreneurial orientation have been lost, and which dimensions helped entrepreneurs to handle a chaotic environment.

Past studies have looked at the environment from different perspectives, such as the effect of the industry, location, unionization of workers and market development on growth (Audretsch and Mahmood, 1994; Cooper et al., 1994; Baldwin and Gellatly, 2003). Those studies confirm advantages for the firm in a specific environment. However, an analysis of the different environment variables would be too complex; instead, some scholars (for example, Wiklund et al., 2009) have looked at the environment from the small / individual perspective. They summarize these perspectives into three dimensions in order to investigate the

environment's influence on firm growth, these are: dynamic environment; hostile environment; and heterogeneous environment.

A dynamic environment is considered by steady demand change, volatility and certain turbulence (Pelham, 1999). According to Miller and Friesen (1982), customers have changing needs, and these sorts of environment create good opportunities for the firm to generate innovations, which in turn is connected with higher growth. According to the findings of different studies (i.e. Wiklund et al., 2009; Miller and Friesen, 1982) dynamism has a positive impact on growth for those firms that have an orientation to pursue new opportunities. The small firm, due to its high level of flexibility and ability to adapt, can come up with innovations, and in this way, create growth.

The second environment which is a hostile environment is risky, dominating and stressful. Covin and Slevin (1989) illustrate them as having strong and competitive in the context of industry setting. In this environment, small firms with limited resources might have to think twice before taking a managerial decision, as the cost resulting from a poor decision is higher than when the firm is in a favourable environment. However, firms with an opportunity-seeking behaviour may benefit from this type of environment, by adapting an aggressive attitude and introducing innovative products (Miller and Friesen, 1982). However, if the firm is not aggressive enough, this type of environment can stifle its abilities to grow.

Pelham (1999) outlines a heterogeneous environment as being complex, and containing diverse sorts of customers with different needs. Wiklund et al. (2009) argue that this type of environment might provide a small firm with growth opportunities, if that firm is able to select a specific niche. Miller and Friesen (1982) argue that entrepreneurial firms which operate in this type of environment will become more differentiated due to their innovative ways of serving their specific niche. As a consequence, this type of environment is also connected to growth, as long as the firm is able to recognize and exploit a niche in the segmented market.

The above three types of environment discussed in the literature concern (obviously) the business environment in the sense of product development and innovative strategy. However, the existing emerging environment which severely affects growth behaviours is a conflict environment, which particularly prevails in Pakistan and Afghanistan. Nevertheless, research related to conflict environments and entrepreneurial activity has only recently become a focus for academic scholars (Ciarli et al., 2010). Some studies revealed the direct and indirect impact of conflict environment on small businesses, particularly in Afghanistan (Binzel and Tilman, 2007; Justino, 2009). However, the ongoing conflict environment was studied also by Naude (2007) where entrepreneurial activity is more likely to exit because of the burden imposed by continuous conflict. Therefore, focusing on these behaviours, this paper addresses the following research questions:

1. What sort of growth factors were active and inactive, prior to a conflict environment SMEs in the region?
2. What were the entrepreneurial orientation differences between growing and struggling firms prior to the conflict environment?
3. What dimensions of entrepreneurial orientation have been lost and gained due to a conflict environment?
4. Have any entrepreneurial orientation dimensions helped firms to handle a conflict environment?

Methodology

To capture data, particularly from a conflict region, is one of the major challenges for researchers, because two difficulties often arise: security and low literacy rate. However, different approaches were used to gather data to explore this new environment and provide in-depth analyses. Certainly for the Swat Valley, we believe this to be the first study reporting on the conflict situation in that region. A mixed method approach was utilized to fulfil the objectives of this paper. At the initial stage, a survey method was used because it is often used in social sciences for data collection (Maylor and Blackmon, 2005). The potential of survey research is dependant on questionnaire techniques. The survey is an excellent research tool because it is relatively inexpensive and allows quick data acquisition. Capturing these advantages, a questionnaire approach was used at the initial stage to obtain quantitative data.

The questionnaire was composed of three sections. The first section related to growth, and asked what was the position of firm prior to having to exist in a conflict environment. In this section, entrepreneurs were asked

which actions and outcomes had been achieved before from the existing environment, and which actions they were incapable of achieving. The purpose of this section was to categorize firms into groups.

The second section relates to all items of entrepreneurial orientation, by asking about all five dimensions. These are: innovativeness, proactiveness, risk-taking behaviours from Covin and Slevin (1989); competitive aggressiveness, and autonomy from Lumpkin and Dess (1996) on a five-point Likert scale from “strongly disagree” to “strongly agree”. However, due to the nature of that particular region, some modifications were made, and respondents were given instructions that they should rate firms in terms of entrepreneurial orientation before a conflict environment occurred.

In the third section, other variables were developed by asking entrepreneurs to what degree their entrepreneurial orientation had been lost. These were rated on a five-point Likert scale from “strongly disagree” to “strongly agree”. The questionnaire was sent to small manufacturing firms in the region, having obtained their addresses from a local trade association. However, due to the non-availability of some firms’ names in the list, a snowball sampling procedure was used also to get a high response rate.

The qualitative approach was also intended to be an essential part in its own right. The qualitative research was implemented for two important reasons. Firstly, in the context of developing countries, firms who operate business activities in the conflict region can be better discovered through qualitative research. Secondly, interesting findings from quantitative analysis motivated the authors to explore further why such changes occurred. Therefore, in-depth semi-structured interviews were carried out with 16 entrepreneurs, 6 from those entrepreneurs who identified their firms as growing, and 10 who were struggling.

Analysis

(a). Quantitative Analysis

SPSS version 17 was used to analyse the quantitative data, because it permits the scoring and analysis of quantitative data speedily using a range of statistical tools, which in turn saves time and assists in carrying out complex statistical techniques more easily (Bryman and Cramer, 2001). The quantitative data in this paper was analysed using the non-parametric approach due to some relevant issues (see Sekaran, 2003; Bryman and Cramer, 2001). Firstly, non-parametric tests do not require a stringent set of criteria; they are therefore generally more robust (Coakely, 1996) in that the tests operate well across a wide variety of distributions. Secondly, if a sample is small, there is no alternative to using a non-parametric test (Siegal and Castellan, 1988). The appropriate test selected for analysis is the Mann-Whitney U test due to there being two independent groups of respondents.

(b). Qualitative Analysis

Initially the qualitative data obtained through in-depth interviews was recorded and then transcribed into English, because the original interviews were conducted in the appropriate regional language: Pashto. After transcribing the data, thematic analysis was selected for this study (see King, 2004b; Crabtree and Miller, 1999). The process of thematic analysis has been defined by King (2004b) as a “group of techniques for thematic organizing and analysing textual data” (King, 2004b:256). A template is a coding scheme within which codes are arranged in a hierarchical fashion depicting relationships between themes, with the broadest themes, or first-order themes, at the top, and more specific second or third order sub-themes descending from such (Robson, 2002).

Quantitative Results

(a). Identification of Firms (Growing and Struggling)

In this part, 30 firms were identified as growing and 80 struggling, as perceived by the entrepreneurs. Those entrepreneurs who ranked their firms as growing were asked in what areas the growth was being achieved. Those firms who were struggling were further asked which sort of growth factors needed be achieved. Table 1 shows that 11 (10.0%) growing firms have achieved their sales targets and employees and products innovations are other targets they have hit. On the other hand,, 31(28.2%) struggling firms are keen to achieve sales targets, which are the highest priority for them. The second largest growth element is in product innovations. These findings show that struggling firms have limited resources to invest in products or technological changes.

Table 1: Growth indicators for entrepreneurs

Growth Areas	Growing firms Achieved		Struggling firms Want to achieve		Overall count	
	N	%	N	%	N	%
Sales	11	10.0	31	28.2	42	38.2
Employees	4	3.6	2	1.8	6	5.5
More branches	4	3.6	5	4.5	9	8.2
Product innovations	6	5.5	16	14.4	22	20.0
Others	0	0.0	8	7.3	8	7.3
Market access	3	2.7	14	12.7	17	15.5
No response	2	1.8	4	3.6	6	5.5
No response	30	27.3	80	72.7	110	100.0

Table 1 suggests that prior to the conflict environment, struggling firms were not satisfied with their sales targets and were very keen to achieve sales as a priority. On the other hand, growing firms were well satisfied with their sales targets. However, overall, sales are the highest priority of both firms in the region.

(b). Entrepreneurial Orientation Differences (EO)

In this part of the study, the entrepreneurial orientation scale was analysed using the Mann Whitney U test. Before analysing the scale, the authors employed Cronbach's alpha to determine the reliability of the items relating to EO. Naman and Slevin (1993) have also used these measures.

Table 2: Reliability analysis results for entrepreneurial orientation scale

Variables	Category	Cronbach's Alpha	Cronbach's Alpha Based on Standardized items	N of items
Scale items	Entrepreneurial Scale	.832	.827	15

The results from Table 2 show that the scale is reliable, thus the authors can be confident with the responses, which can now be analysed more closely using statistical tests to indicate the significant differences and indicative preferences between growing and struggling firms in terms of entrepreneurial orientation.

Table 3 shows significant differences between growing and struggling firms in four features of entrepreneurial orientation dimensions: innovation, proactiveness, risk-taking and competitive aggressiveness. It means that growing firms have a high entrepreneurial focus compared to struggling firms. However, if we see the statistics for the autonomy dimension, there are no significant differences between growing and struggling firms, in some cases, the mean rank values of struggling firms is higher compared to growing firms. These findings suggest that employees' autonomy does not have any major impact on firms' growth. However, to analyse this result in-depth, there is further exploration in the qualitative part of this paper.

From all 15 items related to entrepreneurial orientation, growing firms have a stronger emphasis on the majority of entrepreneurial behaviours and more entrepreneurial focus compared to struggling firms. However, we can conclude that the struggling firms which have been identified in this paper also have (some) entrepreneurial focus. Therefore, the quantitative results suggest that growing firms are high entrepreneurial and struggling firm are low entrepreneurial.

Table 3: Entrepreneurial Orientation Differences between Struggling and Growing firms

Variables	Total Cases	Mann Whitney Value	Asymp sig (2-tailed)	Mean Rank	
				Growing Firms	Struggling Firms
Innovation					
a. Our firm strongly emphasizes research & development, technological leadership and innovation	107	360.500	.000	83.48	45.01
b. In our firm, many new lines of products/services have been marketed since establishment	101	273.000	.000	86.40	43.91
c. In our firm, changes to products or services have usually been quite dramatic	103	494.000	.000	79.02	46.68
Proactiveness					
a. Our firm is the first to explore opportunities before our competitors react	101	792.000	.004	69.10	45.01
b. When dealing with competitors, my firm is very often the first business to introduce new products/services, administrative techniques, operating technologies etc	98	686.000	.000	72.63	49.08
c. In general, my firm has a strong tendency to be ahead of others in introducing novel products	106	525.500	.000	77.98	47.07
Risk-taking					
a. My firm has a strong proclivity for high risk projects with chances of very high returns	89	910.000	.037	65.17	51.88
b. Owing to the nature of the environment, bold, wide-ranging acts are necessary to achieve the firm's objectives	103	702.000	.000	72.10	49.28
c. When confronted with decisions involving uncertainty, my firm typically adopts a bold posture in order to maximize the probability of exploring opportunities	101	658.500	.000	73.55	48.73
Competitive Aggressiveness					
a. My firm is intensively competitive	101	557.000	.000	76.93	47.46
b. In dealing with competitors, our firm typically adopts a very competitive posture, aiming at overtaking the competitors	99	436.000	.000	80.97	45.95
Autonomy					
a. In my firm, employees are permitted to act and think without interference	91	1126.500	.593	53.05	56.42
b. In my firm, employees are given freedom and independence to decide on their own how to go about doing their work	86	1108.000	.501	52.43	56.65
c. In my firm, employees are given freedom to communicate without interference	104	1153.500	.744	53.95	56.08
d. In my firm, employees are given authority, and the responsibility to act alone if they think it to be in the best interest of the firm	100	931.000	.052	64.47	52.14
p < 0.05 highly significant					

Statistics from Table 3 show significant differences between growing and struggling firms in four features of entrepreneurial orientation dimensions: innovation, proactiveness, risk-taking and competitive aggressiveness. It means that growing firms have a high entrepreneurial focus compared to struggling firms. However, if we see the statistics for the autonomy dimension, there are no significant differences between growing and struggling firms, in some cases, the mean rank values of struggling firms is higher compared to growing firms. These findings suggest that employees' autonomy does not have any major impact on firms' growth. However, to analyse this result in-depth, there is further exploration in the qualitative part of this paper.

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(c). The Impact of a Conflict Environment on Entrepreneurial Orientation

Five variables were developed to find out the impact of an existing conflict environment on innovation, opportunity recognition, risk-taking, competitive aggressiveness and autonomy using a five-point Likert scale (Where "1" means strongly disagree and "5" means strongly agree).

Impact on innovation

The descriptive statistics on cross tabulation results are displayed on table 4. A total of 64 (58.2%) firms agreed that the innovation aspect of their firms had been affected, and 13 (11.8%) firms "strongly agree" that their firms' innovation capability was affected. This result indicates that there is a high level of agreement between entrepreneurs, from both growing and struggling firms, that innovation capabilities are largely affected due to 'war on terror' issues.

Table 4: Impact of environment on innovation capabilities

(a). Due to the conflict environment, the innovative aspects of our firm have been severely affected.	Growing firms		Struggling firms		Overall count	
	N	%	N	%	N	%
Strongly disagree	0	0.0	2	1.8	2	1.8
Disagree	1	0.9	6	5.5	7	6.4
Neither agree nor disagree	2	1.8	22	20.0	24	21.8
Agree	25	22.7	64	35.5	64	58.2
Strongly agree	2	1.8	13	10.0	13	11.8
No response	0	0.0	0	0.0	0	0.0
Total count	30	27.3	80	72.7	110	100.0

Impact on proactiveness

The second variable stated that since the 'war on terror and talibanization' began in the region, their opportunity recognition phase has been affected. Statistics from Table 5 underline that 56 (50.9%), including growing and struggling firms, stated that their opportunity recognition capability has been severely impacted. Not a single entrepreneur stated "disagree" or "strongly disagree" on this variable. This shows that opportunity recognition is the highest priority for entrepreneurs in that region.

Table 5 Impact of environment on capturing opportunities

(a) Due to the conflict environment, our opportunity recognition process has been severely affected	Growing firms		Struggling firms		Overall count	
	N	%	N	%	N	%
Neither agree nor disagree	11	10.0	27	24.5	38	34.5
Agree	16	14.5	40	36.4	56	50.9
Strongly Agree	1	0.9	9	8.2	10	9.1
No response	2	1.8	4	3.6	5	5.5
Total count	30	27.3	80	72.7	110	100.0

Impact on taking business risks

The third variable the researcher created in the survey questionnaire was how business risk-taking steps were impacted due to the war on terror. To find out that impact, the cross tabulation result is shown on the table 6.

Table 6: Impact of environment on taking business risks

(c). In the present circumstances, it is very difficult to take risky actions	Growing firms		Struggling firms		Overall count	
	N	%	N	%	N	%
Disagree	1	0.9	3	2.7	4	3.6
Neither agree nor disagree	7	6.4	11	10.0	18	16.4
Agree	15	13.6	48	43.6	63	57.3
Strongly agree	7	6.4	18	16.4	25	22.7
Total count	30	27.3	80	72.7	110	100.0

The above table reveals that 63 (57.3%), including growing and struggling firms, have been affected due to the war on terror and they are not in the position to take any business related risk, and 25 (22.7%) “Strongly agree” that they are not in the position, in the current circumstances, to take risks.

Impact on competitive aggressiveness

The fourth variable developed, is related to finding out from the entrepreneurs how working in their present conditions has affected their competitive aggressiveness behaviours. Both entrepreneurs from growing and struggling firms have concerns about the environment, and consider that they are not in the position to compete with each other innovatively due to these circumstances. The cross tabulation results are shown in Table 7.

Table 7: Impact of environment on competition

(d). Due to the conflict environment, it is difficult to take active steps to beat our competitors	Growing firms		Struggling firms		Overall count	
	N	%	N	%	N	%
Disagree	0	0.0	8	7.3	8	7.3
Neither agree nor disagree	18	16.4	31	28.2	49	44.5
Agree	10	9.1	32	29.1	42	38.2
Strongly agree	0	0.0	4	3.6	4	3.6
No response	2	1.8	5	4.5	7	6.4
Total count	30	27.3	80	72.7	110	100.0

Table 7 shows that 49 (44.5%) firms neither agree nor disagree on the variable related to competitive aggressiveness. 42 (38.2%) firms agree with the statement that they are not in the position to take competitive measures in the market.

Impact on employees' autonomy

The last variable developed is related to the impact of the war on terror on employees' autonomy, though in fact, autonomy did not show any significant differences in the entrepreneurial orientation scale. However, the cross tabulation result of this factor is shown in Table 8.

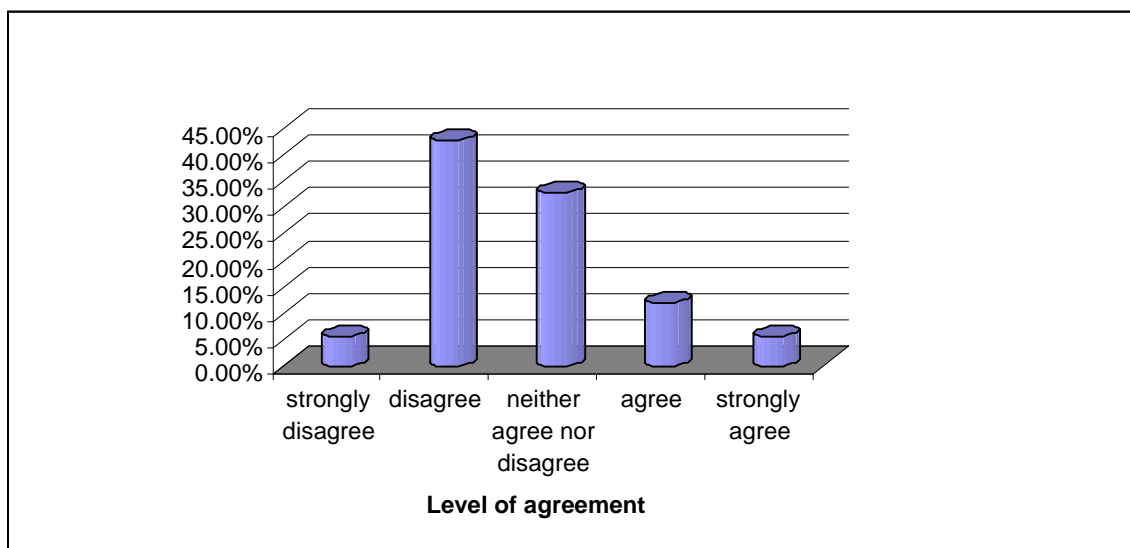
Table 8: Impact of environment on employees’ autonomy

(e). Due to the conflict environment, the employee autonomy aspect of our firm has been affected and employees are no longer permitted to act independently	Growing firms		Struggling firms		Overall count	
	N	%	N	%	N	%
Strongly disagree	2	1.8	4	3.6	6	5.5
Disagree	15	13.6	32	29.1	47	42.7
Nether agree nor disagree	9	8.2	27	24.5	36	32.7
Agree	2	1.8	11	10.0	13	11.8
Strongly agree	0	0.0	2	1.8	2	1.8
No response	2	1.8	4	3.6	6	5.5
Total count	30	27.3	80	72.7	110	100.0

We can see from table 8 that results are different compared to other five variables developed in this part. Forty-seven firms (42.7%) disagree on this statement, that the “employees’ autonomy has been affected due to the war on terror”, around 36 firms (32.7%) neither agree nor disagree. Why employees’ autonomy was not affected due to a conflict environment, will be addressed in the qualitative part of this study.

Figure 1 shows that the level of disagreement with the statement that “due to a conflict environment, employees’ autonomy has been affected”. The majority of entrepreneurs disagree with the statement. These statistics reveal that every factor of entrepreneurial orientation has been affected due to a conflict environment except employees’ autonomy which means that a conflict environment has a positive impact on the autonomy factor.

Figure 1: Impact of environment on employees’ autonomy



Qualitative Results

The quantitative results revealed some interesting findings which led the authors to investigate these differences through in-depth interviews. Below a sample of quotes have been extracted from the in-depth interviews to explore behaviour further. For anonymity, the names of entrepreneurs have been changed.

Table 9: Entrepreneurial Orientation Differences (Qualitative Evidence)

Growing (High Entrepreneurial) Firms	Struggling (Low Entrepreneurial) Firms
<p style="text-align: center;">Innovation</p> <p><i>"I always concentrate on technological innovations, because the textile industry needs production on time" (Aman)</i></p> <p><i>"Technological innovations can help to produce products in less time. For example, one of my machines could produce 45 000 stretchers in 12 hours, with the help of new technological innovations, it produces 85,000 stretchers in 12 hours" (Aman)</i></p> <p><i>"I prefer to do human innovation in my firm, I mean, if I feel that some skilled workers are very up to date and have high skills, I always give them a good offer and bring them to my firm, because they know how to bring about changes in the products" (Zia)</i></p>	<p style="text-align: center;">Innovation</p> <p><i>"Yes, we do product changes, but due to our financial limitations, we can't take such measures properly" (Alam)</i></p> <p><i>"I am not satisfied with my current innovations or product changes, because our machines are not the latest and we need to buy new technological machines which would be innovative for us" (Ikram)</i></p>
<p style="text-align: center;">Opportunity Recognition</p> <p><i>"I am happy with our existing market opportunities, but I am looking forward to opening or introducing our products into the European markets" (Zia)</i></p> <p><i>"We have hired a sales team to deliver our products to other markets, because in some areas, particularly in upper Swat there are opportunities, because due to the war on terror few companies have been closed" (Saif)</i></p>	<p style="text-align: center;">Opportunity Recognition</p> <p><i>"Our firm is related to other industry, it is a symbiotic firm, if other firms scan opportunities we can progress" (Alam)</i></p> <p><i>"The first priority for us is to stabilise our financial position, after that, we would be able to scan opportunities in the market" (Shawkat)</i></p>
<p style="text-align: center;">Risk-taking</p> <p><i>"... Yes, you are right, it is very risky to work in an uncertain environment, because you do not know what will happen tomorrow" (Aman)</i></p> <p><i>"I had no experience about the furniture industry before, my father used to run silks mills, but I personally like the furniture business and this is the biggest risk I have taken and I did progress" (Yahya)</i></p>	<p style="text-align: center;">Risk-taking</p> <p><i>"I started this business independently, it was the biggest risk which I had taken, but thank Allah, I am happy" (Ikram)</i></p> <p><i>"The biggest risk for us is inflation, because in Pakistan the inflation rate is increasing every day and the people have low purchasing power" (Amjad)</i></p>
<p style="text-align: center;">Competitive Aggressiveness</p> <p><i>"Swat is the biggest market for the furniture industry, because it is a forestry area and the majority of businesses are in the field of furniture. Therefore, competition is very high" (Yahya)</i></p> <p><i>"I handle competition in the market by focusing on products' quality and price" (Zia)</i></p>	<p style="text-align: center;">Competitive Aggressiveness</p> <p><i>"My financial circumstances do not allow me to do competition with other businesses" (Ikram)</i></p> <p><i>"I think good product quality and price is the best tactic, but this is only possible when you have electricity and gas, because you can't compete in the market if you have these problems" (Shofat)</i></p>
<p style="text-align: center;">Autonomy</p> <p><i>"Employees are the main people who know the reality of the market and know how to design products" (Taj)</i></p> <p><i>"Employees can also help to handle a difficult situation, because when we were displaced from our houses, we were discussing our problems, that's how we can handle a conflict environment" (Saif)</i></p>	<p style="text-align: center;">Autonomy</p> <p><i>"In our culture, employees are just like a boss, because in our society we need to consider these issues" (Ikram)</i></p> <p><i>"We take suggestions from our employees, and I am very thankful to them, because when the situation was worst and our firm was closed, my employees really helped me to tackle a conflict circumstances, I mean the war on terror" (Shawkat)</i></p>

Table 10, below, shows qualitative quotes from entrepreneurs from both growing and struggling firms to find out their in-depth experiences of being affected due working in a conflict environment.

Table 10: Impact of a Conflict Environment on Entrepreneurial Orientation (Qualitative Evidences)

Growing (High Entrepreneurial) Firms

Uncertainty

"This situation, I mean the War on Terror problem has created uncertainty" (Aman)

Customer and Market Loss

"Due to terrorism, our firm was closed for three months and we lost customers and markets" (Taj)

Loss of Communication channels

"Due to the War on Terror, our communications links with our distributors have been broken" (Yahya)

Loss of investors

"Before the war on terror, some investors from other regions had shown a keen interest in investing in our business, but due to the conflict situation they took a U-turn and we lost those investors" (Taj)

Lack of government facilities

"When the war on terror began, the government reduced facilities for manufacturing firms, and as a result, a large number of silk mills have been closed" (Aman)

Loss of raw materials access

"During that time it was very difficult for us to go to that area where we buy the raw materials, because those areas were full of militants and they did not give us easy access" (Yahya)

Loss of innovations and opportunities

"We lost innovations, opportunities, markets and customers" (Zia)

More autonomy to employees

"One thing I would like to mention here, is that employees have achieved more autonomy in my firm due to the conflict environment, I mean that I have given more autonomy to my employees, because they really helped me in that that particular situation" (Zia)

Struggling (Low Entrepreneurial) Firms

Suicide attacks

"My factory was completely destroyed due to the suicide attacks which happened near to our firm and secondly, it was closed for one year, due to these attacks, I lost my right hand and two of our employees were killed.. These are the biggest losses I had during the war on terror time" (Alam)

Production problem

"Three years ago our production was about 70,000 roles per year, due to the conflict environment, it has been reduced to 25,000 roles per year" (Manzoor)

Loss of investors

"Before the conflict environment, people were trying to invest in our firm from foreign countries, because some of my friends are living in USA and UK, but when they realized that the situation was not safe, they took a U-turn and changed their minds" ((Shofat)

Expiry of raw material

"In our industry, raw materials have very short expiry dates, when people were displaced from their houses we left behind raw materials in our warehouses, when we came back, the majority were expired and that was the biggest impact on our firm" (Ikram)

Increase team cooperation

"...however, the conflict environment has increased our teamwork cooperation, I mean me and my employees" (Ayub)

Discussion

The first research question is based on the growth behaviours of the surveyed sample, showing which sorts of growth elements were active or inactive prior the start of a conflict environment. In fact, growth is a contentious phenomenon in the literature of entrepreneurship and small firms. Creating a strong correlation towards growth, several models have been developed by academic scholars and researchers to examine how firms grow through various stages. Nevertheless, these models have failed to conceptualize a consensus model. However, several studies concluded that growth could be measured on several factors; the most acceptable areas are: sales and employees growth.

Based on our empirical findings, firms were categorized in this paper as Growing (High Entrepreneurial) and Struggling (Low Entrepreneurial) firms. The factors above (sales and employees growth), had been achieved by some firms prior to the start of a conflict environment, though some were still struggling to achieve them. These two groups were formed by asking entrepreneurs how they measured their past performance before the start of a conflict environment. The quantitative result pointed out that sales, growth in employees, more branches, product innovation and market access were active in both growing and struggling firms. However, these factors had been achieved by growing (High Entrepreneurial) firms, and were the future targets of struggling (Low Entrepreneurial) firms. These findings are consistent with the work of Dobbs and Hamilton

(2007) which they concluded from several studies in different sectors, including the manufacturing industry, are features of growth.

The second question asked if there were any entrepreneurial orientation differences which existed prior to the start of a conflict environment. These were measured using the standard entrepreneurial orientation scale. The empirical evidence highlighted that growing firms are significantly more entrepreneurially focussed compared to struggling firms. However, in terms of autonomy items, there are no significant differences between growing and struggling firms. These findings confirm that employees' autonomy prevails in both firms, and the authors could not find any evidence statistically as to why these results emerged. Therefore, these five dimensions were further investigated by using in-depth interviews.

In terms of innovation, the qualitative results indicate that entrepreneurs from growing firms prefer Schumpeterian innovation, and are more open to technological changes. These findings evidence that in manufacturing industry, Schumpeterian innovations are the priority lines of firms in developing countries. Entrepreneurs of growing firms stated that their product(s) quality has been improved due to technological changes. Technological innovations also assisted in produce production in less time. These findings indicate that Schumpeterian (1934) views show that innovations mean the creation of new goods or new quality, and the creation of new methods of production. It is clear that these firms prefer to give priority to utilising technological changes which give them innovative changes. These findings are consistent with the work of Kelly et al. (2002) and Stevenson and Jarillo, (1990) that entrepreneurship is the prime catalyst of innovation.

On the other hand,, our qualitative findings illustrate that struggling firms also focus on technological innovations and recognize that it is imperative for their industries. However, the required technological changes could not occur due to financial flux. These findings project that technological innovations are only feasible when firms are financially stable. Therefore, struggling firms technological innovations are limited due to old machines. It is clear that technological change is also important for struggling firms, and they recognized that importance, but financial instability hampers these changes. Therefore, it is essential for policy makers to solve these barriers for struggling firms.

The second feature of entrepreneurial orientation is opportunity recognition. The authors assessed, using both quantitative and qualitative research, that growing firms seek more opportunities than struggling firms. The qualitative findings show that growing firms seek opportunities abroad, and access to European markets, as their future ambition. Regarding opportunity recognition in the existing markets, growing firms also pointed out that due to a conflict environment there are some opportunities in the upper Swat region where the majority of firms have been closed due to terrorism. These findings are consistent with the research work carried out by Chandler et al. (2003), where an opportunity is an entrepreneur's ability to create a solution to a problem. In this context, it means that a conflict environment creates problems for the upper Swat region, where customers face difficulties. Therefore, besides profit maximization, entrepreneurs can solve market needs in the shape of opportunity recognition. Some entrepreneurs from growing firms also stressed that they prefer to focus on the existing market because currently they are not in the position to handle production demands. However, that did not mean that they were not keen to scan opportunities in other countries. Considering a few other issues regarding opportunity recognition, entrepreneurs were interested in investment fertility, and such objectives are possible when they open branches abroad.

On the other hand, the qualitative analysis of struggling firms analysed, shows that they are also proactive in terms of opportunity recognition, but scanning for opportunities is not possible for them independently. It means that if other firms spot opportunities, it also facilitates struggling firms to scan opportunities, and this indicates that their opportunities recognition process can be symbiotic. Entrepreneurs expressed such opportunities from three standpoints: in relation to other firms; in relation to law and order; and in relation to financial position. These findings reveal that the opportunities recognition factor can be problematic when firms rely on other firms. This problematic search was also pointed out by Chandler (2003), where four distinct opportunities detection strategies were categorized: proactive search; problematic search; fortuitous discovery; and opportunities creation.

Furthermore, opportunities can be categorised into two distinct categories: symbiotic opportunities and non-symbiotic opportunities. Findings also showed that symbiotic opportunities can further be divided into two broad categories: temporary symbiotic opportunities and permanent symbiotic opportunities. Temporary symbiotic opportunities may rely on financial and environment instability. It seems that if these barriers are surmounted, temporary symbiotic opportunities convert to non-symbiotic. Permanent symbiotic opportunities mean that products of one industry are mostly used by other industries and progress is only possible when other firms move forward. Such opportunities are permanent and uncertain symbiotic opportunities. Some firms revealed that their opportunities are limited to existing and previous markets. Struggling firms also did

not mention any opportunities concerning seeking opportunities abroad, where we found such results in the context of growing firms.

The third dimension of entrepreneurial orientation is risk-taking, and these behaviours were examined from two perspectives: an uncertain environment and business risk. In the context of growing firms, all entrepreneurs from growing firms mentioned that risk means to work in a conflict environment, where it was the highest risk for them (Cooper and Schendel, 1976). However, they also acknowledged a few benefits regarding a conflict environment. They observed that when they faced such uncertainty for the first time in their lives, this conflict situation gave them courage and motivation. Related to the business context, conflict also decreased the level of competitors in the region, because the majority of firms had to be closed to due to the conflict environment. These findings show that risk-taking behaviours depend upon the region where firms operate businesses, and there may be high levels of differences among firms in the developed and developing regions.

Entrepreneurs from growing firms also illustrate some consistent results regarding the context of business risk-taking, where they were starting the business without prior experience, and managing to make some progress without market knowledge. These findings also revealed that it is not necessarily the case that without prior experience of the entrepreneur or owner-manager the firm will decline or fail. However, several previous studies in the literature stated that past experience can play a significant role in term of growth achievement. Therefore, these results are in contrast to some prior studies (e.g. Dobbs and Hamilton, 2007; Locke, 2004)

On the other hand, two types of risk-behaviour were also stated by entrepreneurs of struggling firms. These are: uncertain environment and business risks. Regarding uncertain environment, struggling firms stated that risk-taking behaviours mean that when the region is not safe, investors and customers are unlikely to show interest in the region. These findings show that environmental instability severely affected the performance of their firms where these firms lost customers and investors and such issues also created financial instability for them. Defining risk-taking behaviours in the business context, entrepreneurs from struggling firms stated risk-taking into two categories: strategic risk and policy-related risk. Strategic risk refers to starting a business venture independently, and policy-related risk refers to frequent changes in government policies, which then create business risks and make it difficult to carry out business activities.

The fourth factor of entrepreneurial orientation is when firms seek competition with their competitors. Quantitatively there are significant differences in both growing and struggling firms which mean that growing firms are more able to adopt an attitude of competitive aggressiveness. The qualitative investigation shows that growing firms' competitive aggressiveness is interpreted as them getting ahead of their competitors. Findings from these firms regarding competitive aggressiveness mean firms are concentrating on product quality and price control. Furthermore, handling competition also means to give credit to customers. These findings show that giving credit to customers is also one of the core strategies when firms are operating business activities where the purchasing power of their customers is not stable. It was also revealed that concentrating on competition also creates new innovations and opportunities, and creates visions.

On the other hand, struggling firms state that there is a high level of competition in the market and different views were observed regarding the competitive aggressiveness behaviours of struggling firms. Mostly struggling firms stated that they do not compete in the market due to a lack of financial resources. One major difference emerged: that competitive aggressiveness is possible when firms are financially strong. Secondly, they do not offer credit to customers and also cannot bring some technological changes to their products due to old machines, which ultimately affected the products' quality. It was observed in growing firms, that competition is important for achieving goals and desires; struggling firms also showed the same results regarding the benefits of competition.

The last factor of entrepreneurial orientation dimension was autonomy, which showed interesting results for the authors, both quantitatively and qualitatively. The autonomy factor of these two types of firms were measured in term of the employees' autonomy in their firms. There was no statistically significant difference in either growing or struggling firms in terms of autonomy. These results point out that autonomy did not create any differences in terms of growth to struggling firms. However, the authors further investigated such evidence in the qualitative research, regarding why there was no significant difference in either type of firm, in term of the employees' autonomy. In fact, employees' autonomy was found in both growing and struggling firms, and was described by entrepreneurs in different contexts.

Entrepreneurs from growing firms revealed their employees' autonomy from two standpoints: a positive perspective and a negative perspective. In terms of the positive context, entrepreneurs stated that skilful

employees are the main tool for innovation, because they know about production lines, market structure etc. These findings revealed that growing firms have a high level of skilful employees which also helped them to bring innovation into their production lines. Another most interesting finding expressed by growing firms, is that employees also assist firms to handle conflict environments. It means that when firms were in the peak time of conflict, where the Taliban attacked the valley, entrepreneurs indicated that employees' helped to handle the situation. Nevertheless, entrepreneurs of growing firms revealed that employees' autonomy can also create problems when they are not sincere, so competitors can take advantage of that dishonesty.

On the other hand, struggling firms also stated that they had the same perceptions regarding employees' autonomy. However, two other new issues emerged from the qualitative interviews: that struggling firms stated that they had to give autonomy to employees for them to participate in the growth process, but this is imperative culture-wise, because if they are given more autonomy, it is considered as respect by the employees. Another important factor is that both firms stated that their employees' autonomy helped them to handle the conflict situation. These findings constitute a new contribution to the literature, regarding how autonomy helps in such circumstances, and reveal that giving employees' autonomy has never been tried in a situation like this before.

The previous discussion revealed the general entrepreneurial orientation behaviours of both firms, and it was shown that both firms are using entrepreneurial behaviours. However, we can conclude that growing firms are more entrepreneurial compared to struggling firms. Therefore, the researcher is confident to say that growing firms are 'high entrepreneurial' and struggling firms are 'low entrepreneurial'. Whilst this may seem to be obvious, it could be that in a growing market, even incompetent firms can grow by simply expanding with the overall market trend.

The third research question is based on that which dimensions of entrepreneurial orientation have been lost due to a conflict environment. The authors investigated this question with quantitative and qualitative research. The survey results show that there are no significant differences between growing and struggling firms in terms of the impact of operating in a conflict environment. Findings revealed that the environment affected the innovation and opportunities recognition streams, and in terms of risk, entrepreneurs were no longer actively taking business related risks, and also, they were no longer proactively competing with other markets. However, one interesting finding emerged: that employees' autonomy had not been affected due to conflict environment. To investigate these interesting findings, the authors used qualitative research in the form of in-depth interviews to investigate the impact of conflict as perceived by the entrepreneurs.

The qualitative findings of growing firms showed that the environment created uncertainty; customer and market loss; loss of communication; lack of government facilities; loss of raw materials; and loss of innovations and opportunities. These findings also provided useful information, that before the conflict has been started, the government was actively delivering assistance to small firms in the region. However, existing circumstances diminished incentives for these firms. On the other hand,, struggling firms also recognized that the conflict environment created a negative impact on their entrepreneurial activities. They have severe concerns about suicide attacks, which provides findings indicating that these firms are situated where terrorists' activities frequently happened. Furthermore, these firms illustrated that when people were displaced from the region and firms were closed for several months, raw materials expired due to the turning off of production lines. Some growing firms also used to do production in other regions where this conflict situation was not present. The loss of investors and production was also pointed out by entrepreneurs from struggling firms.

Interesting issues which emerged from both firms regarding the conflict environment is that their employees' autonomy has been increased, because of active role of employees in helping entrepreneurs to handle a turbulent situation. These findings reveal that due to a conflict environment, they lost innovation, opportunities recognition and business risk, but local entrepreneurs increased employees' autonomy. These findings show that whilst employees' autonomy cannot be perform an active role in the growth process,(there were no significant differences between both groups of firms), importantly, employees' autonomy, or team work, is essential to give support to firms when tackling a conflict environment.

The final research question is based on what dimensions of entrepreneurial orientation helped to handle a conflict environment. The findings showed that the teamwork of employees had been increased, which ultimately helped entrepreneurs from both firms to handle a conflict environment. Therefore, this research question gives an indication that whenever there are circumstances like these, teamwork can assist firms in tackling uncertainty.

Conclusion

In conclusion, our research findings revealed that it is essential for policy makers to take active steps to foster those entrepreneurial activities which have been severely affected due to a conflict environment. Both long term and short term policies will help affected regions to eradicate terrorism through entrepreneurship. Besides suggestions for policy makers, this paper also provides empirical evidence showing how those entrepreneurs can operate business activities in chaos, and indicating that teamwork can provide substantial assistance in handling difficulties that often arise in a conflict environment, such as that which presently prevails in Pakistan and Afghanistan.

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THEME 4.0**CONTRIBUTION TO HE EDUCATION IN THE UK, AND BUSINESS SUPPORT PRACTICE**

Teaching entrepreneurship and entrepreneurial marketing with undergraduates and postgraduates; business support outcomes.

Two conference proceedings; one journal articles.

- | | |
|---|--|
| Exhibit 401
Conference proceedings
2011 | Day, J. with Reynolds, P.L. (2011). Exploring the marketing - entrepreneurship interface: bringing an understanding of small business marketing into the curriculum. In University of Huddersfield Annual Learning and Teaching Conference (pp.102-115). Huddersfield, UK. Retrieved from: http://eprints.hud.ac.uk/id/eprint/9667 |
| Exhibit 402
Conference proceedings
2011 | Day, J. with Rahman, H. (2011). The Potential Influence of Entrepreneurial Role Models in the Teaching of Entrepreneurial Marketing: I Want to be Like ...? In G.E. Hills, C. Hultman, F. Eggers, & M.P. Miles (Eds.) <i>Research at the Marketing/Entrepreneurship Interface</i> (pp.37-49). Bradley, IL: Global Research Symposium on Marketing and Entrepreneurship. |
| Exhibit 403
Journal article
2014 | Day, J. with Rahman, H. (2014). Involving the Entrepreneurial Role Model: A Possible Development for Entrepreneurship Education. <i>Journal of Entrepreneurship Education</i> , 17(2), 163-171. |



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Day, John and Reynolds, Paul Lewis

Exploring the marketing - entrepreneurship interface: bringing an understanding of small business marketing into the curriculum

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Exploring the marketing - entrepreneurship interface: bringing an understanding of small business marketing into the curriculum

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Abstract

What determines the success of small firms around the world is entrepreneurship and marketing. (Hills, 1995). Anywhere in the world – 95% of firms are small (less than 250 employees) – and often smaller than that. Marketing and entrepreneurship are not the same but they are interconnected. Consider the corporate history of Apple. The fabled 1970's 'garage' start-up by Wozniak and Jobs. Often great innovators but not always great entrepreneurs. That is until they revolutionised the music industry with iTunes, and in the future, may well revolutionise personal computing with the iPad.

This paper considers the experience of the authors over the last decade in teaching what could be called entrepreneurial marketing. Given our belief, which is surprisingly common, that entrepreneurship is to some greater, or lesser, extent learnable and thus teachable – it is both 'nature and nurture' ... we share our experience of our module – Marketing of Small Business.

Our research interests in entrepreneurial marketing both feed into, and draw from, our teaching on this final year module

Introduction

This paper is underpinned by the notion of the marketing-entrepreneurship interface, or, what is termed by some colleagues as entrepreneurial marketing. In the USA, the best reference source is the collection of annual workshop proceedings, initiated and edited by Professor Gerald Hills (1987-). In order to progress we need to move through several gates- firstly: to define marketing, then to define entrepreneurship, then to believe that they are not the same construct – otherwise there would be no interface!! We are going to conceptualise the interface as a simple three circle Venn diagram. The addition of the third circle allows in this case for an organisational dimension, which will be the small to medium sized business (SME).

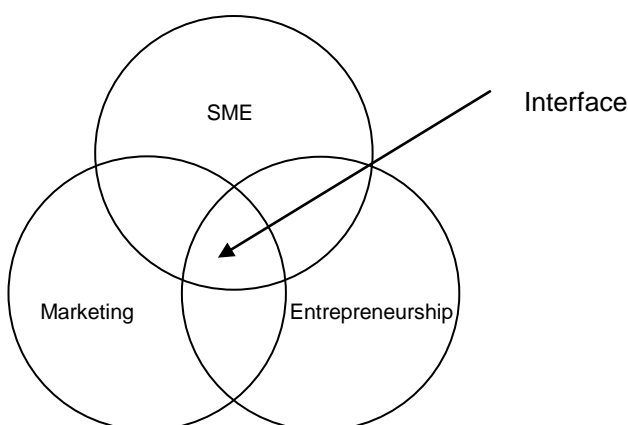


Exhibit One: The Interface¹

Marketing

Defining marketing should be the simplest of the tasks but as society and economies have become more complex, so has the definition of marketing. Going back four centuries to Adam Smith's *Wealth of Nations*, then marketing is something that producers do to, or better, do with consumers. Although the notion of relationship marketing was not in common usage until the early nineteen eighties, one can argue that the seeds of the transactional marketing versus relationship marketing debate are there in the eighteenth century. Transactional marketing being characterised as a one way exchange from the producer to the consumer, probably short term and probably a single exchange compared to relationship marketing characterised as a mutual two way exchange of understanding between the consumer and the producer, probably over the long term, and on multiple occasions. (see Lancaster and Reynolds, 2004; Morris et al., 2002).

The American Marketing Association attempts to reflect contemporary thinking by offering a definition of marketing and then up-dating this every five years albeit with the objective of "craft(ing) a new definition that better serves the constituents of the American Marketing Association" (AMA, 2008).

In 1935, the predecessor of the AMA defined marketing as "the performance of business activities that direct the flow of goods and services from producers to consumers", a definition that Adam Smith would have recognised. Following the latest five year rethink, the definition is now:

"Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large" (AMA, 2008).

A convenient example to illustrate the logic and necessity of widening of the scope of marketing is to reflect that in 1995, The Journal of Ministry Marketing and Management was launched with the aim to provide practical information on marketing and management issues in all types of church and ministry settings. Although it was short lived for only seven volumes. As well as moving away from a transactional approach and extending into services, marketing perspectives have fragmented, and hence, Morris et al. (2008) were able to identify thirteen alternative marketing approaches in the ten years preceding their article. More commonly recognised variants being: relationship marketing; guerrilla marketing; viral marketing; permission marketing; and, buzz marketing.

However, a useful skeleton on which to accommodate marketing is that of Webster (1992), who sees marketing as having three distinct dimensions, namely, culture, strategy and tactics. At the cultural level is a concern for customers and at the strategic level we consider how to secure competitive market position. Tactics are most commonly visualised as the 7Ps (product, price, promotion, place (distribution), physical evidence, people and process) of the marketing mix. Whilst the mix metaphor is probably accepted universally, the mnemonic convenience of the 7Ps is disputed. Alternative, and equally viable, schemas exist (Gronroos, 1993).

Within the confines of this paper, the most appropriate way to measure the extent to which small business carry out marketing would be to use the measure of marketing orientation. Two competing frameworks exist although there is no reason why the individual scale elements cannot be combined. Narver and Slater (1990) advocated taking a cultural focus and measuring three items: customer orientation, competitor orientation, and, interfunctional co-ordination (essentially communication) within the

organisation. Kohli and Jaworski (1990) argued for measuring Intelligence Generation, Intelligence Dissemination and Responsiveness. Laferty and Hunt (2001) suggest a synthesis with the emphasis on the customer, importance of information, interventional communication, and taking action. Despite that suggestion, most studies employ either Narver and Slater (the so called MKTOR scale) or Kohli and Jaworski (the MARKOR scale). Earlier we illustrated the marketing discipline moving into services marketing by citing religion and the article abstract below continues that theme whilst illustrating a classical marketing orientation approach.

“... The purpose of this research is to develop and test a model that explains the role of market orientation in a church participation context. Data were collected from a particular church denomination in Australia ... The findings suggest that market orientation is significantly related to church participation. Further, competitor orientation was found to be negatively associated with church participation. These findings suggest that it is important for church leaders to: (1) understand the needs of church members (customer orientation), (2) ensure that the various ministries in the church are perceived as delivering significant value by its members (interfunctional coordination), and (3) ensure that the range of ministries offered by the church is not perceived as the strategic tools to compete with other churches (competitor orientation), but rather as the means to serve its members effectively” (Mulyanegara, Tsarenko and Mavondo, 2010),

Entrepreneurship

Since this paper does not seek to deliver a history of the study of entrepreneurship, we are going to adopt the following definition: “Entrepreneurship is the process by which individuals pursue opportunity without regard to the resources that they currently control.” (Stevenson and Jarillo, 1990). This definition is grounded in behaviour and action – not in traits and characteristics and it is indifferent to organisation type and ownership. It states that opportunity seeking is a key activity, and that the entrepreneurs consider opportunity and then tries to assemble resources – not the other way around. Finally the notion of a ‘process’ rather than serendipity is enticing as it suggests that we might be able to unscramble and understand such a process.

This comes though with three caveats. Firstly, we still have little overall consistency in the defining of the term ‘entrepreneur’, perhaps given the nature of the entrepreneurial act that is not in itself surprising. The whimsical use of Winnie the Pooh by Kilby (1971), still serves as a good general warning to us all!

“The search for the source of dynamic entrepreneurial performance has much in common with hunting the Heffalump. The Heffalump is a large and rather important animal. He has been hunted by many individuals using various ingenious trapping devices, but no one so far has succeeded in capturing him. All who claim to have caught sight of him report that he is enormous, but they disagree on his particularities. Not having explored his current habitat with sufficient care, some hunters have used as bait their own favourite dishes and have then tried to persuade people that what they have caught was a Heffalump. However very few are convinced, and the search goes on”.

Secondly, that search has been long and is still continuing. Cantillon in 1755, was probably the first western economist to have recognised the unique attributes of the entrepreneur. He argued that the entrepreneur, in essence, bought at certain prices and sold at uncertain prices and therefore assumed the role of risk taker. This search

has involved, and is likely to continue to do so, several academic disciplines. One can easily recognise economic, psychological, managerial, strategic elements in even a cursory literature review on entrepreneurship.

The third caution is that if entrepreneurship is considered to be a unique attribute, and one in scarce supply, the Sun Tzu (500BC) *The Art of War* epigram “All men can see the tactics whereby I conquer-but what none can see is the strategy out of which victory is evolved”, suggests a bleak agenda for entrepreneurship teaching. Fortunately we take the view proposed by authors such as Drucker (1986) that entrepreneurial behaviour, at least to some degree, can be practised by all -thus we can offer sensible managerial lessons that can in full, or part, be adopted by SMEs. We discuss this more seriously below but for the moment assert that our opinion is *not* along the lines of Bryson (1995):

“Among the many thousands of things that I have never been able to understand, one in particular stands out. That is the question of who was the first person who stood by a pile of sand and said, ‘You know, I bet if we took some of this and mixed it with a little potash and heated it, we could make a material that would be solid and yet transparent. We could call it glasses. Call me obtuse, but you could stand me on a beach till the end of time and never would it occur to me to try to make it into windows”.

More recently, the work by Sarasvathy (2008) on effectuation would give some hope that entrepreneurship is to some degree learnable, and the work by Nicolaou (2008) along with his main co-author for several papers, Scot Shane on nature vs. nurture ascribes a role to both. But for some (such as Casson, 1992), Bryson albeit in a different context has it summed up succinctly! Finally, we need to remember that not all entrepreneurship is a ‘perennial gale of creative destruction’ (Schumpeter, 1934) and which is perhaps the most overused metaphor in entrepreneurship. It is associated with five derived indicators of such dramatic action (new product, new process of production, new market, new source of supply, new industry). Chell (1993) classifies the business owner along a spectrum from entrepreneur through to caretaker with quasi administrator and administrator as intervening hybrid positions. Entrepreneurs are seen as being alert to opportunities and proactive in taking the initiative and trying to control events, whereas, caretakers would be much more concerned with effective management whilst being well within their perceived comfort zone. Thompson (1999) compares and contrasts incompetent and competent entrepreneurs.

As with marketing, we need to measure the extent to which entrepreneurship is practiced and this paper adopts the concept of the entrepreneurial orientation. Miller and Friesen (1983) stated that an entrepreneurial firm is one that “engages in product market innovation, undertakes somewhat risky ventures and is *first* to come up with ‘proactive’ innovations, beating competitors to the punch” and “numerous scholars have developed this and used the term “entrepreneurial orientation” to describe a fairly consistent set of related activities or processes” (Lumpkin and Dess, 2001). Covin and Slevin (1991) are probably cited the most frequently and they consider an entrepreneurial orientation as having three dimensions -risk taking, innovation and proactiveness with the attendant entrepreneurial behaviour being reflected in management style and process. For example, a conservative management style would be reactive to market changes, as opposed to the proactive stance taken by an entrepreneurial management style. Some authors do employ a ‘longer form’ version with six dimensions: need for achievement, locus of control, propensity to take risk, tolerance of ambiguity, self confidence and being innovative. Knight (1997) provides a useful commentary on measuring entrepreneurial orientation in practice.

The Interface

If we now simply replace marketing with the scale to measure it (marketing orientation) and similarly for entrepreneurship, then we can see that at first sight the two scales share little in common. What research at the interface attempts to do is to consider what synergistic relation exists between two business philosophies that are not one and the same.

Three broad approaches can be taken, firstly, 'to put marketing into entrepreneurship', secondly, to put entrepreneurship into marketing', and thirdly to look for commonalities in action and competencies. Adding a third circle to the Venn diagram to denote context can be helpful with the obvious context being the SME. In the first approach, we might start with entrepreneurial businesses and see how they market, whilst for the second approach we might try to understand how marketing creates and sustains entrepreneurial action, for example, the creation of a new product perhaps within a new market segment. The third approach has always been well described by Carson et al (1995) in their book but particularly succinctly by Hills (1995) in the Foreword to that book.

“Good marketing is inherently entrepreneurial. It is coping with uncertainty, assuming calculated risks, being proactive and offering attractive innovations relative to competitors. And good entrepreneurship is inherently marketing oriented. A customer focus by everyone in the enterprise is a way of life. And the implementation of marketing strategies that generate customer satisfaction is essential to survival.”

How does that impact our teaching and research?

One of the author works in entrepreneurship and the other in marketing and their research interests come together in looking at how small businesses in the UK, Russia and Poland carry out selected marketing functions. Carson et al (1995) would argue that the most likely arena in which we would see the interface is the SME but we have argued elsewhere that entrepreneurial marketing can be found in larger organisations under different ownership structures such as the public sector. Some of our work involves using both marketing orientation and entrepreneurial orientation scales with SMEs. Another piece of research by one of the authors is to consider the extent to which standard marketing techniques are applicable to the small business (Reynolds, 2002).

The Hills (1987) perspective is that SMEs might use different marketing practices and techniques, particularly new and resource constrained SMEs. Carson et al, (1995) argued that personal contact networks and word of mouth marketing would be more likely to be witnessed rather than complex and expensive activity based around a comprehensive marketing plan. Whilst not denying the ability of the SME to plan – such planning might well be informal and 'in the head' of the entrepreneur. Opportunity recognition and exploitation might come from seeing a problem and then seeing a solution, rather than deliberate formal market research.

So we do the obvious, which we all do, that is bringing relevant research into the curriculum. Given our individual and joint research interests, and in the spirit of the interface, we focus on entrepreneurial marketing rather than just marketing per se, we do not teach scaled down big business marketing.

Well sometimes! In the early days of the *interface*, the predominant view was that a new paradigm could, indeed, should be forged but the more recent consensus led by

Carson is that we should take what works whether that be formal and traditional marketing techniques or whatever SMEs practiced. What is key is that we continue to research and observe exactly how SMEs market. Readers of this paper might well assume, and rightly so, that our taught module would require students to understand the real life of the SMEs. Such a view would then feed into how we assess the module. Reinforcing this is the fact that Carson whose textbook (1995) is still the seminal work in Europe was hugely influenced by his mentor, Professor Tony Cunningham who always argued for an andragogic rather than a pedagogic teaching philosophy. In respect of textbooks on the interface, Carson et al. (1995) has been joined recently by Bjerke and Hultman (2002).

On this module students undertake three pieces of assessment:

A short tutorial presentation on a relevant topic of our choosing – this may embrace a marketing concept or a specific technique such as cheap and effective public relations for an SME;

A one thousand word academic critique that helps to signal that this is a final year undergraduate module that whilst practical is one that is informed, and underpinned, by a wide and sometimes controversial literature base. Typical topics are marketing orientation; entrepreneurial orientation; a combination of the two; or specific techniques such as importance performance analysis and locating uncontested market segments;

However, the major assessment is to write a case study that demonstrates that they understand how an SME of their choosing markets their product or service. Unlike many such assignments across the School and University – this is not a quasi consultancy project or concentrating upon a particular problem. Aside from human interest and perhaps 'space' for the small business owner to reflect, it is a deliberately one-sided brief. There is no expectation that students will go beyond observing, reporting and reflecting. Of course, some may well want to go deeper than observation and that is fine by us.

EXHIBIT TWO: SUMMARY CLASS BRIEF WITH COMMENTARY ADDED

ACTIVITY		COMMENTARY
1	Write a descriptive business history outlining the critical developments in their trading to date.	Depth depends upon where the SME is in their lifecycle; we are trying to get the student to identify <i>critical</i> points and to draw us into the story.
2	Clearly show the reader their relative position in their marketplace.	An invitation to use a traditional positioning map/diagram; for many SMEs this will cover competitors in a very tight geographical location.
3	Produce a short brief containing secondary data on their market.	(1) and (2) are practical depending very much upon information derived from the SME, this task puts them back into the Library.
4	Write up a profile of the SME in a similar style to that which until recently could have been found in the Saturday supplement of the Financial Times - illustrations to be used as appropriate	This is an excellent test of their creative writing styles and the articles have three components: the headline which is always a pun; the text which is serious but designed to be read on a weekend when the paper is more leisure orientated; and, a well chosen photograph.
5	Find out how they 'do business' and then.....	
a	Consider the nature of how they plan	Planning might be very formal or very informal this in itself is interesting
b	Select two areas of particular concern to them and critically discuss these	Not of concern to the students but to the SME
c	Consider the particular way in which they market their good or service - how is this constrained or facilitated by their being an SME?	To avoid the stereotype that small business are always at a disadvantage to their larger competitors
d	Having done the above then compare the outcome to three marketing or strategy models with which you are familiar	This is a crucial section, we are not asking students to report or discuss the models that they have learnt on the course – that is our language and how we see the world. We are asking them to use tools familiar to them and to make sense of their encounter. Of course, depending upon the background and knowledge of the owner this could be a shared language, and the SME may use such techniques.
e	Having stated what you believe entrepreneurial marketing is about- to what extent are these themes and issues realistic for your SME? This section must demonstrate that you are familiar with both the key textbook(s) for this module and appropriate journal articles. You must cite your sources clearly and accurately. That goes without saying – but you will find sources that Paul and I have come across and we will enjoy following these up!	Again we are asking students to be reflective at a more academic level given that the modules seeks a balance between practice and theory. There are only two key textbooks, the original Carson et al (1995) and the later Bjerke and Hultman (2002)
6	Having paired up with one other student or group, draw out the similarities and differences between your SMEs. Attach no more than one A4 sheet of bullet points to your report to demonstrate that you have done this. In our experience it does not matter who you pair up with ... the outcomes are always useful as are the shared insights. Pairing up is not exclusive – if they want you can pair up with a group who have already discussed outcomes with another group.	It would be a real shame if students did not share some of their findings with each other and this section encourages them to do just that.
(*) Weightings are indicative but you must attempt all the tasks set out above.		

Given the discussion above about the nature of entrepreneurship, you might imagine that we require them to select an entrepreneurial SME –but we do not. Who is, and who is not, entrepreneurial is of less concern to us than our students' understanding of the world of the SME and their owners and workers. At least 95% of business in the UK are small (less than 250 employers) and the population is skewed to the lower end

of that range. (65% have between 1-4 employees; 83% less than 10, see BERR, 2007). If we assume that it is the entrepreneurial SMEs that grow, then in 2006, just under 6% of all businesses in the UK achieved a 60% growth in turnover over three years. This figure is below the USA (8.14 %) but almost three times higher than France, Germany, Italy and Japan. As tutors and researchers our taste are catholic, we are as interested, perhaps more interested, in the 94% that do not grow – they are equally brave and interesting people. Because we are concerned with students developing a dialogue, we are not that concerned with accurate financials and we do not believe that they would be freely offered.

Some student findings

Exhibit Three reports brief details from fourteen of our case studies from this year. We have chosen to highlight the problems faced by the SMEs as this is a good example of how their knowledge informs our teaching and research. In the following section, we contrast these to an earlier data set. Also included are the techniques through which the students chose to frame some of their work. Whilst we give them a free choice, we have our preferences and we can use this information to influence and direct them in the next round of case studies. By looking at the effectiveness and richness of the data from these frameworks, we can reflect on how useful these may be as research instruments and to what extent they might be incorporated into our research. Exhibit Four is an example of Task Six.

Same old?

We last wrote a formal paper on this programme just over ten years ago and this reported in a similar way both findings on SME behaviour and our reflection on the module aims and objectives. Exhibit Five reports the same categories and it is interesting to reflect on how SME problems have, or have not, changed over the last decade. In respect of our teaching reflection, we still support the notions in that paper (Day and Reynolds, 1999), that:

“Better students employ marketing and strategic tools as the framework for the case discussion as well as in the later comparison section. This is a good indicator for separating out the better reports and we continue to be of the view that we do not intend to give any guidance in this area.

Requiring students to write up one part in the style of the newspaper article is a good discriminator of the better reports, and as such is a relatively simple to set creativity exercise. The (appropriate) style template being the Financial Times – ‘Minding Your Own Business’ article

At present we do not require the students to select an entrepreneurial SME. So our sample is more representative of the USA direction in Interface research. (*which at the time was to consider how any SME irrespective of the level of entrepreneurial orientation did marketing*) Casual inspection of the full text of the cases would suggest that some of their choices included genuinely entrepreneurial SMEs (as measured by their innovative behaviour and/or product and service lines) but many also reviewed ‘me-too’ operations.”

This paper has tried to strike a balance between reporting on the teaching of a particular module, and discussing the depth of academic work in the field of entrepreneurial marketing that informs and underpins the module. We remain unworried by allowing our students to select any SME, and interestingly, Carson (2010)

in a reflective commentary argues that we have lost sight of our original aim, which was to understand marketing in small businesses. It was not to get embroiled in a debate concerning just what we mean by the entrepreneurial part of entrepreneurial marketing. It seems like we may have let somebody else's Heffalump into our room!!

Conclusion

In this paper, we hope to have shown a practical student exercise through which students and we learn about the real world of the SME and which both feeds into, and feeds from, our research and research interests. This approach is not unique and certainly can be replicated. However, we are pleased to have had the opportunity to share our experience. It has given us the some space in which to consider our module, and it may be of interest to other colleagues.

Exhibits and references follow

EXHIBIT THREE: BRIEF DETAILS OF FOURTEEN CASE STUDIES (A-Z BY TYPE)

SME Type	Size (including owner(s))	Start date	Concern One	Concern Two	Model 1	Model 2	Model 3
Bedding and General Household Textiles	n/s	1993	New and existing competitors	Finding reliable suppliers who preferably are not supplying their competitors	SWOT	STRATEGY CLOCK	PORTER FIVE FORCES
Business Consultancy	4	1997	Recession affecting client base	Lost of a member of staff	SWOT	PESTLE	CONVERGENT / DIVERGENT
Clothing Wholesale	20	1998	Chinese mainland competition	Exchange rate movements	SWOT	RESOURCE BASED VIEW	PORTER FIVE FORCES
Comic and Manga Bookstore, France	2	2009	Create a community of customers	Compete against national chains offering discounted product	IMPORTANCE PERFORMANCE MATRIX	STRATEGY CANVAS	PORTER FIVE FORCES
Food Wholesaling	3	1996	Perishable and seasonal products	Exchange rate movements	GE MATRIX	PESTLE	PORTER FIVE FORCES
Hardware Retailer with a niche specialisation in professional kitchen knives and scissors	2	1865 / 2009	Competing distribution channels (internet)	Supermarkets moving into stocking DIY ranges and knives as well as competition from large national DIY stores	SWOT	PESTLE	PORTER FIVE FORCES
Local Theatre	n/s	1992	Lack of capital and smaller than preferred marketing budget	Building up repeat and regular audiences	BOSTON MATRIX	MARKETING MIX	PORTER FIVE FORCES
Nail and Beauty Salon	2.5	2001	Pricing	Should they expand	OMURA ET AL GRID	PESTLE	PRODUCT LIFE CYCLE
Pharmaceutical Specialist Manufacturer	250	1922	High level of compliance to complicated industry and product regulation is welcomed but adds to cost & speed of doing business.	Retailer buying power dictating price points and margins	SWOT/PESTLE	BOSTON MATRIX	PORTER FIVE FORCES
Plumbing	1	2007	Developing an effective internet presence	Growing the customer base	SWOT	MARKETING MIX	PORTER FIVE FORCES
Shoe Retailer	n/s	1864	Competition	Recession	SWOT	PESTLE	PORTER FIVE FORCES

EXHIBIT THREE: BRIEF DETAILS OF FOURTEEN CASE STUDIES (A-Z BY TYPE) CONTINUED/-

SME Type	Size (including owner(s))	Start date	Concern One	Concern Two	Model 1	Model 2	Model 3
Take Away Food franchise in early stage of	parent franchisor plus one other franchise plus one planned	2008	Employing and maximising business gain from Public Relations	Developing brand awareness in a crowded market	SWOT	MARKETING MIX	PORTER FIVE FORCES
Trade Publishing Company	10	2004	Recession affecting client base	Competitors	SWOT	PESTLE	PORTER FIVE FORCES
Watch Shop (High Street Independent)	2	1989	Decline of the high street as shopping focus	Changing trends away from wearing watches	MARKETING ORIENTATION	AIDA	RELATIONSHIP MARKETING

Notes: Businesses may be local to student's home town and therefore are not necessarily Huddersfield based. No order of importance for models and some attempt to align models. **Source:** 2010 sample sent to External Examiner

For colleagues unfamiliar with the models listed above there follows a brief description of each model:

SWOT: considers on a quadrant diagram the internal strengths and weaknesses, and, the external opportunities and threats for a company; **Strategy clock:** offers eight strategic positions relative to competitors – for example, premium pricing – these positions are drawn to look like a clock face with eight options; **Porter Five Forces:** named after Michael Porter this is away of assessing the competitive dynamics of an industry and drawing out an appropriate strategy, the five 'forces' are: bargaining power of suppliers, bargaining power of customers, threat of new entrants, threat of substitute products, competitive rivalry overall in the industry; **PESTLE:** a rational listing of the external factors affecting a business – political / economic / social / technical / legal and environmental, often used as the precursor to a SWOT;

Convergent /Divergent: considers the thinking style of SME owners and tries to argue that true entrepreneurs are divergent thinkers; **Resource Based View:** of strategy has several interpretations but basically firms should do what they are good at, based particularly on the quality of their human resources. **Importance Performance Matrix:** compares the importance placed on an element of delivery by the customer to how well the business matches that desired importance level - business thus match, over or under deliver relative to customer importance; **Strategy Canvas:** encourages business to denote what they believe are the competitive strengths of their business and then use a simple line graph to compare and contrast to their competitors and see where they are unique;

GE Matrix: so called after the use of this model with General Electric Company in the 1970's by McKinsey Consultants, using a matrix it strikes off industry attractiveness (want to be in that segment) versus capability to do that; **Boston Matrix:** named after the Boston Consulting Group, looks at the relationship between market growth overall and your share of that market, represented as 2x2 matrix, 'star' products, to name one of four categories, experience high market growth and you have a high market share; **Marketing Mix:** has been discussed in the paper; **Omura et al.** in a 2x2 matrix compares Schumpeterian scenarios of fundamental change versus Kirzerian market adjustments. Opposite positions on the matrix are stability Vs total creative destruction, bears more than a passing resemblance to an Ansoff matrix; **Product Life Cycle:** plots sales against time and argues that products and industries go through stages from development to maturity, drawn as an S shaped curve; **Marketing Orientation:** discussed in text; **AIDA:** simple marketing communications model that argues that one should move consumers through four stages – awareness, interest, desire and action; **Relationship Marketing:** discussed in the text.

EXHIBIT FOUR: COMPARISON OF SMES (TASK SIX) BY ONE PAIRING OF GROUPS

Business type	Leisure Facilities Provider	Beauty Salon
Legal Status	Charitable Trust / Social enterprise	Privately owned business
Employees	250 employees – part time, casual and full time	3 employees including owner
Real Estate	Head Office and multiple sites	One small shop but plans for expansion
Date of formation	Formed about same time	Formed about same time
Number of customers	7000+ members	Not disclosed
Key start-up event	Struggled to establish themselves with higher start up and operational costs	Tight opening budget and struggle to launch on that budget
Financials	Improving financial performance	Not disclosed but client base has grown rapidly
Market Trend	Health and fitness market has grown	Spending on health and beauty is expected to increase by 2011
Competitors	Competitors – threat from private sector providers	Main competition from other local salons that have started since this one
Macro economic impact	Economic downturn may benefit them with shift from more expensive private to cheaper public facilities	Economic downturn may be of benefit as it may slow down the growth of competitors
Greatest Concern	Biggest concern is rising energy costs and consequential need to be even more efficient	Biggest concern is the increased cost of supplies due to exchange rate movements
Market Positioning	Positioning – middle range of services and just above median price range in the industry	Positioning: high on quality and high price.
Planning Style	Planning conducted on a hierarchical framework – systematic short / medium and long term planning	Planning unsystematic and very short term
Main Objective	Main objective – put people first	Ensure customer loyalty and retention
Marketing Communications Used	Marketing Communications – have a budget and use leaflets. Posters, radio commercials, billboards, staff uniforms and website	Relationship Marketing, Public Relations, sales promotion, internal and external advertising.
Entrepreneurial Marketing?	Use commercial marketing and main themes of entrepreneurial marketing – risk taking, innovative, customer focussed and opportunity driven	Informal, day-to-day, risk taking, opportunistic, relationship marketing, excellent communication
Future Plans	Future plans – become self-sustainable, focus on 2012 Olympics, engage in Government Health plans and start a Facebook page.	Diversification and growth
Notes:	Results from two groups pairing; sub-headings are their choice; some details suppressed to maintain confidentiality; the responses do not signify effective or ineffective, appropriate or inappropriate handling of decision or business processes.	

EXHIBIT FIVE: CONCERNS, CONSTRAINTS, HOW MARKET - FROM 1999 SURVEY

Exhibit Nine: Internal Concerns Reported

Employee	◇ lack of experienced workers	
	◇ employee training and skills	
	◇ finding new staff	
	◇ retaining staff (2)	
	◇ staffing	=6
Growth	◇ need to generate and achieve new growth (3)	
	◇ expansion and diversification (2)	
	◇ managing and controlling growth	
	◇ controlling all aspects of the business as it grows	=7
Marketing		
marketing mix	◇ better use of marketing mix, branding their company rather than their trade customer	
	◇ fully exploit marketing mix	
	◇ product range, variety & diversification (3)	
	◇ establishing brand for new product	
	◇ promotion (2)	
	◇ pricing	=9
communications mix	◇ marketing communications	
	◇ internet strategy	=2
market research	◇ need for more market research and more focused segmentation	
	◇ need for better competitor knowledge	=2
customer care	◇ longer term customer care	
	◇ maintaining quality auditing and continuous improvement	
	◇ quality	=3
strategic	◇ more formal marketing	
	◇ less reliance on a major trade customer, developing a consistent corporate image, trade and consumer shows	
	◇ acquisition of customers to offset aging customer base	
	◇ strategic as opposed to operational marketing	=4
Personal	◇ fear of failure -corporate & personal	
	◇ internal communications	=2
Planning	◇ lack of formal planning	
	◇ planning difficult as no past record	
	◇ re-writing of new 5 year plan	=3
Resources	◇ location and premises e.g. current offices too small (2)	
	◇ expansion constrained by resources	
	◇ management skills	
	◇ succession planing	
	◇ efficiency	
	◇ stock control	
	◇ increasing overheads	
	◇ level of profit too small	
	◇ maintaining trading levels	
	◇ supplier relationship	
	◇ lack of retail IT	=12

Some respondents gave more than one concern, hence responses = 50.

EXHIBIT FIVE: CONCERNS, CONSTRAINTS, HOW MARKET FROM 1999 SURVEY CONTINUED/

Exhibit Ten: External Concerns Reported

◇ competition	12	three most popular responses
◇ government policy	6	
◇ reliant on one major customer	5	
◇ fluctuations in demand		market conditions
◇ seasonality - weather, trade or religion		
◇ market as a whole in slow irreversible decline		
◇ recession		
◇ textile production moving out of Europe		
◇ exchange rates and exporting		
◇ supplier reliability		other
◇ technological advance, speed of		

All responses shown, total responses = 31

Exhibit Eleven: HOW CONSTRAINED - Some Indicative Quotes

- advertising considered too expensive, market research expensive and difficult but as an SME have some advantages - know customers, flexible in outlook and practice, can be opportunity focused and react quickly.
- better IT technology to help market
- calls on owners time
- lack of formal planning, limited financial resources, lack of formal business training, pricing . However the opportunity and flexibility to differentiate as a small business
- more production than service orientated
- resources for overall marketing and larger national companies offering more competitive financial packages
- Stage of the business life cycle (old) and existing clients (old) but younger demands different.

Exhibit Twelve: How market - indicative examples

- good balance 7Ps, emphasis on relationship marketing & promotion
- 7P analysis shows good appropriate balance
- canvassing, telesales, word of mouth (WOM)
- catalogue, CD Rom, WOM, Trade advertising, database
- direct mail, advertising, relationship marketing
- emphasis on promotion - ads, window display, boards and personal selling
- minimal amount of formal marketing, direct marketing with key customers - personal visits and letters
- networking, exhibitions, trade journals
- niche and relationship marketing to avoid competing with multiples with far larger budgets
- telesales, data base, trade advertising, pricing policy and relationship marketing
- trade journals, directories trade shows, sport sponsorship
- WOM, loyal returning customers, level of supplier promotions
- WOM, some promotion but not a great deal
- WOM, value pricing, service, upgrades

Conclusion

In this paper, we hope to have shown a practical student exercise through which students and we learn about the real world of the SME and which both feeds into, and feeds from, our research and research interests. This approach is not unique and certainly can be replicated. However, we are pleased to have had the opportunity to share our experience. It has given us the some space in which to consider our module, and it may be of interest to other colleagues.

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**Research
at the
Marketing/
Entrepreneurship
Interface**

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CONTENTS

**THE POTENTIAL INFLUENCE OF ENTREPRENEURIAL ROLE MODELS IN THE
TEACHING OF ENTREPRENEURIAL MARKETING: I WANT TO BE LIKE ?**

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(2014, this version reset to the format of this PhD)

**THE POTENTIAL INFLUENCE OF ENTREPRENEURIAL ROLE MODELS IN
THE TEACHING OF ENTREPRENEURIAL MARKETING:
I WANT TO BE LIKE ?**

John Day, University of Huddersfield
Hafiz Rahman, Andalas University

ABSTRACT

This paper considers the role of particular entrepreneurial role models in the influencing of a sample of Indonesian undergraduate business students in considering becoming engaged in entrepreneurial activity upon graduation. It argues this within a traditional defining of the marketing entrepreneurship interface as the intersection of the two disciplines. It contributes by adding to our knowledge of the entrepreneurial dimension of this interface. The reader is invited to consider to what extent our findings might be applicable to their students.

INTRODUCTION

To understand entrepreneurial marketing we need to understand the behaviour and practice of entrepreneurs. To understand the behaviour of young aspiring undergraduate nascent entrepreneurs, we need to understand many things. However, one interesting aspect of their behaviour to understand, and thus capitalise on in our teaching, would be whether they pay attention to role models, and, if they do, who are those role models?

One of the authors, along with his colleague Paul L Reynolds, has taught an entrepreneurial marketing course in the UK since the late 1990s. It is underpinned by the common notion of entrepreneurial marketing being the intersection of entrepreneurship and marketing. The course seeks to drive entrepreneurship ideas and behaviour into the teaching of small business marketing and to encourage students to reflect upon entrepreneurial small businesses rather than small businesses per se. Students are assessed by being required to 'get under the skin' of a real SME (of their choosing) and understanding its marketing behaviour.

Although our module is not a 'start-your-own' business course, it is a short step from drawing lectures from the entrepreneurial marketing domain to considering how we are influencing our students in respect of entrepreneurship. A very small number will have been attracted to the module because they are running small businesses but the majority will be there because they have an interest in the marketing function in the small business and may perhaps, one day, start their own small business, or perhaps, join an existing family business. Given the sheer number of SMEs in the world, they are most certainly likely to end up working alongside, or within, one. Harris and Deacon (2008), at a recent Research Symposium on Marketing and Entrepreneurship workshop, considered the impact of television as a role model. We are sure that people in the USA are surrounded by many TV programmes that have the potential to act as role models. In the UK, Dragons' Den and The Apprentice are high amongst the usual suspects. Equally, we all bring role model entrepreneurs into the classroom in the flesh, as case studies, as visual recordings, and often, entrepreneurship modules are taught by actual entrepreneurs.

However, in this paper we have a more limited perspective concerning a sample of undergraduates on a business programme in Indonesia. We invite the reader to consider whether cultural moirés influence our results, whether our results mirror their students' situation; and, to what extent they find one of our interim conclusions puzzling! Whilst we are happy to accept this as a statistical aberration ... but it does raise an interesting point for debate.

More formally we have two research questions, which are then set in the context of the marketing entrepreneurship interface.

How do role models influence aspirant undergraduate entrepreneurs to create new

ventures and choose an 'entrepreneurial career'?

What is the comparative influence of role models on undergraduate students to become an entrepreneur? (From several constructs of role model: parents, sibling, uncles/aunties, teachers, other relatives and successful entrepreneurs).

The broad preliminary findings of this paper are:

Parents, particularly the father, and entrepreneurs are the most important role models in influencing students to become an entrepreneur. The result of this study is similar to Gibson and Cordova (1999) who mentioned that the early role models for individuals are normally their parents and then later usually one(s) who come from a 'wider arena', who need not be known by the individuals. This can be the entrepreneur.

Not unsurprisingly, students are mainly choosing their role models based on charisma or reputation, or a combination of the two. But importantly each represents adopting a role model from a different part of their social network. Findings so far show an interesting result, where students think that their friends' influence as a role model is negatively correlated to their motivation to become an entrepreneur. Whilst the statistical result is not significant, it is the negative signing that even if a statistical aberration - has aroused our particular interest as a point of debate. This needs further investigation to find out why students think that their friends are not suitable people to motivate them to become an entrepreneur. Is this a sign that friends cannot be treated as role models? Or, is it that someone at a 'horizontal' level in the social network hierarchy is not perceived as a role model. Is it only those in a 'vertical' relationship that function as role models.

ROLE MODELS

In general terms, role models can be seen as anybody who can influence attitude, decisions, behaviour etc. of the individuals to become an entrepreneur. Role models can be one of the members in the aspirant entrepreneur's very close social network or sometimes individuals with whom there is no relationship and simply represent a 'weak tie'. This research investigates the existence of role models and their influence on undergraduate students to become entrepreneurs from a sample of business students at Andalas University, an Indonesian state-funded university.

The framework for this paper adopts the definition of role models by Gibson (2004) as this distinguishes between more general 'behavioural relationships', mentors and our particular interest - role models. We also adopt Gibson's dimensional schema for placing the student and the mentor within the student's (personal contact) network. Finally, in considering past literature on entrepreneurial motivation, and the contribution of this paper, we are heavily influenced by Shane, Locke and Collins (2003).

Role model theories originate from Bandura and Social Learning Theory in 1977, which can be used to explain how role models can influence other individuals to act, to imitate and follow, to think and to have personal characteristics, behaviours, styles and attributes. Bandura (1977) found that individuals tend to adopt and learn within their social network by observing the behaviour of others and what outcomes others get from their behaviours. If one who is observed has had positive results and outcomes from their particular behaviour and attitude, then they (successful individuals within the social network) tend to be used as a pattern for forming other behaviour and attitudes. The processes of using such individual patterns of behaviour and attitudes will lead to the creation of role models. Since the role models tend to be found in various ways, they can be found either in the environment nearer or further away from their social network.

According to Gibson and Cordova (1999), the early role models for individuals are normally their parents and the latter usually one(s) who comes from a 'wider arena', meaning one who sometimes is not known by the individuals. This makes sense considering that people as children live in a family before they know people and the environment outside of their family. Once children know the people and environment

outside their family, then they will find people from multiple and different backgrounds and professions. In the case of the children who find their role models outside of their family members, specifically their parents, they will find someone who is successful in their career, wealth achieving, and, has good position or status. Gibson and Cordova (1999) found such normally coming from corporate, entrepreneur and professional worlds. Career success and the accumulation of wealth will have convinced others to choose the same career. Thus the role models are in good position to influence behaviour and attitude of other people. Gibson (2004) defines the role model as:

... a cognitive construction based on the attributes of people in social roles an individual perceives to be similar to him or herself to some extent and desires to increase perceived similarity by emulating those attributes.

The main difference between role models and the other two constructs lies in terms of underlying processes that define them. Gibson (2004) defines a mentor as:

...a person who provides an active advice and support to a protégé through an interactive relationship.

The behavioural model focuses on matching specific actions and attitudes between an individual and a (role) model.

The concept and characteristics of the role model are different to those of the behavioural model and the mentor. This can be seen by reflecting upon the process, the attributes sought by the targets and flexibility to select. In respect to the process, the role model characteristic is based on the perceived similarity, or intention to increase similarity, between the targets and their role model, whereas for the other two an action leading to personal development is paramount. In respect to the concept element of the role model, initiative is demanded of the individual, whilst the other two can be based on the tasks. Role models can be targeted and selected in a very flexible way, whereas individuals are assumed to have less choice, and voice, in the behavioural model but rather more in respect of choosing a mentor.

Gibson (2004) proposed also that there should be a two-dimension schema to clarify the characteristics of the role model. Cognitive dimensions relate to those attributes of role models which are observed by individuals, whilst structural dimensions relate to the existence of role models in an individual's life. This is shown in Table 1 below. For the cognitive dimensions, targets are free to behave, or not to behave, like their role model. This decision can be taken by the individuals after they have observed the qualification/competency and the achievement of that person. For the structural dimensions, it can be seen that role model can be either close with the 'targets' or further away from them. The role model can be in a close social linkage with the 'targets' so that they can interact actively or oppositely not be in the social linkage of the target, in which case they cannot actively interact. In respect of social status, role model can have higher status, the same or lower status than the 'target'.

Table 1: The Dimensional Approach for Role Models (Gibson, 2004)

Cognitive Dimensions	
<p><i>Positive</i></p> <p>Refers to a role model having attributes which are perceived by the individual as similar, are admired and sought out for possible emulation</p> <p><i>Global</i></p> <p>Refers to variety of attributes in a role model which are attended to by the individual, including skills, traits and behaviours</p>	<p><i>Negative</i></p> <p>Refers to a role model having attributes which are primarily observed by the individual as examples of how not to behave in a particular context</p> <p><i>Specific</i></p> <p>Refers to a single or small set of attributes in a role model which are attended to by the individual</p>
Structural Dimensions	
<p><i>Close</i></p> <p>Refers to a role model who is in the same work group or department, and/or with whom the individual interacts with frequently</p> <p><i>Up</i></p> <p>Refers to a role model who is higher in hierarchical status than the individual</p>	<p><i>Distant</i></p> <p>Refers to a role model who is outside the individual's work group or department, and with whom the individual interacts frequently or not at all</p> <p><i>Across/down</i></p> <p>Refers to a role model who, in relation to the individual, is a peer, a subordinate, or who is ambiguous in status (e.g. a client)</p>

THE MARKETING ENTREPRENEURSHIP INTERFACE: THE ENTREPRENEURSHIP PERSPECTIVE

Given the argument that the Symposium focuses on the marketing / entrepreneurship interface, we should at least define both marketing and entrepreneurship, however, we are going to assume that marketing is well-defined and we would all be comfortable with the, albeit rather wide, AMA definition. Defining entrepreneurship always has been, and always will be more contentious but working on the principle that unless we understand how our student sample understands entrepreneurship, then we have a problem. Thus we asked students to define what they understood by the term entrepreneur. In the following section we have loosely clustered the definitions and driven some theoretical discussion around that. At the heart of entrepreneurial marketing is the synergistic outcome of the interaction of the two domains, albeit this is of less concern in this paper given that we are focusing predominantly on the entrepreneurial component, and these are business still to be formed and operated.

Students were asked through an open-ended question their perception of entrepreneurship. In total, 275 students out of the 291 responded to this question. Apart from twelve 'outliers', one of the authors believed that the answers could be sorted out into ten broad categories. Given that an entrepreneurship component is core for all these business students, and, there is also a specialist degree routing in entrepreneurship available, all participants had some prior knowledge in this area. The ten categories fit broadly into one of three wide definitions - as a person who takes risks in innovation, as a person who can use his/her abilities and resources and as a person who has personal traits and the personality to become new venture creator.

The Entrepreneur as a person who is willing to take risks through innovation to get returns.

Answering entrepreneur from this perspective means that entrepreneur is defined from an innovation perspective. This corresponds to Cantillon in the 18th century who (allegedly based on his own behaviour) defined the entrepreneur as a risk taker. In the 20th century, the seminal citation would be Schumpeter (1934) describing the entrepreneur as a person who introduces innovation and change. At a national or regional level, many authors see one important role of the entrepreneur as an agent of innovation (see, for example: Acs and Yeung, 1999; Urata, 2000). Clearly, this can result in improvement and maintain competitiveness of a country/region (see, for example: Schramm, 2004).

The Entrepreneur as a person who has an idea, can scan opportunities, allocating-using his/her abilities and resources to establish new ventures through the creation of new products to achieve personal wealth.

This perception of entrepreneur can be related with an economic and management perspectives. Hebert and Link (1989) argued that entrepreneurs from an economics perspective are ... *individuals who specialize in taking responsibility for and making judgmental decisions that affect the location, form and the use of goods, resources or institutions.* From the management perspective, Sahlman and Stevenson, (1991) mentioned that an entrepreneur is *an individual who identifies opportunities, assembled required resources, implement a practical action plan and harvest the reward in a timely, flexible way.*

Results of viewing entrepreneurs from an economic and management perspectives can be seen in the roles of entrepreneurs in the economic performance of a country reflected by GDP, personal and family incomes, structural economic transformation etc. (see, for example: Acs and Yeung, 1999; Wennekers and Thurik, 1999; Fornahl, 2006; Lafuente et. al., 2007; Thurik, 2008).

Table 2: Characteristics of Entrepreneurs

The ten broad categories of response ... an entrepreneur is a person who ..

- 1 has ability to produce new products
- 2 has an idea, can scan opportunities and make them possible to start their own business
- 3 can run and manage their own business given their own ability and resources
- 4 has ability to achieve wealth through certain motivations
- 5 can use resources and manage themselves to achieve wealth
- 6 is willing to take risks in innovation in order to get returns
- 7 has personal attributes to change opportunities into realities
- 8 can create employment from their business and contribute positively to society
- 9 can earn money in his/her own way
- 10 is independent, creative and has self-confidence to run their own business

Outliers: Students whose answers are categorized as 'Others/Un-Categorized' provided answers such as: an entrepreneur is a person who is a non-government employee; an entrepreneur is a trader; an entrepreneur is a person who runs his/her family business, etc.

The Entrepreneur as a person who is independent, creative, 'brave', highly responsible, has self-esteem/self-confidence and has certain motivations to success.

This perception is closely related with the traits, personality and characters of entrepreneurs and the success factors of new ventures. As has been well known, business start up success factors can be influenced by internal and external environment factors, psychological factors and sociological factors (see Rotter, 1966; Gibb & Ritchie, 1985; McClelland, 1987; Dyer, 1994; Boyd & Vozikis, 1994; Grant, 1996; Dobbins and Pettman, 1997; Watson, et. al., 1998; Henderson & Robertson, 1999; Pena, 2002; Bridge et. al., 2003).

Table 3: Findings of Shane et al.**Quantitative**

EM = $f(N\text{-Ach, RT, TfA, LoC, SE, GS})$

EM = Entrepreneurial motivation

N-Ach = Need for Achievement (McClelland 1961) People are motivated to become an entrepreneur because they want and need to achieve a higher/greater degree of taking responsibility for outcomes, using their own skills and efforts, facing moderate degree of risk and need to have clear feedback for their performance.

RT = Risk-taking

Alongside his N-Ach concept, McClelland argued that a risk taking propensity was another motivation for people to become an entrepreneur. People choose an entrepreneurial career because they are able to face moderate risks that arise from their activities in business.

TfA = Tolerance for ambiguity (Schere, 1982; Budner, 1982)

Given that the very nature of an entrepreneurial career is unpredictable, this may well motivate people to choose this career. Those who enter into this career consider that a situation without clear outcomes is an attractive one, rather than threatening proposition.

LoC = Locus of control (Rotter, 1966)

Locus of control is an individual's belief that their actions will affect an outcome. This can be divided into an external and an internal locus of control. Individuals who have an external locus of control believe that the outcome of one activity is out of their control. Whilst one who has an internal locus of control believes that their personal actions will directly affect outcomes of an event. According to Rotter (1966), people who have an internal locus of control will seek entrepreneurial roles because they desire positions in which their actions have a direct impact on results.

SE = Self-efficacy (Bandurra, 1977)

Self-efficacy is closely related with one's self-confidence in doing a specific task. People are motivated to enter into an entrepreneurial career because they have a high degree of self-confidence that they can carry out entrepreneurial tasks and use negative feedback of their actions to improve their performance.

GS = Goal-setting (Baum, et al., 2001)

Another motivation factor for people to choose an entrepreneurial career is the existence of goals and how they can set themselves to achieve those goals. Such a goal will be closely related to individual or corporate performance, this could be measured by financial performance, growth of the firm and/or the ability to innovate

Qualitative

EM = $f(I, D, EP)$

EM = Entrepreneurial motivation

The qualitative point of view in the research on entrepreneurial motivation is based on the work of Locke (2000) in which he found that the entrepreneurial motivation is the function of *independence, drive and egoistic passion*.

I = Independence

Independence is closely related with individual responsibility to every consequence that occurs as the result of their activities and decision. This is one of the motivational factors for people choosing an entrepreneurial career. People with a higher sense of responsibility tend to choose to be an entrepreneur because they can take responsibility of their own life and decisions rather than living off the efforts of others.

D = Drive

Drive means efforts that are taken by individuals to put their ideas into reality. Drive is closely related with the N-Ach for entrepreneurs. We know that people with great ideas will have an ambition to achieve and implement their ideas and they will expend their best efforts to achieve their objectives. Shane et al., (2003) concluded that there are several aspects of drive: ambition, goals, energy and stamina, and persistence, which can be seen in the individuals who choose an entrepreneurial career

EP = Egoistic passion

Shane, et al. (2003) argued that individuals who have *rational egoistic passion* normally love their work, love the process of building an organization and making that organization profitable. Entrepreneurs are motivated to conduct something based on their own interest and do everything necessary to achieve it.

Shane, et al. (2003) argued that most research in entrepreneurship focused only on macro level environmental forces and the characteristics of entrepreneurial opportunities as the main motivations for individual to become an entrepreneur. However, research did not incorporate the fact that human motivation should also be considered as one of the resources for entrepreneurial motivation. Given that the main actor in the entrepreneurial process is an individual, consideration of human motivation in entrepreneurial process should not, and cannot, be neglected. As a convenience, Shane et al. categorise previous research into quantitative and qualitative. A convenient summary of these views can be found in Table 3 above.

Based on the existing studies on entrepreneurial motivation and role models, the significant contribution this paper offers is another determining factor for entrepreneurial motivation, that is '*social influence in the form of the successful entrepreneurial role model(s)*,' which in our case is undergraduate students.

Neither the quantitative nor the qualitative approach attributes sufficient weight to this factor.

$EM = f(\dots\dots\dots RM)$, where: EM = Entrepreneurial motivation and RM = Role Models

THE INDONESIAN CONTEXT

On the one hand, the reason for encouraging entrepreneurial activities in Indonesia comes from the condition of Indonesian economy. The rate of unemployment which grows every year, a huge potential market and demand, cheap labour and natural resources, together with the easy entry and exit into/out of the businesses/markets have made entrepreneurial opportunities in all economic sectors (informal, formal small and medium as well as large enterprises) more available.

On the other hand, the other driving force for entrepreneurial activities in Indonesia comes out of the socio-cultural background of the Indonesian people. People want to break out of the past socio-cultural condition which has mostly hindered entrepreneurship. The feudal culture and collective society have encouraged people, in the past, to work as workers rather than choosing an entrepreneurial career. The existence of figures in Indonesian society is very important. The cultural dimension of Indonesian people measured by Hofstede (1991) as less masculine, having big power distance and uncertainty avoidance also supports the notion that the existence of figures is important to people in the society. These figures are mostly people who are successful in their life, either as politicians, athletes, government officers, leaders of the society (formal or informal leaders), lecturers/researchers, businessmen/women, etc.

METHODOLOGY

Data was collected during May-September 2009 at the Andalas University in Padang, West Sumatra-Indonesia. Students were in their third year (out of four). A two-part questionnaire was distributed to 412 students in the Department of Management with 291 responses. In addition, 52 students from within that sample who were majoring in entrepreneurship in the Department of Management were invited to attend an interview and 38 of them did so. The first part of the two-part questionnaire concerned the identification of their role models; types of influence brought to bear by their role models; their motivation to become an entrepreneur; the process by which their role models can influence them; and their future career plan. Whilst the second part sought to understand their perception about how they defined an entrepreneur.

The Questionnaires: In the first part, students were asked to identify their role models, types of influence that they got from their role models, their motivation to become an entrepreneur, the process on how their role models can influence them and their future career plan. Open-ended and Likert-scaled questions were used. The second questionnaire concerned the students'

perception concerning their definition of the entrepreneur. This will be used as a baseline study to understand the perception of the students about entrepreneurs and entrepreneurship. Students varied in the complexity with which they perceived the term.

Population and Samples: The sample frame for the research was undergraduate students in the third year of a four year programme in the bachelor program (this equates to being in semester five of the eight semester programme) of the Faculty of Economics of Andalas University in Padang, West Sumatra-Indonesia. Students had to be within some form, and this could be very loose, of an entrepreneurial network. Being an entrepreneur, knowing (of) a local entrepreneur; having parents or relatives who were entrepreneurs, being on course majoring in entrepreneurship, would all qualify in this respect. The authors wanted to be as inclusive as possible. Gender played no part in selection. These criteria drew 421 eligible students from an overall population of 2000. Of these, 291 responded to the questionnaire (n=71%). From that sample, 52 students were invited to attend the interview, of which 38 attended. The questionnaire was distributed to all the students in the Department of Management whilst the interview was specifically targeted at those students majoring in entrepreneurship in the Department of Management. This paper does not consider the interview transcripts.

FINDINGS AND RESULTS

The Sample Profile

Table 4: Respondents - Age and Gender

Age	female	male	TOTAL
20	19.2	10.3	30
21	21.0	16.8	38
22	11.3	9.3	21
23	2.7	5.2	8
24	0.3	2.1	2
25	0.3	0.7	1
26	0.3	0.0	0
28	0.3	0.3	1
percentage	55.3	44.7	100
actual	162	129	291

Percentages are rounded; n = 291; 0.3% is one person

**Table 5: Respondents' Age and Year of Study
Cross tabulation**

Age	Respondent's Year of Study			Total
	3	4	5	
20	85	1	0	86
21	100	10	0	110
22	13	46	1	60
23	0	19	4	23
24-28	1	2	9	12
Total	199	78	14	291

Identification of Role Models

Table 6: Who Is/Are Your Role Model/s?

	percentage	frequency
Father	43.6	127
Entrepreneur	32.3	94
Mother	7.9	23
Teachers	5.2	15
Uncles-Aunties	3.8	11
Friends	1.7	05
Sibling	1.7	05
Boyfriend/Girlfriend	0.3	01
Missing	3.4	10
Total	100.0	291

Respondents chose the following as their most important role models with parents, especially their father as the most important. Parents and siblings are positioned as the role models who are very close to the students. The daily life of the students will normally happen within a family environment. Students interact with them in their daily life, getting close, and being used to sharing and knowing what is happening with others. Aunts/uncles, friends and boyfriend/girlfriend are role models who live in the close social network of the students. Students know them well but do not interact intensively and share everything with them. The last construct of role model is entrepreneurs, who are not known by the students personally. They come from other environments, other family and 'other world', but they might impress students with their performance, quality and qualifications. If the construct of the role models above is related to their proximity to the students, then the position of each role model for the students can be seen in Table 7 below.

Table 7: Role Models in Social Networks

Role Models		
Role models in very close social network	Role models in close social network	Role models who are not known personally
	Aunts and uncles	Inspiring Entrepreneurs
	Friends	
Siblings (brothers and sisters)	Boyfriends and girlfriends	

Role Model Impression

Students were asked about the most important impression that leads them to consider treating someone as their role model. Most thought that that charisma and reputation were the most important reasons that would lead them to consider someone as their role model. The following table illustrates.

Table 8: Type of Role Model Impression

	percentage	frequency
Missing	3.1	9
Charisma	55	160
Reputation	28.5	83
Peer Pressure	8.6	25
Media Exposure	4.8	14
Total	100	291

Influence of Role Model on Entrepreneurial Career

In this part, students were asked to choose the most important influence that has been given by their role model to their life, in terms of their future life to become an entrepreneur. Around 40% think that their role models give them an overview for their future life to become an entrepreneur. The role models can also guide them for choosing an entrepreneurial career (24.7%) and change their beliefs about an entrepreneurial career (14.1%).

Table 9: The Form of Influence Given by Role Models in Relation to Student Entrepreneurial Career

	percentage	frequency
Missing	3.1	09
Overview of the future life	39.9	116
Guidance for the future life	24.7	72
Changing perspectives and attitudes toward entrepreneurial career	11.0	32
Realize that entrepreneurial career is a fit with personality & character	3.1	09
Changing beliefs about an entrepreneurial career	14.1	41
No change regarding entrepreneurial career	4.1	12
Total	100	291

At this stage of the research the authors have run some Pearson correlations on the data concerning the existence of role models and their influence on students' future ambition and intention to become an entrepreneur. To measure the degree of motivation given by each role model, students were asked to use a 1- 5 Likert Scale. The scale ranged from 1 as the 'most influence' to 5 as 'no-influence' at all. Parents exhibit a statistically significant (but weak) influence (0.01 significance level, 0.246); entrepreneurial stories also (0.01 significance level; 0.216). Friends as role models is the curiosity given that it is negatively signed.

IMPLICATIONS AND DISCUSSION

General

There are several role model constructs for students, with parents, (particularly their fathers) and entrepreneurs being the most important role models in influencing them to become an entrepreneur. Thus it is important to involve them in nourishing student entrepreneurial motivation. The result of this

study is similar to Gibson and Cordova (1999) who mentioned that the early role models for individuals are normally their parents and the later role model is usually one who comes from '*wider arena*'.

The study also found that students mostly choose their role models based on charisma and reputation. Charisma comes from students' impression of someone and this arises from someone who is living very close to them where they can have daily interaction. Their impression for reputation comes from either someone who is living close, or far away from them, and this can be their relatives and/or non-relatives. This finding relates to the most chosen role models by the students (parents and entrepreneurs) where charisma is represented by parents as the role models with entrepreneurs, (albeit parents as well), representing the reputation dimension of role models.

The form of influence by role models also strengthens the above summary. Students thought that their role models can 'overview' their future life to become entrepreneurs, and the most suitable person to do this is their parents, who for them exhibit charisma. Students also believed that their role models can guide them and change their beliefs about becoming an entrepreneur. The possible role model to do this would be entrepreneurs, who have experience and success in the business.

The findings of this study also show an interesting result, where the students think that their friends are 'negatively correlated' to their motivation to become an entrepreneur. It would be interesting to find out why students think that their friends are not a suitable person to motivate them to become an entrepreneur. Is this a sign that friends cannot in general be treated as role models? Or, is it that the horizontal hierarchy in the social network does not allow someone to be treated as a role model because of a low awareness from other individuals?

This study also suggests further research areas in differentiating role models and their influence for students as potential nascent entrepreneurs compared to appropriate role models for early stage young entrepreneurs (who have already started their business).

In relation to entrepreneurship education in universities, this study implies that there should be continued action to link 'university' and student role models to motivate students to choose an entrepreneurial career. Parents as well as entrepreneurs are the most suitable persons for this, and a university should be both aware and consider their particular influence to motivate students to become an entrepreneur. Universities should facilitate this by designing and focusing particular entrepreneurship education, either formally or informally, in which the role model roles and participation should be actively involved.

For the Interface

Are appropriate marketing and entrepreneurial roles models the same?

How does a rigorous and not very embracing definition of entrepreneurship (for example, Schumpeter) affect our choice of appropriate role models compared to a more encompassing definition of entrepreneurship that just focuses on the act of creating the business (Gartner)?

What is the balance between drawing upon, and exploiting, existing role models and encouraging students to develop new role model relationships?

If role models are embedded and drawn from the past – then should, and how, do we engage and manage these? Charisma and reputation are not seen as the same whilst the comparative strength of entrepreneur role models seems to reside in the latter.

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Involving the Entrepreneurial Role Model: A Possible Development for Entrepreneurship Education

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ABSTRACT

This paper offers and discusses an alternative way to delivering entrepreneurship education to students in higher education institutions through the involvement of a role model(s) in entrepreneurship teaching and learning. A previous study with students in an Indonesian university showed that the role model is in position to give positive influence to their entrepreneurial motivation, and furthermore, the choice for a future career as an entrepreneur. As a further development, this paper outlines a model whereby the appropriate role of the dominant entrepreneurial role models (who are parents, entrepreneurs and teachers/lecturers) are integrated one with the other and can be used as a source of an entrepreneurial learning process. The lecturer can take on the major task as the facilitator to encourage students to seek the appropriate knowledge about entrepreneurship in this integration whilst the other two constructs can take on their major tasks to act as sources of informal entrepreneurial learning (through social and active learning). Entrepreneurs in particular, can act as a 'business father or mother' to whom students can talk and with whom they can establish a longer informal relationship.

This paper argues that whilst this model can be implemented successfully it is critical that a suitable and proper institutional setting -in terms of curriculum arrangement -alongside the availability of supporting facilities and infrastructures be arranged and addressed to support it.

Keywords: entrepreneurship education, entrepreneurial role models, institutional setting

INTRODUCTION

Entrepreneurship has become an economic panacea seen as both generating employment and economic prosperity in developed and developing countries (Kuratko, 2005; Matlay, 2006). The growing interest in entrepreneurship teaching and research (Jones and English, 2004) simultaneously increased the enthusiasm of students for taking part in an entrepreneurship course. They have become the most popular course in the USA for college and university students, followed by small business management and new venture creation (Solomon, 2007). Entrepreneurship is offered as a specific subject of education to be delivered as it is believed that education plays an important role in the process of entrepreneurial capacity (Hannon, 2006). This importance can be seen in the 2008 Global Entrepreneurship Monitor (GEM) which devoted their 2008 special topic to Entrepreneurship Education and Training.

Rae (2010) argued that universities and their provision of education and learning for entrepreneurship must respond to the new economic era and the subsequent global recession. To respond to this, entrepreneurship education should be prepared for all university students regardless of their majors in order to improve their competitive advantage, not only for themselves but also for the nations and societies in which they involved (Lee, Chang and Lim, 2005). Unfortunately, entrepreneurship is often delivered through a normative theory-based approach rather than the pragmatic approach that is more contextual, experiential and reflexive. So students are only equipped with knowledge *about* entrepreneurship to stand alongside their traditional business-management skills and knowledge (Taataila, 2010). Although scholars have developed and offered some contemporary ways for

entrepreneurship teaching and learning, they also have realized that several factors (such as teaching and learning facilities and infrastructures, social and cultural influences, and curriculum) matter equally much in entrepreneurship education (see the studies of Higgins and Mirza, 2012, Carver, et al., 1996, Souitaris et al., 2007, Aronsson, 2004, Fiet, 2000, Jones-Evans et al, 2000, Jack and Anderson, 1999, Gorman et al, 1997,). One thing in principle is that entrepreneurship education should be better schemed, and therefore, it needs a proper and suitable institutional setting to foster delivery.

This paper offers an alternative for delivering entrepreneurship as a part of the education for students in higher education institutions by arguing that the role model can be involved in entrepreneurship education – as it relates positively to students’ entrepreneurial motivation and the choice of a future career as an entrepreneur.

THEORETICAL OVERVIEW

Despite the problem of a lack of consensus over the definition of entrepreneurship which has resulted in a lack of a suitable pedagogical paradigm for entrepreneurship education, some scholars have tried to define what is entrepreneurship education, for example, Heinonen and Poikkijoki (2005): “*entrepreneurship education is the activities aimed at developing enterprising or entrepreneurial people and increasing their understanding and knowledge about entrepreneurship and enterprise*”. Unfortunately, even this definition cannot resolve the question and debate about how entrepreneurship education should be carried out. In addition, Jones and Iredale (2010) also identified another problem that relates to entrepreneurship education. They identified the problem of terminology within the continuums of enterprise and entrepreneurship education by arguing that there should be a clear separation between ‘entrepreneurship’ education and ‘enterprise’ education as both of these display differences in their focus and objectives. In a research regarding the learning process in entrepreneurship education, Fayolle and Gailly (2007) have mapped the key dimensions of learning processes in entrepreneurship education and the alternative teaching models that can be chosen which are summarized in Table One. Combining these two approaches we conclude on the distinction between the entrepreneurship education and enterprise education continuum in Figure One.

Although Figure One has clearly demonstrates the distinction, one thing the scholars have in common is the principle that the entrepreneurship education should rely on the adequacy regarding the objectives, characteristics of the audience and the existence of the institutional context that can influence contents and the constraints of entrepreneurship education. The tension to be resolved should not be to find which terminology is the most suitable for use – but rather to explore and to focus on what are those suitable teaching and learning methods that will be effective in delivering the course(s), be it either entrepreneurship or enterprise education. Related to this, there does seem to be an informal understanding between scholars that the ‘learning’ approach which accommodates the formal and informal learning possibilities will be more successful in entrepreneurship education rather than the ‘teaching’ approach. Rae (1999) when considering a basic approach to entrepreneurship education and entrepreneurial learning for university students argued that the sources of entrepreneurial learning should be active, social and formal. He further proposed that there should be changes to the content of the courses from ordinary business skills-knowledge and understanding to the development of the students’ entrepreneurial skills, attributes and behaviours. This is also supported by Gibb (1996) who said that the process of learning should also be shifted from the traditional learning processes into an “*entrepreneurial learning processes*”. Thus, the challenge for entrepreneurship education is to establish, develop and maintain a system of learning (and assessment) that can add to the traditional ways of learning and developing its students with the skills, personality attributes and behavioural characteristic of the enterprising, or entrepreneurial, individual (Kirby,

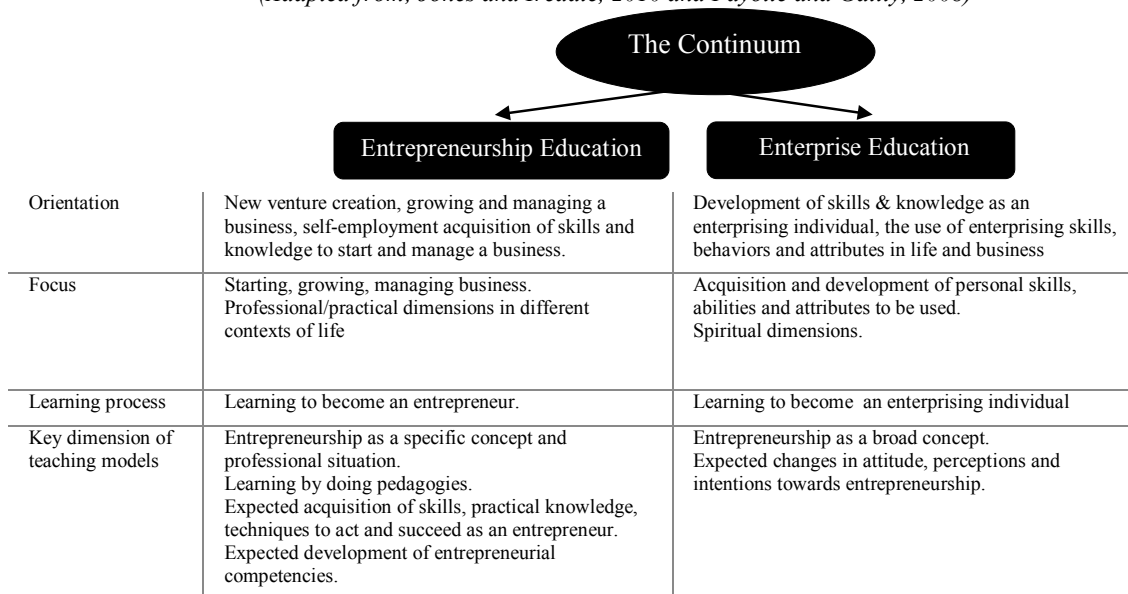
Table 1

Key Dimensions of the Learning Processes in Entrepreneurship Education (*Adapted from Fayolle and Gailly, 2007*)

Learning process	Key dimensions of the teaching model
Learning to become an enterprising individual	Entrepreneurship as a broad concept Focus on spiritual dimensions (know why and know when) Expected changes in attitude, perceptions and intention toward entrepreneurship Large diversity of audiences: students in business & non-business fields High importance of entrepreneurs as role models in the classroom
Learning to become an entrepreneur	Entrepreneurship as a specific concept and professional situation (independent entrepreneurship, corporate entrepreneurship) Focus on professional/practical dimensions (know what, know how, know who). Learning by doing pedagogies. Expected acquisition of skills, practical knowledge, techniques to act and succeed as an entrepreneur. Expected development of entrepreneurial competencies Main audiences: would-be entrepreneurs working or having a real and concrete entrepreneurial project
Learning to become an academic	Academic conception of entrepreneurship Focus on theoretical dimension Didactical educational model Discussion in the classroom of research issues Main audiences: PhD students, teachers and researchers Expected acquisition of theoretical and scientific knowledge

Figure 1

The Continuum of Entrepreneurship and Enterprise Education
 (*Adapted from; Jones and Iredale, 2010 and Fayolle and Gailly, 2008*)



From the bundle of studies and research regarding entrepreneurship education amongst countries, Mwasalwiba (2010) summarised the general objectives of entrepreneurship education in various countries as comprising of: (a) increasing entrepreneurial spirit/culture/attitudes (34% amongst the recorded studies and research); (b) start-up and job creation (27%); (c) making a contribution to the society (24%); and, (d) stimulating entrepreneurial skills (15%). These objectives led to the possible choice of teaching methods, which can be categorized into traditional methods (comprising normal lectures) and innovative methods which are more action-based (Arasti, Falavarjani and Imanipour, 2012), or in another terminology, passive and active methods (Mwasalwiba, 2010). To name some detail teaching and learning methods in entrepreneurship, Pittaway and Cope (2007) through a Systematic Literature Review identified: the use of the classic approach (Benson, 1992); action learning (Leitch and Harrison, 1999); new venture simulations (Clouse, 1990; Kelmar, 1992);

technology based simulations (Low, Venkataraman and Srivatsan, 1994; Hindle, 2002); the development of actual ventures (Haines, 1988); skill based courses (Ullijn, Duill and Robertson, 2004); video role plays (Robertson and Collins, 2003); experiential learning (Sexton and Upton, 1987; Daly, 2001); and mentoring (Stewart and Knowles, 2003). Lourenco and Jones (2006) further strengthen that mixture and collaboration of traditional approaches (lectures and seminars) by discussing transmissive methodologies (Sterling, 2001:36) associated with the transfer of information through more enterprising and interactive approaches (company visits, in-depth discussions with real entrepreneurs, activities) which use transformative methodologies – so engaging learners in constructing and owning their learning – and so possibly providing the best learning style for nascent entrepreneurs. Arasti, Falavarjani and Imanipour (2012) found that case study and projects, (either group or individual), problem solving and a project for establishing new venture creation are the most appropriate methods for engaging students in entrepreneurship. Furthermore, reflecting on interactive approaches which use transformative methodologies, Kuckertz (2013) emphasized two possible prominent learning methodologies that may raise the entrepreneurial attitudes of students. They are firstly: the exposure of students in class to specific role models such as successful entrepreneurs (Aronsson, 2004, Souitaris et. al., 2007 and Carver, et. al., 2010). Related to the choice of role model entrepreneurs for students, Kuckertz (2011) further suggested that they are better to be: (a) younger entrepreneurs who are two or three years ahead of the student, and (b) those to whom students can easily relate. Secondly, project based learning (Gorman, et al., 1997) and learning by doing (Fiet, 2000), for instance, the involvement of students in actual start-ups or student consulting to entrepreneurs. As a possible further development in entrepreneurship education, Higgins and Mirza (2012) for example, suggested that entrepreneurial education should consider a more reflexive practice-oriented education agenda and approach that involve self-conception of what does it mean to be an entrepreneur.

THE CONSTRUCT OF ROLE MODELS, ENTREPRENEURIAL MOTIVATION AND A FUTURE CAREER AS AN ENTREPRENEUR

The concept of the entrepreneurial role model introduced by Gibson (2004) defined the role model, identified the dimensional approach of the role model, discussed characteristics that differentiate a role model from a mentor model or a behavioural model; and the reason why an individual is appointed to become a role model by other individuals. The definition of the role model as suggested by Gibson (2004) is “*a cognitive construction based on the attributes of people in social roles an individual perceives to be similar to him or herself to some extent and desires to increase perceived similarity by emulating those attributes*”

However, Gibson (2004) did not further clarify the impact and relationship between the existence of role models and individuals, especially to individuals’ entrepreneurial motivation and their possible future career to become an entrepreneur. The rationale and relationship between the construct of role model, entrepreneurial motivation (in particular students in higher education institutions) and possible future career as an entrepreneur was introduced by Rahman (2013). He identified several possible constructs of role model and found that some role models, indeed, have a positive relationship to entrepreneurial motivation and the future career choice to become an entrepreneur. This is shown in Table Two. In all matters, parents and entrepreneurs are the perfect people on whom the students can rely on for their future career and entrepreneurial motivation. The constructs of siblings, uncles/aunties and friends are in a moderate position to influence the future career of the student (meaning that siblings, uncles-aunties and friends can only give insights on entrepreneurial career but they have no ‘personality power’ to encourage the students to take any further actions into an entrepreneurial career). This circumstance has further led to the fact that these three constructs of the role model have no significant correlation to student entrepreneurial motivation. The ‘*ambiguous*’ position is shown by the teacher/lecturer as a construct of role model. On the one hand, the students think their teacher/lecturer is one of the people who can influence their future career but on the contrary, they think their teacher/lecturer have no correlation to their entrepreneurial motivation. This indicates one thing: reputation of the teachers/lecturers and their formal interrelationship with the

students can only give insights to the future career of the students but not markedly influence their entrepreneurial motivation.

THE INVOLVEMENT OF ROLE MODELS IN ENTREPRENEURSHIP EDUCATION

The previous study by Rahman and Day (2012) implied that there is a possibility to use the role model construct in the social environment of an individual. Strengthening entrepreneurial motivation will further lead to strengthening the traits and personality of aspirant entrepreneurs.

Table 2

The Influence of the Construct of Role Models to Student Future Career Choice and Their Relationship to Student Entrepreneurial Motivation

No	Possible Degree of Influence for Future Career	Construct of role models according to their proximity to students						Not Known Personally Successful Entrepreneurs
		Very Close		Close				
		Parents	Siblings	Uncles / Aunties	Friends	Boyfriends / Girlfriends	Teachers / Lecturers	
1	Positive	√					√	√
2	Moderate		√	√	√			
3	Negative					√		

No	Correlation to Entrepreneurial Motivation	Construct of role models according to their proximity to students						Not Known Personally Successful Entrepreneurs
		Very Close		Close				
		Parents	Siblings	Uncles / Aunties	Friends	Boyfriends / Girlfriends	Teachers / Lecturers	
1	Positive	√						√
2	No correlation		√	√	√	√	√	

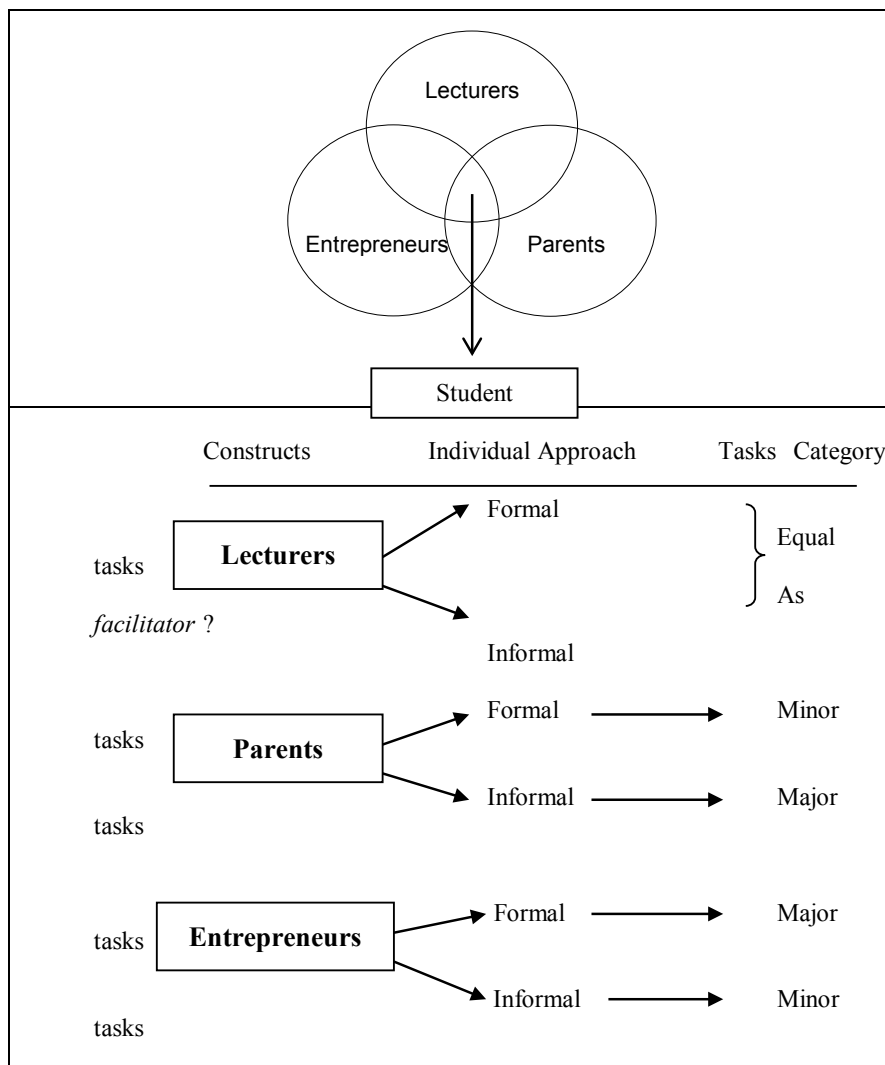
Consequently, the use of role model constructs in strengthening traits and personality of the aspirant entrepreneur should also be better *schemed* in suitable arrangements either in formal or informal ways. In a formal way, this will relate to the involvement of the role model construct in entrepreneurship education (teaching & learning, training, workshops and seminars), whilst in an informal way this relates to the consideration of the social culture in which norms, values and wisdoms are taking place. As argued by Kirby (2002), the challenge of entrepreneurship education is to develop a system of learning (and assessment) that complements the traditional ways of learning and developing students with the skills, attributes and behaviours characteristic of the enterprising or entrepreneurial individual. Edwards and Muir, (2004) further strengthened Kirby (2002). Therefore, an arrangement and possible scheme to involve and integrate roles of dominant entrepreneurial role models consisting of: (1) parents, (2) entrepreneurs, and (3) lecturers in entrepreneurship education can be identified. The roles can be seen as a possible *specific task* that can be carried out by each role model. Using *individual approaches* as the consideration, the integration of roles of the dominant role models with students can be viewed in the following figure.

Figure Two shows that students are positioned in the centre of integration between the three dominant role models and they can take benefits from this integration. Tasks that should be done by each of the dominant role model are categorized into two categories: (1) *major tasks* and (2) *minor tasks*. The lecturer in this integration is in an important position as a *facilitator* who can facilitate the involvement of the two other dominant role models (parents and entrepreneurs). They may have a major task to encourage students to seek the appropriate knowledge in entrepreneurship and to become aware of entrepreneurship as a possible choice for their future career, and further, identifying and appointing possible and suitable role models who can share their experience in the classroom and establish a longer informal communication and interaction with students. As Aronsson, (2004), the role of educators is to foster entrepreneurial attitudes of their students, and so is less about changing

them directly, but rather increasing awareness of entrepreneurship as an alternative career choice and creating an environment that can foster entrepreneurial behaviour. As a general qualification, the lecturer is better being a person who engages in business and management practice, or at least, who is aware of it. Most importantly, the lecturer needs to show and express a willingness to explore new frameworks of knowledge transfer and development. The major task of entrepreneurs is to expose the real world scenarios of becoming an entrepreneur, offer continuous practical assistance and advice and be ready to be a '*business*' father or mother' with whom students can establish a longer and an informal relationship.

The entrepreneur is appointed by the students as their role model through their recognising and considering that they have a solid reputation as an entrepreneur and possibly, charisma. Therefore, it becomes important that this entrepreneur would be better to be an educationally empathetic person; still relatively young; has had the business since establishment; and has a strong commitment to give their time and share their experience to guide the student. It is hoped that parents who are entrepreneurs get involved in this model as they are the most influential role model for students. The major task of parents can be related to developing and improving student awareness regarding entrepreneurship as a possible future career, to give insights about other work and jobs (apart from just being an employee) and to support the choice of the future career by students. As students appointed parents as their role model based on the reason of charisma, it would be important for them to offer an informal approach (communication and interaction) and in a longer timeframe to raise student awareness. Parents should be wise in their counsel and communicate and interact with students with respect for their plans for their future life. Therefore, parents who can act as friends would be needed in this task.

Figure 2
 Role Integration of Dominant Entrepreneurial Role Models in Entrepreneurship Education



Interesting issues are raised for managing role models within the classroom. We have to manage a complex selection of role models; some of them will exert a physical and contemporary influence, (the guest entrepreneur). Others will have played a role in an environment outside of the classroom and their influence may be both now and in the past, for example, parents. So the educator needs to not only draw upon contemporary and previous influences but also to manage a range of internal and external influences whilst taking into account their relative impact on the student. Of course, an entrepreneurship (education) orientation has already made common the bringing of entrepreneurs into the classroom, however this is usually only for a limited and contained period of time. This paper implies that there should be more frequent interaction between students and entrepreneurs in the classroom. Such will allow the creation of the *closure mechanism* between students and entrepreneurs, whereby students will adopt and appoint entrepreneurs as their role model. There should also be a tripartite and close interpersonal relationship between teachers/lecturers-parents-entrepreneurs in guiding those students who have entrepreneurial projects, interests and motivation. Close cooperation between universities and actors (role models) would be a sensible route to choose, including actors outside of the traditional classroom network both in reach and time. If parents are a large pre-university influence then should we reach out to them, and incorporate them, prior to their children attending university?

CONCLUSION

As our previous study, we found that students react positively towards the existence of role models for their entrepreneurial motivation and their future career to become an entrepreneur. We found that the constructs of parents, entrepreneur and teacher/lecturer are the most likely persons who can influence their entrepreneurial motivation and a future career in entrepreneurship. We believe that this could be used as an alternative way in entrepreneurship education and an associated entrepreneurial learning process by arguing that the involvement of role models will also be effective in entrepreneurship education. We offer a model where the role of dominant entrepreneurial role models is integrated in entrepreneurship education for students in higher education institutions – in which every role model has its own specific major and minor tasks. However, arrangements should be made for a proper, and suitable, institutional framework and setting to support its implementation, particularly in terms of curriculum arrangement alongside the availability of supporting facilities and infrastructures be arranged and addressed to support it.

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Joint Author Declarations

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JOINT AUTHORSHIP DECLARATION PHD BY PUBLICATION

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Title of investigation: PhD by Published Work

**THE MARKETING-ENTREPRENEURSHIP INTERFACE: A CONCEPTUAL
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Day, J. with Reynolds, P.L. (1996). Reviewing and Defining the Marketing / Entrepreneurship Interface: Progress and Developments from the Research at the Marketing / Entrepreneurship Symposia, 1987-1994. In G.E. Hills, R.D. Teach, & G.M. Guerson (Eds.) *Research at the Marketing/Entrepreneurship Interface* (pp.331-342). Chicago, IL: Institute for Entrepreneurial Studies, University of Illinois at Chicago.

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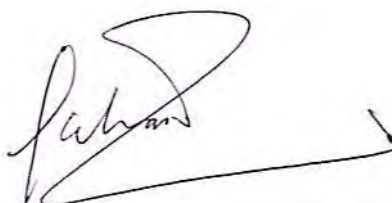
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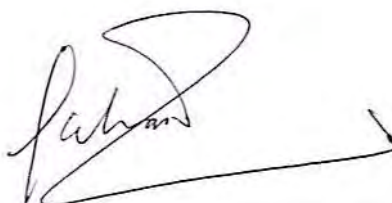
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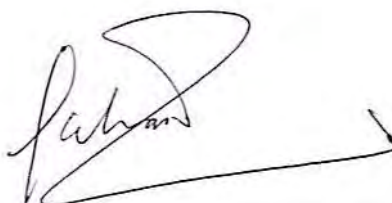
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(Co-Author)


Dr P L Reynolds

Date: 23rd December 2014

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THE UNIVERSITY OF HUDDERSFIELD
UNIVERSITY RESEARCH COMMITTEE
JOINT AUTHORSHIP DECLARATION PHD BY PUBLICATION

Candidate: John Day

Title of investigation: PhD by Published Work

**THE MARKETING-ENTREPRENEURSHIP INTERFACE: A CONCEPTUAL
AND PRACTICAL CRITIQUE OF THE ROLE OF ENTREPRENEURSHIP**

Title of publication (including citation):

Day, J. with Reynolds, P.L. (1999, August). *The Marketing of Public Sector Building Services in a changing Regulatory Framework - Does 'Best Value' Herald a Visionary Future?* Paper presented at the American Marketing Association and the University of Illinois at Chicago – UIC Symposium on Marketing and Entrepreneurship, San Francisco, CA. 6th - 7th August.

Please indicate candidate's contribution to publication: 70%

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Day, J. with Samer, M. Al-Mohammad, & Cook, J. (2003, August). *Considering the Role and Impact of Market Orientation and Entrepreneurial Orientation on the Performance of Marketing Information Systems (MkIS) within Large Organisations: A Case Study of UK Financial Services*. Paper presented at the American Marketing Association and the University of Illinois at Chicago – UIC Symposium on Marketing and Entrepreneurship, Chicago, IL.

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UNABLE TO LOCATE
SAMAR + TO GET A
RESPONSE.

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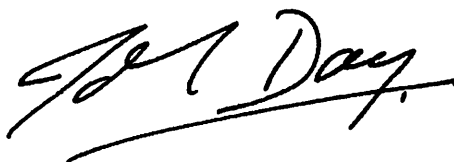
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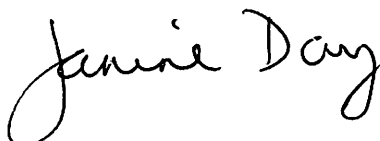
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JOINT AUTHORSHIP DECLARATION PHD BY PUBLICATION

Candidate: John Day

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Day, J. with Kuah, A.T.H. (2010). Measuring Clustering Benefits and Competitiveness: What Do Players Really Value? *Singapore Management Review*, 32 (2), pp. 1-24.

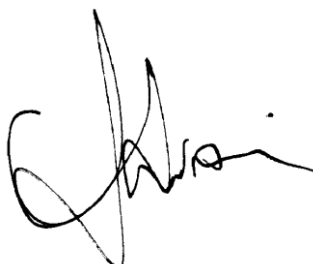
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Date: 24 Dec 2014

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Candidate: John Day

Title of investigation: PhD by Published Work

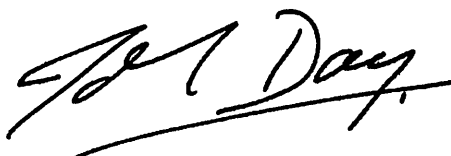
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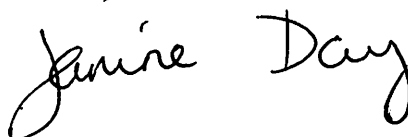
Please indicate candidate's contribution to publication: 70%

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Day, J. with Muhammad, N. (2012, November). Growth and Entrepreneurial Orientation Behaviours of SMEs in a Conflict Environment: Swat Valley Pakistan. In *ISBE: Creating Opportunities through Innovation: Local Energy, Global Vision*. November
<http://www.isbe.org.uk/Muhammad12>

Please indicate candidate's contribution to publication: 50%

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Date: 04/01/2015

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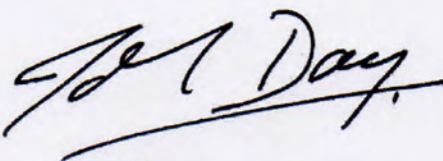
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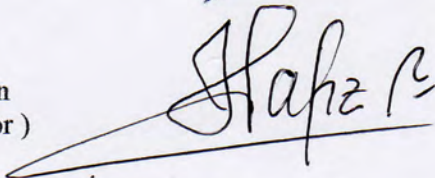
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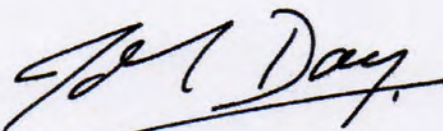
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