

Preface

This book comprises 19 original contributions related to entrepreneurship and finance. These chapters examine prospects for sustainable business development, performance, innovation and overcoming economic crises.

Entrepreneurship, as an expression of human creative capacity, arises in the world of business, as well as in other areas of society. It has been studied from various management perspectives with different sensibilities: Schumpeter, with reference to the ability to discover and exploit opportunities; Edith Penrose, with reference to the manager's mind as a fundamental resource for companies; and Shane and Venkataraman, who pointed out that economic entrepreneurship is "the study of sources of opportunities; the processes of discovery, evaluation, and exploitation of opportunities; and the set of individuals who discover, evaluate, and exploit them".

In addition, emergence and development of small- and medium-sized enterprises (SMEs)—the firms explored in this book— depends on entrepreneurship initiatives and access to resources, especially those of a financial nature. Due to this reliance on external financial resources, SMEs have faced serious financing problems since the economic crisis hit in 2008. In a context where traditional credit markets are far more stringent than in recent past, small businesses are increasingly turning to financial institutions and governments for solutions and novel proposals to overcome this hurdle.

As a result, the study of entrepreneurship should be linked, as far as possible, to the way in which financing can fulfill its primary function of feeding capital to SMEs and the economy as a whole. Other issues within entrepreneurship and financing are also analyzed in this book. These issues relate to how institutions have been affected by the economic crisis, but are also associated with prerequisites for correct business functioning and orientation. New opportunities have appeared to allow businesses and economies to grow, and they pave the way for renewal of the economic framework. These novel approaches, however, depend on entrepreneurs' finding a way to develop their activities, and the availability of resources—particularly financial—necessary to do so.

In Chaps. 4, 7, 9, 11, 12, 13 and 17, a range of approaches are adopted to address how institutions relate to entrepreneurship. Chapters 4 and 11 explore the relationship between legitimacy and entrepreneurship, which may have been altered by the recent economic crisis. With a different focus, Chap. 9 investigates the relation between business angels and entrepreneurship. Chapters 13 and 17 highlight key relationships between financial institutions and entrepreneurial activity, whereas Chaps. 7 and 12 address a different institutional dimension: that of businesses' internal attributes, which are highly relevant for entrepreneurship to flourish. Chapter 7 presents an analysis of the importance of the Board of Directors in family enterprises and their relevance in entrepreneurial orientation. Covering the same topic, Chap. 12 examines culture within family businesses, and how this contributes to corporate entrepreneurship.

Chapters 1, 3 and 18 each present a study of entrepreneurship. Through research into exporting firms, Chap. 1 highlights the importance of resource availability and constraints on results. The study in Chap. 3 explores inter-firm cross-border co-opetition, a particularly useful innovation for SMEs. Chapter 18 focuses open innovation in low- and medium-tech firms—a historically understudied group of firms—in terms of entrepreneurial activity.

Chapter 5 presents innovative financial models for an efficient foreign exchange market. Chapter 16 describes a method to measure entrepreneurial activity through an econometric model that measures entrepreneurship intensity or *temperature*. Chapter 19 is devoted to proposing a model to evaluate, in monetary terms, corporate social responsibility and social entrepreneurship.

Finally, Chaps. 2, 6, 8, 10, 14 and 15 are more specialized in research questions of a financial nature. These studies cover return expectations from venture capital deals in Europe; profitability in venture capital in start-up funding; the effect of entrepreneurial orientation on results (showing that lower financial performance does not equate to entrepreneurial failure); serial entrepreneurship in terms of organizational capital and access to venture capital; effects of the recent banking crisis on entrepreneurship; and the relation between characteristics of start-ups and banking financial constraints.

This collection of studies, all adopting applied research methods, provides readers with an important information handbook. It also offers a relevant set of ideas for reflections on business management.

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New Challenges in Entrepreneurship and Finance
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Development, Performance, Innovation, and Economic
Growth

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