
Editorial

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Biographical notes: Dr. George Lodorfos is currently a Senior Lecturer in Entrepreneurship and Innovation at the subject group of strategy and business analysis of Leeds Metropolitan University. He is an Electrical and Electronic Engineer by first degree, holds Master's degrees in Automation and Control as well as in Innovation and Technology Management, and also holds a PhD in Management. He has extensive practical and academic experience in the field of innovation. His publications include papers in journals of management and in journals of marketing. His research interests include the effects of mergers and acquisitions on the management of R&D, the impact of innovation on productivity performance, innovation and entrepreneurship, and the factors that influence consumers' purchasing behaviour.

Regional variations as well as different patterns in the growth, innovativeness and other performance characteristics of small- and medium-sized firms have attracted a lot of research interest. Similarly, the link of Entrepreneurship to Regional Development has generated a great deal of interest and some interesting reflections from both researchers and policy makers. Set within different theoretical contexts studies have shown that firms from some regions grew faster compared to those in other regions, and reported more original innovations; differences in the record of continuing innovation and R&D intensity; and also suggest that significant regional differences in competitive environments and collaborative networking carry implications for long term competitiveness.

Evidence suggests that even though clusters are not absolutely necessary to facilitate business formations, well developed innovation networks provide tremendous incentives for entrepreneurial start-ups and thus have an important impact on regional development. Similarly, it is well established that networks contribute to entrepreneurship by extending the individual entrepreneurial asset base of human, social, market, financial and technical capacity. In such areas, innovation systems function as an integral component of indigenous technology infrastructures which are characterised by significant concentrations of human capital, close proximity to major universities, substantial public R&D expenditures, and know-how. Venture capital also plays a catalytic role in these infrastructures by encouraging entrepreneurs to form new companies and by providing the capital and contacts to facilitate such business formations.

On the downside, localised clusters and especially of high technology SMEs may exhibit a considerable degree of intraregional networking in which collective learning is a benefit from which outsiders are excluded. Therefore, more research is required to investigate what drives innovation in SMEs and to analyse the diverse and complex characteristics of local and regional economies which lead to entrepreneurial activity and enterprise. Hence, this special issue contains a series of original research papers which focus on SMEs strategy formulation, return to R&D investment, HRD policies as well as regional policies, agendas and characteristics. Papers in this special issue present a review of policies on both the promotion of enterprise in deprived areas, and on the economic development and social inclusion in those areas. This issue brings together studies aiming to consider why productivity in Yorkshire and the Humber is lower than the UK's average, and why the region trails other English regions in terms of innovation and entrepreneurship; to investigate and explore the reasons why Afro-Caribbean and Asian entrepreneurs lack skills and knowledge necessary for the creation of opportunities for growth and business development, with focus on IT in particular; to examine the economic returns to R&D in the UK by investigating two firm-specific characteristics (firm size and R&D strategy); and finally review the role of SME's strategy formulation processes and HRD to innovation and enterprise development.