

EXPLORING ENTREPRENEURSHIP

3RD EDITION

RICHARD BLUNDEL, NIGEL LOCKETT, CATHERINE WANG & SUZANNE MAWSON



online
resources 



EXPLORING ENTREPRENEURSHIP

3RD EDITION

RICHARD BLUNDEL, NIGEL LOCKETT, CATHERINE WANG & SUZANNE MAWSON



Los Angeles | London | New Delhi
Singapore | Washington DC | Melbourne



Los Angeles | London | New Delhi
Singapore | Washington DC | Melbourne

SAGE Publications Ltd
1 Oliver's Yard
55 City Road
London EC1Y 1SP

SAGE Publications Inc.
2455 Teller Road
Thousand Oaks, California 91320

SAGE Publications India Pvt Ltd
B 1/I 1 Mohan Cooperative Industrial Area
Mathura Road
New Delhi 110 044

SAGE Publications Asia-Pacific Pte Ltd
3 Church Street
#10-04 Samsung Hub
Singapore 049483

Editor: Matthew Waters
Assistant editor: Jessica Moran
Editorial assistant, digital: Katherine Payne
Production editor: Sarah Cooke
Copyeditor: Christine Bitten
Proofreader: Katie Forsythe
Indexer: Judith Lavender
Marketing manager: Lucia Sweet
Cover design: Francis Kenney
Typeset by: C&M Digital (P) Ltd, Chennai, India
Printed in the UK

© Richard Blundel, Nigel Lockett, Catherine Wang and
Suzanne Mawson 2021

This third edition published 2021.

Apart from any fair dealing for the purposes of research, private study, or criticism or review, as permitted under the Copyright, Designs and Patents Act, 1988, this publication may not be reproduced, stored or transmitted in any form, or by any means, without the prior permission in writing of the publisher, or in the case of reprographic reproduction, in accordance with the terms of licences issued by the Copyright Licensing Agency. Enquiries concerning reproduction outside those terms should be sent to the publisher.

The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States. <https://www.un.org/sustainabledevelopment/>

Library of Congress Control Number: 2021932856

British Library Cataloguing in Publication data

A catalogue record for this book is available from
the British Library

ISBN 978-1-5297-3372-3
ISBN 978-1-5297-3371-6 (pbk)

At SAGE we take sustainability seriously. Most of our products are printed in the UK using responsibly sourced papers and boards. When we print overseas we ensure sustainable papers are used as measured by the PREPS grading system. We undertake an annual audit to monitor our sustainability.

CONTENTS

<i>About the Authors</i>	vi
<i>Preface</i>	viii
<i>Acknowledgements</i>	xii
<i>How to Use the Online Resources</i>	xiii
<i>Praise for the Book</i>	xiv
1. Introduction	1
2. Varieties of Entrepreneurship	16
PART I Entrepreneurship in Practice	45
3. Visions: Creating New Ventures	47
4. Opportunities: Nurturing Creativity and Innovation	78
5. People: Leading Teams and Networks	106
6. Markets: Understanding Customers and Competitors	135
7. Operations: Implementing Technologies, Processes and Controls	164
8. Accounts: Interpreting Financial Performance	187
9. Finances: Raising Capital for New Ventures	217
PART II Perspectives on Entrepreneurship	245
10. Research Matters: Introduction and Overview	247
11. Individual Perspectives: Beyond the 'Heroic' Entrepreneur	278
12. Social Perspectives: Understanding People and Places	307
13. Economic Perspectives: Influences and Impacts	343
14. Historical Perspectives: The 'Long View'	375
15. Political Perspectives: From Policy to Practice	409
16. Reflections: Entrepreneurial Learning	439
<i>Glossary</i>	475
<i>Index</i>	481

ABOUT THE AUTHORS

Richard K. Blundel is Professor of Enterprise and Organisation in the Department for Public Leadership and Social Enterprise at The Open University. He has been involved in creating and leading several new undergraduate and postgraduate courses in entrepreneurship and innovation. Richard's current research focuses on promoting environmental sustainability in SMEs. He also examines growth and innovation in craft-based firms, such as cheesemakers, small boat builders, furniture designer-makers and brass musical instrument manufacturers. His work has been published in journals such as *Business & Society*, *Business Strategy and the Environment*, *Entrepreneurship & Regional Development*, *Enterprise & Society* and *The Journal of Small Business Management*. He has also contributed two articles, on artisan production and industrialisation, to *The Oxford Companion to Cheese* (Oxford University Press, 2016).

Nigel Lockett is Professor of Entrepreneurship and Head of the Hunter Centre for Entrepreneurship at the University of Strathclyde. He is a senior academic, experienced manager, serial entrepreneur and community leader. In 2015, he was awarded a prestigious National Teaching Fellowship for outstanding contribution to enterprise in higher education. Nigel also has over 25 years' experience as a company director, with a track record in managing start-up, joint venture and social enterprises. His current research interests focus on academic entrepreneurship, entrepreneurial learning and the use of customer relationship management (CRM) technologies by SMEs. Recently, he was a Co-Investigator on the £7 million GCRF RECIRCULATE project – 'Driving eco-innovation in Africa: Capacity-building for a safe, circular water economy'. Nigel is a Fellow and Past President of the Institute for Small Business and Entrepreneurship.

Catherine L. Wang is Professor of Entrepreneurship and Strategy at the Brunel Business School, Brunel University London. She has been involved in creating the undergraduate programme in entrepreneurship and innovation. Catherine's research interests are at the intersection of entrepreneurship, innovation and strategy, and in particular, how firms can turn strategic and entrepreneurial resources and capabilities into successful innovation and firm performance in both commercial and social enterprises. Her work has been published in journals such as *Entrepreneurship Theory & Practice*, *British Journal of Management*, *International Journal of Management Reviews*, *Journal of Business Research*, *International Small Business Journal* and *Journal of Small Business Management*. Catherine has also co-edited books on entrepreneurial learning and cross-cultural research methods.

Suzanne Mawson is a Senior Lecturer in Entrepreneurship at the Hunter Centre for Entrepreneurship at the University of Strathclyde, where she teaches creativity and entrepreneurial thinking at Masters and MBA level. She is an expert in business development and growth, with particular expertise in programming and interventions to support ambitious and growth-oriented firms. Suzanne's research interests also cover alternative entrepreneurial finance such as crowdfunding, as well as start-up and growth-oriented entrepreneurship in migrant and refugee communities. Her research has been published in a range of leading entrepreneurship and management journals including *International Small Business Journal*, *Entrepreneurship & Regional Development* and *Industrial Marketing Management*. She also co-authored the social enterprise textbook *Social Entrepreneurs: Can They Change the World?* (Macmillan, 2017).

PREFACE

AIMS AND APPROACH

We have written this book to help you to explore entrepreneurship in all its complexity and variety. Our approach is based on the view that some subjects, such as medicine, engineering and entrepreneurship, are particularly well-suited to experience-based learning. The basic idea is that people can learn a lot more if they are able to connect the research evidence and the theory to some kind of direct personal experience. The nature of this 'experience' depends a great deal on what you are studying. For example, a medical student spends time working in different parts of a hospital, while an engineering student might design a new product or test some materials in a laboratory. Providing practical experience is more difficult for entrepreneurship students, but it is possible to re-create some aspects of a 'real-life' experience using new venture exercises, business plan competitions and computer simulations. In this book, we provide support for all three types of activity. However, experience-based learning is about more than just having an experience. Some of the most important learning happens when practical activity is combined with well-structured reflection. With this in mind, we have designed the book around three related aims:

1. to help you gain essential practical skills and underpinning knowledge, and reflect on the challenges involved in creating an entrepreneurial venture, either individually or as part of a team;
2. to help you develop a deeper understanding of entrepreneurship, as you make connections between your experiences, relevant theoretical concepts, research findings and the experiences of others;
3. to encourage you to take part in a broader debate about entrepreneurship in the twenty-first century, examining contrasting perspectives on entrepreneurship across a wide range of ventures.

In summary, this book offers a fresh, wide-ranging and up-to-date approach to entrepreneurship, combining practical relevance with critical reflection. We also hope that it will help you to experience something of the excitement, uncertainty, passion and sheer hard work that is involved in creating a successful entrepreneurial venture.

WHO ARE WE WRITING FOR?

We have written this book with three kinds of reader in mind. First, we are writing for **undergraduate and postgraduate students** taking courses or modules in Entrepreneurship and/or New Venture Creation, who are looking to develop a combination of practical skills, knowledge and understanding. We have assumed that most of you will already have some background in business and management subjects such as marketing, finance and operations. However, we have provided additional support for anyone with more limited business and

management knowledge including concise explanations of key terms and suggested readings. Second, we hope that **current, early stage or potential entrepreneurs** will find it useful as they deal with the challenges of creating their own commercial or social ventures, or as they consider this option. Our approach is designed to help you reflect on questions that are rarely addressed in ‘recipe book’ guides to setting up a business. Third, we hope that our book will be a useful resource for **people working with social and commercial entrepreneurs** (e.g. in regional development, microfinance or enterprise support organisations) and for anyone who is looking for an accessible review of contemporary entrepreneurship in its various forms.

WHAT DOES THE BOOK COVER?

Exploring Entrepreneurship covers practical issues related to the creation of an entrepreneurial venture, together with reviews of related research evidence and more theoretical discussion about entrepreneurship. We also make considerable use of case-based examples, so that you can learn from the experiences of real entrepreneurs as they struggle to create and to develop their ventures. It is worth noting two distinctive features of this book. It provides detailed coverage of many different types of entrepreneurship. You will find examples of commercial, primarily profit-oriented ventures and what are often termed ‘social’ enterprises, where the primary aim is to address a social or environmental challenge, rather than simply to secure a profit. In contrast to most other texts, it also addresses ‘anti-social’ forms of entrepreneurship, with examples that range from the unethical and environmentally destructive behaviour of legitimate firms to the shady world of organised crime. The argument behind these decisions is simple: **entrepreneurial activity** is clearly a very powerful force in the world. We think it is important for entrepreneurship students to consider seriously how that power is exercised.

HOW IS THE BOOK STRUCTURED?

The book opens with two scene-setting chapters, which are well worth reading before you proceed any further. Chapter 1 introduces the essential terminology, outlines our approach and offers useful advice on exploring the subject in the remaining chapters. Chapter 2 looks at the wide variety of entrepreneurial activity that you’re likely to encounter during your studies. It introduces some useful terminology, starting with the adjectives used to describe different types of entrepreneurs and entrepreneurship. It also highlights some key similarities, differences and overlaps between these categories. The remainder of the book is divided into two distinct but inter-related parts:

- **Part I** (Chapters 3–9) tackles the main practical activities involved in creating and building a new entrepreneurial venture. These chapters have a standardised structure, making them easy to navigate. Each chapter includes a number of cases (including video cases), practical activities and discussion topics, an annotated guide to further reading and a bibliography. You will also have a number of useful resources, including a glossary of all the highlighted key terms, on the Online Resources. These chapters can be used in various ways, so depending on your interests you can:
 - Read through them in order as a concise, stand-alone introduction to entrepreneurship practices, with a particular focus on the process of creating a new venture

- Treat them as a practical, structured guide that will help you to complete a new venture creation exercise, business plan competition or entrepreneurship simulation activity
- Use them as a resource to compare with, or benchmark against, your own approach to creating and building a new venture.
- **Part II** (Chapters 10–15) enables you to explore entrepreneurship from several contrasting perspectives – individual, social, economic, historical and political. Each chapter draws on the latest research evidence, along with the voices of real-world entrepreneurs, researchers and policy-makers. These chapters can also be used in different ways:
 - As a concise, stand-alone overview of contemporary entrepreneurship research and policy-making, with recommendations for further reading
 - As a complement to the Part I chapters, enabling students, prospective entrepreneurs and others to make connections between their practical experience, the experience of others and relevant research evidence, and to help you reflect on your experience.

Chapter 16 concludes the book, with a series of reflections on **entrepreneurial learning** and a summary of the main themes covered in Part I and Part II.

WHAT'S NEW IN THE THIRD EDITION?

For the third edition of *Exploring Entrepreneurship* we have further strengthened our authoring team. Richard Blundel, Nigel Lockett and Catherine Wang have been joined by Suzanne Mawson, who brings complementary insights and specialist knowledge in key areas, including high growth/scale-up entrepreneurship, alternative entrepreneurial finance, the development and impact of business accelerator programmes and entrepreneurship in migrant communities. We have also made a number of changes to the book, based on our own experience of using it as a course text, the invaluable feedback we have received from students and tutors that have used the book in other institutions, and the recommendations of several expert reviewers. Here, we summarise the main changes from the previous edition:

- **For students and other readers**, we have added new content and features to broaden the scope of the text and to make it more relevant to the challenges that the world is facing in the 2020s:
 - a new focus throughout the book on the United Nations Sustainable Development Goals (SDGs) and their increasingly important role as a societal driver for entrepreneurial activity – look out for the SDG icons in the page margins
 - additional material in Chapter 2 – Varieties of Entrepreneurship – covering corporate entrepreneurship (or intrapreneurship) and the sometimes controversial use of entrepreneurial organisations in the delivery of public services, such as health-care and education
 - new and updated Case Studies throughout the book that address cutting-edge issues in entrepreneurship research and practice
 - new and updated Researcher Profiles in Chapter 2 and Part II of the book
 - a collection of leading articles, located in the Recommended Reading section at the end of each chapter, which are free to download via the Online Resources pages.

- **For lecturers/course tutors**, there is a selection of resources to support your teaching, all of which are available by registering on the Online Resources landing page.

WHICH ASPECTS ARE GIVEN LESS EMPHASIS?

Exploring Entrepreneurship has an ambitious agenda, but clearly it is not possible to deal with *every* aspect of entrepreneurship in a single textbook, nor can we cover all of our chosen themes in equal depth. The main focus of Chapters 3–9 is on the challenge of *creating* a new venture, up to the point where it has secured the support it needs to become established. We do not concentrate on management issues in small *established* businesses (i.e. small business management). Rather than providing general introductions to the main business functions (e.g. marketing, human resource management and strategy), we consider how these areas of activity need to be adapted in order to address the challenges of new venture creation. For example, Chapter 6 reviews emerging practices in entrepreneurial marketing and Chapter 8 evaluates different options for financing a new venture.

Entrepreneurship is an extremely complex, varied and powerful social phenomenon, and it is well worth exploring in some depth. The best way to embark on such an exploration is to combine your own practical experience with the experiences of others, reinforced by research findings and critical reflection. For students, this often means completing a challenging new venture creation exercise, while also keeping a diary (or personal blog) and reading about entrepreneurship. This is not an easy combination to achieve. In our experience, students often focus on their new venture creation activity, leaving insufficient time for reading and reflection. It is difficult to balance all three areas, but doing so can lead to some very rewarding and possibly ‘life-changing’ personal insights. We encourage you to make the most of this opportunity to explore entrepreneurship and wish you well on the journey.

Richard Blundel, Nigel Lockett, Catherine Wang and Suzanne Mawson

ACKNOWLEDGEMENTS

We would like to take this opportunity to thank the many colleagues, friends and relatives who have helped us to produce this latest edition of *Exploring Entrepreneurship* and who contributed to previous editions. It is difficult to identify everyone, but we would like to express particular thanks to the following: members of our publisher's international panel of expert reviewers, who provided informed and constructive feedback on earlier draft chapters, and numerous colleagues who kindly shared their insights and experiences as we developed particular sections of the manuscript for this new edition. We are grateful to the editorial, production and marketing teams at SAGE, including Matthew Waters, Jasleen Kaur, Jessica Moran, Sarah Cooke and Christine Bitten, for their help in producing this edition in the midst of the Covid-19 epidemic. Thanks also to: the entrepreneurs who were interviewed for the challenge cases and case studies in Part I; Bruce Macfarlane, for sharing his considerable experience as a business angel and venture capitalist; other entrepreneurs and practitioners who contributed to our Part II cases; the entrepreneurship scholars who were interviewed for the 'researcher profiles' cases – Per Davidsson, Shennette Garrett-Scott, Sarah Jack, Othmar Lehner, Helle Neergaard, David Rae, Ute Stephan and Friederike Welter; scholars and business leaders who contributed to Part II case studies – Romano Dyerson, Tommy Xiangming Tao, Paul Robson, Marios Samdanis, Ben Kahn, Xia Li and Shuang Li; and other researchers whose work features prominently in various Part II cases and illustrations. We are also particularly grateful to current students and colleagues at Brunel University, The Open University and the University of Strathclyde, and to our many former students for their contribution over the years; we wish you well in your different ventures and hope you can keep us updated on progress. Lastly, to Beverley, Fay, Sandy, Mhairi and Georgie (NL), Tina, Freya and Robbie (RB), Mohammed and Sara (CW), and Ross and Arthur (SM), thanks for your unfailing support, encouragement and inspiration.

PUBLISHER'S ACKNOWLEDGEMENTS

Every effort has been made to trace and contact copyright holders but this has not been possible in every case. If notified, the publisher will undertake to rectify any errors or omissions at the earliest opportunity.

HOW TO USE THE ONLINE RESOURCES

To support this text, there are a wide range of online resources for lecturers and students available at <https://study.sagepub.com/blundel3e>.

FOR STUDENTS

- **Pre-reading guide.** Suggestions for background reading cover the functional areas addressed in Part I, to help those new to the subject.
- **Learning objectives.** Learning objectives from the book help you evaluate your knowledge and understanding of each chapter.
- **Revision tips.** Advice is provided on how to prepare for a new venture creation assignment and a reflective essay assignment.
- **Self-test questions.** Each chapter is accompanied by up to eleven self-test questions that can be answered online. These self-marking questions include instant feedback on your answers and cross-references back to the textbook to assist with your independent study.
- **Challenge videos.** These showcase real-life entrepreneurs and freezes a moment in time when they need to make an important decision about their businesses. A few options are set out for the reader to then discuss in a group or consider individually.
- **SAGE journal articles.** Free access has been granted for a selection of SAGE journal articles. Complete with a short description of what each article covers, these enable you to explore your interests further and enhance your bibliographies.

FOR LECTURERS

- **PowerPoint slides.** A suite of fully customisable PowerPoint slides has been included for use in lecture presentations to save preparation time. Downloadable by chapter and picking out the key points from each topic, these also make a useful class handout.
- **Reveal videos for Challenge cases.** Access is provided to the Reveal videos of the entrepreneur explaining their decisions for the Challenge cases in Part I to help incorporate these video cases into your teaching.
- **Additional case studies.** In addition to the many case studies included in the text, extra case studies with questions can be used in class to help students to bridge the gap between theory and practice.

PRAISE FOR THE BOOK

'A detailed and contemporary text offering a coherent outline of key concepts and practices in the field of entrepreneurship. This book explores a diverse range of issues relevant to all studying entrepreneurship and entrepreneurial behaviour; an excellent and comprehensive text. It is to be recommended to all those engaged with teaching, debating and theorising entrepreneurship.'

Sue Marlow, Professor of Entrepreneurship at the University of Nottingham

'Each chapter in Part I is conceptually sound, with clear learning outcomes and well-framed questions. They are filled with a range of authentic, relevant and well-researched case studies. The quality and insight of these cases really helps the reader get "under the skin" of the entrepreneurial business.

'Part II explores the research dimensions of entrepreneurship and is more likely to appeal to the final year undergraduate or postgraduate student looking for deeper knowledge of different research perspectives...The final chapter addresses entrepreneurial learning, however the focus on learning is recursive throughout the book. Overall, this is a rare example of a very well researched, accessible and authoritative text which should appeal both to learners and to educators'.

David Rae, Professor of Enterprise at De Montfort University, Leicester

'The book is a great basis for developing students' thinking about the topic of entrepreneurship. It provides the basic concepts and can be complemented by more in-depth journal articles to dive into particular issues. Particularly the online resources are a great tool to support teaching development and reflection about how to structure the class'.

**Dr Sven-Ove Horst, Department of Media & Communication,
Erasmus University Rotterdam**

'This is a great book, a book that I long have searched for and wanted for my students. What I particularly value in this book is the book's discussion of pro and cons, and how it allows the reader to evaluate their options. The book offers a nice and balanced introduction to the variety of ways one could engage in entrepreneurship, both in practice and as a learner.'

**Bjørn Willy Åmo, Associate professor at the Nord University
Business School, Norway**

'This book provides an insightful, grounded perspective on the rapidly evolving subject of entrepreneurship. The combination of the practical and the academic gives it a distinctive position in the marketplace for student texts on this subject'.

David Storey, Professor of Enterprise at the University of Sussex

1

INTRODUCTION

LEARNING OUTCOMES

After reading this chapter you should be able to:

- Appreciate the economic, social and environmental significance of enterprise and entrepreneurship in the twenty-first century.
- Identify different interpretations of the terms 'entrepreneur', 'entrepreneurship' and 'enterprise', including 'social' and 'commercial' forms, and adopt suitable working definitions.
- Understand the distinctive approach to studying entrepreneurship that has been adopted in this textbook, the purpose of its two-part structure, and how to make use of various components, including case studies, in order to connect entrepreneurial thinking, practice and reflection.
- Explore entrepreneurship in greater depth in the remaining chapters by engaging with entrepreneurial practice, with a particular focus on new venture creation (Part I) and by critically reviewing different research perspectives (Part II).

1.1 INTRODUCTION: ENTREPRENEURSHIP IN THE TWENTY-FIRST CENTURY

Welcome to *Exploring Entrepreneurship*. This short opening chapter will provide you with a general introduction to entrepreneurship, an outline of our approach to the subject and some essential tools and guidance for exploring the subject further. *Exploring Entrepreneurship* is concerned with the real world of entrepreneurial policy and practice. Though there is an enormous amount of variety in our subject, there are also some common patterns to discover and many useful lessons to be drawn from the research evidence.

The rest of the chapter is organised as follows. In Section 1.2, we consider the scope of entrepreneurship as a field of study, and how to define some of its core terms (i.e. 'entrepreneur',

‘entrepreneurial’, ‘entrepreneurship’ and ‘enterprise’). Section 1.3 takes a closer look at the rich variety of ways in which entrepreneurial activity takes place, and includes some discussion of the differences between commercial and social entrepreneurship. In Section 1.4, we introduce our distinctive approach to studying entrepreneurship, which builds on a combination of practical experience (both direct and indirect), critical reflection and drawing on a variety of perspectives.

1.2 SCOPING AND DEFINING ENTREPRENEURSHIP

1.2.1 The ‘slippery concept’

So, what is it that you are studying? It might be reasonable to expect a textbook to be mapping out the scope of the field at this point, and providing its readers with some clear, unambiguous definitions of the key terms. Unfortunately, things are not that simple. Many years ago, the economist Edith Penrose commented that, ‘Enterprise, or “entrepreneurship” as it is sometimes called, is a slippery concept, not easy to work into formal economic analysis, because it is so closely associated with the temperament or personal qualities of individuals’ (Penrose [1959] 2009: 33). Today, entrepreneurship researchers, policy-makers and practitioners are still struggling with this slippery concept, and there is a continuing lack of agreement over the meaning of these terms. So how should we approach the terminology? Clearly, it would be easier if we provided you with one universally accepted definition, but that would also be very misleading. The best approach is to recognise that people may use the same words, yet understand them differently. This is not a major problem because, as we shall discover, the range of interpretations is quite limited. However, it is important to be aware of these differences as you read about entrepreneurship, or listen to people talking about the subject. If you are not sure how they are using terms like ‘entrepreneur’, ‘entrepreneurial’, ‘entrepreneurship’ or ‘enterprise’, try to check their understanding. If you are still not sure about the definition that is being used, bear this in mind when you interpret their comments.

1.2.2 Key terms: ‘Entrepreneur’, ‘entrepreneurship’ and ‘enterprise’

In this section we review some of the key terminology and provide working definitions of three key terms: ‘entrepreneurship’, ‘entrepreneur’ and ‘enterprise’. Additional explanations of these and other key terms can be found in the **Glossary** at the end of the book.

These three words derive from the same linguistic source, the French transitive verb ‘*entreprendre*’ (meaning literally to begin, tackle or undertake something) and the associated noun, ‘*entreprise*’ (meaning a company or business). The Irish-born writer Richard Cantillon described the entrepreneur as someone who specialises in taking on a financial risk in his celebrated, *Essai sur la Nature du Commerce en Général*, first published (posthumously) in 1755. Other eighteenth-century figures, such as English philosopher and political economist, John Stuart Mill experimented with alternatives such as ‘undertaker’ (see Chapter 12), but over time it was the original French word ‘entrepreneur’ that became firmly established in the English language.

Given their widespread use in twenty-first-century politics, economics and popular culture, the terms ‘entrepreneur’, ‘entrepreneurship’ and ‘enterprise’ are surprisingly ill-defined, and

you can sometimes find people using the same word to mean entirely different things! Since our book is called *Exploring Entrepreneurship*, we are keen for you to keep an open mind on their precise meaning and scope for the time being. However, it also seems reasonable to offer you some working definitions as a starting point for your studies. Then, as you discover more about entrepreneurship in the remaining chapters, you can develop a more fully rounded understanding of each term.

‘Entrepreneur’

The term ‘**entrepreneur**’ has a variety of meanings. For example, in North America, it is often used to describe anyone who establishes their own business, whatever its size. But does it make sense to use the same word to describe a 30-year-old billionaire who has set up five Internet businesses and the 70-year-old, the semi-retired owner of a small picture-framing business, or a 40-year-old who sets up a community-based enterprise to provide work opportunities for homeless people? Some people argue that the term ‘entrepreneur’ should be more tightly defined. For example, they would only use it to describe people like the Internet tycoon, and opt for alternatives such as ‘small business owner’ for everyone else. The main counter-argument is that, while there may be considerable differences between them, there are also some common features that are worthy of more detailed examination.

The Organisation for Economic Cooperation and Development (OECD) and Eurostat have considered this issue at length. They operate an ‘Entrepreneurship Indicators Programme’ (EIP) in order to collect better statistics on entrepreneurial activity in OECD member states and around the world. Their definition of the term ‘entrepreneur’, which builds on previous reviews of the entrepreneurship research literature, covers people engaged in a wide range of entrepreneurial activities, including those who set up a new business:

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

We will adopt this OECD wording as our working definition, but how do we resolve the problem of distinguishing between different *types* of entrepreneur? The most common solution is to insert adjectives based on the sort of activity that is taking place. For example, our Internet tycoon might be described as a ‘serial’ (i.e. repeat) entrepreneur, while the picture-framer as a ‘lifestyle’ entrepreneur, and the founder of the community-based enterprise as a ‘social’ entrepreneur.

‘Entrepreneurship’

The OECD and Eurostat’s EIP team have also agreed on the following definition of the term ‘entrepreneurship’, which we can adopt as a starting point:

Entrepreneurship is the phenomenon associated with entrepreneurial activity, which is the enterprising human action in pursuit of the generation of value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets. In this sense, entrepreneurship is a phenomenon that manifests itself throughout the economy and in many different forms with many different

outcomes, not always related to the creation of financial wealth; for example, they may be related to increasing employment, tackling inequalities or environmental issues. (OECD 2016: 12–13)

This definition describes entrepreneurship as a phenomenon that is ‘associated with’ entrepreneurial activity. It recognises that, while the activities of individual entrepreneurs clearly play a central role, the entrepreneurship process extends beyond the individual, to teams, organisations, social networks and institutions (e.g. rules and regulations, cultural norms). But what does it mean to describe a particular activity, or set of activities, as ‘entrepreneurial’? While founding a small firm or social enterprise might in itself be described as an entrepreneurial act, the owners and managers often settle into a relatively stable routine and may even actively resist opportunities for further growth. The OECD–Eurostat definition recognises this distinction between entrepreneurial activity, which it sees as generating additional value by expanding economic activity, and the ongoing management of an existing firm. It is also interesting to note how the OECD–Eurostat definition acknowledges different outcomes of entrepreneurial activity, other than simply the generation of financial wealth. This is important because it recognises the role that both social enterprises and commercial ventures can play in creating ‘social’ value, either by contributing to social well-being or by reducing our negative impacts on the natural world.

‘Enterprise’

This term is often found in discussions alongside entrepreneurs, entrepreneurial activity and entrepreneurship. Though this English word is clearly derived from the same French source, a great deal of time and effort has been spent in attempts to differentiate it from the others. Another complication arises because the meaning of the word ‘enterprise’ differs depending on whether it is being used as a noun or an adjective. As a noun, the word normally refers to a particular business venture. For example, farmers talk about each of the commercial activities that they engage in, such as raising sheep, growing wheat, or running a farm shop, as separate ‘enterprises’. It is also used in the term ‘free enterprise’, to describe a liberal market economy with low levels of government intervention and in the term **‘enterprise culture’**, first promoted by economists and politicians in the United States and the United Kingdom in the late twentieth century, and which has since extended its influence around the world (Della-Guista and King 2008; Burrows 2015) (see Chapter 10). We also refer to individuals as ‘enterprising’, in the sense of being adventurous, dynamic, taking the initiative and making their mark on the world. This meaning of enterprise does not necessarily mean that someone is engaged in ‘entrepreneurial activity’ as previously defined. For example, you might describe a polar explorer, a performance artist, or a human rights campaigner as ‘enterprising’ in this wider sense. To avoid confusion, we are going to restrict our use of the expression ‘enterprise’ to the following working definitions:

Enterprise is an alternative term for a business or firm, as in the widely used term ‘small and medium-sized enterprise’ (SME). They include ‘social enterprises’, which are trading organisations that serve a primary social purpose, and which can take a variety of legal forms, including cooperative, a limited company and a community interest company.

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

1.2.3 The range and scope of entrepreneurial activity

Throughout this textbook, you will encounter different varieties of entrepreneurship, a topic that we address in more detail in Chapter 2. It is important to recognise that there is more than one way of acting entrepreneurially. As a consequence, the world of entrepreneurship is not exclusive: it is open to a very wide range of people. There are three main sources of variety: the way entrepreneurial activity is organised, the context in which it takes place, and the goals that it pursues:

- **Where is it taking place?** Entrepreneurial activity can take place in many different settings. For example, it might be a niche food business, such as The Kids Food Company, The Herbivorous Butcher and SuperJam (Case 3.3); an international fair trade business marketing artisan products from Kenya and Uganda (Zuri Design) or organic cotton sportswear (Gossypium) (Case 5.2); a technology-based venture, such as the GPS tracking business, 'Buddi' (Case 6.3); or a social enterprise like The Big Issue, Belu Water, Divine Chocolates or Fifteen Foundation (Case 9.3). You can also find entrepreneurial activity taking place in established organisations, including large corporations, government agencies and charities. This is usually described as 'intrapreneurship' or 'corporate entrepreneurship' (see Section 2.6). Wherever it takes place, it will be possible to find some common entrepreneurial features. However, as we will see in Chapter 2, the context in which entrepreneurship takes place can also exert a powerful influence on the kind of activity that occurs, the potential for growing it into a successful venture, and in terms of its economic, social and environmental impact.
- **How is it organised?** Entrepreneurial activity can be organised in a variety of ways, each of which has its own advantages and disadvantages. For example, by forming a limited company you can raise finance for your commercial venture by persuading shareholders to invest, though this may also mean 'giving away' some degree of control. Many small start-up ventures begin as unincorporated businesses; in other words, they do not have a separate legal identity from that of the individual founder. This might avoid some of the paperwork involved in creating a limited company, but it does mean that the founder is personally liable for all of the debts of the business and would need to repay its creditors (i.e. those it owes money) in the event of its failure. As they become established, start-ups are often converted into limited companies, though many smaller businesses remain unincorporated for the whole of their existence. Social enterprises can also be set up in a variety of ways, ranging from small unincorporated organisations operating locally, to more formal legal structures, such as 'Community Interest Companies' (CICs).
- **What is it seeking to achieve?** Entrepreneurial activity can be inspired by the pursuit of some radically different goals. For example, a team of university scientists may be motivated by the opportunity to launch an innovative pharmaceutical product. If the product is successful, it may save or improve the quality of many lives. In addition,

the commercialisation of their intellectual property may also provide the scientists with considerable personal wealth. In contrast, a group of social entrepreneurs may be motivated by the prospect of using an innovative technology to help empower young disabled people; having decided to adopt a not-for-profit legal form, the founders will have no prospect of creating personal fortunes from their idea, even if it subsequently grows into a large and very successful organisation. At the other extreme, there are countless examples of entrepreneurial activity in the world of organised crime, whether it be protection rackets, drugs smuggling operations, Internet pornography, or prostitution. Here, the primary motivation is likely to be financial gain, with some secondary goals such as maintaining influence among powerful local figures (e.g. politicians, police forces) and possibly some attempt at securing community support.

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

1.3 EXPLORING ENTREPRENEURSHIP: OUR APPROACH

1.3.1 Introducing the two-part approach

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

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

Creating a new entrepreneurial venture, even for the purposes of an exercise, is a very demanding task. One of the main challenges is to handle, and to integrate effectively, information and resources from several different fields (e.g. marketing, operations, human resources, accounting and finance). You may have some experience of integrating in other courses (e.g. when analysing a strategic management case study). However, a new venture creation exercise presents you with a much more open-ended challenge. In most cases, you begin with a blank sheet of paper. Your task is to identify a need/opportunity in the outside world and to assemble a working solution in the form of a comprehensive venture

proposal that can be defended in front of an audience of potential investors. Your venture proposal will typically be developed by a team of students and written up as a business plan, possibly combined with a face-to-face presentation or a poster session. You can also complete the exercise working on your own. This will involve more work, but at least there is less scope for argument.

1.3.2 Part I: Can you ‘learn’ to be entrepreneurial?

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

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

Peter Drucker is surely correct in arguing against a simple genetic link to entrepreneurial success. However, your prospects of embarking on an entrepreneurial career will be affected to some extent by the place and time you are born, as well as by the people who surround you in your early years. It is also true that you will never become a successful entrepreneur simply by reading a book, or taking part in a new venture creation exercise. Governments around the world are also interested in how universities and other organisations can promote enterprise skills and mindsets in the next generation (Dahlstedt and Fejes 2019; Williams Middleton et al. 2019; Brüne and Lutz 2020; Decker-Lange et al. 2020; Santos et al. 2020). In the past, entrepreneurship education was often divided into two distinct categories:

- ‘For’ entrepreneurship – this was seen as a primarily practical focus, where the aim was to develop entrepreneurial skills and mindsets
- ‘About’ entrepreneurship – this was developing an understanding of entrepreneurship as a social phenomenon.

Though this is a useful distinction, our experience is that entrepreneurial learning can be deeper and more creative if the two aspects are integrated to some degree (Wang and Chugh 2014). It is widely accepted that a combination of practical exercises, study and critical reflection can be a good way to open up your thinking about entrepreneurship. To develop entrepreneurial skills, a combination of entrepreneurial learning styles can be used, such as learning from experience, learning from peers, role models and mentors, learning by doing, and formal learning in schools, colleges and universities. We will discuss these learning styles in Chapter 16.

And where might those thoughts lead you in a few years’ time? Over the years, we have heard from many former students who have gone on to set up their own commercial and social enterprises, and from others who are either working in ‘entrepreneurial’ roles within existing organisations, or are engaging with entrepreneurs as suppliers, customers,

policy-makers, financiers or consultants. In the closing case, we catch up with three recent graduates in order to find out about their experiences (Case 16.3).

1.3.3 Part I: Chapter structure and contents

The Part I chapters draw on examples of successful ventures, and feature the voices of real entrepreneurs, talking about their experiences. Chapters 3–9 have a standard format. Each chapter begins with an introduction which includes a short opening case, which sets the scene for the chapter. This is followed by two further mini-cases, which explore the main chapter themes in more depth. Explanatory text and useful frameworks help draw the key learning points from each case and set these in the context of the chapter. At the end of each chapter, there is a case, which draws on an interview with an entrepreneur.

Learning from each chapter is also supported by a video case where we ‘freeze’ the action at a critical moment, allowing you to consider the choices open to the entrepreneurs at an important stage of their enterprise’s development. These are available on the online resources for this book. Watch the opening video case, featuring Emma Sheldon, to see how the business challenge cases work. Emma explains her challenge and then reveals her decision.

Each Part I chapter builds on the previous one to take you, as a prospective entrepreneur, from an initial vision – which might be little more than a rough outline of an idea – all the way to the founding of a living, breathing venture that can make a real difference to the world. In Chapter 3, we start with an overview of the challenge of turning an entrepreneurial vision into a coherent new venture plan and how it can be expressed as an opportunity business model. Subsequent chapters explore various aspects of that challenge: Chapter 4 – identifying and shaping entrepreneurial opportunities; Chapter 5 – providing leadership for the venture and creating effective teams and networks; Chapter 6 – analysing **markets** and industries and finding ways to enter them; Chapter 7 – designing and managing the operational side of the venture; Chapter 8 – financial forecasting and planning; Chapter 9 – raising finance. In other words, everything you are likely to need in order to begin the process of exploiting an entrepreneurial opportunity. **Opportunity business models** will provide you with a structured way of doing this. Put simply, opportunity business models are about the proposition, people, place, process and profit of the new venture or the system of what the venture is about, where it will operate, who will make it happen, how they will do it and all importantly why. That means not just the financial return but the alignment of the venture to wider values as expressed by the entrepreneur, their enterprise and the society at large (see Table 1.1).

One of the main themes running through the Part I chapters is around **entrepreneurial thinking**, by which we mean the distinctive set of thought processes that drive entrepreneurial processes. You will discover how ‘real-world’ entrepreneurs think their way through practical challenges, often displaying a combination of creativity, determination and resilience along the way. We will also examine how this kind of thinking is influenced by particular factors, notably the entrepreneur’s attributes, previous experiences, social networks and personal values. The reference to ‘values’ might sound surprising, but throughout Part I we will see how values are at the centre of entrepreneurial activity in the twenty-first century, as businesses respond to major societal challenges such as the Covid-19 epidemic,

TABLE 1.1 Chapters 3–9: Structure and dimensions

Chapter	Title	Opportunity business model dimension	System dimension
3	Visions: Creating new ventures	Proposition	What
4	Opportunities: Nurturing creativity and innovation	Proposition	What
5	People: Leading teams and networks	People	Who
6	Markets: Understanding customers and competitors	Place	Where
7	Operations: Implementing technologies, processes and controls	Process	How
8	Accounts: Interpreting financial performance	Profit	Why
9	Finances: Raising capital for new ventures	Profit	Why

the undermining of democratic institutions and the climate emergency (Audretsch and Moog 2020; Ratten 2020; Schaefer et al. 2020). Of course, financial returns are still essential for any entrepreneurial venture, but there is an increasing interest in creating enterprises with a strong social or environmental purpose – and there is strong evidence to show that people are taking these initiatives in order to live out their own values, something that can be more difficult to do when you are working in a large organisation.

In summary, Part I provides you with an opportunity to develop your own entrepreneurial skills and ways of thinking. We take you through the process of new venture creation in seven ‘easy’ stages, but it’s important to recognise that things are much more complex in a real-world setting, because each of these sets of tasks is inter-connected. It is also imperative to recognise that you are not working through a ‘one-off’ process, but rather embarking on a continuous cycle of learning, which is as much about yourself as it is about your new enterprise (see Figure 1.1). Entrepreneurship cannot be reduced to a straightforward linear process, or a series of predictable steps that can be reproduced in any situation – like replicating a formula. It is more like a learning cycle (Mumford 1997; Cope and Watts 2000; Corbett 2005), which accelerates rapidly as soon as you begin to engage in any kind of entrepreneurial activity. This might also go some way to explaining why successful entrepreneurs can become serial entrepreneurs.

Books need to be structured in some kind of logical sequence. However, real life – including the practice of entrepreneurship – is not so straightforward. So though we have to structure our exploration of entrepreneurship in a linear way, the reality (or ‘lived experience’) of the entrepreneur is rather different. Entrepreneurial practice involves all of the activities we will discuss in Part I chapters. Each of these activities influences the others (e.g. marketing decisions affect financing, and vice versa), and they continue to circle around an opportunity that

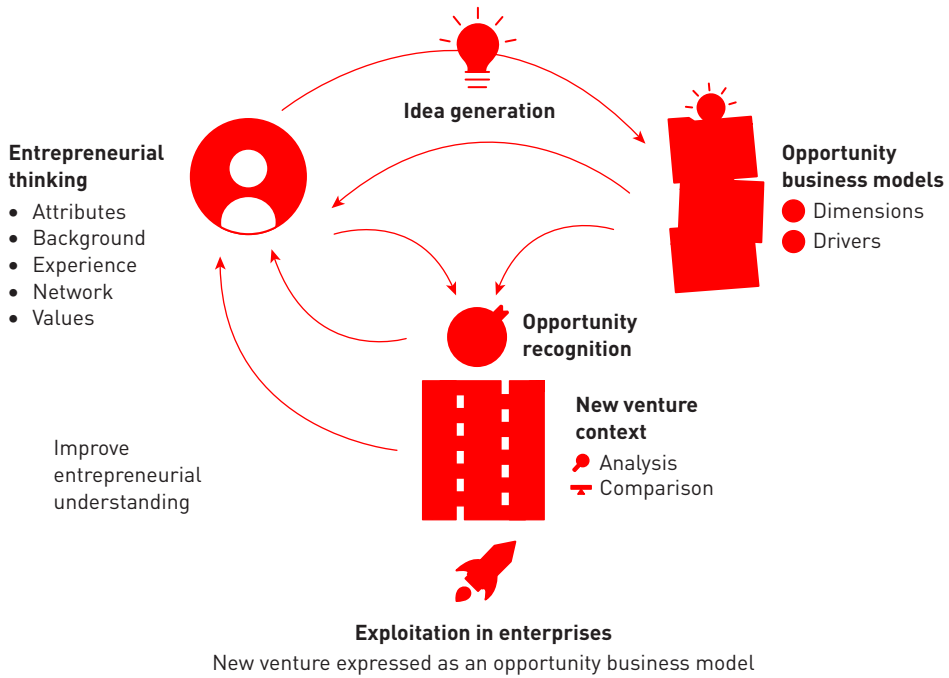


FIGURE 1.1 Our approach to entrepreneurial learning

is itself in motion, continuing to evolve as you move towards the creation of your venture. In other words, entrepreneurship is not so much a simple linear process as a series of dynamic, inter-related activities, closer to the traditional image of electrons (dimensions) orbiting a nucleus (vision) that are constantly being buffeted by external forces (drivers) (see Figure 1.2).

Our atomic metaphor may still sound rather abstract and remote from reality but you will see it reflected in many of the ‘real-world’ case studies of entrepreneurial practice, where entrepreneurs discuss their own experiences.

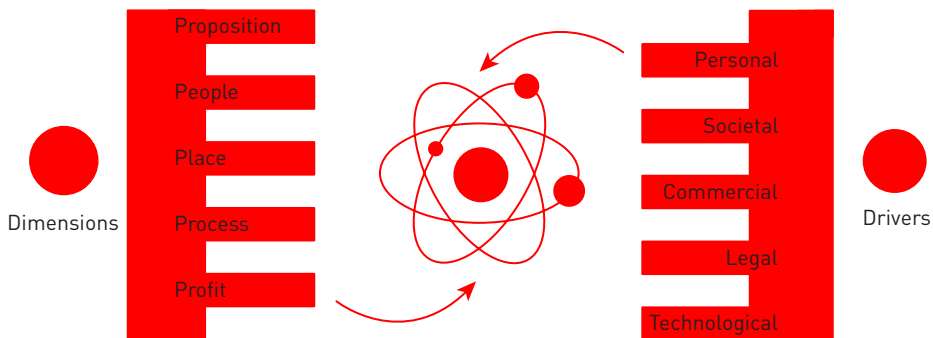


FIGURE 1.2 An atomic metaphor for entrepreneurship

A note about the featured cases

The entrepreneur cases in *Exploring Entrepreneurship* were written by the authors, Nigel Lockett, Richard Blundel, Catherine Wang, Suzanne Mawson and other named contributors. These cases are not intended to illustrate either effective or ineffective handling of management situations. In some cases the authors may have disguised certain names, locations, dates and other identifying information to protect confidentiality.

Most of the case studies are based on personal interviews, supplemented by secondary material such as industry reports. Where possible, we have provided links to relevant websites and to other useful sources to help anyone wishing to find out more about the individuals and organisations featured in the cases.

1.4 RESEARCHING ENTREPRENEURSHIP

1.4.1 Part II: New insights and perspectives

The Part II chapters (Chapters 10–16) will help you to extend and deepen your understanding of entrepreneurship. By combining it with readings and activities from Part I, you can begin to integrate your own direct experience (e.g. in developing a new venture proposal), the indirect experiences of ‘real-world’ entrepreneurs that you read about in the case studies, and an extensive body of academic research that has examined many different aspects of the subject. Individual entrepreneurs often know a great deal about the specifics of their own enterprises and can also have a really sophisticated understanding of their own industry sector. However, their approach may not be as effective in another context. As Chapter 2 demonstrates, there is a wide variety of forms of entrepreneurial practice around the world, so there is a great deal to gain by broadening your perspective. You can use entrepreneurship research to gain these additional insights. Chapter 10 provides an overview of the field and shows why ‘research matters’ to the worlds of policy and practice. The remaining chapters focus on a different area of entrepreneurship research, explaining the approaches that researchers have adopted, highlighting key findings and drawing out the practical implications.

Each Part II chapter includes a ‘Student focus’ case, which illustrates how entrepreneurship students have made use of research in their studies, and a ‘Researcher profile’, where we have interviewed leading entrepreneurship researchers about their work. The structure of Part II is summarised in Table 1.2. Chapter 10 provides a more detailed introduction to the approach adopted.

TABLE 1.2 Chapters 10–16: Perspectives on entrepreneurship

Chapter	Title
10	Research matters: Introduction and overview
11	Individual perspectives: Beyond the ‘heroic’ entrepreneur
12	Social perspectives: Understanding people and places
13	Economic perspectives: Influences and impacts
14	Historical perspectives: The ‘long view’
15	Political perspectives: From policy to practice
16	Reflections: Entrepreneurial learning

1.5 SUMMARY

- Entrepreneurial activity is a complex and powerful phenomenon. It has positive and negative impacts on economies, societies and the natural environment. For these reasons, it is well worth exploring entrepreneurship in greater depth, whether you are an existing or prospective entrepreneur, someone who engages with entrepreneurs, or simply someone who is interested in how the world works.
- Entrepreneurship is a slippery concept. The four core terms, 'entrepreneur', 'entrepreneurial', 'entrepreneurship' and 'enterprise' are each open to different interpretations. In order to avoid confusion it is important to: (a) recognise the different meanings that other people attribute to these terms; (b) make your own definitions and assumptions clear.
- This textbook adopts a distinctive approach to studying entrepreneurship. It encourages readers to develop their own capacity for entrepreneurial learning and critical reflection. The two-part structure, and features such as the new venture creation activity, critical incident cases and further reading guides, provide opportunities for you to integrate learning: (a) from your own experience; (b) from real-world entrepreneurs; and (c) from leading entrepreneurship researchers.

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

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

What do the entrepreneurs say? Conduct a quick online search for written accounts in which entrepreneurs talk about their experiences. Select one account and find out about the person's motivations and how these have influenced the kinds of ventures they have created. You can use the following questions as a guide, but feel free to adapt them, or to add your own questions: (a) Why did you want to become an entrepreneur? (b) What kind of activities are you engaged in? (c) Who else is involved in the venture? (d) What are your ambitions for the future? (e) What lessons have you learned along the way? Summarise your findings in the form of a 1,000 word report or a short presentation.

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

1. Why am I studying entrepreneurship?

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

I already consider myself to be an entrepreneur, but think it might be useful to fill some gaps in my experience or to 'test out' a venture concept

I definitely want to set up my own business but feel the need to gain some relevant skills and get some ideas for potential ventures

I am wondering if I have 'what it takes' to be an entrepreneur, and want to find out in a 'safe' environment

I want to know how entrepreneurship links into other subjects, such as strategy and economics (e.g. how it relates to economic growth and competitive advantage)

I am mainly interested in the social and cultural aspects of entrepreneurship (e.g. the role of gender, ethnicity and family background)

I am basically critical of entrepreneurship, and see it doing lasting damage to societies and the natural environment

To be honest, my main reason for selecting this course was: (a) someone recommended it; (b) it fits my timetable; or (c) there is no exam!

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

2. What does it take to be an entrepreneur?

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

Be a prospective entrepreneur

Act entrepreneurially

Become a successful entrepreneur.

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

These readings address important topics in entrepreneurial practice and are recommended for anyone wanting to build on the material covered in this chapter. Recommended readings have been selected from leading SAGE journals and are freely available for readers of this textbook to download via the online resources.

Manolova, T.S., Brush, C.G., Edelman, L.F. and Elam, A. (2020) 'Pivoting to stay the course: How women entrepreneurs take advantage of opportunities created by the COVID-19 pandemic'. *International Small Business Journal*, 38, 6: 481–91.

This article touches on a number of the themes covered in this introductory chapter. It examines the changing contexts in which entrepreneurial activities take place – in this case, due to the profound impact of the global Covid-19 epidemic. It also illustrates how gender differences can influence entrepreneurship. The authors argue that, 'while all businesses must pivot their business models in times of tumultuous change, simultaneously reducing risk and seizing new opportunities, this is particularly difficult for women entrepreneurs, whose businesses are concentrated in the industry sectors most severely affected by the economic shutdown'. Lastly, the article shows you can use entrepreneurship research – in this case survey data from the Diana International Research Institute (DIRI) – to find out more about this important issue.

Zulfiqar, S., Sohail, K. and Qureshi, M.S. (2016) 'Sam's Cake Factory: A delectable journey of a woman entrepreneur'. *Asian Journal of Management Cases*, 13, 2: 67–81.

This article is a case study that reflects on the life of a woman entrepreneur, Sumaira Waseem, who had set up an online cake business by the name of Sam's Cake Factory. Sam's Cake Factory was a start-up, which was only four years old but had become the preferred choice among the consumers looking for customised fondant cakes in the city of Karachi, Pakistan. The case describes the entrepreneurial journey embarked upon by Sumaira who, through her passion, resilience and creativity, turned a home-based small business into a full-fledged growing enterprise. The case further examines the vision Sumaira had of expanding her business and taking it to the next level.

Imas, J.M., Wilson, N. and Weston, A. (2012) 'Barefoot entrepreneurs'. *Organization*, 19, 5: 563–85.

The authors of this article explore what they describe as 'barefoot' entrepreneurship, meaning the entrepreneurial practices and narratives of individuals who live primarily in marginal, poor and excluded places and contexts. By sharing the stories of barefoot entrepreneurs in deprived areas of Chile, Argentina, Zimbabwe and Ghana, they challenge us to reconsider our existing ideas about entrepreneurship and how it should be explored.

Audretsch, D.B. and Moog, P. (2020) 'Democracy and entrepreneurship'. *Entrepreneurship Theory and Practice*. doi: 10.1177%2F1042258720943307.

Brüne, N. and Lutz, E. (2020) 'The effect of entrepreneurship education in schools on entrepreneurial outcomes: A systematic review'. *Management Review Quarterly*, 70, 2: 275–305.

Burrows, R. (ed.) (2015) *Deciphering the Enterprise Culture: Entrepreneurship, Petty Capitalism and the Restructuring of Britain* (new edn). Abingdon: Routledge.

Cope, J. and Watts, G. (2000) 'Learning by doing – An exploration of experience, critical incidents and reflection in entrepreneurial learning'. *International Journal of Entrepreneurial Behaviour and Research*, 6, 3: 104–24.

2

VARIETIES OF ENTREPRENEURSHIP

LEARNING OUTCOMES

After reading this chapter you should be able to:

- Recognise a wide variety of ways in which entrepreneurial activity is organised, the many different contexts in which it takes place, and the range of goals to which it is directed.
- Identify links between different types of entrepreneur and approaches to entrepreneurship, and Part I chapter themes (e.g. marketing, operations and finance).
- Appreciate how research can add to our understanding of entrepreneurial activity in a range of different contexts.
- Consider the practical implications whether you are thinking about, or have already embarked on, an entrepreneurial career.

2.1 INTRODUCTION

This chapter examines some of the varied ways in which entrepreneurship is practised around the world. In the Part II chapters, we will be taking a more detailed look at the *causes* and *consequences* of these differences, but for the moment we will focus on the main *types* that you are likely to encounter in the course of your studies and note some of the ways in which they differ from one another. We will also consider the practical implications of these differences and how they link to topics addressed in the Part I chapters, from shaping a vision for your venture (Chapter 3), to finding the right people (Chapter 5), or organising your marketing (Chapter 6), operations (Chapter 7) and financing (Chapter 9).

One of the potential benefits of an entrepreneurial career is that you can, within limits, make some choices about the kind of venture you are creating. This chapter might also help you to start thinking about the choices that are open to you, whether it is about deciding on the kind

of opportunity you want to pursue (Chapter 4), or the kind of organisation you would like to create. For example, Eileen Fisher established her premium clothing brand in the United States in 1984 with just \$350 in start-up funding (Close 2015). This successful multi-million dollar business has a distinctive social mission, which reflects the values of its founder:

For the last 30 years, we've been united in our efforts to support the environment, human rights and initiatives for women and girls – and we believe that this work is becoming more and more important. Our pledge in 2017 is to expand our activism and outreach, to lend our voices, to help empower and protect. WE PROMISE TO: Do all we can to empower women and girls – we believe the future depends on it; Double down our efforts to support human rights and the fair treatment of all people; Protect our limited natural resources, fight climate change and help shift the fashion industry toward sustainability; Respect and honor differences in gender, age, race, ethnicity, sexual orientation and political views. Now more than ever we believe it's time to reach out, speak up and stand together. (Eileen Fisher 2017)

We begin by taking a look at some of the different types of entrepreneur that you are likely to encounter (Section 2.2), before considering some practical examples of entrepreneurial variety in greater detail. In Section 2.3 we examine national and cultural differences, with a particular focus on immigrant and ethnic minority entrepreneurship. Section 2.4 looks at the differences between what is termed 'replicative' and 'innovative' entrepreneurship, and includes a special feature on the resurgence of entrepreneurial activity in modern China. Section 2.5 concludes our review with an introduction to social entrepreneurship.

2.2 DIFFERENT TYPES OF ENTREPRENEUR

There are many different types of entrepreneur and the terminology can sometimes be confusing. We have selected nine of the more common categories to review in this section.

Corporate entrepreneur/intrapreneur

These terms are both used to describe someone who acts entrepreneurially inside an existing organisation, which may range from a medium-sized firm to a large corporation, government agency, or charity. The constraint of operating from within an organisational hierarchy, rather than being free to act independently, is the key feature that distinguishes corporate entrepreneurs/intrapreneurs from other entrepreneurs. Some organisations actively encourage corporate entrepreneurship/intrapreneurship as a way of promoting innovation and adaptability. There are strong parallels between this role and that of 'product champion', which is a term sometimes used by innovation researchers. We will explore this further in Section 2.6.

E-preneur

This term has been derived from the wider use of the letter 'e' to refer to 'electronic' (as in 'email' and 'e-commerce'). It is used to refer to the growing number of people who run businesses that depend entirely on the Internet. With the proliferation of Internet-based businesses, it now represents a very broad category, and could include anyone from the

owner of a large online retailing empire to a self-employed person using an online shopping platform (such as eBay.com or Etsy.com) to sell specialist products from home.

Ecopreneur

This term has become popular as a way of describing entrepreneurs who establish ventures, or introduce new initiatives with the aim of tackling specific environmental problems. In practice, this can mean a wide variety of activities, ranging from a small, community-based enterprise selling organic fresh produce to a large commercial business operating in a low-carbon industry sector, such as the manufacture or installation of solar photovoltaic (PV) panels.

Lifestyle entrepreneur

This term is normally used to describe a person who has set up a small business in order to pursue a personal interest such as a craft (e.g. a pottery studio) or a sporting activity (e.g. horse-riding holidays). It is sometimes seen as a negative term, with the same kind of implied criticism as for 'hobby' farmers. The term refers to the idea that this type of entrepreneur prioritises quality of life over other common motivations for running a business. They might want to achieve a reasonable level of income from the venture, but are not actively pursuing purely commercial goals such as growing it into a much larger business, or securing large (or short-term) financial returns.

Portfolio entrepreneur

This term refers to someone who operates several different ventures at the same time. There are different types of portfolio entrepreneur. They can range from extremely wealthy owners of multiple businesses to much less prosperous people, often based in remote rural areas, who engage in several different small enterprises in order to reduce risks and to maintain an income when local markets, or economic conditions more generally, are depressed or uncertain (note the distinction between this term and the 'serial entrepreneur').

Rural entrepreneur

This term refers to people who create or operate businesses in the countryside. It is sometimes used in a more restricted way to focus on the traditional rural industries, such as agriculture, forestry, food manufacturing and rural crafts. However, the term is also used to refer to those running a variety of businesses that happen to be located in a rural area. It can also be difficult to define the geographic boundaries of rural businesses (e.g. does it include an entrepreneur whose business is located in a village that is on the fringes of a large city, or someone based in a remote rural location who spends much of their time doing business internationally?).

Serial entrepreneur

This term refers to someone who sets up several different ventures over a period of time, often reinvesting profits from the sale of an existing business in order to finance a new one, sometimes in an entirely different field of activity. This pattern may reflect the entrepreneur's preference for creating new ventures rather than managing larger established businesses (note the distinction between this term and the 'portfolio entrepreneur').

Social entrepreneur

This term is normally used to identify the founder(s) of a social venture, or someone who initiates a larger programme of social change. The distinctive feature of this type of entrepreneurship is that the primary purpose is to address social or environmental problems rather than simply to achieve commercial goals. This suggests a number of differences, including the values involved, how people understand concepts such as entrepreneurial ‘opportunity’, and the way that organisations are run. There has been a lot of interest in social entrepreneurship in recent years and this has generated many competing definitions, which we will revisit in Section 2.5 and in subsequent chapters.

Technology entrepreneur

This term typically describes a person who has founded a new venture in order to develop some form of advanced technology, most commonly in industry sectors such as information and communications technology (ICT), biotechnology, nanotechnology and other applied sciences. This kind of entrepreneurial activity is often very fast-moving, as a result of new scientific discoveries and often intensive international competition, and is also associated with technological innovation. Governments around the world see technology-based entrepreneurship as an important source of economic growth as well as offering possible solutions to major societal challenges. Technology entrepreneurship is examined in more detail in Section 2.4 and remains a strong theme throughout the book – look out for the ‘Innovation focus’ features in the Part I chapters.

It can be helpful to identify particular categories of entrepreneur, and you can probably see how each has a few distinctive features. However, when you start to investigate particular entrepreneurs it is also important to recognise that people may not necessarily fit neatly into one of these categories. In practice, the definitions are blurred and often overlap. For example, someone might be based in the countryside (rural entrepreneur) but running several web-based businesses (technology and portfolio entrepreneur). You may also come across some more informal, and generally less helpful, variants such as ‘kidpreneur’ (for very young business founders) and the problematic term, ‘momprenuer’ (Krueger 2015).

So how do you begin to decide what kind of entrepreneur you would like to be – or whether this is really the direction you want your career to take? In Case 2.1, we follow James as he considers the options.

CASE 2.1

Decisions: James’ challenge (video)

In this challenge video case, James is reviewing his options for employment or new venture creation following his MBA: (a) apply for corporate positions; (b) create a new luxury tourism venture; or (c) relaunch property development business. Watch the video and decide which option you think James will choose. You might find it useful to discuss the case with friends or colleagues before deciding. Please note that lecturers can have access to the reveal video, which reveals the actual decision taken by the entrepreneur.

Source: This video case is primarily based on an interview with James by Nigel Lockett.

In addition to the different types of entrepreneur discussed above, there are also different ways of categorising entrepreneurship. In the following sections, we discuss three of these types: immigrant and ethnic minority entrepreneurship (Section 2.3), replicative and innovative entrepreneurship (Section 2.4), social entrepreneurship (Section 2.5) and corporate entrepreneurship (Section 2.6). In reality, there are many more types that we will continue to explore in Part I and Part II chapters. For example, there is a great deal of interest in gender and the experiences of women as entrepreneurs, a theme that was illustrated by the Eileen Fisher brand in the opening section of this chapter and that we will revisit in later chapters.

2.3 IMMIGRANT AND ETHNIC MINORITY ENTREPRENEURSHIP

Peter Vandor and Nikolaus Franke (2016) asked an interesting question: What do Arianna Huffington (*The Huffington Post* (now *HuffPost*), Thrive Global), Elon Musk (Tesla, SpaceX) and Sergey Brin (Google) have in common? They then pointed out that, apart from being successful entrepreneurs, they share one distinct characteristic: extensive cross-cultural experience. Arianna Huffington grew up in Greece, studied in Cambridge, UK, and moved to the USA in her thirties. Elon Musk was born in South Africa, and studied in Canada and the USA before pursuing his entrepreneurial career in Internet and renewable energy. At the age of six, Sergey Brin emigrated from the former Soviet Union to the USA, where he studied mathematics and computer science before becoming an Internet entrepreneur. These immigrant entrepreneurs represent an interesting phenomenon – ‘the most entrepreneurial group in the US wasn’t born in the US’ (Bluestein 2015). Over 25% of new businesses in the USA are set up by immigrants although they account for only about 13% of the population (Bluestein 2015). In the high-tech sectors, about 25% of the high-tech firms in Silicon Valley in the 1980s and 1990s were founded or being run by immigrants (Saxenian 2002). Extending this study, Wadhwa et al. (2007) analysed firms in the rest of the country and other industries in 1995–2005 and found a similar percentage of immigrant-founded firms. Indeed, it is evidenced that the rates of business ownership are higher among immigrant entrepreneurs than natives in many developed countries, including the USA, the UK, Canada and Australia (Bluestein 2015).

Entrepreneurship scholars are interested in to what extent immigrant and ethnic minority entrepreneurship is distinctive from mainstream entrepreneurship and why it is distinctive (Deakins et al. 2003). Wang and Altinay (2012) summarised two main schools of thought on this issue. One school of thought looks at immigrant and ethnic minority entrepreneurship from the culturalist perspective, and argues that ethnic minority entrepreneurs and their businesses are intrinsically intertwined in their family and co-ethnic networks in which individual behaviour, social relations and economic transactions are shaped by the cultural heritage (Aldrich and Waldinger 1990). For example, Wang and Altinay (2012) found that Chinese and Turkish ethnic minority small businesses’ entrepreneurial orientation (i.e. proactiveness in the market, risk-taking and innovativeness) is positively associated with their access to co-ethnic products and suppliers of utilities and facilities. This means that being embedded in their own ethnic community brings about new opportunities for ethnic minority enterprises. Moreover, ethnic minority entrepreneurs manifest a ‘self-help’ ethos and culture that provides an impetus for them to start up their own businesses (Werbner 1994; Basu 2004).

Another school of thought looks at immigrant and ethnic minority entrepreneurship from the structuralist perspective (Mulholland 1997; Ram and Jones 1998; Virdee 2006). Scholars in this camp argue that ethnic minorities start up their own businesses not because of the unique advantage associated with their ethos, culture or embeddedness in the ethnic community, but because self-employment is one of the most effective strategies for ethnic minority individuals to pursue upward socio-economic mobility (Glazer and Moynihan 1963; Modood 1997). Self-employment may be the only alternative for ethnic minority people who are disadvantaged in the mainstream labour market due to structural barriers (such as racial exclusion and discrimination) and blocked mobility arising from skill deficiency (Zhou 2004). In other words, self-employment is ‘more a confirmation of subordinate status than an escape from it’ (McEvoy et al. 1982: 10). In this case, self-employment is not necessarily a manifestation of entrepreneurial spirit, as owners of many small businesses (such as takeaways or corner shops) show little ambition for or potential of business growth. Therefore, it is worth noting that immigrant and ethnic minority entrepreneurship is not all about the glory of fast-growing enterprises typically associated with immigrant entrepreneurs in the high-tech sectors in the Silicon Valley; it is also about the struggle of micro or small business owners who work hard for a living.

The culturalist and structuralist perspectives together help to understand the motivations of immigrant and ethnic minority entrepreneurship. Structural barriers in the socio-economic context form a ‘push’ factor, and ethno-cultural resources are a ‘pull’ factor (Jones et al. 1985). Consequently, scholars argue that it is the two factors together that give rise to immigrant and ethnic minority entrepreneurship: the ethno-cultural resources provide the means for entrepreneurship, and the labour market disadvantage provides the motive (Waldinger et al. 1990).

2.4 REPLICATIVE AND INNOVATIVE ENTREPRENEURSHIP

There are many faces of entrepreneurship. We talked about high-profile entrepreneurs, such as Sergey Brin and Elon Musk, but also mentioned the kinds of entrepreneurs who set up takeaways, grocer shops and dry cleaning businesses. There are vast differences between such individuals, including their motives for becoming entrepreneurs, the ways that they approach entrepreneurship and their impact on the wider world. Baumol (2010: 17–19) distinguishes broad two types of entrepreneurs and indicates how they are engaged in different kinds of economic activity:

- **‘innovative entrepreneurs’**, who create something new (e.g. a novel technology, product, or business model) and go on to commercialise it in the marketplace;
- **‘replicative entrepreneurs’**, a much larger category of people who set up businesses based on tried-and-tested business models and sell conventional products and services to existing markets.

Figure 2.1 illustrates these differences. The team that designed and marketed the Brompton folding bike provides a good example of innovative entrepreneurship – the bike is a technological innovation and it has encouraged people to adopt new and less carbon-intensive approaches to travel. By contrast, owner-managers who run typical street corner restaurants

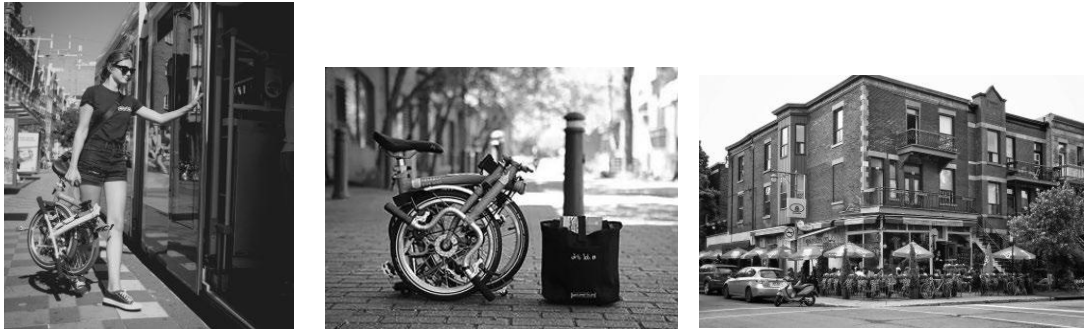


FIGURE 2.1 Distinguishing replicative and innovative entrepreneurship

or cafés could be described as replicative entrepreneurs – as Baumol notes, their products and services are also important, but their impact on the economy is entirely different. Innovative and replicative entrepreneurs also tend to differ in terms of their individual characteristics (see Chapter 11) and learning styles (see Chapter 16).

Joseph Schumpeter wrote extensively about innovative entrepreneurs. He described innovative entrepreneurs as ‘creative destructors’ – those who act as destabilising influences in an economy, and their creation – a new technology, a new product, or a new business model – triggering ‘creative destruction’ that disrupts the existing economic or industrial structure and creates a new industry or a new industrial structure through innovation (Schumpeter 1942). Amazon is an example of innovative entrepreneurship, and has transformed the book publishing and retailing industry.

In its early days, Amazon revolutionised the distribution and retailing of books from traditional physical bookstores to online retailing. As a result, many small bookstores and even large ones closed. Borders Group was one among many victims of this industry disruption. In 2010, Borders ran over 500 superstores in the USA, and employed over 1,000 staff across its UK bookstores before they went into administration towards the end of December 2010. Amazon also introduced a number of new initiatives and business models to transform the way in which books are published. According to figures provided by Forbes (Mitra 2008), in traditional book publishing, retailers take about 50% of the retail price of a book, followed by agents that take 15–20%, and book publishers that take up to 20%. Authors only get less than 10% of the retail price of a book. One of Amazon’s initiatives was to cut out the middlemen (publishers and agents) and directly engage with authors. To achieve this, it acquired BookSurge, a print-on-demand company (later to be known as CreateSpace) and Mobipocket.com, an e-book software company in 2005. In the same year, it launched the e-book reader Kindle. By cutting out the middlemen, Amazon increased its retailer’s share from 50% to 65% of book revenues, and offers 35% to authors (Mitra 2008).

In contrast, replicative entrepreneurship is aligned with Israel Kirzner's theory of entrepreneurship: entrepreneurs have flashes of insights that enable them to spot opportunities in the market (Kirzner 1973) – this includes opportunities of arbitrage to profit from price discrepancies in the market tending toward eradicating such discrepancies (von Mises 1949). In other words, replicative entrepreneurs act as efficient coordinators of resource usage in an industry or an economy, rather than as creative destructors that are found in innovative entrepreneurship.

Replicative entrepreneurship makes up a large segment of the economy and serves a growing population. A main contribution of replicative entrepreneurship is job creation, primarily through self-employment, such as in the case of China (Kelley et al. 2016) (see Case 2.2).

CASE 2.2

Chinese entrepreneurship

China took over from the USA to become the world's largest economy in size in 2014, according to the International Monetary Fund. This phenomenal growth was achieved in just three decades since China's economic reform in 1978. From the early 1980s to the mid-1990s, China's growth was largely attributed to rural industries – township and village enterprises. It is only since the late 1990s that China's self-employed private entrepreneurs have been the key drivers of growth (Yueh 2008). The rise of private entrepreneurship was brought about by the restructuring of state-owned enterprises in the mid-1990s. The guaranteed lifetime employment system broke down and there were massive layoffs by the state-owned enterprises. This, among many other institutional and cultural changes, made state-owned enterprises less attractive as a career choice and kick-started private entrepreneurship in China.



FIGURE 2.2 China's young entrepreneurs

Today, China has become a very entrepreneurial country. The Global Entrepreneurship Monitor's (GEM) 2015/2016 *Global Report* (Kelley et al. 2016) ranked China very favourably among the 60 nations surveyed by the GEM, in the areas of entrepreneurial intentions, total early-stage entrepreneurial activity, women entrepreneurship, job creations by entrepreneurial firms and high status given to entrepreneurs.

(Continued)

However, China is not yet an innovative economy. According to *The Global Competitiveness Report 2015–2016* (Schwab 2016), China remains in the league of efficiency-drive economies. The growth of Chinese economy has been largely fuelled by investment, low wages and urbanisation until recently (Schwab 2016). In this institutional context, China's private entrepreneurship primarily engages in replicative activities – competing on costs, rather than innovation. Even high-tech firms are mostly just copycats of firms in the Silicon Valley: Baidu was a replica of Google, and Tencent a copy of Yahoo!

Some call this 'catch-up entrepreneurship' (or replicative entrepreneurship), as opposed to frontier entrepreneurship (or innovative entrepreneurship) (Huang 2010). This viewpoint coincides with the GEM findings: a main contribution of China's entrepreneurship is job creation. Indeed, China ranks fifth out of 60 countries surveyed by the GEM in terms of job creation. Catch-up entrepreneurship thrives in China, within the constraints of its institutional environment – a stable political system that delivers basic infrastructure.

To give a flavour of China's replicative entrepreneurship, we look at the entrepreneurial journeys of two Chinese entrepreneurs, Mr Zhang and Ms Li, who both set up their own technology-based firms in the mid-1990s in Beijing.

MR ZHANG AND SPINALFIXTURE

Mr Zhang is a retired entrepreneur. Following an early retirement from a state-owned aerospace organisation with secure pension and benefits, Mr Zhang set up SpinalFixture in 1996 in Beijing. SpinalFixture focused on adapting foreign bone fixture technology to the requirements of Chinese patients. Since its start-up, SpinalFixture pursued organic growth through self-finance. In the early 2000s, facing increasing market pressure due to price-based competition, SpinalFixture focused on increasing efficiency and capacity. To achieve this, it moved into a large rural site in 2005, and transformed its ad-hoc workshop-style management to a formal, functional management structure to achieve efficiency and standardisation. However, since 2009 SpinalFixture faced intensified domestic competition in the low-end market and international competition in the high-end market, and the Founder realised that the opportunity lay in the mid-range domestic market. However, SpinalFixture needed to improve its research and development (R&D) capability, develop an entrepreneurial mindset and break down 'organisational silos' caused by functional management in order to create an innovative culture. The Founder wanted to transform SpinalFixture into an employee-owned organisation with effective reward systems for innovation.

MS LI AND LIVERPHARMA

Ms Li is what we call a returnee entrepreneur. She was a doctor in a state-owned hospital in China before her departure to pursue a Master of Public Administration in the US. On her return to China, she was dissatisfied by the control in state-owned hospitals and decided to quit her secure medical profession to set up LiverPharma with the help of her husband, a renowned doctor specialising in Hepatitis B. Unlike SpinalFixture, LiverPharma could not pursue organic growth due to high R&D investment (about 50% of sales annually) required for developing its technology. This was exacerbated by the lack of external finance due to

the immature capital market, and the lack of government support for private enterprises in China. Consequently, LiverPharma in parallel developed over-the-counter skincare products through licensing-in technology from a state-owned hospital; its revenue was re-invested in the R&D of Hepatitis B. Compared with its peers, LiverPharma had strong R&D capability and a culture that respected learning.

MR ZHANG AND MS LI'S LEARNING JOURNEYS

Their prior knowledge, skills and experience accumulated over decades of working in state-owned organisations were instrumental to the identification of their business opportunities. For example, Mr Zhang said:

I have expertise in designing aerospace products using titanium, the same material for bone fixtures [...] However, I didn't have medical knowledge, so I informally learnt medical knowledge from experts, and combined such knowledge with my engineering knowledge of aerospace design with titanium accumulated over the past 30 years.

Their social networks, including family members, close social groups (e.g. friends and ex-colleagues) and wider expert communities, provided much needed information, advice and support. For example, Mr Zhang and Ms Li recalled:

After I took early retirement, I talked to the Head of a [state-owned] hospital, who is a friend of mine. He told me that there was a good opportunity to develop bone fixtures. [Mr Zhang]

He [the co-founder] travels a lot, giving lectures and seminars, attending conferences, and training people and doctors [...] He could always find new information from Internet, books, or other sources [...] He is my teacher providing us information. [Ms Li]

Finally, both Mr Zhang and Ms Li spent years pondering over their business ideas, and preparing themselves for the right moment to start their own businesses. Ms Li provided a good example of how she and her co-founder worked secretly on their own project while being employed by a state-owned hospital:

I presented a paper on Hepatitis at a US conference [in 1983], and it was very well received [...] During the coffee break, someone [a leading international expert] approached me and asked me to carry on with my research ... He also invited me to collaborate with him on his [Hepatitis] technology [...] I promised to work on it. However, when I got back to work, the Head of the Hospital did not allow me to work on it. I was furious and hurt, shouting at him and also banging the table [...] Later on, I informally and secretly worked with a colleague on the project.

Both Mr Zhang and Ms Li's entrepreneurial experiences entail a great deal of learning within China's institutional constraints. Their experience may not be shared by the new generation of entrepreneurs, who have shown more creative flair and readiness to compete head-on with the world's biggest high-tech names such as Apple and Samsung (Thompson 2016).

(Continued)

QUESTIONS

1. How did the entrepreneurs above prepare themselves for setting up new ventures?
2. What factors were influential to the identification of entrepreneurial opportunities?
3. How did China's institutional environment shape the entrepreneurs' learning experience?

Source: based on a case study by Wang et al. (2014)

Both innovative and replicative entrepreneurship are important to an economy, despite having different approaches to economic value creation. In Case 2.2, we can see how Mr Zhang's business idea was based on adapting foreign products and technology for Chinese patients – an example of replicative entrepreneurship. Similarly, Ms Li's business idea was to develop a Hepatitis B diagnosis and treatment for Chinese patients. Although it required a higher level of R&D investment compared with that of Mr Zhang's idea, the business was not a radical departure from existing technology.

2.5 SOCIAL ENTREPRENEURSHIP

Social entrepreneurship has really struck a chord with many entrepreneurs who are keen to combine their passion for a social mission with an image of business discipline, innovation and determination in their ventures (Dees 1998; Short et al. 2009; Stephan et al. 2015). The phenomenon of social entrepreneurship has received much attention over the past two decades, but its practice can be traced back to much earlier social initiatives. Among the many renowned social reformers and innovators of the nineteenth and twentieth centuries, Florence Nightingale (1820–1910) is often mentioned as an example of what we would now term a 'social entrepreneur'. She not only revolutionised nursing and pioneered new ways of presenting medical statistics, but also set up the first professional nursing school and transformed the way hospitals were built. Another example is John Muir (1838–1914), a conservationist who helped to establish the US National Park System and founded the Sierra Club, one of the first large-scale environmental conservation organisations in the world.

In more recent times, social entrepreneurship has become a vehicle for both government agencies and private foundations, such as Ashoka, Schwab and the Skoll Foundation, to support social initiatives and develop programmes to solve social problems, especially in disadvantaged or under-represented communities (Noruzi et al. 2010). The Ashoka Foundation was founded by Bill Drayton, an American entrepreneur, first in India in 1980. It now operates globally. Bill Drayton's belief is that 'the most powerful force for good in the world is a social entrepreneur: a person driven by an innovative idea that can help correct an entrenched global problem. The world's leading social entrepreneurs pursue system-changing solutions that permanently alter existing patterns of activity' (Ashoka 2016). Today, the Ashoka Foundation is a leading international organisation that identifies, empowers, trains and connects social entrepreneurs, as well as investing in promising social enterprises for good causes. Arianna Huffington, the Founder of *The Huffington Post*, reminds us of the true spirit of social entrepreneurship as exemplified in Ashoka: 'Bill Drayton emphasised

to us [that] empathy is increasingly becoming our primary resource for dealing with the exponential rate of change the world is going through' (Ashoka 2016).

In the UK, the rise of social entrepreneurship led to the creation of the Community Interest Company (or the 'CIC') in 2005. The CIC is a dedicated legal form for social enterprises. Stephen Lloyd, a former senior partner at Bates Wells Braithwaite, a London-based law firm, is credited with the creation of the CIC legal framework; he is described as 'the father of CICs' (BWB 2016). As of 2016, 11,922 social enterprises were formally registered as CICs, and over 2,700 new CICs were set up in 2015–2016 (Regulator of Community Interest Companies 2016). It is worth mentioning that many more companies are run as social enterprises driven by social missions but are not registered as CICs. In addition, there is a growing movement of B Corps, businesses that receive certification for adopting pro-social and pro-environmental goals (Villela et al. 2019), for example the US clothes brands, Patagonia and Eileen Fisher, and UK-based food businesses such as Divine Chocolate, Café Direct and Abel & Cole.

Social entrepreneurship is particularly attractive among women and ethnic minority communities. According to a five-year study of social enterprises in the UK, women and ethnic minority people are more likely to set up social enterprises (Khan 2008). About 38% of social enterprises have a woman CEO, compared with 19% of SMEs and 3% of FTSE 100 companies (Robert Half 2013). Social enterprises are twice as likely as mainstream SMEs to be led by an ethnic minority entrepreneur (Villeneuve-Smith and Chung 2013). Women and ethnic minority people, because of their background and experiences, are more likely to have empathy on social problems and to be more motivated to find solutions to the problems.

As can be seen from these examples, the practice of social entrepreneurship is long-standing and the social enterprise sector has made a considerable impact on both the economy and the society that we live in. Social entrepreneurship practice has inspired academic research, but many issues remain to be clarified. For example, social entrepreneurship remains a contested concept (Choi and Majumdar 2014). It has many competing definitions and no unifying conceptual work (e.g. Mair and Martí 2006; Certo and Miller 2008; Short et al. 2009; Hill et al. 2010). In fact, some scholars even question whether a universal definition is possible (Choi and Majumdar 2014). As a result, Choi and Majumdar (2014) argue that social entrepreneurship should be considered as a cluster concept – a conglomerate of several sub-concepts, namely social value creation, the social entrepreneur, the social enterprise, market orientation and social innovation.

In reality, social entrepreneurship covers a wide range of practices – from corporate social entrepreneurship (Austin et al. 2006) to innovative activity with social intent in the for-profit sector or the non-profit sector (Dees 1998; Gras and Mendoza-Abarca 2014). If you are interested in finding out more about this increasingly popular type of entrepreneurial activity, Ridley-Duff and Bull (2015) is an accessible text, which reveals how social enterprises in different sectors engage in social and economic value creation.

Social enterprises face a variety of challenges. In contrast to charitable organisations that primarily rely on donations and grants, they need to maintain their core social mission while also building a profitable business model, otherwise they would not be able to generate

sufficient income to maintain their organisation or to invest in its future development (Dees and Anderson 2003; Certo and Miller 2008; Choi and Majumdar 2014). This combination of economic and social value creation is sometimes described as the ‘double bottom line’ of social enterprises. In those social enterprises that have a high concern for the environment, it extends to include a third objective – environmental sustainability and the ‘triple bottom line’ (Elkington 1997). Social enterprises’ success often depends upon their ability to satisfy the three-pronged fork of profitability, environmental quality, and social justice (Elkington 1997). Case 2.3, which reports on the performance of CICs, summarises several key challenges and opportunities for social enterprises.

CASE 2.3

Capturing and measuring social impact: The case of Spiral

Social enterprises are organisations which primarily have a social mission, such as providing finance to the poor, alleviating poverty, tackling structural unemployment or contributing to youth development. In the UK, social enterprises are businesses with ‘primarily social objectives whose surpluses are principally reinvested for the purpose of the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners’ (DTI, 2002). In 2018, more than 100,000 social enterprises operated in the UK, creating value of £60 billion while supporting two million jobs (Social Enterprise UK, 2018). Some social enterprises are registered as Community Interest Companies (CICs), a type of company that is designed for social enterprises to reinvest their profits for social causes. In 2020, there were over 18,900 CICs on the public record (Regulator of Community Interest Companies 2020).

Social enterprises aim to make a positive social impact – long-term changes in the lives of their beneficiaries and in the social fabric of communities (Ebrahim, 2019). Social enterprises measure social impact as part of assessing their performance and social change model. Social entrepreneurs also need to report their social impact in order to demonstrate their accountability and responsibility to stakeholders, current and potential beneficiaries, employees, local communities and funders (Molecke and Pinkse, 2020). In many countries, including the UK, it is a regulatory requirement for CICs to file impact reports on an annual basis (Nicholls, 2009).

Although many social enterprises have a clear social mission, it is often challenging for social entrepreneurs to measure social impact. Social impact can be measured using quantitative and qualitative methods (Nicholls, 2009). Quantitative methods can include surveys with beneficiaries and the creation of indices, such as the ‘social return on investment’ (SROI). Qualitative methods may include testimonials, case studies and ‘enhanced social audit reports’ that provide aspects of social impact in the form of narratives constructed by a social enterprise. There is no ‘one-best way’ to measure social impact, and social entrepreneurs choose methods based on their knowledge and availability of resources which can be used to capture and report social impact (Rawhouser et al. 2019).

Spiral is a social enterprise 'locally rooted' in Brixton, South London, which started its activities in 2014 and acquired the status of a Community Interest Company in 2015. According to its co-Founder & Head of Programmes, Ben Kahn, Spiral works with 'young people who are let down by the education system'. The co-founders' vision is, 'to ensure that young people are equipped to participate in society, make independent choices and take control of their own lives'. Its social mission is 'to ensure every young person is excited about their future, motivated to make it a reality, and equipped with the essential skills they need to succeed' (Spiral 2021).

Kahn explains that Spiral focuses on 'vulnerable young people either at risk of exclusions or in Pupil Referral Units' who are 'let down by society and the school system', so the objective of Spiral is to 'find them within institutions and then offer them a support package to try and get them back on track'. More specifically, Spiral prepares beneficiaries for a career in a wide range of industries, such as construction and engineering; information technology; arts and media; health and social care; tourism and hospitality; business and finance; and sport. Spiral creates social value for young people and the local community through workshops, mentoring and local work experience. These provide networking and professional interactions; essential skills development; work-based challenges and interactive learning; personal development workshops; CV, personal statement and interview support; and access to training and employment opportunities and well-being support locally (Spiral 2021).

Social impact is measured at Spiral based on self-assessment surveys that focus on transferable skills, motivation, confidence or aspiration of beneficiaries before and after an intervention (e.g. workshop). This way, Spiral captures the lasting changes in lives of beneficiaries from the perspective of these young people, while generating data that are used to evaluate the efficiency of its programmes. Spiral's surveys are based on toolkits, such as the *Journey to Employment Framework* (NPC 2021). Training in skills like leadership, teamwork, communication, self-management, creativity and problem solving are built and assessed based on the Skills Builder Universal Framework (Skill Builder Partnership 2021). Demonstrating social impact is important for Spiral to attract funding from local authorities, grants, and corporate, school and college funding.

Spiral works with over 1,000 young beneficiaries per year. For Kahn, social impact is seen through young people rather than as an organisation. The social impact of Spiral is also appreciated by its partners who run or facilitate workshops for Spiral, such as Vivian Murinde, a fashion professional, who stated: 'Working with Spiral has been both rewarding and inspiring. The workshops not only offer young people a much needed insight into current and relevant industries, but help develop core skills and instil confidence. Offering guidance and support at every step, constructing and delivering the workshops was easy and lots of fun'.

In conclusion, social entrepreneurs are valued in society because they act upon social problems which are not sufficiently addressed by the welfare state and market mechanisms. Social impact is not just a measurement, but a collective outcome that results from the relationships and interactions between social entrepreneurs and their beneficiaries, partners, local communities and funders.

(Continued)

QUESTIONS

1. Why do social enterprises measure social impact?
2. How does Spiral create social value and measure social impact?
3. Do you agree with the social impact plan of Spiral? How would you measure social impact if you were Spiral?
4. How do you interpret 'social impact is not just a measurement, but a collective outcome'?

Sources: DTI (2002), Nicholls (2009), Social Enterprise UK (2018), Ebrahim (2019), Rawhouser et al. (2019), Molecke and Pinkse (2020), Regulator of the Community Interest Companies (2020), NPC (2021), Skill Builder Partnership (2021) and Spiral (2021). This case was written by Marios Samdanis and Catherine Wang at Brunel University London.

2.6 CORPORATE ENTREPRENEURSHIP

As entrepreneurial activity can occur in a range of settings with various outcomes, it is important to consider what this looks like within the context of established organisations, be these mid-sized or large private sector firms, charities or even government and the public sector. Indeed, entrepreneurial activity within corporate or organisational contexts is now widely recognised to be important for a range of reasons. It is critical not only for developing new offerings, but for maintaining an organisation's competitiveness and ensuring innovation, growth and strategic renewal (Guth and Ginsberg 1990; Stopford and Baden-Fuller 1994; Sharma and Chrisman 1999). Sometimes also referred to as 'intrapreneurship', corporate entrepreneurship is complex and involves a range of different activities. Generally, however, we can think of corporate entrepreneurship as covering two main forms: corporate venturing and strategic entrepreneurship (Sharma and Chrisman 1999; Kuratko and Morris 2018).

Corporate venturing places a focus on developing and launching new ventures, either within the organisation ('internal corporate ventures') or outside ('external corporate ventures'). The former sit within the organisation's structure and draw on internal assets, processes and strategic requirements. Authors have suggested that the entrepreneurial activity that ultimately culminates in a new internal corporate venture often occurs in what has been termed 'white space' (Maletz and Nohria 2001) – an unstructured 'space' where individuals are not bound by the rules, norms and policies that may dictate other business decisions. As new ideas and outcomes develop, they eventually transition back into the 'black space' of the organisation where there may be additional considerations and constraints in the context of operational planning and delivery. The latter (external corporate ventures) may be developed organically by an organisation or as part of a joint venture with another firm. Increasingly, many organisations are turning to acquisition build a portfolio of external ventures, particularly growth-oriented enterprises (Mawson and Brown 2017).

Strategic entrepreneurship, on the other hand, is less about creating new ventures and more focused on how entrepreneurial activities yield innovation and competitive advantage. This

may include a range of activities including developments in products, processes, business models or even market activity. A key element of strategic entrepreneurship is strategic renewal – the adoption of a new strategy in pursuit of growth or sustained performance (Kuratko and Morris 2018). To pursue strategic entrepreneurship, organisations need to consider how to encourage (and sustain) a culture of entrepreneurship among both managers and employees, while also creating ‘space’ for entrepreneurial activity (see Case 2.4 which illustrates Sony’s approach to promoting corporate entrepreneurship). In this vein, encouraging an entrepreneurial mindset (see Section 11.3.4), creativity (Section 11.3.5) and entrepreneurial learning (Chapter 16) throughout the organisation becomes particularly critical.

CASE 2.4

Corporate entrepreneurship at Sony

It all begins with just an idea ... I can’t tell you how many businesses began with just one word.

Shinji Odashima, Head of Sony’s Accelerator Programme

Sony’s ideas have, over time, helped shape the backdrop to the modern-day world. From early forays into transistor technology in the 1950s, the Walkman and the video recorder in the 1970s and the PlayStation of today, Sony has often been at the heart of popular consumer and business electronics with an established track record of successful entrepreneurship and innovation.

Founded in 1946 by Masaru Ibuka, Sony paid close attention to the need to attract open-minded staff who could operate in a corporate environment that espoused freedom of thought and opportunities. Today, the corporation continues to attract ‘curious’ employees working in deliberately open-planned offices designed to promote the sharing and transfer of knowledge. In the past, entrepreneurial opportunities were seen to arise wholly from the internal workings of employees; more contemporarily, while Sony continues to encourage the leveraging of internal resources, several mechanisms have been redeveloped that recognise the importance of an increasingly dynamic and connected technological environment.

Significant corporate entrepreneurial mechanisms at Sony include:

- **Technology-strategy committees for technological innovation.**

Introduced in 2015, each committee specialises in a specific field important to Sony. They focus on knowledge sharing in specific scientific fields important to Sony, promoting value creation opportunities across the corporation. Staffed by 1,000 specialists recruited both from across Sony’s many subsidiary companies and from the centre, these committees help the corporation to grow by identifying potential synergistic opportunities and technological innovations.

(Continued)

- **Annual Technology Exchange Fair**

Established in 1973, this is another corporate-wide event, drawing in engineers from across Sony to present and share with others their R&D efforts in an annually scheduled event. Engineers are encouraged to engage and interact with other participants in the search for future value creation prospects. Partly an exhibition showcasing promising R&D projects, the fair also provides education and knowledge exchange opportunities through invited speakers both internal and external. In 2019, over 10,000 employees from Sony took part in the fair.

- **Start-up Acceleration Programme**

Launched in 2014, this scheme provides support and finance to nurture intrapreneurs within Sony in creating businesses from scratch. While at first exclusive to internal employees at Sony, in 2018 the scheme began to welcome external applications from would-be start-ups. In doing so, the scheme moved from being a purely internal business incubator to becoming an open incubator. The ideas supported by the scheme often emerge from dedicated collaboration spaces that Sony has created at different locations within the corporation, such as 'The Creative Lounge' at headquarters, 'Bridge Terminal' in Osaka, and 'Comi-chika' at Atsugi. To date, the scheme has led to the launch of 14 new businesses and helped develop 34 business ideas, including the innovative 'Toio' toy platform and the 'Wena' hybrid smart watch. Participants in the acceleration programme take part in Sony's Open Innovation Showcase, an annual event held at corporate headquarters, providing opportunities for demonstrations, knowledge sharing and networking.

- **Sony Innovation Fund**

Created in 2016, the innovation fund forms the major plank of Sony's corporate venturing activities. It seeks to provide seed funding of up to \$3 million and support for start-ups during the critical stages of idea development and prototyping. Once proof of concept is established, an additional joint venture with Daiwa Securities provides additional funding of up to \$10 million to help support growth and expansion. So far, the fund has invested in over 60 promising businesses across a number of different technological fields including artificial intelligence, sensors and imaging. Beneficiaries of the fund also take part in the annual Innovation Showcase held at headquarters. First held in 1973, and originally a wholly internal event, the Showcase now incorporates external investments as Sony embraces the open innovation model.

- **Distinguished Engineer Programme**

Also operating from the centre but drawing from across Sony, this programme enthusiastically seeks out engineers with deep technical experience and specialised knowledge to act as technological leaders within the corporation. They provide not only a role model for less experienced engineers, but also are expected to be ambassadors for technological innovation and inter-organisational technological alliances within Sony. Currently, some 700 engineers perform this role within the corporation.

QUESTIONS

1. What mechanisms has Sony used to engage in corporate entrepreneurship over the years?
2. What role does open innovation play in Sony's corporate entrepreneurship endeavour?

Sources: Based on Sony Corporate Report 2019, 2020; Sony Corporate Social Responsibility Report 2018, 2020; Sony News Report 2019, all from Sony (2021); Nakamura (2019). The case was written by Romano Dyerson at Royal Holloway University of London, the UK.

We hope that the examples discussed in this chapter have given you at least a flavour of the many 'faces' of entrepreneurship that you are likely to encounter during your studies. We have also tried to highlight a few of the many ways that entrepreneurial practice can vary in different situations, as well as identifying some common themes.

Entrepreneurship research has flourished in the past three decades, resulting in a rich body of knowledge that we will be exploring in greater detail in later chapters. By way of introduction, Case 2.5 illustrates Professor Sarah Jack's research on entrepreneurship in different contexts. You will find a series of these 'Researcher Profile' cases in Part II of *Exploring Entrepreneurship*. Each chapter showcases the work of a leading entrepreneurship researcher, with a short biography followed by an informal discussion.

CASE 2.5 RESEARCHER PROFILE**Sarah Jack: Examining entrepreneurship in different contexts**

Sarah Jack is both a Professor of Innovative and Sustainable Business Development at Stockholm School of Economics and a Professor of Entrepreneurship at Lancaster University. Previously, she worked at the University of Aberdeen where she gained her PhD. Her specific interests are in understanding the relationship between entrepreneurship and social context. She co-edited *Entrepreneurial Process and Social Networks: A Dynamic Perspective* (Fayolle et al. 2016), which takes the view that entrepreneurship is a social process and creating a firm requires the mobilisation of social networks and use of social capital. She has been involved in various research projects, the most recent being a 'Horizon 2020' collaboration with partners from across Europe titled, 'Social Innovation in Marginalised Rural Areas', led by Professor Maria Nijnik of The James Hutton Institute, Aberdeen (SIMRA 2021), and a £7 million Global Challenge Research Fund entitled 'RECIRCULATE: Driving eco-innovation in Africa: capacity-building for a safe, circular water economy' (GCRF 2021).

(Continued)

In this interview, Sarah discusses her research interests around the relationship between entrepreneurial activity and the varied contexts in which it is located.

WHY DID YOU WANT TO RESEARCH IN THIS AREA?

I have always been curious about how entrepreneurs operate in reality. When I embarked on my doctoral studies, I was given the opportunity to choose my topic. I found the link between entrepreneurs and social context fascinating. I grew up in the northern periphery of Scotland where my interests in the relevance of social relationships was formed. When I started my doctoral studies, it became clear little was known about entrepreneurship in rural areas. At the same time, there was a growing interest in trying to understand the impact of social context. Influenced by the work of Elizabeth Bott, Jeremy Boissevain, Mark Granovetter, Howard Aldrich, Bengt Johannisson and Alistair Anderson, among others, I saw this as a real opportunity. I was very fortunate in working with Alistair Anderson. He encouraged me to explore my interests. Following the completion of my doctoral thesis, I continue to engage with these areas. My interests have also extended to include social innovation, social skills, social entrepreneurship (Steiner et al. 2008) and social incubation (Soetanto and Jack, 2013, 2016). I have always had an interest in entrepreneurship education and social context (Anderson and Jack 1999; Jack and Anderson 2008; Dodd et al. 2013; Lockett et al. 2017). More recently, I have been looking at entrepreneurship in the contexts of family business (Konopaski et al. 2015; Discua Cruz et al. 2012, 2020) and in Spain (Gil et al. 2016) and Finland (Leppäaho and Jack 2016), ecosystems (Pugh et al. 2021), the space industry (Lamine et al. 2021) and more widely (Anderson et al. 2021).



FIGURE 2.3 Sarah Jack

HOW DID YOU DECIDE ON YOUR MAIN RESEARCH QUESTIONS?

My approach has always been context matters and that to understand entrepreneurship, we should look at the context in which it takes place. What really interests me in all this is how context shapes entrepreneurship, the interplay between entrepreneurship and social context, and how entrepreneurship may actually shape context. Entrepreneurship is a contextual event and so the ideas of embeddedness, social capital, social bonds and social networks play meaningful roles in the entrepreneurial process. Entrepreneurship is both shaped and

influenced by context, and it is therefore critical to look at entrepreneurial matters in their context. I also believe that understanding the role of relationships and how those that exist between entrepreneurs and the communities with whom they engage can influence practice and outcomes, is important (McKeever et al. 2015). Entrepreneurship sustains communities over time and vice versa. This links back to my roots and growing up in a rural community where entrepreneurship and enterprise activity were very critical for survival. So, I suppose my research questions are developed through a real desire to extend understanding and contribute to the knowledge gaps which seem to exist in entrepreneurship research and their implications for policy, theory and practice.

WHAT METHODS DID YOU USE?

My approach has always been qualitative. For my doctoral thesis, I drew on ethnographic techniques to understand the situations entrepreneurs encounter. I focus on 'why' and 'how' questions and enjoy working with rich data and interrogating it, working through the patterns and themes to the analysis to arrive at understanding.

WHAT WERE YOUR KEY FINDINGS?

A key finding is that entrepreneurship is a social process with economic outcomes. I like to interrogate theoretical perspectives within the context of entrepreneurship, Granovetter's ideas about strong and weak ties being one example. I enjoy unpicking processes to show the realities entrepreneurs face. Ivy et al. (2014) look at an emerging economy and the situations entrepreneurs face. It especially raises questions about the applicability of applying Western-style concepts to other parts of the world.

WERE THERE ANY PARTICULAR CHALLENGES IN CONDUCTING THESE STUDIES?

The type of work I do is challenging; you end up with lots of rich data to analyse and interpret to extend understanding. You have to present it in a way which takes the reader on the journey with you. This is critical but also difficult. I like to put as much data forward as I can. Final presentations can look so neat and structured and really hide the messiness (and joy) of working with qualitative data.

WHERE DO YOU THINK RESEARCH IN THIS AREA NEEDS TO DEVELOP IN FUTURE?

Current work excites me. I see entrepreneurship as offering a mechanism to deal with some critical global challenges we face. How we move forward and use knowledge to make a difference to the lives of people across the world is critical. Entrepreneurship exists in many different ways and that is why we need to look at it in the context in which it takes place. Only by doing so, can we really generate a better appreciation of how and why it happens in the way it does. More ethnographic work could help and looking at how social context and entrepreneurship come together to build and sustain different forms of communities across the world is interesting. Challenging a lot of the perspectives that have been developed and which we currently work with, is critical to enhancing how we view and understand entrepreneurship.

2.7 SUMMARY

- Entrepreneurial activity can be found in organisations of various kinds (e.g. a small entrepreneurial team founding a technology-based start-up venture, a social entrepreneur developing a new social enterprise, or a group of intrapreneurs developing new ventures within the boundaries of a large corporation).
- Entrepreneurial activity can also take place in different places and spaces (e.g. a remote rural community, a university science park, or a suburban garden shed). There are also differences in the kinds of entrepreneurship found in different countries and regions.
- Entrepreneurs display a variety of motivations and their ventures are directed towards economic, social and personal goals (e.g. launching an innovative pharmaceutical product, empowering young disabled people, creating a personal fortune for the founder).
- Entrepreneurs may engage in one or more types of entrepreneurship. For example, a technology entrepreneur is likely to engage in innovative entrepreneurship, but this activity might also be described as 'social entrepreneurship' if the primary aim is to address a social problem.
- It is important to recognise both the *sources* of variety in entrepreneurship and the *consequences* of pursuing different types of entrepreneurial activity. Understanding these differences can be equally valuable, whether you are a researcher, a practitioner (e.g. a consultant or financier), or a prospective entrepreneur.

1. Conduct a web search to find your own examples of at least five of the nine types of entrepreneur summarised in Section 2.2 and prepare short summaries. How far do your examples match the descriptions given in the chapter? Did you find any overlapping categories?
 - i. Refer back to the Chapter 1 discussion topic, 'What does it take to be an entrepreneur?'. Select one type of entrepreneur and try to identify any additional requirements. For example, if you selected a 'technology entrepreneur' you might refer to technical expertise (or at least a capacity to understand and work with the relevant specialists).
1. Rates of business ownership are higher among immigrant entrepreneurs and much higher than those of natives in many developed countries, including the USA, UK, Canada and Australia (Bluestein 2015) (Section 2.3). How can we explain these differences?
2. Do you think it is more important for a government to promote *innovative* entrepreneurship or *replicative* entrepreneurship (Baumol 2010) (Section 2.4)? Give reasons for your answer.
3. We have categorised 'social entrepreneurship' as one type of entrepreneurship, alongside 'rural entrepreneurship' for example. Do you think this is appropriate, or is social entrepreneurship fundamentally different from the other types we have considered in this chapter?

These readings address important topics in entrepreneurship research and are recommended for anyone wanting to build on the material covered in this chapter. Recommended readings have been selected from leading SAGE journals and are freely available for readers of this textbook to download via the online resources.

Van Burg, E., Cornelissen, J., Stam, W. and Jack, S. (2020) 'Advancing qualitative entrepreneurship research: Leveraging methodological plurality for achieving scholarly impact'. *Entrepreneurship Theory and Practice*. doi: 10.1177/1042258720943051.

This is a short article by the editors of this influential journal, including Sarah Jack (Case 2.5). They discuss how and why qualitative research methods can be used to study entrepreneurship. The authors encourage researchers to use a variety of methods in order to uncover more about their subject. They also suggest how researchers can combine relevant theories with qualitative evidence in order to make useful contributions to our understanding of the subject.

Swan, C.D. and Morgan, D. (2016) 'Who wants to be an eco-entrepreneur?: Identifying entrepreneurial types and practices in ecotourism businesses'. *The International Journal of Entrepreneurship and Innovation*, 17, 2: 120–32.

Within the small-business sector of ecotourism, entrepreneurs must balance competing goals pertaining to business objectives, lifestyle aspirations and, most importantly, sustainable environmental practices. This study reports how ecotourism *eco-entrepreneurs* perceive and manage these goals, consistent with concerns and motivations, based on semi-structured interviews of small business operators. The findings show that eco-entrepreneurs' social and sustainable characteristics are critical to overcome financially challenging and complex operating environments while also delivering a desired lifestyle. As a business strategy, eco-entrepreneurs were found to deliberately maintain small, low-impact ecotourism operations consistent with identified *eco-values*.

Tlaiss, H.A. (2013) 'Entrepreneurial motivations of women: Evidence from the United Arab Emirates'. *International Small Business Journal*, 33, 5: 562–81.

This article explores the entrepreneurial motivations of women entrepreneurs in the United Arab Emirates. It analyses the impact of macro social forces and cultural values on the motivation for entrepreneurship and explores how post-materialism, legitimization and dissatisfaction theories may explain these motives. In-depth semi-structured interviews were conducted with local women entrepreneurs and analysed using an interpretive approach. The results illustrate how Emirati women entrepreneurs navigate the patriarchy of their society, socio-economic realities, and structural and attitudinal organisational barriers to construct and negotiate their entrepreneurial motivations.

