Contents

List of figures, tables, exhibits Notes on contributors

Foreword	xiv
Preface	XV
Acknowledgements	xvii
Part I: Theoretical explorations in entrepreneurship	
1 Understanding new business growth Richard N. Cardozo, Brian Harmon and Alexander Ardishva	3 ili
2 Strategy formulation in the entrepreneurial small firm Dennis Hanlon and Michael G. Scott	17
3 Technology management and entrepreneurship: A critical view Kalevi Kyläheiko and Asko Miettinen	39
4 What does it mean to trust an entrepreneur? Murray B. Low and V. Srivatsan	59
5 Global dimensions of new competencies: Creating a review and research agenda Rita Gunther McGrath, Ian C. MacMillan and S. Venkataraman	79
Part II: Empirical findings in entrepreneurship	
Section I: Networks	
6 Networking and entrepreneurship in Japan Mitsuko Hirata and Akihiro Okumura	109

vii

vi Contents

,	A panel study of small and medium-sized firms in the research triangle Pat Ray Reese and Howard E. Aldrich	124
Sec	ction II: Initial public offerings	
8	IPO long-term performance in the United Kingdom: A dynamic beta reappraisal Benôit F. Leleux and Daniel F. Muzyka	147
9	Are prestigious underwriters and auditors of any value for entrepreneurs in the going-public process?: Evidence from the French second market Rémy Paliard	174
Sec	ction III: Life-style issues	
10	Entrepreneurial behaviour of French engineers: An exploratory study Alain Fayolle and Yves-Frédéric Livian	201
11	New businesses in the UK brewing industry: Entrepreneurial ventures or life-style enterprises? Kevin McNally and Colin Mason	229
Sec	ction IV: General	
12	Analysing foreign direct investment in research and development: An entrepreneurial perspective Walter Kümmerle	253
13	Decoding a black box? Evaluating marketing consultancy schemes for SMEs David Molian and Sue Birley	273
14	A predictive model of litigation between channel members in a franchise channel of distribution Stephen Spinelli, Jr and William D. Bygrave	303
	Index	321

Figures, tables and exhibits

FIGURES

1.1	Positive growth processes and pathways	9
1.2	Negative growth processes and pathways	13
2.1	Typology of social environments	24
2.2	Vision enactment process	28
3.1	Typology of different theories of the firm	41
3.2	Typology of entrepreneurship	53
3.3	Technological (dis)continuity and the type of	
	entrepreneurship	54
4.1	Confidence as a function of trustworthiness and	
	competence	66
4.2	A process model of confidence building	68
6.1	Relationships of networking activities and personal traits	111
6.2	Networking and creativity	117
8.1	Overall long-run IPO average abnormal returns (UK)	153
8.2	Average cumulative abnormal returns by introduction	
	method used (UK)	154
8.3	Evolution of sub-sample sizes in post-issue event time	
	(UK)	155
8.4	Long-run performance of IPO shares by issue market	
	(UK)	156
8.5	Evolution of the stock-market indices (UK, Germany,	
	France)	157
8.6	Long-run performance of IPO shares by issue year (UK)	158
8.7	Cross-sectional abnormal returns estimates (UK)	160
8.8	Cross-sectional systematic risk estimates (UK)	163
8.9	Long-term performance of IPO shares with	
	cross-sectional systematic risk adjustments (UK)	164
8.10	Cross-sectional abnormal performance by method	
	of introduction used (UK)	168
8.11	Cross-sectional abnormal performance by market on	
	which the introduction took place (UK)	169
10.1	The taking over of a company by an engineer	218
11.1	The study area: locations of breweries and brew-pubs	
	in the survey	235
12.1	Scope of R&D decisions within the firm	258
12.2	Matrix constituencies and activities in R&D	261

viii	Figures, tables, exhibits	
12.3	Developing the analytical framework from the matrix of constituencies and activities in R&D	262
12.4	Model of foreign direct investment decisions in R&D	
	by Japanese companies	266
13.1	The 'black box' consultancy model	285
13.2	Stages of marketing development in small firms	287
14.1	Franchisor profit-maximizing behaviour	310
14.2	Demand function of a prototype zee	310
TAB	LES	
1.1	Golden Valley Microwave Foods	10
1.2	Best Buy Company	11
5.1	Key challenges of new competence creation	84
6.1	Gender of sample	112
6.2	Age of sample	112
6.3	Time allocation by entrepreneurs and non-entrepreneurs	113
6.4	Number of networking groups	113
6.5	Types of networking associates	114
6.6	Factor analysis of personal traits	115
6.7	Mean comparison between entrepreneurs and	
	non-entrepreneurs	119
6.8	Mean comparison between networker and non-networker	120
6.9	Mean comparison between two groups or more and	
	less than two groups in networking	122
7.1	Sample size and response rates	129
7.2	1990 business owners in 1992	132
7.3	Resource pathways, business disbanding, and resource use	139
8.1	European IPO studies: an overview of evidence	150
8.2	IPO cross-sectional beta estimates, Chan and	
	Lakonishok 1992	159
8.3	Cross-sectional post-IPO month-by-month abnormal	
	performances (UK)	160
8.4	Cross-sectional post-IPO month-by-month systematic	
	risks (UK)	162
9.1	IPO underpricing in European markets	175
9.2	Motivation on the French second market	180
9.3	Firms raising capital after the IPO	180
9.4	The study sample	183
9.5	Firm values	183
9.6	Listing procedures	183
9.7	Composition of firm equity	184

	Figures, tables, exhibits	ix
9.8	Types and market values of firms in sample	184
9.9	Mode of selling stocks, by firm	185
	Measures for underpricing	185
	Analysis by listing procedure	185
	Underpricing over time	186
	Effect of 1987 crash on sample	186
	Crash effect and modified listing procedures	186
	'Hot' and 'cold' markets as the number of IPOs during	
	the three preceding months	187
9.16	'Hot' and 'cold' markets as fixed periods of time	188
9.17	'Hot' and 'cold' markets and procedures used	188
9.18	'Hot' and 'cold' markets defined by the first and fourth	
	quartiles of the number of IPOs during the three	
	previous months	188
9.19	'Hot' and 'cold' markets set as fixed periods of time	189
9.20	Analysis of sample by listing place	189
9.21	Analysis of sample by industry	190
	Other control variables	190
9.23	Correlations with two measures of underpricing	191
	'Cold' market segment of sample: underpricing	192
	'Hot' market segment of sample: underpricing	192
	Underpricing and underwriters	193
	'Cold' markets	193
	'Hot' markets	193
11.1	Financial requirements at start-up	238
11.2	Sources of start-up finance	238
11.3	Future objectives of microbrewery owners	241
13.1	Enterprise Initiative evaluation scheme	278
13.2	First panel: satisfaction scores	279
13.3	First panel: relevance scores	280
13.4	Attitudes towards future use of consultants	280
13.5	Score data for second panel	281
13.6	Prior experience of consultancy in general – no use of consultants before	282
13.7	Prior experience of initiative-related consultancy – no	
	use of consultants before	283
13.8	Marketing practice: a taxonomy	299
14.1	Pearson correlation matrix	314
EXH	IBITS	
1.1	Age-adjusted average annual sales growth in 1982 dollars	6
1.2	Profit-maximization curve	12