

Lecture 2: SIGNIFICANCE AND PLACE OF ENTERPRISE AND ENTREPRENEURSHIP

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CHECKLIST

- Learning outcomes
- Prior reading/research/actions
- Further/follow up reading/research/actions
- Recaps and context
- Notes and notices

LEARNING OUTCOMES

- the central and importance place entrepreneurs hold historically and currently
- how they are thought of and why they are valued
- what ethical issues and dilemmas attach to this

RECAP ON YOUR OWN TIME INPUT

READ:

● Formica, P. (2015)

The Two Essential Entrepreneurial Types,

● Burns, P. (2018) New Venture Creation **Chapter 1.**




WATCH: Peter Jones


He talks with Richard Reed; **Innocent Smoothies** and Michelle Mone; **Ultima**

QUESTIONS ON POST – L ACTIVITY

- Would you rather be a path creator or path finder?
- Does it matter?
- Who is the “hippy with the calculator”?
- What is Innocents turnover?
- How did Michelle nearly get arrested?
- How many tons of what does Richard get out of the Malvern Hills?
- What special vision and agreement do Ed and Richard have?

The significance and place of Entrepreneurship

 Gibbons, Christian. "Economic Gardening" Economic Development Journal; Washington Vol. 9, Iss. 3, (July 2010), pages 5-11. An accessible text written in the first person, available through the library opac link to EBSCO - makes the point that entrepreneurship drives the economy (smatterings of chaos theory in here too!) If you don't look at this now, we shall revisit in Seminar 8.

 An engaging history, and an entertaining read: Baumol, William J., "Entrepreneurship: Productive, unproductive, and destructive", Journal of Business Venturing, Volume 11, Issue 1, (January 1996), Pages 3-22 [https://doi.org/10.1016/0883-9026\(94\)00014-X](https://doi.org/10.1016/0883-9026(94)00014-X)

 and finally, beautifully written is Baumol, William J., "Entrepreneurship in Economic Theory", The American Economic Review, Vol. 58, No. 2, Papers and Proceedings of the Eightieth Annual Meeting of the American Economic Association (May, 1968), pages 64-71 Published by: American Economic Association, Stable URL: <http://www.jstor.org/stable/1831798>, Accessed: 12-06-2018 13:47 UTC

HISTORY

“... the heroic entrepreneur, a transformer and founder of industries, an undertaker of massive feats of engineering, an opener of continents ... raising enormous quantities of capital ... new organisational methods and the coordination of vast numbers of people”

Casson, M., Yeung, B., Basu, A. and Wadeson, N. (Eds) 2006.

THEORIES

- **Say and Cantillon:** organiser of factors of production and a catalyst for economic change
 - **Kirzner:** spotter of opportunities “creative alertness”
 - and **Schumpeter:** the innovator the hero
 - **Knight:** a risk taker – profit is reward for risk taking
 - **Casson:** the organiser of resources
 - **Shackle:** creative, imaginative, comfortable with uncertainty and imperfect information
- Deakins and Freel (2012)

WIDER THEORIES

SOCIOLOGICAL

- Context
- Work relationships
- Household context

PSYCHOLOGICAL

- Not just a profit motive?
- Need for achievement

HERO

THE MISUNDERSTOOD

DEFINED BY THEIR ACTIONS

PARTICULAR TRAITS AND ATTRIBUTES

VALUABLE TO ECONOMY

CAN BE GOOD/GO BAD

SHOULD BE ENCOURAGED

ETHICS ENVIRONMENT CITIZENSHIP

YOUR READING/RESEARCH/ACTIVITY

FURTHER READING

Helpful and comprehensive is: Wennekers, S. & Thurik, R. "Linking Entrepreneurship and Economic Growth" *Small Business Economics* (1999) 13: 27.
<https://doi.org/10.1023/A:1008063200484>

SEMINAR

PREPARATION: SEE DUO

FOR NEXT LECTURE

A popular and creditable questionnaire for measuring those character traits associated with having a tendency to be enterprising: **The General Enterprising Tendency test**
www.get2test.net

- Part of a simple text book chapter which summarises attention paid to key dimensions of Entrepreneurial Characteristics: Burns, P. (2018) **New Venture Creation**, Second Edition, London, Palgrave Macmillan **pp 15 to 30**.
- An accessible article in Harvard Business Review: Kets de Vries, M.F.R., (1985) **The Dark Side of Entrepreneurship**
<https://hbr.org/1985/11/the-dark-side-of-entrepreneurship>