

## Preface

Entrepreneurial activity is generally recognized as one of the main drivers of economic development and job creation. Entrepreneurship, particularly when induced by opportunity, is clearly assumed as a relevant factor for socioeconomic development. Although not seeking voluntarily high-growth business based on technology-based opportunities, necessity-driven entrepreneurs seek self-employment and economic survival. Clearly, there is a vast array of potential entrepreneurs. This book focuses on entrepreneurship “raw material”: nascent entrepreneurs (NE), given their critical role in economic growth, innovation, job creation, productivity growth, social welfare, and economic revitalization.

Involving many researchers, this book presents a broad and multi-disciplinary approach on NE. It covers topics such as entrepreneurial skills, different types of entrepreneurship, and impact of entrepreneurship at regional and sectoral development. Therefore, this book can be particularly useful for researchers, academics, practitioners, post-graduate students, and policy makers. As such, it might be regarded as a reference book for a wide audience.

The concept of NE was introduced in 1992 by two publications led by Paul Reynolds. Given the social and economic benefits of new firm creation it is no wonder the increased interest in nascent entrepreneurship over the last two decades in order to find the motivations and factors that influence and encourage new firm founders.

Similar to the concept of entrepreneurship where we can find a wide range of approaches and different definitions, the concept of nascent entrepreneurship is not consensual yet. Nascent entrepreneurship is delimited to the process of creation of a new venture. As such, a nascent entrepreneur is someone involved in all the necessary activities and decisions to create the startup. The more consensual definition, as far as we were able to determine, requires three main conditions to be considered a nascent entrepreneur: (1) the commitment of resources in the firm creation process; (2) the expectation of owning part of the new venture (excluding nascent intrapreneurs); and (3) not having paid salaries or wages (did not yet have a positively monthly cash-flow) for more than three months.

However, we have found somewhat simple definitions of NE (e.g., one who starts a new endeavor such as a business or an organization) as well as ‘broader’ definitions that enlarge the gestation period (some of them included in our book). As this book seeks to explore new avenues about nascent entrepreneurship and new venture creation, we do not establish a clear borderline between nascent entrepreneurship and already established businesses, which allows the exploration and exploitation of the problems that may arise in the startups’ early years. In this respect, we hope the book is of added value.

The book is composed of the 16 chapters. In the first chapter, “The Challenging Dynamics of Nascent Entrepreneurship,” Alexandra França, Alexandra Vilares, Silja Frankenbach, Vanda Vereb, and António Moreira address nascent entrepreneurship from several strands, namely from psychological,

sociological, biological, as well as from the contextual point of view. The added value of the chapter stems from the fact that new venture creation not only involves opportunity exploration, evaluation and exploitation, but also is dependent on the internal characteristics of the nascent entrepreneur in which creativity, industry and market knowledge, genetic factors, personality traits, cognitive ability, education and motivation play key roles.

In the second chapter, “Entrepreneurship, Non-Cognitive Skills, and Education,” José Dantas and Fernando Valente explore the genesis of entrepreneurial spirit using individuals’ personality traits embedded in contextual characteristics, however not ignoring the influence of genetic factors. As such, exploring a case study on education they defend that non-cognitive, as well as cognitive skills need to be developed through an educational system if new opportunities (and entrepreneurship) are meant to be developed, as they influence the entrepreneurial process.

Entrepreneurship education is an important topic that is core to nascent entrepreneurship. Two chapters fully address this topic. In Chapter 3, “Entrepreneurship Education as a Key Antecedent to Boost Nascent Entrepreneurs,” Jose Sánchez-Garcia, Elena Rodríguez-Gomez, Brizeida Hernández-Sánchez, and Jose Pérez-Díaz claim that entrepreneurial education is a major issue in fostering enterprising skills. They defend that training is necessary for all non-university educational levels in order to develop the students’ active involvement. After analyzing the differences among autonomous regions in Spain, the authors claim that entrepreneurship education must be a mandatory subject in order to develop entrepreneurial talent in secondary schools.

Ana Daniel and Vânia Castro address entrepreneurship education in their fourth chapter, “Entrepreneurship Education: How to Measure the Impact on Nascent Entrepreneurs,” and claim that there is some controversy in the scientific/academic world as some educational programs, although seek to develop students’ entrepreneurial skills, fail to exploit the potential as misguided strategies do not take full advantage of the students’ entrepreneurial potential and intention. The chapter is enriched by the analysis and discussion of different instruments and models that assess the impact of entrepreneurship education.

Chapter 5, “Nascent Entrepreneurship, Psychological Characteristics, and Sociocultural Background: Psycho-Sociocultural Background of Nascent Entrepreneurs,” written by Jose Sánchez-Garcia and Brizeida Hernández-Sánchez, explores how entrepreneurial intentions as a psychological process have been addressed in the literature. They conclude that gender, parents’ occupations and different autonomous communities in Spain play a significant role in differentiating personal and contextual entrepreneurial intentions. They also conclude that women are more conditioned by social factors whereas men are more motivated by work-related factors.

Chapter 6, “Nascent Social Entrepreneurship: Economic, Legal, and Financial Framework,” addresses the creation of social value when entrepreneurship deals with social and environmental problems that today’s society face. Cristina López-Cózar Navarro and Tiziana Priede-Bergamini analyze social enterprises as key agents of the market economy, following their non-profit focus, the social economy and the solidarity economy approach, providing support for a different way of doing business: focusing on growth and profitability, but aiming at providing social value as well. They complement the chapter analyzing the main legal forms as well as the main sources of funding social entrepreneurs resort to in different countries.

Intrapreneurship is the main topic of Chapter 7, “Intrapreneurship in Business Innovation: The Importance of Intellectual Capital Protection – Capitalize on the Commitment of Its Human Capital,” where Irene Martín, Mercedes Ramos, and Luis Rivas-Herrero analyze how the intellectual capital of the firm supports the generation of the firm’s competitive advantage. They defend that the commitment,

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capacity, ingenuity and creativity of the human capital are key aspects for organization to be not only innovative. As such corporate entrepreneurship is seen as a major generator of internal knowledge and the most important driver of dynamic capabilities across the firm. Moreover, in order to be competitive, the organization needs to attract and retain corporate entrepreneurs and to foster innovation. However, organizations need to protect their intellectual capital to be able not only to create competitive advantage, but also to avoid losing their advantages to main competitors.

Chapter 8, “Nascent Cultural and Creative Entrepreneurship: Between Entrepreneurial Economics and Institutional Entrepreneurship,” approaches a promising although still undeveloped field of entrepreneurship which already accounts for significant revenues in many countries (e.g. Brazil) and regions (e.g. London), the cultural and creative entrepreneurship.

Based on a sample from 13 selected European countries, which includes 38,324 firms, from which 2,746 are cultural firms, and 102 are nascent cultural firms, Marilena Vecco and Andrej Srakar analyze, for the period 2006-2015, the performance of nascent entrepreneur cultural firms *vis-à-vis* formal institutions (corruption, political stability, government effectiveness, rule of law, and economic development) and compare their performance with the performance of cultural firms and with nascent companies in general (within the sample). The results are not quite surprising but they do deserve the readers’ attention particularly if we take into account the limited research on nascent cultural entrepreneurship.

Chapter 9, “Women and Entrepreneurship: An Analysis of the Determinants in the Tourism Sector,” binds together two important and current topics: gender and tourism. Actually, the issue of gender is a core concern in many contexts namely in entrepreneurship. Tourism, in turn, is a driver of economic development and has been presenting a high and sustainable (according to the United Nations World Tourism Organization) growth over the last years. Ruben Lado-Sestayo and Milagros Vivel-Bua use the Global Entrepreneurship Research Association database to compare some determinants (income, age, education levels, skills, fear of failure, networking, previous failure, and entrepreneurs’ social status) of entrepreneurship regarding men and women in Spain (the 3<sup>rd</sup> larger tourist destination, in 2015).

As one might expect and the readers can confirm, the authors conclude that those determinants exercise a distinctive influence according to gender.

Chapter 10, “Nascent Entrepreneurship and Sustainability on the Beverage Sector,” explores the topic of sustainable entrepreneurship in a sectorial context. Based on an exploratory statistical analysis, Rita Miranda Almeida, Rute Abreu and José A. Perez-Lopez compare the economic and financial results of the old and new companies and discuss the strategies adopted by those in the beverage sector, in Portugal. The financial performance indicators used are in line with international accounting standards. The survey results indicate the beverage industry can develop in an innovative and sustainable manner, suggesting a harmonious balance between new and incumbent firms.

Chapter 11, “The Dynamics of Entrepreneurial Networks: A Qualitative Assessment of University Incubator’s Role in the Early Stages of Hi-Tech Startups,” analyzes the dynamic impact of the entrepreneurial network at early stages of high technology start-ups located at a university-based incubator. The authors, Mehmet Erçek and Mesut Saritemur, indicate the main goal is to unravel the role of university-based incubator, particularly in providing both tangible and intangible resources at early stages of high tech start-ups. In this sense, this study explores the role the incubator plays in creating, maintaining and developing interaction among actors throughout the gestation and infancy phases of start-ups.

High-tech entrepreneurship is an important topic in Chapter 12, “The Role of High-Tech Entrepreneurship on Regional Development,” written by Maria del Mar Miralles-Quiros, Jose Luis Miralles-Quiros and Julio Daza-Izquierdo, examines the role of the high-tech firm in Brazil over the period between

2002 and 2013. Firstly, the authors discuss the idea that all firms have the same probabilities to grow and the rejection of the existence of an optimal firm size. The empirical results suggest the firm growth is negatively explained by firm size. In addition, another focus of the discussion is the role of policy makers in order to make the use of resources more efficient to promote business dynamism and job creation. Lastly, it is also suggested public policies should focus on supporting small, less indebted and profitable technology firms because they tend to have higher growth rates.

Chapter 13, “The Role Models as Determinants of New Technology-Based Firms: An Exploratory Study,” aims to analyze the cultural factors of the environment which could act as driving forces for the decision to create New Technology-Based Firms (NTBFs). The authors, Guillermo Andrés Zapata Huamaní, Sara Fernández-López, Isabel Neira Gómez, Lucía Rey-Ares, María Jesús Rodríguez-Gulías and David Rodeiro-Pazos, analyze whether role models and their proximity to potential entrepreneur’s influence NTBF creation. Using a large sample of 65 countries over the period 2006-2013, obtained from the Global Entrepreneurship Monitor (GEM) project, they tested the effect of role models on Technology Entrepreneurship. Overall, empirical evidence revealed the variables “media attention to entrepreneurship” and “personally know an entrepreneur” play a significant influence on Technological Entrepreneurship.

Chapter 14, “Positive Effects of the Innovative Start-Up on University SPIN-Offs: A Recent Italian Legislation,” aims to answer two questions: “can regulations on innovative start-ups contribute to the development of university spin-offs (USOs)? Can they solve the major problems associated with USOs?” Through an extensive analysis of the new Italian legislation on innovative startups, and following a qualitative methodology, Michela Piccarozzi, Cecilia Silvestri and Alessandra Stefanoni observe that over the early years of implementation of this new legislation, it has positively influenced the creation of USOs. At the same time, they suggest that the lack of financing is one of the major problems of this type of business, as it tends to be overcome by the effect of the application of the new legislation.

Chapter 15, “The Ambiguous Role of Trade Unions in Startup Formation,” analyzes the role of trade unions in new venture formation decisions taken by budding entrepreneurs. Taking the Spanish economy as an example, the findings from an empirical study conducted by Sylvia Rohlfer demonstrate the perceived actual and potential role of unions on new firms’ creation. These findings are compared with trade union activity in Germany and in the United States in order to draw recommendations for trade union strategists.

Last but not the least, Chapter 16, “Evaluating the Determinants of Nascent Entrepreneurship Among Countries,” provides an evaluation of the factors, which influence nascent entrepreneurship across countries. Maria Manuela Santos Natário uses the GEM National Expert Survey (GEM NES) data, which include nascent entrepreneurship rates for 51 countries (in 2015), as well as the competitiveness database (2015-2016) of the World Economic Forum. She provides different perspectives to reflect on factors that influence nascent entrepreneurship across countries. Initially, she reviews the correlation between nascent entrepreneurship and new business and entrepreneurship framework conditions. Afterwards, she relates the nascent entrepreneurship to competitiveness levels and country GDP per capita of the country, while considering the 12 pillars of competitiveness performance. Finally, she relates the nascent entrepreneurship to cultural dimensions of Hofstede.

As we can see, this book covers a wide variety of topics on nascent entrepreneurship, complementing previous literature. In line with the tremendous efforts developed by all authors of the book, as editors, it is exiting to witness that all chapters are not only interconnected, but also the questions and concerns raised in some chapters are complementary and discussed across all of them.

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Nascent entrepreneurship is still an open road as many challenges still lay ahead. We sincerely hope that the readers find pleasant reading *Nascent Entrepreneurship and Successful New Venture Creation* and that the compilation of chapters hitherto presented are of added value and insightful.

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