

Understanding Enterprise, Entrepreneurship and Small Business



by *Simon Bridge, Ken O'Neill and Stan Cromie*
(2nd edn)
Palgrave: Macmillan, 2003

The authors of *Understanding Enterprise, Entrepreneurship and Small Business* provide the reader with a unique synthesis of entrepreneurial theory, small business development and the implications of public policy initiatives for job creation by new ventures. The book addresses the positives and negatives of small business enterprises, clearly delineating the antecedents and consequences of new ventures in the context of a democratic society. The text, written in a clear concise language that is devoid of jargon, should have wide appeal to researchers, public policy-makers and business students.

The first two chapters describe the concept of enterprise and the socio-economic settings that are crucial for new enterprises to develop. The authors define enterprise across a wide continuum, providing the reader with a breadth of knowledge concerning the concept of enterprise. Individual initiative is central to new venture creation and the attendant generation of wealth benefits for the entrepreneur and employment creation for society.

Chapter 3 describes the approaches that various academic disciplines utilise to define the internal factors that comprise enterprise and the profiles of the entrepreneurs that create new ventures. The authors acknowledge the complexity of defining a stereotypical entrepreneur, suggesting that an integrated model offers the best potential for defining entrepreneurship. In Chapter 4, the authors identify the complex factors that influence individual enterprise including culture, macro economics, politics and demographics. A balanced and objective view of the benefits and potential drawbacks of enterprise is presented in Chapter 5.

Chapters 6 through 9 delve into the exploration of small business and the unique features that differentiate it from a large enterprise. Chapter 6 explores the motivation for starting an enterprise, stages of new ventures from incubation to maturity and the structures of new enterprises. Chapter 7 and 8 outline the distinctive features of new enterprises associated with business planning, debt structure and the transition by the new venture founders from employee to

employer. New venture growth, the implications of growth and the external factors that impact growth are explored in Chapter 8. Corporate enterprise is the subject of Chapter 9.

Chapters 10 through 13 explore the issues surrounding government intervention in the economy to promote job creation via the new venture growth. The authors explore the motivation and justifications for intervention, theoretical models to guide intervention, the methodologies for intervention and the evaluation of the interventions.

Messrs Bridge, O'Neill and Cromie provide an integrated approach to understanding the motivations of small business founders, the challenges faced by new ventures and the implications for policy-makers regarding the importance of new venture success.

The text presents a balanced view of the contributions small business can make to society. Visually the authors have effectively utilised graphical displays, short case studies and explanatory tables to assist the reader in understanding difficult concepts.

In Chapter 7, the authors' sense of portraying a balanced view may give the reader a sense of ambivalence regarding the need for enterprises to develop a business plan.

I suspect that few successful practitioners with experience establishing new ventures would be ambivalent about the importance of a business plan. The development of a business plan forces the new venture founders to crystallise their thinking, clearly articulate in writing their vision and utilise the plan to establish important milestones for the ventures development.

In Chapter 8, the authors present one of the most lucid and clear explanations of growth components and the potential pitfalls of growth that I have read. Those contemplating the start up of a new venture would be well advised to read this section of the text carefully.

Importantly, the authors recognise the inherent tensions between the goals of entrepreneurs and those of society and the requirement to balance their conflicting aspirations. They also recognise that small business and new enterprises contribute to the improvement of society in a meaningful and important way.

The authors' logical sequential approach to small enterprise development, clarity of writing and succinct presentation provide a prospective that will assist researchers, policy-makers and students of entrepreneurship in understanding an often-intangible subject matter.

MICHAEL F. CUMMINGS

University College Dublin

