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SME

ABSTRACT BOOK

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Table of Contents

Preface

Gregory T. Papanikos

1. **Costing Problems and Strategic Cost Management Applications in SMEs**
Ali Alagoz
2. **Food SMEs Facing Vertical Competition with Retailers: Marketing Management Capabilities as Tools to Be Price Maker**
Alessandro Banterle and Laura Carraresi
3. **Human Resources Strategy in Retention of Employee in Small and Medium IT Enterprises in Western India**
K. Bhattacharya, Pushpa Sahay and Rohan Navle
4. **The Role of Family in the Corporate Governance of SMES in Local Productive Systems**
Vitor Braga, Alexandra Braga and Amelia Carvalho
5. **Creating Competitive Advantages through IT Innovation in Small and Medium-Sized Enterprises: An Organisational Perspective**
Jeffrey Chang
6. **Tourism Entrepreneurship, Networks and Niche Strategies as Factors of both Innovation and Preservation in Rural Territories**
Anabela Dinis
7. **Entrepreneurship, Innovation and Spatial Disparities: Divisions and Changes of Self-Employment and Firms**
Uwe Fachinger and Dieter Bogenhold
8. **TOPSIS Extension for Multi-Objective Nonlinear Programming Supplier Selection with Quantity and Periodic Discounts**
Fatemeh Firouzi, Omid Jadidi, Enzo Baglieri and Sergio Cavaliere
9. **It's a Jungle out There: Conflict in Franchising**
Lorelle Frazer, Jeff Giddings, Scott Weaven, Debra Grace and Anthony Grace
10. **SME-Driven Oikonomia-The Path to Democracy**
Nicholas C. Georgantzas and Georges D. Contogeorgis
11. **Firm Size, Financing Constraints, and U.S. Affiliates**
George Georgopoulos
12. **Trends in Deferred Deposit Lending Businesses**
Jill O. Jaspersen
13. **Market Reaction to Rights Issues in Australia – An Empirical Examination of Price Effect Differences between Family and non-Family Listed Firms**
Tanyarputt Kiaterittinun and Nicholas Mroczkowski
14. **Deterioration in SME Performances in Korea – Causes and Policy Responses**
Pilhyun Kim
15. **Industry Structuration, Innovative Behaviors and Industrial Capability Construction in Taiwan Bicycle Industry**
Yu-Ching Lai and Wen-Chun Tsai
16. **An Exploratory Study of Gender Based Differences in Leadership and Management Practices or Nigerian Small and Medium-Sized Enterprises**
Adebimpe Lincoln
17. **Entrepreneurship: Influencing Factors on SME Entrepreneurial Orientation**
Joao Matos Ferreira, Mario Raposo, Anabela Dinis and Alda Santos
18. **Current and Modern Planning in Enterprises: Critical Insights**
Bohuslava Mihalcova and Michal Pruzinsky
19. **Consideration of an SME Network in Japanese Polishing Companies**
Takuya Miyamoto

20. **The role of Innovation and Internationalisation Public Policies on Industrial Performance**
Valentina Morandi and Mariasole Banno
21. **Strategies Formulation of Human Resource in a Cultural Organization in Iran**
Mohammad Mosavi and Mojtaba Rafiei
22. **An Analysis of Factor affecting the Growth of SMEs in Zimbabwe's Mining Sector with Special Reference to the Southern Region**
Samson Mtisi and Tawanda Sibanda
23. **Managing Small and Medium Enterprises in Construction Industry**
Rizwan Nazir
24. **SME's Access to Finance: Government Intervention Strategy**
Agnes Nteso and Johan van Zyl
25. **Handicapped Workers in Small and Medium-sized Enterprises**
Michal Pruzinsky and Richard Kerekes
26. **A View on Entrepreneurs Characteristics and the Barrier and Challenges of Individual Entrepreneurship in Iran**
Mojtaba Rafiei and Mohammad Mosavi
27. **Self Employment in Britain**
George Saridakis and David Storey
28. **Tools for Risk Management in Consideration of the Special Needs of SME**
Richard Lackes, Markus Siepermann and Stefan Springwald
29. **Effectiveness of Websites for Small and Medium – Sized Enterprises Toward their Company's Performance**
Lana Sularto
30. **Consumer Choice: Apparel Clothing Reference Points for Important Shopping Occasions**
Theodoros K. Tarnanidis, Nana Owusu-Frimpong and Ruth Marciniak
31. **Innovation of Functional Canned Food Industrial Products-Consumers' Expectations, Preferences and Attitudes**
Agoston Temesi, Viktoria Szente and Peter Biacs
32. **Are Born-Global Firms Different? A Financial Analysis**
Antonio Trujillo-Ponce, Felix Jimenez-Naharro, M^a Jose Palacin-Sanchez and Carmen Perez-Lopez
33. **The Development of Institution-Based Innovative Business**
Wen-Chun Tsai and Yu-Ching Lai
34. **Small Business Use of Social Media as a Competitive Advantage**
Demos Vardiabasis and W. Smith
35. **Relationship Management as a Basis for Knowledge Management of Innovative Small and Medium-Sized Enterprises (SMEs)**
Eleni Vasileiadou, Stefan Uhlich and Magdalena Mibler-Behr
36. **Research: The Role of Marketing in Enhancement of Competitiveness of Small and Medium-Sized Enterprises**
Sergejs Volvenkins and B. Sloka
37. **Customer Equity Model on the Avionics Industry: A Case from a Taiwanese Company**
Kuang-Wen Wu and Hong Long Shih
38. **Women Entrepreneurs: An Investigation of the Transition from Corporate Careers to Business Ownership**
Siri Roland Xavier, Suganthi Perumal, Leilanie Mohd Nor and Dewi Amat Sapuan
39. **The Effectiveness of Marketing Mix Decisions Made in the Family Businesses Having Institutionalization Problems**
Yildirim Yildirim and Mustafa Yucel

- 40. The Adoption of E-Trade Innovations by Turkish Small and Medium Sized Firms**
Mehmet Yildiz and Muammer Zerenler
- 41. Open Innovation Practices by Turkish Small and Medium Sized Firms**
Muammer Zerenler and Mehmet Yildiz

PREFACE

This abstract book includes all the abstracts of the papers presented at the *7th Annual International Conference on Small and Medium Sized Enterprises: Management – Marketing – Economic Aspects, 2-5 August 2010*, sponsored by the Business Division and the Economics Research Unit of the Athens Institute for Education and Research (AT.IN.E.R.). In total there were 41 papers and 45 presenters, coming from 24 different countries (Australia, Austria, Canada, Denmark, Germany, Hungary, India, Indonesia, Iran, Italy, Japan, Korea, Latvia, Malaysia, Portugal, Slovakia, South Africa, Spain, Taiwan, Thailand, Turkey, UK, USA and Zimbabwe). The conference was organized into 10 panels that included areas such as Technology and Innovation, Economics and Finance, Entrepreneurship, Management, Social, Institutional & Policy, Marketing, e.t.c. As it is the publication policy of the Institute, the papers presented in this conference will be considered for publication in one of the books of ATINER.

The Institute was established in 1995 as an independent academic organization with the mission to become a forum where academics and researchers from all over the world could meet in Athens and exchange ideas on their research and consider the future developments of their fields of study. Our mission is to make ATHENS a place where academics and researchers from all over the world meet to discuss the developments of their discipline and present their work. To serve this purpose, conferences are organized along the lines of well established and well defined scientific disciplines. In addition, interdisciplinary conferences are also organized because they serve the mission statement of the Institute. Since 1995, ATINER has

organized close to 150 annual international conferences and has published over 100 books. Academically, the Institute is organized into four research divisions and nineteen research units. Each research unit organizes at least one annual conference and undertakes various small and large research projects.

I would like to thank all the participants, the members of the organizing and academic committee and most importantly the administration staff of ATINER for putting this conference together.

Gregory T. Papanikos
Director

Costing Problems and Strategical Cost Management Applications in SMEs

Ali Alagoz

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Yunus Ceran

Professor, Selcuk University, Turkey

International competition gradually increases and becomes more intense as well as liberalization on world trade day by day. It is no possible to think SMEs as separate ones from global world and global competitive environment. Nowadays as a result of adding a new dimension to competition concept due to rapid technological changes still experienced, developing and using production technologies based on specification take place of understanding of competition based on cheap labour force and natural resources with the effect of globalization in international markets. Competitive understanding having a new dimension requires producing goods and service of high quality on suitable prices. In this economical structure, the function of accounting information system becomes importance in making effective decisions, seeing and assessing the opportunities for enterprise management.

Not creating complete and healthy structure on accounting system in SMEs causes an obstacle for institutionalization of enterprises, obtaining competitive power and keeping this power in international markets. Due to excessive unregistered operations, published unreal financial statements especially affect credit value in a negative way, also present large deficiencies in the framework of Basel II as well as defects in cost accounting applications, not seeing existent positions of SMEs and the future.

After globalization, on the world integrated in only one market like a small village, enterprises will continue to survive in case they produce customer-focused and high-quality (quality) products, especially taking customers' pleasure, desire, wish, choice and demands into consideration and they present these products on suitable prices (cost) within the required time (time) for customers.

In this study, strategical cost management applications will be evaluated under costing problems and fascinating triangle "quality-cost-time" as strategical competitive items in SMEs.

Food SMEs Facing Vertical Competition with Retailers: Marketing Management Capabilities as Tools to Be Price Maker

Alessandro Banterle

Associate Professor, University Degli Study of Milano, Italy

Laura Carraresi

Researcher, University Degli Study of Milano, Italy

Vertical competition between retailers and manufacturers is an important factor that is continuously changing the competitive environment in several industries, especially in the food one. In this sector, small and medium sized enterprises (SMEs) constitute the most part of the EU food firms, especially for what concerns traditional food products (TFPs). Given their small size, they have difficulties in developing a sufficient bargaining power to fix the right price for their products. Nevertheless, traditional food SMEs could also profit by some market opportunities, connected to the evolution of consumer preferences towards food quality, by adapting their strategies and improving their marketing management capabilities (MMC), which could help them to enhance their market power, and shift their position from price ‘taker’ to ‘maker’.

The purpose of this paper is to analyse the relationship between MMC and the ability of firms to fix the price, in order to understand if good results in marketing management could have a positive and significant link with the possibility to be price maker.

An interactive questionnaire published on the web has been used for data collection, with the aim to evaluate MMC of SMEs, included the capability to affect the price setting. The sample is composed by 470 European SMEs producing TFPs. Ordinal regression model was run to explain the relationship between the ability of firms to fix the price and the variables expressing MMC.

Our empirical analysis reveals that SMEs reveal quite weak MMC. This is particularly true for micro-sized firms. Moreover, the firms show poor ability to fix the price. However, the analysis underlines that the knowledge of the marketplace is a driving force to be market oriented and consequently to be able to fix the price, as well as other two variables connected with the ability of the firm to adapt the budget and promotional activities to market changes.

**Human Resources Strategy in Retention of Employee
in Small and Medium IT Enterprises in Western India**

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Pushpa Sahay

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The Role of Family in the Corporate Governance of SMES in Local Productive Systems

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Alexandra Braga

CIICESI, Portugal

Amelia Carvalho

CIICESI, Portugal

The family involvement in firms is observable in most economies around the world, although there are significant differences among these countries, not only regarding its predominance in these economies, but also in what refers to the levels of involvement of the family in business.

This research aims at understanding the family-based firms' management when compared to non family based, with particular regards to the forms of corporate governance. This analysis is based on case studies and on secondary data found in the literature to support the findings from the empirical research. The data was collected via face to face in-depth interviews with entrepreneurs from the furniture and the events organisation industries (where the family is present in the furniture but not on the events organisation industry) and with industry and regional business associations.

The case studies used in this research allowed the comparison between the Portuguese firms when the family plays an important role in business and those in which the family is absent. It has been found that there are important differences in businesses in countries/industries/local productive systems in which the family is seen as a dominant institution in the society (where businesses are based on strong ties; there is a harmonious relationship between the family members; and the family is accepted locally and dominates the firm organization) and on situations in which the family plays a more marginal role in the society. In fact, the family brings special characteristics to the business, in terms of management, corporate governance, inter and intra firm relationships and succession.

Our findings confirm other empirical studies' results found in the literature. Thus, this article provides a discussion on the factors that play a role in the form of corporate governance structure in family firms highlighting the pros and cons of organising the firm around the family.

Creating Competitive Advantages through IT Innovation in Small and Medium-Sized Enterprises: An Organisational Perspective

Jeffrey Chang

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There is a body of literature on the positive relationship between innovation and business success and growth. In particular the advances of modern information systems and information technologies have increased the speed of the innovation process.

Innovation will require sufficient resources, both human and financial, to support skills and capabilities to facilitate innovation. To foster an environment for IT innovation requires a strategic emphasis on IT investments and research and development (R&D). With respect to the innovation process both good communication skills among the people involved and teamwork efficiency are key to success. Innovation also requires a risk-taking attitude and adequate management support.

It has been suggested that small and medium-sized enterprises (SMEs) are at a disadvantage in innovation. They have limited time and resources to invest in IT, staff and R&D. The owner and staff are usually tied up with day-to-day transactions or following clients' specifications. There is little scope for product innovation. Small business owners are risk averse and reluctant to implement radical business process change. This limits process innovation. Informal and flexible structures with support and funding from government and knowledge centres (such as Universities) would, however, increase the possibility of successful innovation in SMEs.

The paper provides a review of the relevant literature on innovation, IT innovation and SMEs. The research intends to develop a conceptual framework which will outline the key organisational factors facilitating or inhibiting IT innovation in the small business sector. Propositions will be drawn from the research for empirical testing.

Tourism Entrepreneurship, Networks and Niche Strategies as Factors of both Innovation and Preservation in Rural Territories

Anabela Dinis

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The creation of firms and the promotion of a network of small and medium sized firms are frequently referred as the most important strategies for the revitalization of depressed and peripheral rural areas (Mackenzi, 1992, Acs and Storey, 2004; Berlung and Johansson, 2007; Naudé *et al*, 2008). Specifically, tourism has been pointed in literature as an entrepreneurial area specially interesting for the development of rural areas due to its potential to promote and aggregate efforts of diversification of rural economy (Wilson *et al*, 2001, Lordkipanodze *et al.*, 2005, Siemens, 2007). Furthermore it is a sector that capitalizes on rural resources, has low barriers to entry and promotes the creation of infrastructures that not only benefit tourists but also improves the local's people quality of life. Thus, tourism potentially constitutes a major source of employment and retention/attraction of people in rural areas.

Nonetheless, entrepreneurial conditions in these regions are particularly adverse due to their demographic, institutional, relational and economic low densities. Under these circumstances entrepreneurship is particularly difficult (Wortman, 1996, Meccheri and Pelloni, 2006). In spite of that fact, there are all over the world, some examples of successful and innovative tourism entrepreneurship in these areas.

The aim of this paper is to understand which factors can promote entrepreneurship and success of sustainable tourism activities in rural areas. Through an extensive bibliographic revision about both theories on entrepreneurship and rural tourism and empirical experiences from different parts of the world, but mainly European, it is argued that i) the promotion and support to local small business, 2) cooperation between main stakeholders of the territory as well their articulation with extra-local actors and iii) a niche marketing strategy directed to global market, are essential factors for the success of sustainable tourism in rural and peripheral areas and, at long, of the territories itself.

**Entrepreneurship, Innovation and Spatial Disparities:
Divisions and Changes of Self-Employment and Firms**

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Dieter Bogenhold

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TOPSIS Extension for Multi-Objective Nonlinear Programming Supplier Selection with Quantity and Periodic Discounts

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Supplier selection is a complex multi-criteria decision-making (MCDM) problem that, definitely, these factors have varying importance and there is a need to weight them. Also, since the majority of the input data is not known precisely, the theory of fuzzy sets is one of the best tools for dealing with the uncertainty. In reality, when planning horizon covers several periods, the problem becomes harder, especially whenever there are quantity discounts. Therefore, we consider a multi-period horizon where one or more suppliers can be selected in each of these periods for the purchase of a product in which suppliers offer quantity and periodic discounts. In the context of quantity discount, the selection process is influenced by the suppliers' price breaks that depend on the sizes of order quantities. On the other hand, in the context of the new discount, periodic discount, if buyer purchases from supplier i in period t , the supplier gives a discount for period $t+1$. A Fuzzy multi-objective mixed integer nonlinear programming (MOMINLP) is developed for this problem. We subsequently extend TOPSIS approach to solve the MOMINLP problem to define the optimum quantities among the suppliers by balancing periodic aggregate quality, budget and delivery goals and minimize aggregate quality, total cost and delivery lateness. TOPSIS enables us to consider the weight of these factors. Finally, a numerical illustrative example is given to clarify the proposed model.

It's a Jungle out There: Conflict in Franchising

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Jeff Giddings

Professor, Griffith University, Australia

Scott Weaven

Dr., Griffith University, Australia

Debra Grace

Associate Professor, Griffith University, Australia

Anthony Grace

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This research explores the causes of conflict in franchising from the franchisee's perspective. The franchising relationship relies on trust and cooperation between the franchisor and franchisee in achieving a set of shared goals. When the goals are misaligned conflict often occurs, resulting in a loss of trust and respect between the participants. Whilst conflict is inevitable in business relationships, the lack of resolution may lead to dysfunctional outcomes.

The goal of this research was to determine the major causes of conflict in the franchisor-franchisee relationship as a basis of understanding the initial triggers that may lead to a creeping breakdown of the relationship. Data were gathered via a mail survey to 3000 franchisees from 556 different business format franchise systems across Australia. A total of 350 surveys were returned resulting in a response rate of 11.7 percent. In addition to the collection of demographic data, respondents were asked to describe a conflict situation they had experienced, how it was managed and whether it had been resolved. Some 266 franchisees provided written responses that enabled the data to be thematically analysed using qualitative data analysis software (NVivo).

Analysis of the data revealed that the major causes of conflict were perceived by franchisees as due to a lack of support from the franchisor, difficulties complying with the franchise system, disagreements over the franchise fees, communication problems, claims of franchisor misrepresentations, disagreements about marketing, and disappointment with the level of profitability experienced. Respondents indicated that conflict situations were generally managed through direct verbal negotiation, and less often via written correspondence, sometimes including the involvement of third parties. Just over one quarter of franchisees expressed their disappointment that the conflict situation had been either poorly resolved or not resolved at all, thus indicating a need for a better understanding of this phenomenon.

SME-Driven Oikonomia-The Path to Democracy

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Georges D. Contogeorgis

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The 2009 climate-change summit farce in Copenhagen affirmed what might be a new world war against humanity. But it also showed a resistance growing perhaps as never before: an internationalism linking justice for planet earth with universal human rights, and criminal justice for those who invade and dispossess with impunity. Given this recent resurgence of interest in democracy internationally, the purpose of this article is two-fold. *First*, it revisits classic works in political science and philosophy in order to accurately delineate and show what the ontic and ontological dimensions of democracy might be. To meet this first challenge, multiple static frameworks and dynamic influence diagrams (IDs), in conjunction with system dynamics (SD) simulation models take the role of a multi-perspective dialectic that presents democracy as a set of temporal dimension bundles. *Second*, the article shows how SMEs can form, again, as they did in classical Greece, the requisite economic infrastructure for democracy to re-emerge again in modernity, as it did in antiquity, as a socio-political phenomenon. To meet this second challenge, Aristotle's conceptions of *chrematistike* and *oikonomia* provide a bridge for modern SMEs to cross beyond break-even accounting dynamics. Consequently, SMEs can provide the systemic leverage required to support democracy in all its splendor of temporal dimension bundles.

Firm Size, Financing Constraints, and U.S. Affiliates

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Trends in Deferred Deposit Lending Businesses

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This paper discusses the concept of Deferred Deposit lending through the context of examining the top 9 lenders in America today and two years ago. We can examine their practices and procedures through introspection into the SEC filings that these companies file annually. They represent a good portion of American Deferred Deposit Lenders. We can also examine to see if the practices and procedures have changed since the economic downturn. I examine nine payday lenders in 2007-2008 and then again in 2009-2010. The nine companies are:

1. Advance America, Cash Advance Centers, Inc.
2. Cash America International, Inc.
3. CompuCredit Corp
4. Dollar Financial Corp.
5. EZCORP, Inc.
6. First Cash Financial Services
7. QC Holdings, Inc.
8. Rent-a-Center, Inc.
9. World Acceptance Corporation

**Market Reaction to Rights Issues in Australia –
An Empirical Examination of Price Effect
Differences between Family and non-Family Listed Firms**

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Family firms are known to be among the oldest and most successful businesses in the world, with many countries reporting that the great majority of firms within their economies are, in one form or another, family firms. More recently, family firms have also emerged as substantial contributors in capital markets, and in some cases representing more than 20% of entities listed on security markets around the world (Mroczkowski & Tanewski, 2005). Given the emerging importance of family firms, and increasing evidence that governance structures are tighter within family firms (thus providing less incentives for managerial shirking and therefore little, if any, opportunity for rent extraction), this study examines market reactions to funding mechanisms announced by both family and non-family firms.

Specifically, using an event study approach, the paper reports empirical evidence of announcement effects from rights offerings in Australia during the pre financial crisis period. Significant negative price effects from rights issues are revealed. Interestingly, the analysis shows that the family firms exhibit no significant reaction on the event date while non-family firms react negatively and significantly on and after the event dates. Nonetheless, when observing an overall three-day window, significant share price reaction to rights issues announcements are observed for both family and non-family firms, at the $p < 0.05$ and $p < 0.01$ levels respectively. In addition, further testing showed that the two groups' cumulative returns three days around the event are different at the $p < 0.01$ level. The overall price effect results are consistent with the signaling hypotheses.

Deterioration in SME Performances in Korea – Causes and Policy Responses

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Since the 1980s, the Korean government spent large sums of money and implemented numerous support programs to develop a robust SME base in Korea. This trend accelerated after the Asian financial crisis in 1997 when the policymakers realized that relying on a handful of large conglomerates (Chabeols) for sustained growth no longer made sense in a globalized economy. Since then, the portion of the government budget devoted to SMEs rose from 0.2% in 1996 to 1.8% in 2004. As a result, there are now more than 1,400 different support programs available for the SMEs. However, despite all-out efforts by the Korean government, performances of the Korean SMEs as a group have been less than satisfactory. The productivity gap between the SMEs and large enterprises is growing. Profits and investment by the SMEs are stagnant, making the future prospects darker.

This paper is an attempt to understand causes of policy failure and suggest alternative policy recommendations. In particular, it focuses on small enterprises, defined as having less than 10 employees. The study is motivated by the argument that a growing portion of small enterprises in the economy hampers growth since they are less capable of innovation and physical investment needed. However, although the argument is widely accepted in Korea, there has not been a rigorous empirical study to test the validity of this argument. This paper fills this gap by presenting empirical evidence that a rising portion of small enterprises is indeed responsible for deteriorating industry performances.

However, the same relationship does not hold for other countries, in particular the OECD countries. Therefore, this paper also studies country-specific factors that contributed to deterioration of SMEs performances in Korea. The paper concludes with some policy recommendations.

Industry Structuration, Innovative Behaviors and Industrial Capability Construction in Taiwan Bicycle Industry

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In the process of industry evolution, individual firms have to face different degree of competitive pressures, especially in a mature or decline industry. One possible choice is upgrading industrial capabilities through innovative behaviors. However, in highly vertical disintegrated industry, successful transformation involves the transformation of overall industry value chain system. In other words, those firms in that industry have to transform collectively to deal with the competitive pressures. Among various Taiwan industries, bicycle industry has been evolving for nearly sixty years. Now this industry have successfully transformed from the role as a global low-price OEM site to the role as a global brand leader. The goal of this research is to explore how industry structuration, innovative behaviors and capability renewal in Taiwan bicycle industry can happen as environmental pressures or opportunities emerge.

There are two main research findings. First, through continuous innovative behaviors, capabilities were built up to achieve the goal of industry transformation. Continuous process innovations resulted in high quality and efficiency, which were the basis for global market expansion. At the same time, continuous product innovations resulted in differentiation capabilities, which were the basis for high-value globalization. Second, industry structuration of highly vertical integrated industry have the effects to facilitate industry capability converge. In Taiwan bicycle industry, there are three forces contributed to the structuration process: government planning on industry management policy, industry structure consolidation and cross-system collective alliances.

An Exploratory Study of Gender Based Differences in Leadership and Management Practices of Nigerian Small and Medium-Sized Enterprises

Adebimpe Lincoln
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This study explores the leadership and management practices of entrepreneur's in Nigeria. A comparative analysis is carried out to highlight any commonalities or difference in leadership and management practices adopted by male and female entrepreneurs, with owner/manager leadership practices classified into two distinct categories, namely transactional and transformational. The target sample consisted of owners and managers of small and medium enterprises in five cities in Nigeria. In total 290 owner/managers engaged in diverse sectors took part in this study. A mixed method approach involving the use of self administered questionnaire and semi-structured interview was adopted to achieve the aims of the study. In addition, the research utilized simple statistical techniques to analyze the data.

The findings indicate that leadership and management practices have a significant influence on the success and failure of SME's. The study has several theoretical and practical implications. In particular it helps fill gaps in knowledge in relation to the SME sector as a result of the lack of data on such firms in Nigeria. It is anticipated that the study can provide SME policy makers and advisory services with guidelines to improve the SME sector in Nigeria in the area of leadership and management as well as innovation. In addition, it is expected that the study will assist SME owner/managers recognize those leadership and management practices which positively influence firm growth, consequently leading to the adoption of innovative practices by SMEs.

Entrepreneurship: Influencing Factors on SME Entrepreneurial Orientation

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Mario Raposo

Full Professor, University of Beira Interior, Portugal

Anabela Dinis

Professor, University of Beira Interior, Portugal

Alda Santos

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The importance of individual entrepreneurial activity to economic growth and well-being at national level for both industrialized and developing countries is well established (SBA, 2006). This is both cause and consequence of a growing interest of researchers, stirring up debates from both academic and public domain (Ventataraman, 1997; Shane and Ventataraman, 2000; Cuervo, 2005; Lee and Venkataraman, 2006; Zinga, 2007). However, this research field is relatively new, finding itself still in an embryonic phase (Gartner, 1985; Venkataraman, 1997; Shane and Venkataraman, 2000). Entrepreneurial activity is in its nature a complex phenomenon. Thus, research in this field is both widespread and multidisciplinary in nature. This fact leads to that entrepreneurship research requires the understanding of their activity at different levels: individual, management team, organization, industry and community (Gartner, 2001). The study about entrepreneurship embodies the individual behaviour of identification and creation of opportunities, the developing and growth of the organizations, the reveal of an industry, the initiative in the formation of teams, the destructive creation and organisational transformation (Brush et al., 2003).

This study focus on 1) the importance and influence of certain factors – namely firm's life cycle, human capital (ou motivation, firms' and entrepreneur's resources ?) and environmental factors on firm's entrepreneurial orientation and 2) the relationship of the entrepreneurial orientation on the performance of the firm.

For such, several theories and approaches were analysed in order to build our research model, which variables of different levels of analysis were combined. An empirical study based on a sample of SME located on region Centro of Portugal was developed. Data was collected trough questionnaire and submitted to descriptive and inferential statistics.

Results, indicate that environment factors and human capital are both crucial for entrepreneurial activity, and innovation together with proactiveness is key for performance.

Current and Modern Planning in Enterprises: Critical Insights

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Michal Pruzinsky

Professor, Catholic University in Ruzomberok, Slovakia

This paper deals with the baseline function of management: planning. It examines differences in traditional and modern planning, critically evaluated in light of global change.

Consideration of an SME Network in Japanese Polishing Companies

Takuya Miyamoto

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Historically, Japanese polishing companies prospered as foreign-style tableware industries started flourishing. After WWII, foreign-style tableware began to be exported from Japan to all over the world. At that time, Japanese polishing companies, which polished foreign-style tableware surfaces as subcontractors, earned huge profits.

However, over a period of time, they have been threatened by two economic shocks. First, the competition from Chinese companies in the 1990s. Second, the worldwide recession led by the “Lehman Shock” in 2008.

To respond to these threats, Japanese polishing companies reconstructed their business systems and weathered the crisis. What enabled them to adapt to changes in the business environment was their network of craftsmen.

Facing competition from the Chinese companies, the Japanese polishing companies enlarged their markets with a wide range of products from foreign-style tableware to automobiles, electronic appliances, i-Pods, and so on by employing their highly sophisticated techniques. As they entered new markets, they reconstructed their business systems making use of their network and their own unique B2B websites.

During the recession period in 2008, Japanese polishing companies once again reconstructed their business systems. They collaborated with each other in the network to develop new products. Up to now, working as subcontractors under the keiretsu system, they had limited themselves to the processing of only a part of products usually ordered by parent companies. But to respond to the recession, they exchanged their technical knowledge, which finally enabled them to develop some innovative products, despite a lack of experience in product development.

This study illustrates the importance of business systems based on both the network of craftsmen and B2B websites. Moreover, it sheds light on the reciprocity between the individual craftsmen and a charismatic leader who decides new directions of the network.

The Role of Innovation and Internationalisation Public Policies on Industrial Performance

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Over the past 20 years, globalisation and the new economy have brought about a change in the basis of economic growth and industrial competitiveness turning knowledge creation and internationalization into critical resources (Parker, 2004; Dunning and Lundan, 2008). Knowledge creation favoured by R&D investments and internationalization process prove to enhance firm productivity and capabilities to face the even more increasing competition (Lichtenberg and Siegel, 1991; Calvert et al., 1996; O'Mahony and Van Ark, 2003; Dunning and Lundan, 2008).

Moreover, innovation and internationalization fertilize each other stimulating a virtuous cycle leading to profitability improvement (Simmie, 2003). This has prompted a re-think of industrial policy-making by emphasising both pro-innovation and prointernationalization programmes (Goh, 2004; UNCTAD, 2001). Thanks to these policy measures, governments aim at correcting for market and coordination failures, pushing country development in order to reduce regional disparities and at arranging local environments that favour the sharing and exchange of knowledge and the improvement of firm capabilities (Edquist, 2001; Te Velde, 2007). Yet, besides positive effects, public intervention can limit competition and give rise to market inefficiencies (Wollman, 2007). Within this context, this study investigates the effectiveness of innovation and internationalization small business policies looking at the impact on regional economic development in terms of revenue growth and profitability.

Moreover, the study aims at understanding how the role of public policies changes according to the innovation and internationalisation characteristics of industrial application context. The empirical analysis is carried out, at the regional level, on Italian firms taking into account subsidies granted from 1999-2006. Preliminary results suggest that not all the provided measures generate intended effects. Whilst innovation policies positively affect both the economic growth and the profitability, the effectiveness of internationalization measures is doubtful.

Strategies Formulation of Human Resource in a Cultural Organization in Iran

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In recent years human factor plays important role in organizations and human resource is the most strategic organizational factor. Present research attempts to find the most proper strategies in input process of human resource of human resource in a cultural organization. Research data has been gathered by questionnaire, interviewing with managers, experts as well as organization reports. For this propose researcher has used SWOT and PEST analytical methods. Delphi test has been used from the first steps to the last.

Research Results deduce that organization in input process of human resource have well situation, because final concession of external factors and internal is bigger than average or 2.5. The organization is better in input process of human resource use than aggressive strategies. If organization implements formulation strategies can cause synergy and coordination between human resource policies and general strategies.

An Analysis of Factor affecting the Growth of SMEs in Zimbabwe's Mining Sector with Special Reference to the Southern Region

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Given the economic decline in the past ten years that Zimbabwe's economy has experienced, the mining industry has shown some notable resilience to this decline with some big mining houses registering growth. However that growth has not been enjoyed by the small medium size miners in the same industry, hence the need to investigate the factors that hinder growth of SMEs in this industry. Some 23 mining SMEs participated in the research who are all from the Southern region (Midlands & Matabeleland provinces) of the country. They were surveyed via a self completed questionnaire with 10 of them being followed up with an in-depth interview. The results show that erratic power supply by the utility service provider Zimbabwe Electricity Supply Authority (ZESA); working capital constraints due to a lack of loans from the banking sector; raw material costs; shortage of skilled labour; lack of any support whatsoever from the government; inadequate functional and entrepreneurial skills by the owner managers are some of the major factors hindering SME growth in the mining industry. For the few (8) growing SMEs, most had the following characteristics :- had been in operation for 3 years or more; belonged to the private limited company and partnerships business forms as opposed to sole traders for declining SMEs; had operations in urban or peri-urban areas as opposed to rural areas for declining SMEs; were mainly producing gold versus quarry, chrome, coal and diamond; had annual income exceeding USD 15 000 per annum; had an average number of 41 employees compared to 8 for the declining SMEs and were owned or managed by a person with a degree qualification, among others. The study recommends that for new and existing SME miners, acquisition of the necessary business and entrepreneurial skills are critical for success in the industry.

Managing Small and Medium Enterprises in Construction Industry

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SME's Access to Finance: Government Intervention Strategy

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Financing constraints of small businesses have been a matter of major concern for a number, of researchers. Using a case of South African development finance institutions (DFIs), the authors empirically investigate the extent to which DFIs' lending programmes have successful. The results show that the institutions have a limited role in decision making on who receive business finance. The authors also document that direct lending by DFIs would best address the problem.

Handicapped Workers in Small and Medium-sized Enterprises

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Equalize opportunities for persons with disabilities throughout society measure are important activities. Could be a citizen with disabilities a full – equal – member of staff? What contributes to success and excellence in building a business may bring handicapped workers? Sheltered workshops in Slovakia are small businesses, which often fellow citizens with disabilities made their workforce. Will survive these workshops crisis tingle?

A View on Entrepreneurs Characteristics and the Barrier and Challenges of Individual Entrepreneurship in Iran

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Self Employment in Britain

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Research in Britain has shown that only one in five of all businesses achieve employment growth in any given year, less than ten per cent achieve sustained growth and only 55 percent of small firms survive during the first four years of their lives. There are a number of factors that determine entrepreneurship and subsequent growth and survival. Some of these factors are, for example, alternative job offers, uncertainty in the trade environment, government initiatives, personal circumstances and macroeconomic conditions. The aim of this paper is threefold. First, it examines the self-employment rate as a measure that captures the concept of “enterprise activity” in Britain and investigates how socio-economic variables influence enterprise. Second, it distinguishes between the factors influencing enterprise among males and among females. Third, it provides an econometric forecast of enterprise activity, given expected changes in interest rates and other macroeconomics conditions.

Tools for Risk Management in Consideration of the Special Needs of SME

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The requirements for sustainable management of small and medium sized enterprises (SME) are growing rapidly. Especially within the last two years, gaining a better overview of the risk situation in enterprises and their economic environment has become more and more important. Therefore the usage of suitable software solutions for risk management (RM) is essential.

The situation for SME is a special one: less financial resources and none explicit RM departments. Because of this, the focus of this evaluation lies on software solutions which can be deployed primarily in small and midsize enterprises. We concentrated our research on such systems for managing risks that can be used with greater ease and are less expensive.

For evaluation purpose, we analyzed 10 software systems for RM. Therefore this analysis doesn't claim to provide a complete overview of the complete market of risk management software, but it is a first view on the variety of implemented risk management functions in software systems. The software systems can be divided into three groups.

The first group can be used as an add-on to standard-software like MS Office. The second group consists of those systems which are integrated in a larger information system, e.g. enterprise resource planning system. The third group includes 'stand-alone'-systems which are especially developed for managing risks.

For the analysis, we firstly defined the requirements of RM suitable software solutions should cover. Accordingly, each tool were checked if these requirements are implemented and to what extent.

As expected, the best systems were identified in the last group. However no evaluated system could cover all requirements which were deduced from the RM-theory. Partly, the gap between this and the practical implementation was enormous. Especially by quantifying the risks none of the tested tools were able to attribute an objective value.

Effectiveness of Websites for Small and Medium – Sized Enterprises Toward their Company’s Performance

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The general aim of this research is to analyze the effectiveness of website based on the perception of the managers of small and medium-sized enterprises. The specific aims are to (1) analyze to what extent the effectiveness of website to increase internet adoption and (2) analyze the different degree of company performance before and after having a website.

The research used a descriptive method and a self-reported level of adoption measurement. This research also used a model of adoption measurement and the intensity of actual internet utilization which is measured based on the internet utilization activities. The data collection was through observation, interview, questionnaire, and literary study. The sampling technique was of cluster sampling consisting of three internet adopter groups: (1) non adopter, (2) potential adopter (3) adopter. Thirty six managers of small and medium-sized enterprises in Depok and Bekasi Territories were selected. Data were analyzed using paired t-test.

Results of the research showed that (1) seven out of eleven variables were effective (i.e., company performance, communication intensity, job expectation, Internet-self efficacy, social influence, attitude toward Internet, Internet utilization), and the rest four were not effective (i.e., organizational innovation, actual-utilization intensity, Internet anxiety, facility support); (2) before having a website, respondents already knew and understood the use of internet and after having a website, their performance improved; (3) the sign test found a significant difference in participants performances before and after having a website.

The implication of this study for small and medium-sized enterprises in Bogor, Depok and Bekasi is that website for their company has to be maintained continuously. Secondly, for small and medium-sized enterprises in those territories, they should utilize website to gain better company performance.

Consumer Choice: Apparel Clothing Reference Points for Important Shopping Occasions

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The research carries out an empirical investigation of consumers' selections of reference points for apparel clothing consumption on important shopping occasions and uses this study to enable a deeper understanding of the dynamic concept of reference points. A careful examination of the related literature on reference points, pointed to the need to analyse reference points from the consumers' own perspective. A mixed-method research approach is employed with the use of both qualitative (i.e. focus group discussions) and quantitative (i.e. survey instrument) techniques. The main findings suggest that consumers simultaneously use both explicit and implicit reference points. The former arise mainly from the perspective of the seller (e.g. product attribute referents, price referents, store referents) and are made explicit in the marketing mix programme. The latter arise mainly from the perspective of the consumer (e.g. social referents, cultural referents, personal referents).

Innovation of Functional Canned Food Industrial Products- Consumers' Expectations, Preferences and Attitudes

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The long-famed Hungarian canned food industry has had to face a lot of problems recently, most of which put burden on the smaller enterprises. In the efficiency competition several small and medium-sized preserving enterprises were unable to compete with the members of the domestic and world-markets and they were forced to give up production one after the other.

In this situation it is extremely important for the Hungarian canned food industry – especially for small and medium sized enterprises – to put stress on product innovation, on production of value added products, as well as on satisfying all the consumers' needs.

In our research – with the help of focus-groups and a nationwide inhall test – we have surveyed the consumers' expectations, preferences and attitudes toward canned foods, then using the results we are providing with the industry a new possible innovation way.

Hungarian consumers have a demand for canned foods with beneficial health effects that is the reason why we recommend the industry to develop so-called health protective products with especially beneficial effects on health. In our inhall test we have surveyed the consumers' acceptance on the possible functional components, their effects on health and the importance of several avoidable diseases.

Consumers do not have a unified judgement on the effect of canned foods on health nowadays. They have found some of the tested product groups have beneficial effects on health, so we think that the production of the first successful functional canned food industrial products is possible by their health-protective innovation.

The production of functional foods may mean a breakthrough for the small and medium-sized canned food industrial enterprises and it can strengthen the market position of them.

Are Born-Global Firms Different? A Financial Analysis

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From the beginning of the 1970s to the present day, significant changes have taken place in the competitive and organisational behaviour of small and medium-sized companies (SMEs). Recently, some of these factors have applied more intensively, and this has given rise to a growth of the number of new companies that undertake overseas operations almost immediately (known as born-globals).

The phenomenon of early internationalization is relatively recent, so there are still many aspects that need to be studied. The objective of this study is to contribute to the scarce empirical literature existing in Spain on this topic, by providing evidence on the possible differences in character of the born-global firms compared with the rest of exporting companies. To this end, the focus of the study is on the analysis of variables such as the size and sector of activity of these companies, and their principal economic and financial magnitudes.

A sample of 1,324 Spanish SMEs that were exporting in 2007 was surveyed; of this total approximately 12% identified themselves as having adopted early internationalization.

The results obtained indicate that the born-global firms are, on average, smaller; they are classified mostly to the services sector; and they are much more leveraged than the rest of Spanish SMEs that export.

The Development of Institution-Based Innovative Business

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The main purpose of innovative business is value creation. Currently, many researches, from “Value Provider” perspective, focus on the traits or experience of the entrepreneurs and the conditions of outside environment to explore the factors inducing entrepreneurial behaviors. On the other hand, some researches, from “Value Creation Organizer” perspective, focus on describing innovative business emergence process, which is about how entrepreneurs motive others and influence outside environment to create new organizations or niches. The latter is the so-called institution-based innovative business. This research aims to explore the critical factors influencing agent participation or network connections in the institution-based innovative business and achieving the goal of value creation.

We take the example of Artkey, which is now the largest, leading Asian art licensing corporation, playing the role of cultural intermediary, creating an innovative business benefiting creators, enterprises and people.

There are two main research findings. First, the goal of institution-based innovative business is to mobilize agents’ resources. For an entrepreneur, after evaluating outside environment and personal conditions, if he/she can construct an attractive organizational identity and persuade agents to join, it will be helpful to enhance credibility and consolidate organizational identity. In this way, more network connections will be followed. Second, in addition to organizational identity construction, an entrepreneur should look from the agents’ standpoint, considering the effects of credibility as the reference for choosing agents and designing the innovative business.

Small Business Use of Social Media as a Competitive Advantage

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Relationship Management as a Basis for Knowledge Management of Innovative Small and Medium-Sized Enterprises (SMEs)

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Incumbents are able to create knowledge and innovation inside their organisational infrastructure through research and development. On the contrary, Small and Medium-sized enterprises (SMEs) often have to acquire external knowledge or create knowledge through their participation in co-operations and research networks consisting of other companies and public institutions.

There is interdependency between the intensity and quality of knowledge transfer and the intensity and quality of the relationship between the partners. At the beginning relationships are based on the prospect of mutual advantage, which is initially paired with suspicion. Over the time, relationships can be intensified through the development of trust. This development is influenced by the Intellectual Capital (IC) and the reputation of the companies. Good reputation and trustworthiness can intensify knowledge transfer and networking with additional agents.

This article offers a literature review on the development, properties and effects of the relationships of various agents in cooperative networks. It aims at developing a guideline for SME on how to evaluate and selectively use their relationships in order to build Intellectual and Financial Capital. The elaborated evaluation criteria for the selection of partners and the establishment of relationships serve as a basis for the decision whether to invest in mutual knowledge creation. The application of these criteria is demonstrated in the case study of a German innovative SME.

Research: The Role of Marketing in Enhancement of Competitiveness of Small and Medium-Sized Enterprises

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Rather a lot of attention is devoted to the issues regarding enhancement of competitiveness of enterprises in the contemporary scientific world. The competitiveness of small and medium-sized enterprises (SMEs) is discussed considerably rarelier. These issues remain beyond the range of interests of many scientists, regardless of the fact that this topic is rather actual for the representatives of SMEs. The author of the paper has decided to emphasize the problems of SMEs. As a result, the research was made the aim of which is to define how SMEs use marketing to enhance competitiveness. The research will also provide more information on the ongoing marketing processes of SMEs: how planning, monitoring and defining marketing efficiency take place, how SMEs promote the development, etc.

Customer Equity Model on the Avionics Industry: A Case from a Taiwanese Company

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The emerging development of customer-centered marketing has transformed from short-term transactions to long-term relationships. Customer relationships relate to the marketing performance, which can be assessed in terms of customer value and customer equity. Early researchers adopted quantitative methods to develop customer equity models to evaluate marketing management and strategic decisions. Many enterprises are compelled to set out to reduce operating expenditure or production costs because they are currently in a dilemma such as limited budget. However, most previous studies exaggerated customer equity and thereby influenced practical performance in business.

This research reviewed previous customer equity models to assess business-to-business (B2B) transactions. This research also proposed a modified customer equity model on the basis of a domestic aviation company. After compared with previous customer equity models, quantitative results in this research showed that Berger and Naser's models over-estimated customer equity, whereas a modified model could contribute more precise estimation on customer equity. The modified customer equity model may help B2B enterprises estimating precise customer equity and leading to make correct managerial decisions. The other significant contribution of this research is the development of customer equity pay-off matrix.

This pay-off matrix not only can be used as a tool to manage customers, but also can be used to decide whether the investment in customers should be continued, postponed, or even terminated.

Women Entrepreneurs: An Investigation of the Transition from Corporate Careers to Business Ownership

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Why are so many women leaving the corporate careers for business ownership? There are many reasons why women become entrepreneurs and many barriers and obstacles that they must overcome. In examining different theories and the reasons why women become entrepreneurs, there is no set and standard profile that can be predictably applied. For every woman who is an entrepreneur or wants to become one, they each have their own set of reasons, motivation, and many cannot be categorized or 'labeled'. Helm (1997) argues in her paper that men and women have different reasons for entering business and that women have "internal-stable reasons ("I want to be my own boss"), while men have external-stable reasons ("I saw a terrific market opportunity"). Women's entrepreneurship has a tremendous potential in empowering women and transforming society. Yet this potential remains largely untapped as the number of researches done on women entrepreneurship is still few.

Specifically, the objective of the study is to: -

- (i) identify the factors that spur the corporate women into business ownership.
- (ii) identify the characteristics of such women entrepreneurs or the "entrepreneurial characteristics" as defined by Gartner (1989).
- (iii) identify the challenges, and problems faced by these women entrepreneurs .
- (iv) examine if there are differences in the entrepreneurial characteristics among the major ethnic groups.

This study can provide a list of factors that spur women into their own businesses. The information obtained will serve as guideline in determining the factors and the characteristics more accurately. It also intends to bring to the surface some interesting information about the challenges and problems women face. With these findings, it is believed that the study can help deliver a profile of women entrepreneurs to new and aspiring candidates who wish to engage themselves into entrepreneurship in future.

The Effectiveness of Marketing Mix Decisions Made in the Family Businesses Having Institutionalization Problems

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In today's business life, the corporate governance constitutes the foundation of good governance. This case, of course, does not reduce the importance of the general manager of that organization, leaders or top managers. On the contrary, it contributes to the leader, to fulfill his role more effectively. The assurance of enterprise management, in other words, good company management, is the board of managers who are aware of their responsibilities and authority and who are ready to leave their seats to the younger and more dynamic researchers and experts when the time comes. Problems arising from power-sharing, lack of communication and differences between company's management committee and its professional people directly affect the company's activities and cause administrative and market weaknesses by delaying decisions to be taken in the future.

Family businesses can be described as for profit organizations set up by individuals with blood ties to produce goods or services. In the definition of family, there is close relationship, unity, togetherness, feelings and support. The concept of family includes vital elements whereas businesses require different elements. In businesses emotions and relations are replaced by reason and results and the unity is replaced by competition. Business and the family come together in the family business with contrasting elements. Hence, one of the biggest problems of this kind of business is institutionalization. Institutionalization explains the integration process of environmental activities of organizations (organizational environment / organizational space with) and create schedule of progress in these organizations. When we think institutionalization as a process, the movement from environment to organizations with business-environment comes to the foreground. In short, institutionalization means that business is accepted by its environment and have acquired continuity. To achieve this, the member of family who founded the company should manage well the relationships and conflicts, and should consider primary organizational goals. Moreover, instead of acting emotional and individual in relations based on blood ties, rational and objective behaviors are required. Otherwise, family affects business and business affects family.

To become permanent in the market, the leader, wife of leader, children, brothers, cousins, in-laws joining the family from outside are required to act in a complete unity and harmony in line with the framework of the vision and mission of the business. Persons should be placed to the strategic positions according to the market oriented opinion rather than the customs and traditions. This will improve the effectiveness of their marketing mix decisions and the business in the market will provide strategic dominance and superiority. The activities such as pre-production research,

determination of consumer needs and demands, product changes in the production process, the product's packaging, distribution, advertising, promotion and personal selling techniques and decisions taken in line with these activities in order to transfer the business to future generations should be in parallel with its institutionalization. The values, ideas, perspectives and expectations of the family member who founded the business will surely differ from the second generation. These differences within the company play an important role in the marketing decisions.

In this study, we have evaluated the institutionalization structures of the companies and the effectiveness of marketing mix decisions taken by family companies.

The Adoption of E-Trade Innovations by Turkish Small and Medium Sized Firms

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The purpose of this study was to explore the adoption of e-trade innovations by small-medium sized enterprises (SMEs) operating in Turkey. Employing a modified TAM model, which included the industry environment and convenience factors, we surveyed 127 SMEs to develop a useful refined model of innovation acceptance and continuity of use for international e-trade. We found that usefulness of the innovation was predictive of adoption, whilst convenience only predicted practical use but not continuing use. Moreover, industry variables were powerful predictors. Although e-trade offers SMEs considerable competitive advantage, it appears that widespread adoption is contingent upon a mature infrastructure.

Open Innovation Practices by Turkish Small and Medium Sized Firms

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Open innovation has so far been studied mainly in high-tech, multinational enterprises. This exploratory paper investigates if open innovation practices are also applied by small- and medium-sized enterprises (SMEs). Drawing on a database collected from 119 innovative SMEs in the Turkey, we explore the incidence of and apparent trend towards open innovation. The survey furthermore focuses on the motives and perceived challenges when SMEs adopt open innovation practices. Within the survey, open innovation is measured with eight innovation practices reflecting technology exploration and exploitation in SMEs. We find that the responding SMEs engage in many open innovation practices and have increasingly adopted such practices during the past 3 years. In addition, we find no major differences between manufacturing and services industries, but medium-sized firms are on average more heavily involved in open innovation than their smaller counterparts. We furthermore find that SMEs pursue open innovation primarily for market-related motives such as meeting customer demands, or keeping up with competitors. Their most important challenges relate to organizational and cultural issues as a consequence of dealing with increased external contacts.