Introduction to the Special Issue Based on the RENT XIII Conference

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This special issue of Small Business Economics brings together some of the best papers submitted to the Research in Entrepreneurship and Small Business (RENT) XIII Annual Workshop, held in London in November 1999. The papers for this issue were selected by a panel of reviewers from 55 papers given by scholars from 26 countries.

The panel was asked to referee the papers according to their originality, robustness of methodology and their contribution to knowledge, with an emphasis on trying to encourage those new to research. The resulting seven articles cover a wide range of topics concerning entrepreneurship and small business management, from a variety of perspectives and adopting a range of methodologies. Traditionally it has been believed that European research has lagged behind that of the United States. As this special issues demonstrates, this is no longer the case. The European academic community is now pushing forward the boundaries of our knowledge and understanding in this field, introducing new concepts and approaches to entrepreneurial research.

The first paper, by David Smallbone and Frederike Welter, deals with 'The Distinctiveness of Entrepreneurship in Transition Economies'. It provides an informative background to entrepreneurship in a number of transition economies, and examines the characteristics of entrepreneurs and their businesses from countries at various stages of market reform. This theme of entrepreneurship is continued in the second paper entitled 'Social Interaction: A Determinant of Entrepreneurial Team Venture Success' by Thomas Lechler. Awarded the prize for the best paper at the conference, the article introduces the concept of social interaction, drawing on the concept from team research and particularly from research into innovation teams within the field of organisational behaviour theory. Many studies considering the influence of the entrepreneur on business success see the entrepreneur as a single person. Often this is not the case, as Lechler points out. For example, in Germany there is a median of 2.2 entrepreneurs per new high-tech venture. The article focuses, therefore, on the impact of team ventures, through an examination of the team dynamic.

Marketing is an important, but often neglected, aspect of small firm research. In 'Small Firm Marketing in China: A Comparative Study', Waisum Siu examines the influences of Chinese cultural values on marketing practices in Chinese small firms operating in China, Britain and Hong Kong. As the author notes, there has been a tendency, particularly with regards to marketing research, to try to apply the principles learned from large Western businesses, to small firms, regardless of the cultural context. This article seeks to redress this by focusing on the marketing strategies used by Chinese small firms, and concludes that one of the distinguishing features of their marketing activity is the reliance on personal contacts and networks.

Networks are examined further in the fourth article by Panders Havnes and Knut Senneseth. In 'A Panel Study of Firm Growth among SMEs in Networks' the authors assess the impact of networking on small business performance. They challenge the assumptions in the SME literature that networks are beneficial to SMEs, and find no evidence of short-term benefits, such as employment or sales growth. However, they do find a relationship between networking and growth in the

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geographic extension of the markets of the firms, suggesting that networking may impact on long-term objectives.

The fifth paper, by David North, David Smallbone and Ian Vickers, 'Public Sector Support for Innovating SMEs', examines innovation support for SMEs. Focusing on London's Lee Valley region the greatest perceived barriers to innovation by SMEs are found to be shortages of finance, time and skilled labour. If these barriers are to be overcome, the authors propose that the design and implementation of the different policy instruments of innovation support need to be better integrated.

The final two articles deal with financial issues. The first, entitled 'The IPO of Young, High Growth SMEs on Neuer Markt' by Thomas Martin, considers the Initial Public Offering process on the Neuer Markt, a German Stock Exchange established in 1997 for innovative high-tech growth companies. Those firms listed on the Neuer Markt were concerned that the Exchange should scrutinise businesses wishing to be listed, to ensure they are indeed fast growth technology firms, so that the image of the Exchange is not weakened. The final article by Roy Thurik and Ingrid Verheul is entitled 'Start-Up Capital'. It examines the different manner in which female and male entrepreneurs finance their businesses, and attempts to identify those factors that can be explained by the different nature of their businesses (termed indirect effects) and those that are gender related (direct effects). The authors control for indirect effects, and find that the gender of the entrepreneur does have a direct effect on the financing of the business, with women having smaller amounts of start-up capital, and a smaller proportion of equity and a higher proportion of debt capital (bank loans). The need for further research on gender differences is stressed, looking at, for example, the use and composition of labour, the use of knowledge-related factors (input factors) and the growth and survival rates of the firm (output factors).

While the topics covered by these articles are not new, the research is and the approaches and findings provide a refreshing and stimulating addition to the body of literature on the topic of entrepreneurship and small business management. Not only did these papers contribute significantly to the success of the workshop, but they are likely to have a significant impact on the development of the discipline, be it through the development of theory or practice. We hope that the reader finds them informative and thought-provoking. We would like to thank the associate editor of this journal, Roy Thurik, for his support and guidance.