Editorial: Enhancing the entrepreneurial environment

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The environment in which entrepreneurship and innovation flourishes varies greatly and involves large as well as small organisations. The environment can encompass fiscal policies, which make investment attractive to venture capitalists, or government initiatives to promote entrepreneurship and commercialisation from universities. An organisation is an open system, which reacts and interacts with its environment. Within the organisations, the impact of aspects of the environment can be felt and influence individuals or teams working towards their goals. The term 'entrepreneurial' may well be attributed to organisations such as 3M, as well as to individuals such as Richard Branson, for their attitude to change, innovation and measured risk. Enhancing this environment can lead to synergies which may change the way organisations work or even the attitudes in society towards entrepreneurs and their place in wealth creation. From inputs such as educational courses or modules, the teaching of entrepreneurship is spreading across the UK through many of the universities and colleges and the environment created by the UK government is such that entrepreneurial activity is very high on the agenda. At the same time, growing awareness in the value of knowledge in organisations and the intellectual capital available to them, is leading to reappraisals of value and worth in respect to individuals. This aspect relates to the small, innovative, entrepreneurial organisation as much as to the team (or intrapreneurial approach) which can lead to the development of new ideas in major international organisations. This collection of papers around the theme of enhancing the entrepreneurial environment deals with a number of current issues which contribute to the fostering of innovative activity and entrepreneurship.

The first paper by Braganza focuses on an issue of major current importance and that is the recognition of knowledge and knowledge management. His paper deals with the applications of knowledge management during periods of radical change and he highlights the radical initiatives that many organisations have been faced with, usually due to pressures from the environment in which they operate. In knowledge management terms a key driver of change may come from the understanding and the tapping of people's latent knowledge and the subsequent sharing of it in the organisation. On a different level, Oakey *et al*. investigate the propensity of students towards entrepreneurial behaviour from scientific backgrounds. Some of these students will undoubtedly have tacit knowledge which can be tapped in their futures e.g. as they move into their chosen profession. Not all of them will have the flair necessary to launch their own business, but they can still make major impacts as entrepreneurs. The paper concentrates on what these students would intend to do with their education in relation to starting up their own organisations.

The paper from Deakins *et al.* explores the support within the environment needed for business start up and what would be required to support them from the environment. The authors focus on mentoring and the role of the advisor and how clients viewed the services provided.

The role of new technology based firms and their formation from academic spin outs is the theme of Bower's paper. She discusses issues relating to the founding of these organisations, in this case from the university base, from academics who hope to commercialise nascent technologies. Interestingly, they are very often in an environment that they are not used to. This paper reviews the literature relating to academic spin outs into technology companies and analyses 'spin outs' key issues and decision making in the interactive relationships which the founders will face in a changing business environment. From a different perspective, Smailes *et al.* outline the support necessary for a university enterprise and examine the key indicators between traditional Scottish universities and the top universities in the USA. The determination of the performance indicators can be controversial and the definitions of these can cause some difficulties in comparing like with like. However, the findings are that the top Scottish universities are performing reasonably well but there is an issue of the scale of the operations and the funds when comparing with the top US universities.

Gray and Allan's paper considers the role of management education in developing capacity for innovation in small firms. This paper provides findings from a wide management development study which amongst other respondents, included a sample frame of 7,000 Open University Business School MBA alumni. They conclude that the findings from their work support Schumpeter's views that entrepreneurial planning and innovation in small firms are driven by the competitive forces of the business. They also add that the role of management education can help develop capacity for innovation in SMEs, and other aspects of their environment such as network partners or viewing the competition can be used constructively.

An example of the entrepreneurial process of network development is given in the case study from Perren relating to a small biotechnology firm. The author, through a longitudinal study of 'Destiny Pharma Ltd', has developed a causal framework highlighting the influence of network relationships on business development and the complexity that this entails. From a different perspective Anderson and Atkins investigate the problem facing many small firms and the environment, the issue of uncertainty. Thus, their paper on planning for uncertainty investigates the research questions, which relate to small firms operating in uncertain environments and the implications for planning. They give arguments relating to the need for planning in small firms, therefore, instead of being reactive, firms become proactive. A case study is used to illustrate the growth of one company, which started as a two-man business. They conclude that, although the factors within the environment are too complex and interdependent to allow a useful prediction of future conditions, the small firm could reconfigure in order to take advantage of changes within the environment.

Technology transfer is one major area in which the use and transfer of technology can allow the SME to interact with its environment. The paper by Kirk and Pollard discusses technology transfer intermediaries and their role in facilitating the flow of intellectual property in a way that they should value creating applications in business organisations. They conclude that it is in a comparative environment that the illusive aspects of the contribution of networking to the process of innovation and technology transfer could be brought to light. The impact of intervention strategies in Hungary and the UK is the theme of the final paper by Illes and Jennings. They examine the impact of downsizing in major employer organisations in the light of changing economic circumstances and draw parallels between the need to support the local economies in specific parts of the UK and a similar need in Hungary, but for very different reasons. The paper reports the results

from interviews with entrepreneurs who are involved to some degree or other in the receipt of support. Specific recommendations are made concerning the role of facilitators in influencing attitudes towards entrepreneurship and actions which may be undertaken in order to encourage regeneration through new enterprise creation.