victory of the so-called "Liu Shao-Chi line" of market-oriented capitalist economy; (d) The Cultural Revolution, which lasted ten years from 1966 to 1976, was a repetition of the 1949 revolution and revived the socialist economy; (e) the "Four Modernizations Program," launched soon after the death of Mao in 1976 and the subsequent establishment of Special Economic Zones in 1980, marked a swingback to the "free-market" capitalist economy under Deng Shao-ping's leadership.

The author meticulously describes and analyzes the changes that China has undergone up until the mid-1980s. In spite of a temporary setback inflicted upon the "free-market" reformists by the Tiananmen Square crackdown in June 1989, there are now signs that China will move toward the system of multi-party cooperation under the Communist Party leadership, that allows a greater participation of "red capitalists" in the management of the national economy and the industrial enterprises.

The modern history of China suggests that the nation's economic and management systems change drastically with the rise and fall of one "strong man." Will the reformists succeed to establish the capitalist economy in China? Or alternatively, will history repeat itself? No one really knows for sure what will happen next. At the beginning of the book, the author states that we are not in the Pacific Century, and he even contends that it may soon be called "the Chinese Century." Though his prophecy may not be realized for some years to come, this study represents an important work on the historical development of China's political, economic and administrative processes, which may offer us some insight to what could happen to China after Deng Shao-ping.

With limited access to foreign scholars, Chinese management is still veiled with myths. And, in fact, this study has raised more questions than answers as exemplified by a long list of suggested studies given at the end. Nevertheless, this book will, no doubt, have a strong appeal to readers who want to gain insights into the contemporary Chinese management of industrial enterprises and its close links to the government and the Communist Party. Perhaps the most significant contribution of this book is the help it provides in unveiling at least some of the myths about China and aiming our future research efforts in productive directions.

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Paul Foley *et al.* (eds.), *Small Business Success.* London: Paul Chapman Publishing, Ltd., 1989. $25.00. ISBN 1–85396–013–6.

Small Business Success is a structured collection of chapters written by the editors and several consultants dealing with small business. While the writers and their specific outlooks, as well as the cases are British, the ideas discussed have a wider application. Indeed, the basic conclusion or summary of the book is as applicable to North American or Continental firms as to British situations. The book is a study in applied management and business strategy with case studies selected to exemplify the basic principles. It was written primarily for practical business persons, not academics.

To properly categorize *Small Business Success,* I would include it in the same group as the excellent management books by Peter Drucker or those by Tom Peters. All of these books have a theoretical framework which is derived from the practical experience of the authors. The theoretical framework is obtained from and explained by the many examples and case studies utilized. This approach makes the reading interesting, the ideas credible, and the advice more likely to be given serious consideration.

In the preface, it is stated that "This book is intended primarily for potential and practicing small business owners and managers." Then, on p. 2, the editors assert that "The book specifically deals with the strategies, characteristics and activities which yield small business success." It is important to caution they do not claim to have found, nor have they found, the "philosophers stone" of small business success. They have identified a set of "five tips" which are characteristic of successful firms and which, if followed, increase the likelihood of success. A brief version of the "five tips" follows.

1. Adopt a clear business plan.

2. Operate in a market you know.
3. Maintain staff loyalty.
4. Work hard.
5. Be lucky by using well-calculated planning and marketing.

The five items are well documented in the book, emerging from the advice of the contributing consultants and the entrepreneurs. What is significant is that many of the people reading this book would arrive at a similar list based on their own experience. Nonetheless, there is value to the presentation, if only to remind the readers of these important first principles.

The book contains twelve chapters. The first two chapters set the stage and tone for the remainder of the book. Chapters three to seven detail the "theoretical" aspects of the small business success as seen by the consultants. Chapters eight to eleven are narratives of four successful small British operations. Their different types of relative success reflect the notion of different motivations for starting new ventures which are discussed in Chapter Two. Chapter 12, the final chapter, is an excellent review of the factors which contribute to success in small business.

The five "tips for success" which were enumerated earlier represent the central tendency of advice or are the summary derived from four of the five theory chapters and from the four company studies. Each of these eight chapters conclude with "five tips for success." There is, however, a surprising degree of overlap among the eight lists.

The book really begins in Chapter Two, entitled "What Is Success?" The editors recognize that there is no single measure of success and that different people will evaluate success from among the following: financial opportunities for creativity, job satisfaction and independence. The four company case studies were eventually selected as examples of these four standards of success.

Chapter Three treats the geographic location of successful small British firms. Colin Mason identifies regions where small firms are more likely to be successful. He offers several hypotheses to explain the geographic variations in success rates.

In Chapter Four, Paul Foley reports on a survey of 61 small electrical engineering businesses. Among other conclusions, Foley identified planning for the future, goal setting, and formal development of a business plan as central to small business success. This theme continues throughout the remainder of the volume. The other survey result was that successful firms exhibit three attributes of success which include new product development, marketing and planning.

Chapters Five, Six and Seven consider business success from a financial, a high-technology, and a business advisor's point of view. Each author contributes to the general picture from a different angle. What is most important is that the advice in all three chapters is about the same. In each chapter the importance of good management, business planning and marketing are emphasized.

In Chapter Eight there are four company case studies. These "were selected to exemplify particular types of success." They are:

1. Financial Success — Kwit-Fit
2. Creativity — Plasma Technology
3. Job Satisfaction — John Brookfield Electronics
4. Independence — Suma Wholefoods Co-operative

The first company, Kwit-Fit, is an auto repair operation which replaces exhaust systems on the lines of the American muffler centers. Tom Farmer, the founder and managing director who has made millions of pounds, has hundreds of depots in operation and has various expansion plans.

The second company, Plasma Technology produces equipment used to etch the surface of microchips. The company was founded by two partners who wanted to become independent but had only modest financial aspirations. In time they surpassed their original financial goals as they sold their successful business to a larger company. The founders credit their success to the excellent business and marketing plan they developed before actually starting the business.

The third company, John Brookfield Electronics, discussed in Chapter Ten, is a truly small company with sales of $110,000 after four years in business. The company manufactures and distributes a range of electrical products, electrical components and telephone switch gear. Brookfields was selected as an ideal example of a new start-up company intended to provide job-satisfaction and independence for John Brookfield and his wife. They moved from London to a small village in Cumbria to achieve a more agreeable life style.

Furthermore John Brookfield has a goal of achieving $1 million in sales after ten years and he listed "A well-developed but flexible approach to planning" as one of his five tips for success. He did not have a business plan when he started the firm and the author indicates that Brookfield's market research was "based on intuition." Finally, the author states that, "John has toyed with making a business plan but does not really think business plans are particularly useful." This comment clouds the conclusion stated in Chapter Twelve that all the entrepreneurs agreed on the importance of planning. There is an element of "do as I say, not as I do" involved here.

The final case study differs from the others because it is a co-operative rather than a typical entrepreneurial venture. Suma Wholefoods is a 28 member co-operative which wholesales a wide range of wholefoods and produces a limited number of items. Suma began and grew with the development of the wholefood market in the mid-1970s. since then, they have been successful but face several challenges in the future. Suma seems to have some developing problems in the decision making-organizational-planning area. It is also clear that they face new competition from the larger supermarket chains and from other wholesale houses. To date, Suma's growth has been at a high rate and the members have achieved their goal of independence. The future test will be if they can cope with the new problems of marketing and organization.

While there is little that is new in *Small Business Success*, this reviewer feels that the book is valuable from several points of view. First, the material contained in Chapter Four, which is based on a survey, is especially useful in reminding us, and perhaps teaching us, that new ventures are started for multiple reasons of which the financial success is only one and perhaps not the most important one. This same chapter introduces many of the basic principles developed later.

Second, any collection of new company studies based on serious research and interviews is always useful. We learn from reading the histories, get new ideas and understand old concepts in new ways. The truth is that reading about successful ventures, like those in Chapters Eight to Eleven, can be motivational to entrepreneurs or prospective entrepreneurs.

Third, the book, when taken as a whole is a useful, if not complete, guide to small business first principles. While the entire book is only 115 pages, anyone interested in the "very short version" could get most of the substance by reading Chapters Two, Four, and Twelve only.

Finally, I think there are three groups of readers who could benefit from reading and studying *Small Business Success*.

1. Any Britisher who runs a small business or is considering doing so would benefit. To this group the book would be a practical, but not a "nuts and bolts," guide. Americans, in the same category, would benefit but would be better served by similar content with American background and cases.
2. Foreign (American and Continental) professionals who will have business or professional dealings with small British companies will benefit from the book. This group includes lawyers, accountants, consultants, bankers, salespersons and government officials among others.
3. Foreign students (and faculty) who are studying international business, foreign business environments, comparative management and business practice will find this book helpful.

Overall, this reviewer enjoyed *Small Business Success* and would recommend it to the three groups listed above and to anyone else interested in the British business environment. The chapters dealing with first principles of small business success are sound, sensible and well presented. The four company studies were interesting, motivational and informative. In essence, the book, as a whole, hangs together as a complete work.

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