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## Exploring Entrepreneurship (third edition)

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# 1

# INTRODUCTION

## LEARNING OUTCOMES

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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

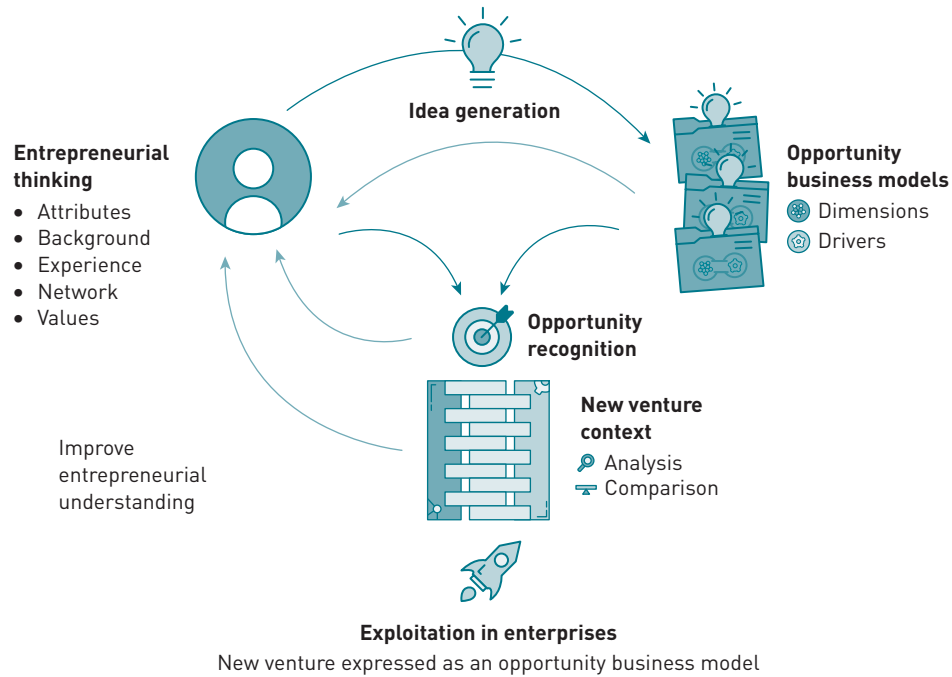


FIGURE 1.1 Our approach to entrepreneurial learning

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.

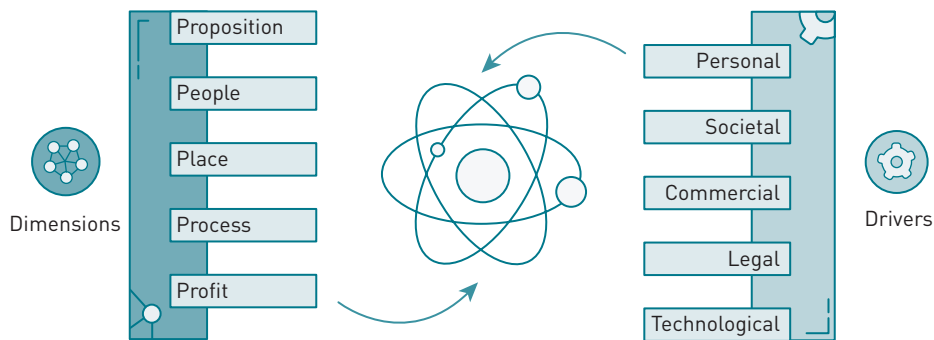


FIGURE 1.2 An atomic metaphor for entrepreneurship

### 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.

## PRACTICAL ACTIVITIES

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.

## DISCUSSION TOPICS

### 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.

## RECOMMENDED READING

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' entrepreneur[ing], 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.

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