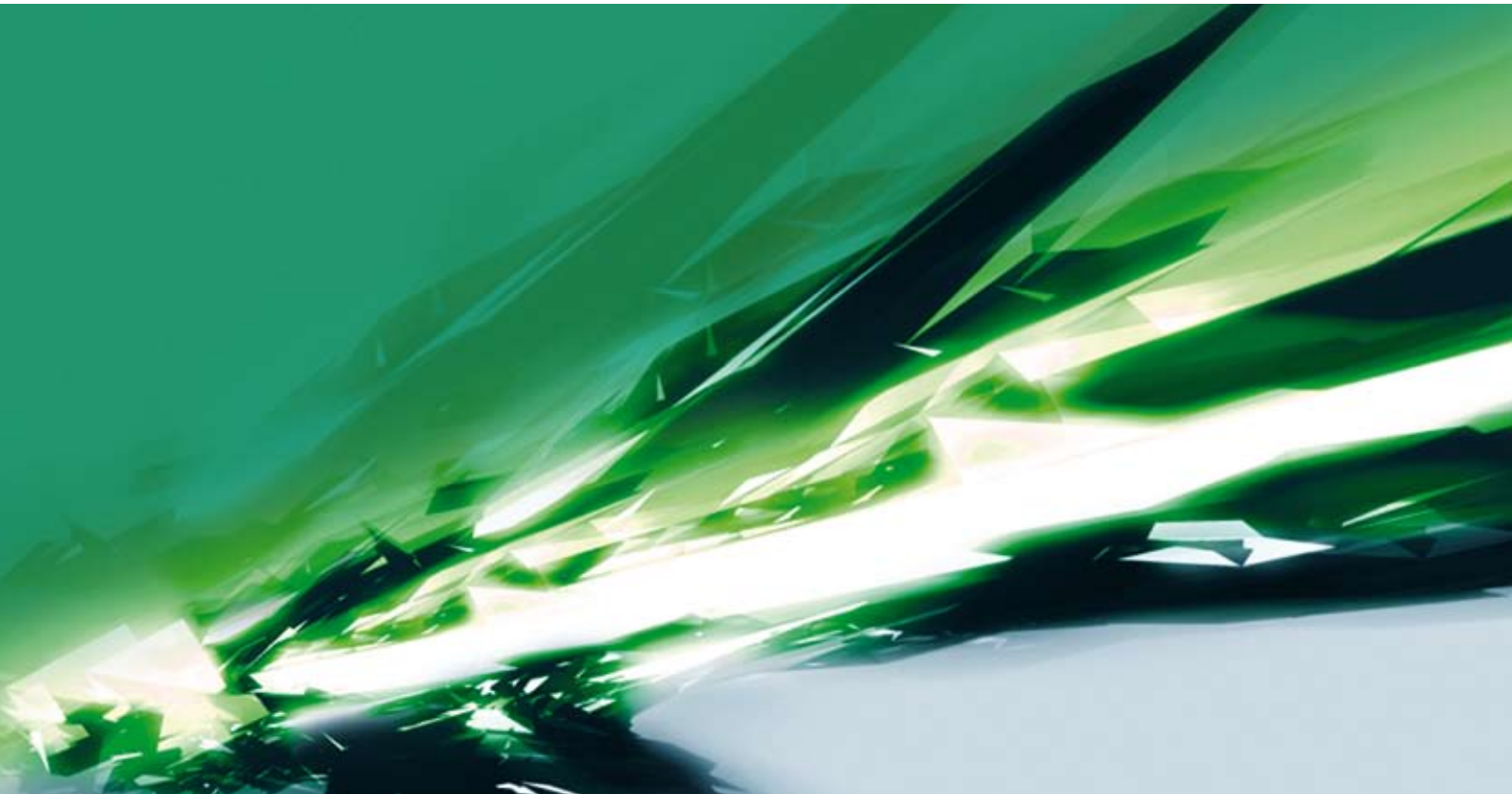


The Centre for Small & Medium Sized Enterprises & Enterprise Teaching Group Annual Report 2007



“2007 was a year of significant development for CSME and the Enterprise Teaching Group. It saw the creation of the ‘Enterprise Hub’ led by Professor Roger Mumby-Croft, continued expansion of our teaching programmes and exciting developments in our research. We were pleased to welcome Professor Stephen Roper whose research on enterprise performance and innovation strengthens our research base. The year also saw the fruition of our Leverhulme funded research with the publication by Palgrave of ‘Three Decades of Enterprise Culture’, which reports on our work on new enterprises in the English regions. Finally, looking forward, Stuart Fraser has won a major award from the ESRC and Barclays Bank to conduct a panel study following on from his Bank of England Survey of Financing for SMEs in 2005”

Professor David Storey, Director, Centre for Small and Medium Sized Enterprises and Associate Dean (Research) Warwick Business School

The Centre for Small & Medium Sized Enterprises & Enterprise Teaching Group Annual Report 2007



New Staff, from left to right, Stephen Roper, Margi Levy and Roger Mumby-Croft

Stakeholder Engagement and Outreach

In July we were delighted to welcome the arrival of **Professor Roger Mumby-Croft**. Central to Roger's role is the creation of the **Enterprise Hub**. The aim here is to build upon our expertise and capacity to further co-ordinate the entrepreneurial activities of the Centre, the Business School and the University. Work on the Enterprise Hub is already taking shape with the development of an 'Enterprise Ladder' for regional schools and HE/FE Colleges; the creation of a university-wide student society 'Student Enterprise'; 'Student Placements' for international students with regional SMEs; and the development of *Enterprise Fellows* charged with developing viable projects using sustainable technology. The third sector theme, which fits in with the engagement and outreach activities of **Nigel Sykes**, is also being supported by a national magazine that has funded a business competition to nurture and develop not-for-profit social enterprises in deprived areas.

Other members of staff have also sought wider regional engagement. Notable here is our new Professor, **Stephen Roper** who has been invited to join the Advantage West

Midlands Enterprise Board. They lead the development of enterprise policy in the West Midlands, with particular focus on Business Link and support of enterprise among women and ethnic minority communities. Internationally, **David Storey** has continued to work for the OECD and the Inter-American Development Bank on Evaluating Enterprise and SME Policy in Mexico.

Teaching Activities

2007 saw exciting developments in our teaching portfolio. The year saw the first iteration of a new first year WBS undergraduate practical module on business creation. This module led by **Nigel Sykes** asks students to use their own creativity to develop their own idea and turn it into a viable business. Students then present their business idea to an invited panel of staff, entrepreneurs, business professionals and business angels – our own 'Dragons' Den'. This, along with the successful sister course run for the engineering faculty (**Nigel Sykes** and **Francis Greene**), means that the Enterprise Teaching Group taught around 1,000 students in 2007.

Future teaching plans are ambitious. Building on the current undergraduate portfolio, a new module on business development will come on stream next academic year (**Stephen Roper**) and there are plans to strengthen our specialist modules in entrepreneurship theory (**Kevin Mole**) and finance (**Stuart Fraser**) with new modules on innovation, public policy and family businesses in the coming years. At the postgraduate level, besides the current MBA (**Roger Mumby-Croft** and **Kevin Mole**) and the specialist entrepreneurship module on the Masters in Management programme



Undergraduate Students face 'Dragons' Francis Greene, David Storey and Nigel Sykes



Professors Rose and Massey, Lianne Dalziel, Minister for Small Business, New Zealand, and Francis Greene at Research Symposium, Massey University, New Zealand, April 2007

(**Stephen Roper** and **Stuart Fraser**), there are also exciting plans to develop a specialist masters in entrepreneurship and innovation.

We would like to thank all of our associates this year for contributing to our teaching. Notable particularly here is **Andrew Wilson** who has been actively involved with the Centre for over twenty years, when he joined the Graduate Enterprise Programme. He went on to build a very successful company, but still finds time to be involved in our work. Equally, the case study 'Integral Vision' written by **Lucius Cary** continues to be invaluable for our undergraduate teaching.

Research Activities

2007 saw the publication by Palgrave, of a book, *Three Decades of Enterprise* (**Francis Greene, Kevin Mole** and **David Storey**). This book, the fruition of a Leverhulme Trust sponsored award, examines new businesses in three English counties with varying rates of new business start-ups. It compares and contrasts a 'low' enterprise area (Teesside) with that of an 'average' area (Shropshire) and an area with 'high' rates of new business start-ups (Buckinghamshire). The book is also unique in that it historically traces new business start-ups in Teesside over three decades.

The Centre also continues to publish in high quality journals. Either published or forthcoming are articles in leading journals such as the *Journal of International Business*, *Research Policy*, *Journal of Business Venturing*, *British Journal of Management* and *Entrepreneurship and Regional Development*. Please see the end of this report for a full list of the sixteen refereed journal articles.

Centre staff have also been very busy making presentations at national and international fora. **Stuart Fraser**, leading on from his work on ethnic enterprise, presented his paper 'Is there ethnic discrimination in the UK market for small business loans?' to the Third ESRC and Small Business Service Seminar: Entrepreneurial Finance at Warwick in June, and also at the 11th Annual EMB Conference, Luton in October.

Francis Greene was on sabbatical in 2007. Besides giving presentations in China and Australia he gave a keynote speech at the Massey University SME Research Symposia in New Zealand and taught three seminars to senior civil servants in New Zealand's Ministry of Economic Development. He also won three research prizes: the 4th AGSE Conference for a paper, 'The Determinants of Graduate Entrepreneurship in the UK'; the World ISBC Conference for 'Venture Creation Speed and Subsequent Performance: Evidence from South America'; and the Spanish Academy of Management Conference in Seville for 'Determinants and Growth Effects of Venture Creation Speed'.

Kevin Mole continued his success at the ISBE Conference and for the second year running won a prize for the best 'refereed' paper. This paper was 'Do liquidity constraints in the first year of trading reduce the likelihood of firm growth and survival?'. It also won the best track paper for small business finance and financial management. He also continued his membership of the ISBE Board. Kevin's research work on business advice has shifted towards a more critical realist position, in part due to the variation in the advisers and clients that makes empirical regularities imprecise.

The Centre's research portfolio will considerably benefit from the recruitment of **Professor Stephen Roper** in January 2008. His research interests focus on two areas, diversity and its role in shaping enterprise performance and innovation. His background is in economics and he will use quantitative and econometric techniques in his research. Stephen is well known to CSME/ET staff, having worked closely with **Kevin Mole** on several projects, including the evaluation of Business Links undertaken in 2006.

2007 saw **David Storey**, as Associate Dean (Research), lead WBS preparations for the Research Assessment Exercise. He did find time, however, to contribute to work using the Workplace Employment Relations Survey (WERS), and on a project on small firms and employment tribunals (with Paul Edwards,

George Saridakis, Sukanya Sen Gupta and Robert Blackburn). David was also pleased that his work 'Framework for the Evaluation of SME and Entrepreneurship Policies and Programmes', was published by OECD early in 2008. David also looks forward to continue his work with our Associate, **Richard Roberts** and Julian Frankish, both from Barclays Bank Research Team, on entrepreneurial learning and a second project on the scale and nature of small business in economically deprived neighbourhoods. A paper resulting from the latter project, 'Business Survival and Entrepreneurial Learning'; won the Business Birth Rate Strategy – Stimulating Start-ups track prize at ISBE in 2007. David will be on sabbatical for the academic year 2008/9.

Margi Levy also joined CSME/Enterprise in September. Margi is a long standing member of WBS, in the Information Systems Group. However, her research interests have increasingly corresponded with those of CSME/ET, so her transfer was a natural move. She brought with her a Knowledge Transfer Project with Middlemarch Environmental Ltd. The KTP Associate, Olu Ogunleye, through the implementation of a new project management system, improved the efficiency, effectiveness and competitiveness of the company, whilst allowing it to strategically develop its own management structure.



Stuart Fraser

The most exciting research development for this coming year has been the award by the ESRC/Barclays Bank of approximately £230,000 to **Stuart Fraser**. His 'UK Study of SME Finances 2008' is timely given the current concerns about credit. The project aims to analyse, within a structural model, small firms' access to finance when there is uncertainty about the default risk. The work builds on Stuart's earlier Bank of England study and promises to add new insights and further inform policy makers.

Publications:

2007 and Forthcoming in 2008

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Van Stel, A., **Storey, D.J.** and Thurik, R., 'The Effect of Business Regulations on Nascent and Young Business Entrepreneurship', *Small Business Economics*, Vol. 28, No. 3, pp 171-186, 2007.

Presentations 2007

Capelleras J-L, **Greene, F.J.** and **Mole, K.F.**, 'Business advice in England and Spain: Differences in attitudes to risk and knowledge', *ISBE 30th National Small Firms Policy and Research Conference*.

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The Centre for Small and Medium Sized Enterprises was established within Warwick Business School in 1985 and the Enterprise Teaching Group was established in 2003.

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