

ENTREPRENEURSHIP
A WAY OF LIFE

RUDY AERNOUDT
MARC VAN ROMPAEY

Intersentia Ltd
Sheraton House | Castle Park
Cambridge | CB3 0AX | United Kingdom
Tel.: +44 1223 370 170 | Email: mail@intersentia.co.uk

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NBN International
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Rudy Aernoudt and Marc Van Rompaey

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PREFACE

Entrepreneurship is a mindset; a way of life. This way of life, considered as normal in the United States, is, despite huge policy and media efforts, still an anomaly in continental Europe.

A lot of progress has however been made since the time that Plato considered business a crime punishable by a year in jail, and in the case of recidivism, two years. Cicero also foresaw a punishment for businessmen; more recently, only three centuries ago, the '*loi de dérogance*' foresaw that noble people doing business would lose their titles. These rather philosophical considerations explain why setting up an enterprise in Europe has rarely been considered a first choice of life. There is still a long way to Tipperary before Europe becomes a truly entrepreneurial society where success is applauded and failure tolerated.

Nowadays however the strong association between entrepreneurship activity and economic growth is generally recognised. Stimulating entrepreneurship is now considered by a number of academics and policy makers as one of the best tools to create real employment. Policy makers in Europe are developing and implementing strategies that nurture and sustain entrepreneurial activity. Different regions throughout Europe now focus on entrepreneurship as their major tool for development. Academics and political leaders in various European countries and from different ideologies, speak of entrepreneurs and entrepreneurship as a key to boosting economic growth and creating employment. The European Commission speaks today of the need to 'nurture a culture of entrepreneurship' whereas it was not long ago that focus was mainly given to small and medium enterprises, or SMEs.

This entrepreneurial revolution and the mental shift from a corporate society into an entrepreneurial society is not a passing phenomenon but a permanent change in the economic landscape. Recently the wave of entrepreneurship has become a tidal wave, a thundercloud; in the current climate of corporate downsizing, new businesses and growing firms are crucial. Young and fast-growing firms now generate more jobs and more economic activity than big enterprises. They are compensating for the loss of jobs in mass production units that have laid-off in order to capably remain competitive with countries characterised by lower taxes and social charges, or that have even completely delocalised their staff to lower cost countries.

Significant and rapid changes, combined with new opportunities, can prove both exciting and difficult. European countries are facing the economic, social and political challenges associated with an entrepreneurial society. Enterprises are facing the challenges of market opportunities and new or available resources. Entrepreneurs are facing challenges in starting up, growing or maintaining their company and are struggling with the administrative environment they are confronted with. It is hence obvious that policy makers are also facing challenges in this ever-changing entrepreneurial landscape. As a response to these changes and challenges, many answers and suggestions for action are provided in this book. They are considered the best ways to cope with the structural, and therefore permanent crisis of the 'Old Continent'.

Europeans have to change their mindset and move from a corporate society, where people are almost nominated for life in big enterprises or public institutions, towards an entrepreneurial society, where each person becomes a *jobmaker*, instead of a *jobtaker*; a society where we go back to the roots of economy: economy as uncertainty. We should hence not ask the economy for what she doesn't possess: certainty, job security and full-fledged social security.

Entrepreneurship policy is conceptually hardly comparable to other economic policy. At least in Europe it is not yet possible to draw comparisons along clear and measurable lines. One of the challenges is establishing what variables are to be considered in formulating entrepreneurship policy. A myriad of criteria is apparent from the literature: starting up a company, growing a company and creating new economic activity; though also more intangible phenomena such as innovation, creativity, disruptive thinking, proactive behaviour and risk-taking ability, inform policy. These all nurture the overview. The origins and aims of entrepreneurship policy are heterogeneous and make it challenging to present a precise picture of entrepreneurship policy in Europe, which itself is made up of many countries. Despite these differences entrepreneurship policy in Europe is, broadly, geared toward overall objectives commonly pursued in the context of economic policy: fostering economic growth, creating employment, improving competitiveness and promoting regional development.

The major differences between the various European countries however depend on whether entrepreneurship policy is embedded in a conceptual framework. The crucial question is: is entrepreneurship policy a collection of programmes introduced on an ad hoc basis, at different times and for different purposes, or can it be identified as a policy of its own, with a concept and defined fields of activity? These and other questions are addressed in this book.

The task now for practitioners, government administrators, academics and policy makers is to work together to build a partnership and develop an infrastructure that will

enable dynamic change to continue and support the phenomenon of entrepreneurship. In any case, entrepreneurship policy (as well as SME policy) relies on an overwhelming justification: it encompasses the basis of a democratic society, where every individual has the chance to pursue entrepreneurial behaviour and create and grow his or her own business. In a free world the spirit of entrepreneurship offers the human individual the opportunity to answer his or her natural constructive and creative talents, and thereby offers society a guarantee of permanent progress and growth. That spirit is alive in this book.

Indeed that spirit determines the content of this book. In the first part, we will start by exploring the scope and limits of enterprise policy, in particular European policy, and analyse the shift from SME policy towards entrepreneurship policy. In the second part we will go further into the detail of the life of an enterprise, from start to growth, including by mergers and acquisitions. In the third part we will analyse the link between entrepreneurship and financing, which is often considered one of the major obstacles to growth, and we will deal with issues such as crowd-funding, business angels, venture capital, guarantee systems and incubators. To make the reading easy, references are made available throughout but footnotes are avoided.

Entrepreneurship is, above all: creating team spirit and finding complementarities within a management team. This book includes a contribution by Laurent Benveniste, a specialist on the territorial aspect of innovation. That is also why this book is written together with Marc Van Rompaey, an entrepreneur *pur sang* who has created enterprises and brought them to Nasdaq before launching new activities. I myself have, beside my academic career, dealt with entrepreneurship policy as Director of Cabinet at the Walloon, Flemish, federal and European levels and I previously managed a spinoff company of MIT.

I hoped that bringing us together to make a book on entrepreneurship would result in a book that would prove useful for all stakeholders: entrepreneurs, policy makers, politicians, government administrators and students. I personally believe that we have succeeded together in that challenge, and I leave it up to you to judge the result and I look forward to your eventual reactions.

Rudy Aernoudt
Professor of Entrepreneurship and Corporate Finance
Department of Accounting, Corporate Finance and Taxation
University of Ghent
raernoudt@gmail.com

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