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Reimagining Our Futures: SIEF Webinar Series 2 Inspired by the Ideas of Professor Allan Gibb

Think small first: the entrepreneurial small business in post-Covid times



Small Firms' Training and Competitiveness. Building Upon Small business as a Learning Organisation

by Allan A. Gibb

EXPLORING THE RELATIONSHIP (IF ANY) between the training of small business, its performance and competitiveness is currently high on the policy agenda in the UK and indeed in most of Europe. The UK's Second Competitiveness White Paper (DTI, 1993) places great emphasis upon the relationship of education and training to competitive performance and suggests a number of 'innovations' to stimulate

attention has focused upon a number of key issues. Among these are the extent to which it can be shown that investment in the training of business owner-managers and their employees has a return. Despite the substantial attention given to small firms' training in the UK over the past four or five years there has been very little focus on the issue. A 'finding' of the recent Small Firms Initiative (ESRC, 1998)



SME Policy, Academic Research and the Growth of Ignorance, Mythical Concepts, Myths, Assumptions, Rituals and Confusions

by Allan A. Gibb

SINCE THE 1980s AND PARTICULARLY into the 1990s there has been an explosion of research into entrepreneurship and the small and medium enterprise. This is reflected in a substantial growth in both the academic literature and in the grey literature of the press, journals and consultant reports. Combined with ease of access to information through the new international information technologies the growth in 'knowledge' has been exponential. The article focuses upon the value, in a policy context, of this

might fairly be expected to be overcome' (Chambers, 1995). A major manifestation of this growth of ignorance is the emergence of a number of outstanding 'mythical concept' and 'myths' which are considerably influencing the establishment of policy priorities. The author defines a 'mythical concept' as 'a group of words or expression to which is given a set of different meanings and understandings by different groupings of society which may be wholly or partly without foundation'. A 'myth' is defined as a 'commonly held belief that is untrue



UNDERSTANDING THE PROCESS OF STARTING SMALL BUSINESSES

By Allan Gibb and John Ritchie

In recent years considerable public attention has been given to the encouragement of new business start-ups. Training programmes sponsored by the Training Services Division of the Manpower Services Commission have provided a major vehicle for education sector involvement. Competition and award systems to encourage new business starters to bring their ideas 'out of the woodwork' have multiplied. Recent television series have focused on the start-up and have systematically sparked off a nationwide network of evening courses, Books and pamphlets on Starting a Business abound. And most of the new enterprise agencies focus their first conferences and seminar activities on the would-be entrepreneur. As the market for assisting the person who is ready to start becomes crowded increasing attention is being paid as to how to stimulate motivation among young people as well as the adult population to whom running their own business may not even yet be a fantasy. The substantial increase in the assistance effort by means of information, counselling and training programmes is being matched by new approaches towards financing start-ups by the banks, a loan guarantee scheme which underwrites the risk associated with providing funds to the individual without a track record, and experiments in provision of premiums in a wide variety of shapes and sizes. As a result of all this activity a considerable amount of societal learning is taking place. It is undoubtedly the case, however, that much of the learning is isolated from other experience and little attempt has been made to provide for a systematic exchange of views between bankers and educationalists, counsellors, industrial development officers and policy makers. It can be argued therefore that there is a need to provide a framework or framework.

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Celebrating the ideas of Allan Gibb

“Allan built a centre in Durham University which became a mecca for those in academia or business seeking best practice.”

Ken O'Neill
Professor Emeritus
Belfast University

Introduction

Allan Gibb (1939-2019) was an inspirational pioneer in the field of Entrepreneurship and Small and Medium Enterprise (SME) Development for 50 years. His concept of Entrepreneurship was broad, stretching beyond conventional models. It was not solely focused on new business ventures and business growth but upon the development of the skills, attributes and behaviours of enterprising people to be used in any context (business, government, educational institutions, social enterprise, healthcare, NGOs, charities etc.). It was about building links between concept (ideas/intention) and practice (know how/application/action). Importantly, it was based upon social concern and a belief in the value of entrepreneurial behaviour as a means of making the world a better place.

This second series of webinars stem from Allan's teaching and writing. We are also planning a day conference in Durham for early 2022 when we will celebrate Allan's work and thinking.

The webinars are hosted by the Societal Innovation and Enterprise Forum (SIEF) which has its roots in the Durham Symposium held in 2015 to celebrate the 50 year anniversary of the Small Business Centre created by Allan. It's aims, in Allan's words, are to *“act as a catalyst for social and economic innovation, stimulate debate and innovative thinking, develop new models and programmes, thereby contributing to inclusive and sustainable regional development, and harnessing the contribution of the independently owner managed business and other stakeholders.”* SIEF stands as a lasting testimony to this bold vision. Hosted by Dr Susan Frenk at St Aidan's College, Durham University, the SIEF will also provide the home for the celebration event for Allan in 2022.

ncge

Towards the Entrepreneurial University

ENTREPRENEURSHIP EDUCATION AS A LEVER FOR CHANGE

A National Council for Graduate Entrepreneurship (NCGE) report presenting and shaping the environment for graduate entrepreneurship in higher education

By Emerita Professor Allan Gibb OBE
Academic Advisor, NCGE

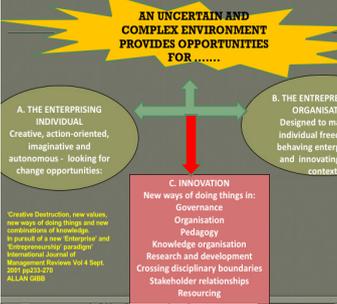
Enterprise & Innovation Management Studies, Vol. 1, No. 1, 2000, 19-35

Corporate Restructuring and Entrepreneurship: What Can Large Organizations Learn from Small?

ALLAN GIBB

ABSTRACT The focus of this article is upon the relationship of smallness to entrepreneurial behaviour and in particular the development of entrepreneurial behaviour and culture in large organizations. The context is the substantial restructuring and in many cases downsizing that has taken place over the past decade in large organizations world-wide. The paper firstly, briefly, reviews how this restructuring has been explained within different academic and pragmatic frameworks. It then considers more closely what the concept of 'smallness' might mean in a business and organizational context. It explores how this relates to necessary and sufficient conditions for entrepreneurial behaviour to take place, models then developed based upon the cultural sciences, the task structure and the learning mode of small business which, it is argued, provides the basic organizational climate for entrepreneurial behaviour to be successfully pursued. It then explores the implications of this for the process of large firm downsizing and decentralization. Finally the implications for large-small firm relationship management are examined. Then the implications for large company organization redesign and the stakeholder/stockholder management are explored.

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Organizing for enterprise in China: what can we learn from the Chinese micro, small, and medium enterprise development experience

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Abstract

China is a social market economy that has grown quickly, if unevenly, over the past decade. This growth has largely come about from small enterprise, in particular Township and Village Enterprises, which are micro, small-, and medium-sized enterprises (MSME), owned by local communities and partly controlled by local government. The conditions for this economic growth are quite different from the normative western model of economic development, including the absence of private ownership or property rights. Decentralized marketization, i.e., the local freedom to establish prices and use resources, and a strong culture of Guanxi, intricate networks of mutual obligations, and cultural norms closely associated with entrepreneurship are key features that allow ambiguous local power holders to harness enterprise to fit with

Professor Allan Gibb's vision for entrepreneurship education has inspired national policies, and international initiatives, promoting entrepreneurship education and entrepreneurial mindsets, in higher education. Professor Gibb's work has provided a cultural and scientific background that has helped mainstream entrepreneurship education in all universities and campuses, going beyond business/engineering schools and MBAs. Entrepreneurship has become as a "driver" – the spark igniting innovation and sustainable development.

Inspired by this approach, standing at the core of education, economic and regional development policies, the OECD's "Geography of Higher Education" (GoHE) assesses the way in which higher education institutions contribute to the development of their ecosystems and networks empowering students, individuals and communities vis-à-vis the future of work and society.

The COVID-19 pandemic has shed light on the need for higher education institutions to become "catalysts for social and economic innovation" and inter-disciplinary platforms, as stated by Professor Gibb, generating new linkages with their stakeholders and contributing to the resilience of their own ecosystems.

Celebrating Prof Gibb's legacy, the SIEF webinar series "Reimagining Our Futures" leverages his work placing HEIs at the core of the social and economic fabric, in order to: "[...] empower staff and students to demonstrate enterprise, innovation and creativity in research, teaching and pursuit and use of knowledge across boundaries".

Raffaele Trapasso
Economist, OECD

Developing the Role and Capability of the Small Business Adviser

By Allan A. Gibb
Durham University Business School

Introduction

There has been an enormous growth in assistance to small firms over the past three or four years, albeit from a very small initial base[1]. Much of this assistance has been geared to "software", namely the provision of advice, counselling, consulting and training/education services. The Small Firms Information Centre Service has expanded its capability substantially as has the associated Department of Industry Counselling Service[2]. The latter, for example, has not only increased numerically (with over 200 counsellors throughout the UK) but has begun to differentiate its service in favour of particular groups, for example, in

that small businesses can be taught by those with small
It is the experience of the Counselling Service and it who have used second-line including Durham University large company managers to advise the smaller business through a considerable pre-essional learning before skilled. Moreover, at the people from small companies always make the best course. With the growth in providing selling and training assistance the needs for development parallel.

This article calls on the University Business School business advice and course through its linkages with counselling service. Enter recently experience related advisors and advisers for the Small Firms Counselling Service Small Industries in Rural Areas education services. The Small Firms Information Centre Service has expanded its capability substantially as has the associated Department of Industry Counselling Service[2]. The latter, for example, has not only increased numerically (with over 200 counsellors throughout the UK) but has begun to differentiate its service in favour of particular groups, for example, in



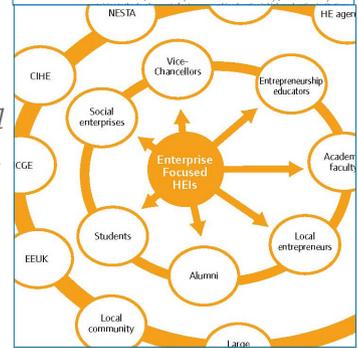
September 2002

In pursuit of a new 'enterprise' and 'entrepreneurship' paradigm for learning: creative destruction, new values, new ways of doing things and new combinations of knowledge

Allan Gibb

Allan Gibb is from the University of Durham, 10 Kilmington Grange, Durham DH2 3QS, UK.

The paper argues for a new approach to the study of entrepreneurship and a new paradigm as a basis for entrepreneurship education. It also argues that such an approach is likely to come from university business schools. It needs an organizational revolution which, however, can be managed without a university as a whole. This paper is dedicated to the political culture and attributes the main progress for greater international competitiveness. The educational requirements are then examined and, with the help of a number of recent surveys, some of the key issues



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"... the key essences of the small owner-managed company such as autonomy, independence, freedom, control, ownership and customer-related dependency provide the basis for entrepreneurial learning."

- Allan Gibb
Professor Emeritus
Durham University
(1939-2019)



Overview

The small business lies at the heart of the economy, employing most of the workforce in most countries, and creating flexibility, agility and innovation. They continue to be major job creators. Almost all businesses are small or medium-sized and they are the major generators of economic activity, wealth and dynamism. They also lie at the heart of communities, operating as social agents as well as wealth creators.

The Small Business Centre at Durham University Business School established by Prof Allan Gibb emerged from a recognition that small businesses are the most significant enterprises in economies and communities, and represented the only viable long-term basis for economic growth and prosperity across the North East of England. The paradigms of enterprise and entrepreneurship that were developed by the Centre were rooted in the experiences and contexts of the entrepreneurial small business.

The importance of the independent owner-managed small business to the economy and local communities has received less focus in recent years. This is puzzling given the importance of these businesses and their continued expansion in most countries.

This webinar series seeks to place the small business back at the heart of the debate on future economic growth and development.

Webinar No. 1: Resilience or innovation? Hunkering down or opening up new horizons? **7th May 2021.**

Most businesses have suffered significant falls in demand or constraints on operation as a response to Coronavirus. Moreover, businesses that have profited from the pandemic are likely to thrive in the short-term, but in most cases may not be able to develop these gains into longer-term sustainable business models.

A significant proportion of businesses have experienced sudden and significant drops in income, creating deficits and pushing them into major cost saving exercises. Although immediate government interventions have prevented wide-scale unemployment in many countries, the impact on the bottom line are likely to constrain the ability to invest for growth for many businesses.

Entrepreneurial endeavour beyond adversity

This has had a psychological effect on many owner-managers and executives, especially those who are running businesses that are ticking over or lying dormant while demand is low. In businesses that have had to reduce costs rapidly, the effects are also likely to be profound, creating an environment **focused more on survival** than expansion. With no clear exit from Coronavirus, compounded by mutations of the virus, many businesses may become reluctant to expand and innovate. A mass psychology of retrenchment and hunkering down may dominate business decisions over the next few years. Or will the post-pandemic period usher in *'second chances' for people to re-frame their lives, to bounce back from the 'business failures' resulting from lockdown?* Will banks take account of the difficulties experienced during the pandemic and be more open to supporting entrepreneurial small businesses through and beyond the adversity of this time?

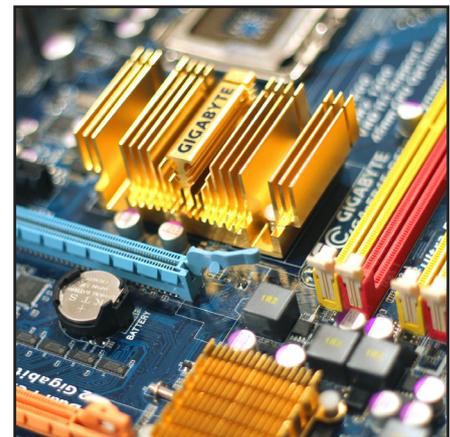
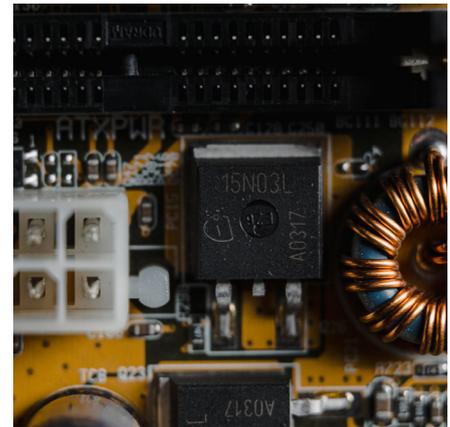
By contrast, the personal psychologies of individuals trying to ensure their businesses survive or experiencing cost cutting and widespread job losses

is likely to have a negative effect on decisions to innovate, invest and take near-term commercial risks. Will businesses in the near to medium term become more risk averse and less open to opportunities?

A trend preceding Coronavirus may also reinforce this effect. The rise of populism in many mature economies and nationalism in emerging countries has created higher barriers between markets, more protectionism and greater tensions between countries. Some commentators have suggested we are entering the last years of globalisation and are heading into a period of protectionism and unilateralism. These conditions are unlikely to be conducive to expansive entrepreneurship, and in particular growth across market and national boundaries.

Key issues to discuss

Have Coronavirus plus populism and nationalism reduced entrepreneurial opportunities by closing down transnational opportunities? Is this a symptom of a wider cultural and social retrenchment that will discourage entrepreneurial activity? Is the rapid recovery suggested by economic commentators likely to be constrained by these wider considerations? As importantly, is the mass psychology of executives and entrepreneurs now not as conducive to opening up new opportunities as it was before Coronavirus? Are individuals affected by lockdown and control measures in ways that close down future entrepreneurial horizons rather than opening them up?



Webinar No. 2: Business start-up in corona times and beyond

18th June 2021.

Starting a business lies at the heart of the entrepreneurial endeavour. Business start-up represents a commitment to entrepreneurship and the development of a new venture that transforms the lives of the founders and has significant positive impacts on the economy, in terms of growth, innovation and expansion of opportunities. Business start-ups lay at the heart of the development of the Small Business Centre, coming out of a review of the North East of England economy that concluded that the only long-term viable path for economic vitality lay in encouraging indigenous businesses to start and grow.

New venture creation continues to stimulate economic growth and the creation of new innovations and ways of generating wealth. Increasingly, wealth drivers are non-financial and made up of externalities to the market as well as business fundamentals.

The effects of Coronavirus on the economy are likely to place new emphasis on the importance of new businesses, to **contribute to recovery** and also to take advantage of new ways of working, producing and consuming that have emerged as a result of restrictions to mobility and face-to-face interaction. These build on the growing digitalisation of sectors and the take-up of technologies that automate, exploit big data and machine learning, and enhance transactions, products and services.

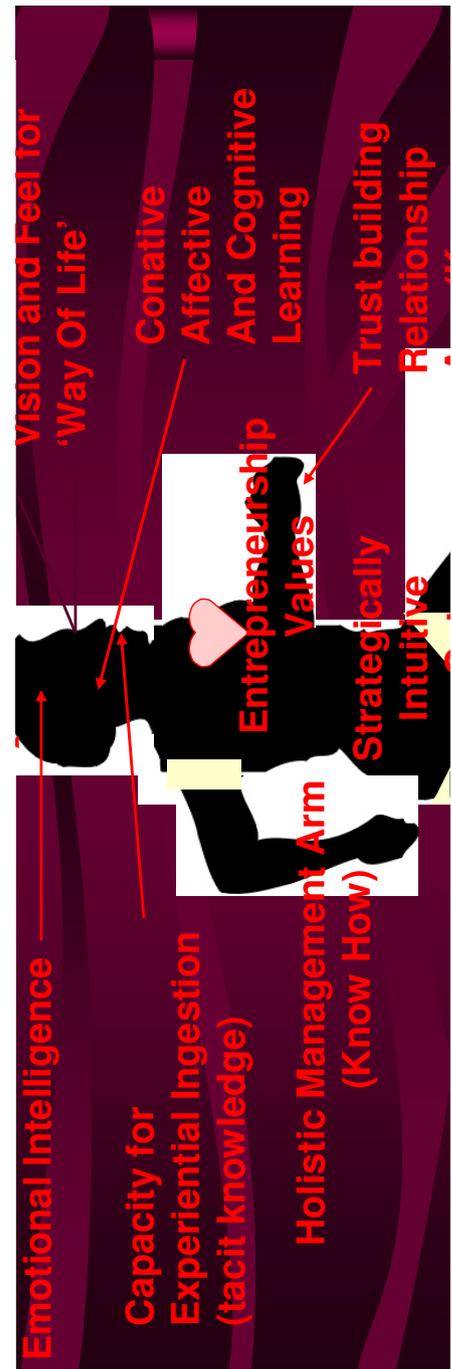
A new spirit of entrepreneurialism

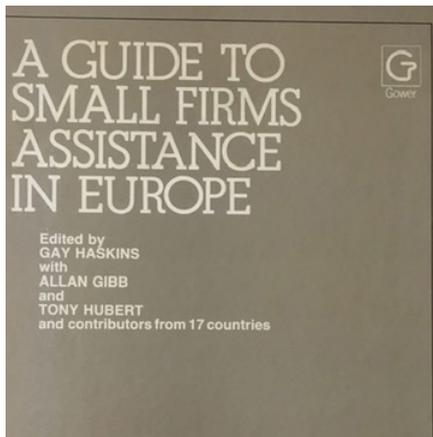
An increasing number of people are considering or embarking on entrepreneurial careers as founders of new ventures. Starting your own business offers opportunities for individuals to create their own ventures and build enterprises. Being an owner-manager or entrepreneur represents an alternative working life to employment, and one that can *allow individuals to pursue interests and dreams* and make the most of their abilities and potential.

This webinar will focus on the continuing importance of business start-up for individuals, the economy and society. It will explore models of business start-up and how these have been changing as technologies, pervasive connectivity, investment and new patterns of consumption create new opportunities and offer a more enabling environment for entrepreneurship.

Key issues to discuss

The webinar will consider the nature of business start-up and its role in a post-Coronavirus economic recovery. Has business start-up changed as a result, or have the changes in work communication accelerated or reinforced existing trends? Will more or fewer people start their own businesses? How will **digitalisation, connectivity and personal health security** affect entrepreneurial opportunities? Will new ventures focus on community, meaning and wellbeing as a result of the virus, or on the virtual economy? How will the climate





emergency and the Sustainable Development Goals (SDGs) on equality of women, on inclusive economic growth and decent work have a bearing on starting up new business ventures? Will the future enable more new ventures to start up at scale and with ambition?

Webinar No. 3: Growth, scale and emergence

3rd September 2021.

Small business growth accounts for the majority of new jobs created and represents a significant proportion of overall economic activity and development. However, only a small proportion of all small businesses grow, and the ability to sustain growth over a period is challenging for all businesses. Most studies estimate that less than 10% of businesses generate the majority of growth at any one time. Business growth in other words creates economic opportunity and prosperity, but is difficult to achieve and sustain for many businesses. As a result, growth is elusive and essential to economic development.

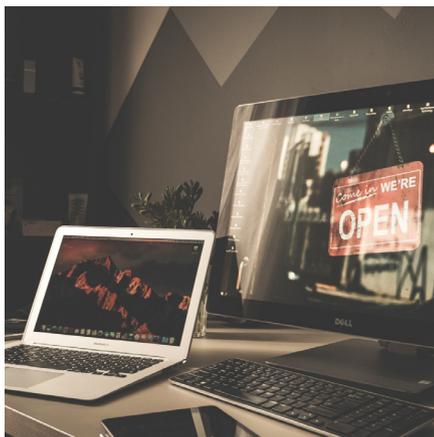
Growth to scale is even more challenging, and at the same time is a key driver of economic competitiveness. Unicorns, which are privately-owned businesses with a turnover of at least \$1 billion USD, are still rare. In January, 2020, there were only 615 worldwide, of which the vast proportion were in the US (265) and China (204).

The challenges of business growth at scale

Overall, rapid business growth and emergence at scale drives global innovation and national economic development and yet this dynamic is reliant on a very small number of businesses that find growth to be fragile and difficult to sustain. Scaling up is hard to do.

Despite this, the number of scaled-up businesses has increased. New technologies, the linking of markets through globalisation, and the creation of new platforms to reach business and consumer customers have created an architecture that enables high potential businesses to grow rapidly to scale.

At the same time, the majority of economic growth entails new, smaller businesses expanding rapidly, typically soon after start-up. These emerging ventures then face the challenges of managing and sustaining growth, and typically undergo a phase of early rapid expansion and then consolidation, stability or challenge as they deal with the effects and implications of rapid growth. Each of these small, new ventures may grow very rapidly from their starting points. At the same time, only a few scale up to the size of a unicorn, and most expand to levels that even though individually significant, on a firm basis do not represent major growth in terms of total economic effect. However, at any one time, there are many growing smaller, newer businesses, meaning the aggregate effect of rapid growth in many small firms has a major overall effect. Individual instances of growth are major events for individual





businesses, have a marginal effect on the economy on an individual business basis, and yet overall have a huge aggregate impact on overall macroeconomic growth. This webinar will also discuss whether these **new models of growth** will align to the values of small business growth espoused by Prof Allan Gibb – that growing a small business relies on trust and inter-dependent relationships with customers, suppliers, intermediaries such as banks and of course one's employees.

What scourge coronavirus?

Over the last twelve months, business growth has been hugely constrained and, in most cases, undermined by the economic effects of responses to the Coronavirus outbreak. Restraints on human interaction, lockdowns and travel restrictions have created hugely challenging conditions for many businesses. This raises a question as to how businesses firstly survive an economic downturn, then how they re-position for the near future, and finally how they exploit new conditions and opportunities to grow. Is the new growth model a reality for small businesses, and have these growth opportunities changed significantly as a result of Coronavirus? Or, has the outbreak reinforced and speeded up existing trends that affect business growth? In particular, has digitalisation and tech created new platforms and opportunities for rapid growth and emergence? And beyond the impacts of the pandemic, what of the impacts of Brexit, new technologies and growing economic nationalism?



There is also a wider question around **smarter growth**, given concerns around climate change and environmental degradation. Is smarter growth achievable? Will it create new forms of growth and wealth creation, especially those that embrace wider, often non-financial considerations? Will business models emerge that generate wealth from this wider perspective, and do this in ways that address environmental issues?

As mentioned, the pandemic has also raised questions for people about their lives, their work and its meaning. So too for many small business owners. There may be some who are questioning the rush for business growth. And given the broader considerations of life choices and issues such as family, the environment and sustainable livelihoods, some may consciously choose 'no growth' and a more meaningful form of enterprise.



Webinar No.4: New business models for the 21st century?

12th November 2021.

The webinar on growth suggests that tech and environment offer opportunities to develop new ventures and the scope to build business models focused on these enablers and conditions. Big data has created access to huge data sets and data science approaches a rapidly increasing ability to interrogate these data and build predictive and behavioural models. Artificial intelligence and in particular the use of online bots has created efficient customer response models and again built the predictive capability of businesses able to harness

data. Virtual reality, face recognition, visualisation technologies and other forms of innovation are refreshing existing business models and creating new ones.

New emerging models are not only technology-driven. **Social enterprises** now account for a small but important segment of the business population. However, 'meaningful' enterprises that combine profit generation and maximisation with having a wider community, social or political impact are growing. Existing businesses are seeking to develop greater wider impact and meaning, and new ventures are building commercial models that have wider non-market impacts.

Questions need to be asked how these new business models connect to Allan's original work on the role of entrepreneurial small businesses in relation to the economic empowerment of impoverished regions. Furthermore, will these new forms of enterprise offer *alternative models for meaningful work* that has impact beyond the usual metrics of business growth? What of the structural impediments in the economy that make it difficult for small businesses to access opportunity and compete against the large corporates? What of the role of government with regard to supporting small businesses and how can we reactivate them to 'think small first'?

The climate emergency creating new opportunities

Legislation and regulation is increasingly driving the creation of business models that are more focused on these non-market effects. Rapid introduction of legislation to ban fossil fuel vehicles in the near future – 2030 for example – are driving a more rapid introduction of electric and hybrid vehicles than expected. There will be continued legislative interventions to **address climate change** and environmental issues that will generate new business opportunities as well as regulating existing business models. The effects of Coronavirus may well create new business models, for example focused increasingly on personal health security. The virus may also accelerate existing trends towards greater digitalisation and virtualisation.

What underlying trends are stimulating new business models? Would these have emerged anyway, and has Coronavirus had any effect in terms of either speeding up their appearance or shaping particular business models? Are new models predominantly technology-driven or are there other drivers, such as social meaning, climate change and environmental responsibility, and indeed social change that are driving different forms of business? To what extent is the virtual versus face-to-face world driving new models? How has finance – especially the explosion of private and risk equity – affected new business models, and will this be a particular feature in the future?

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Paraphrase of a typical quote from Allan about the lifeworld of the small business entrepreneur:

small business is a way of life;
it is about personal risk;
it means managing interdependencies;
know-who & know-how are most important;
small business means standing alone;
it means the buck really stops with you;
it means learning by doing.

Reference: UNCTAD 2001: United Nations Conference on Trade and Development:
Improving the Competitiveness of SMEs In Developing Countries – The Role of Finance to Enhance Enterprise Development



The logos of the Small Business Centre and the Foundation for SME Development are included here as a testimony to the legacy of Allan Gibb, the people who worked there and the many small business entrepreneurs, students, researchers, corporate partners, national and international governments, funders, international donor agencies and policy-makers involved in the work undertaken by the SBC and FSMED.

