CONTENT

Automn Message of the Scientific Director

PAPERS

Entrepreneurship in the USA, 1995-2020 – Challenges and Opportunities in the Professional Service Sector
Andrew Gross and Emeric Solymossy

The country choice for business expansion: cases of edible arrangements and Krakowski kredens
Barbara Szpakowska and Dr. Irina Naoumova

Jules Verne - Business, Innovation and Collaborations
Dr. Laurence Hewick

Entrepreneurial Mindset
Andrew J. Szőnyi

Welcome to the Entrepreneurial Mind 4.0
Dr. Jeff Cornwall

Economic and Social Integration of Migrant and Refugies and Austria
Benedict Ebenezer Alechenu

INSTITUTIONAL PROFILE

- U.S. Small Administration
- The Business Family Initiative

NEWS and NEW EVENTS

- OHCHR Social Forum with participation of the CII @ EREN
- 71/279. micro-, small and medium-sized enterprises day
- Doing Business in the United States by the World Bank
- UN Social Forum on the Human Right – Geneva
- GE Entrepreneurship Week - Washington
- White House Women’s Empowerment Initiative
- Small Business Research Centre Conference: entrepreneurship policy in context - critical perspectives in London
- ICSB Human Entreprenurship
- Bali committed to embracing Human Entrepreneurship towards continuous Sustainable Development

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ERENET NETWORK
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Distinguished Readers and Friends,

The United Nations system works across a wide range of global problems from humanitarian crises and migration to international terrorism. To achieve positive outcomes and resolve conflict, calls for solid commitment from the 193 independent members of the United Nations but there has been a disturbing lack of global commitment to 'climate change'. Currently this is probably the most difficult international policy issue needing resolution, UN Secretary General António Guterras has made solutions his personal priority with the comment, “climate change is for me the area where the UN system has the obligation to assume global leadership.” Unhappily, it has taken protest by the young, and in particular a Swedish teenager, to galvanise opinion and demand for action

The acrimony generated is currently well illustrated by the Brazilian Government threatening to reject any international deal that would fix an accounting loophole, which gives Brazil double credit for preserving forests in the Amazon. At the same time, forest fire continues to rage and decimate resources across the Amazon California, Croatia, Spain, Greece and Australia. All the while, polar cap ice is melting. Iceland’s large Okjökull glacier has disappeared despite originally spreading across 16 square miles. In fact, the US Geological Survey has asserted Iceland’s 800 plus glaciers will be diminished by the end of this century and likely to disappear by 2200. Irrespective, of these clearly evident climactic changes and many others publicised at the International Paris Climate Conference, the United States, the second largest emitter of greenhouse gases has gone ahead and withdrawn support for international preventative action. Instead there are plans to promote fossil fuel.

This lack of a unified global concern for climate change is equally evident in the onset of the trade war between China and the US. Both countries have been known as mediators between developing and developed countries and their influence has worked to broker key international business deals. However individual personal opinions championed by global leaders can be frequent obstacles to seeking out necessary compromise particularly when advanced by global leaders. Recently attention has also turned to the role of the Media with reports that pressure has been exerted by the United States Government on United Nations Migration and Climate policy with the objective of limiting international climate change policy restrictions.

Recently I had the opportunity to visit Canada. Toronto surprised me, a megacity with a population twice that of Hungary is now one of the centres of the world economy demonstrating strong innovation and entrepreneurial business spirit. From the forest of skyscrapers, it was hard to find a place to observe Lake Ontario. There were at least forty new buildings visible. The scene provided good evidence for North America commitment to business. There is plenty of evidence. Colonel Harland Saunders, founder of the Kentucky Fried Chicken overcame serious rejection before success. He expanded internationally. Ultimately, he sold his company for two million dollars ($15.3 million) today. The history of Disneyland tells the same story.

Public knowledge regarding the dangers of climate change combined with international cooperation and the support of the business world should provide similar success for global trade and the economy.

More research and Government action is clearly needed. This issue of ERENET Profile is an opening to discussion on the changes required to deal with climate change.

Dr. Antal Szabó
Scientific Director of ERENET
ENTREPRENEURSHIP IN THE USA, 1995-2020:
CHALLENGES AND OPPORTUNITIES IN THE PROFESSIONAL SERVICE SECTOR

ABSTRACT

The history, taxonomy, and viability of entrepreneurship is discussed briefly in a global context; the focus then shifts to U.S.A., showing development of the individuals, the behaviors, and the outcomes on how businesses emerge and grow. Specific trends are presented to show the situation of starting and growing an enterprise; overall, about half of all startup firms survive for more than 5 years. The report concludes with an analysis of the challenges and opportunities facing four sectors within the professional service industry (accounting, law, engineering, and management consultancy).

Keywords: entrepreneurship, definition of entrepreneur and entrepreneurship, entrepreneurship history, GEM, GEDI, TEA

JEL Classification: L25, L26, M13

“All music was once new…”
Composers Datebook

“All firms were once small…”
the authors

What matters is survival rates of establishments, by year started and number of years since starting…in short, births and deaths….entry, exit, longevity…

commentary by the authors on government statistics

―Entrepreneur -- celui, celle qui effective une ouvrage, une fourniture pour un client
Enterprise – mise a execution d’un projet”
Petit Larousse illustre, 1977

―Entrepreneur-- a person who organizes, operates, and assumes the risk from a business venture” (from old French, entreprend, that is undertake)
American Heritage Dictionary, 1992

―Entrepreneurship-- process of designing, launching, and running a new business, which is often a small business. People who create these are entrepreneurs.”
Wikipedia, the online encyclopedia, 2019
(offering 28 pages on topic in 12 parts)
ENTREPRENEURSHIP - A BRIEF HISTORY AND TAXONOMY

Using the short statements above, we strive to illustrate the many facets of the term, entrepreneur; as shown, it is a person who undertakes a new task, a burden, or a commitment. In certain languages, one of them Hungarian, it refers to a person who is able to “shoulder a burden” or indeed “carry the load” on his or her back. Still other terms used in the past include “adventurer” in the UK or a “gambler” in USA; recently, two new terms, “startup” and “venture” became popular, especially in regard to creation of new firms in the high-technology sector of Silicon Valley and beyond.

The online encyclopedia, Wikipedia devotes a total of 28 single-spaced pages to entrepreneurship with 12 major sections and about 150 references. The history is traced back to the work of economists in the 17th and 18th centuries who put emphasis on planning, devotion to work, and to all the resources required for both starting and growing an enterprise. In the 20th century, two phrases, “creative destruction” and “disruptive technology” -coined by J. Schumpeter and C. Christensen, respectively- became relevant for different kinds of entrepreneurial undertakings. Both imply that changing the process can be just as important as introducing a new product.

Several observers have noted that there are major differences between a small firm and a 'real' entrepreneur. The former is a local operation, a sole proprietor or a family-owned firm which offers an existing product or service, caters to a current niche market, and does not wish to expand. The latter, in contrast, focuses on an innovative idea, a product or service, or a process that can be scaled up and thereby disrupt established operations or impact adversely on existing organizations. As for types of entrepreneurs, a whole range has been identified by Wikipedia and other sources such as ethnic, cultural, project-based, and social or non-profit ones.

Enterprises based on innovation in the past century in the USA now seem culturally embedded, yet they all started on a small scale and were expanded by either the founder or subsequent managers. The emphasis has been on catering to a wide variety of households and/or organizations with new ideas, services, methods, or processes. Such individuals, with requisite skills, have altered prevailing habits. This list includes Ray Kroc (McDonald’s) in fast food, Sam Walton (Walmart discount shopping and Sam’s Club) in retail; Fred Smith (FedEx) with air delivery of packages using one hub; James Lincoln (Lincoln Electric) with welding machines; and John Sperling (University of Phoenix) with a non-traditional university.

Several major firms were formed based on complimentary abilities and attitudes of a pair of founders: William Hewlett and David Packard (HP electronic test equipment), Robert Noyce and Gordon Moore (Intel semiconductors), Steve Jobs and Steve Wozniak (Apple computers), Pierre Omidyar and Jeffrey Skoll (eBay online auction), Bill Gates and Paul Allen (Microsoft), Evan Williams and Biz Sone (Twitter instant messaging); Ben Cohen and Jerry Greenfield (Ben and Jerry’s ice cream).

ENTREPRENEURIAL BEHAVIOR AND OUTCOME

In the past 25 years, hundreds of scholarly books and thousands of journal articles have been devoted to the topic of entrepreneurship at the national and global level. Many probed behavior patterns, others looked at needed resources and the predictors of success. In popular media, national print journals such as INC, Fast Company, Entrepreneur and numerous online websites and personal blogs focused on two key topics, success stories and advice on how to achieve such success. Journals and online sites covering large cities do the same; even universities engage now in this task, featuring such upstarts and those with five years of “healthy growth.”

Combining academic and practitioner evidence, many authors report that the key to survival for young ventures lies in growing quickly after startup, adjusting to the product-market interface, and achieving a diversified customer base. Where there is a “winner-take-all” market, entrepreneurs needed substantial financial assistance and deep insights into technology. Capability should be tailored to the customers; products or services should not be “over-engineered.” Enthusiasm, motivation, and team effort by a dedicated cadre of individuals loom important as do the resources of the firm and the characteristics of the sector in which it is operating. Identifying needs of clients and offering innovative solutions work far better than just problem-solving.

Others suggest looking for insights by examining the different stages of small business growth. Analysts propose marrying marketing orientation (client/customer focus, profitability, and coordination) and entrepreneurial orientation (innovation, pro-activeness, and risk acceptance). Despite in-depth data from GEM and GEDI, at the global and national level, there is still no consistent longitudinal work that contrast different sectors in a nation and then among various countries. But now the various national and regional statistical bureaus are making progress on this score as well.
ENTREPRENEURSHIP – GLOBAL INDICATORS

The Global Entrepreneurship Monitor project has conducted surveys in many countries since 1999. The annual reports encompass entrepreneurial activity in over 70 nations, representing about 90% of global GDP and over 75% of the world population. In mid-decade, looking at the industrialized Western nations, labelled as “innovative-driven economies,” the GEM reports found that only 5% to 15% of the 18 to 64-year old group got involved in total early-stage entrepreneurial activity (TEA). In emerging, factor-driven economies the range was 12% to 42%, while in the mid-range, efficiency-driven economies it was 5% to 25%. The highest TEA rates were at that time found in Sub-Saharan Africa and Latin America/Caribbean. The GEM reports emphasize duality of entrepreneurial behavior and national context. Education and government policies, especially rules and regulations, do make a difference.

The other major collector of global and national data is the Global Entrepreneurship and Development Institute (GEDI). Two directors have Hungarian roots; Zoltan Acs is a faculty member in the US and UK and Laszlo Szerb is at the University of Pecs. GEDI collects data on key entrepreneurial attitudes then combines them with “infrastructure indicators for a total of 14 pillars on the health of the ecosystem.” In 2018 GEDI index of global entrepreneurship showed the US at top with 83.6, Switzerland at 80.5, Canada at 79.2, and UK at 77.8. GEDI also offered two other rankings that year: (1) ‘ease of starting business’ had New Zealand, Canada, Singapore, Australia at the head of the list; (2) ‘most startups’ showed Brazil, India, Romania, and Germany at the top. Such rankings can and do change even annually.

ENTREPRENEURSHIP - STATISTICS FOR USA

During the past 20 to 25 years, various agencies of the U.S. Government (Bureau of Labor Statistics, Census Bureau, Small Business Administration) have been hard at work -responding to pressure from Congress and private sector business groups- to offer solid statistical evidence on “entrepreneurial ventures” and “business dynamics.” The most recent set of charts show data for a 21-year span, from 1994 to 2015. Table 1 reveals the overall entrepreneurship survival rates for the U.S. economy from 1994 to 2015. Here are select summary statements regarding the key trends. The picture that emerges is one of encouragement or cautious optimism.

1. Number of establishments less than 1-year old emulates the business cycle; this figure has grown from 550K in 1994 to over 700K in 2007, then declined steadily to 530K in 2010 only to rise again 670K by 2015.
2. The number of jobs created by establishments less than 1-year old has significantly decreased from 4.1M in 1994 to 3.0M in 2015. This trend combined with fewer new establishments indicates that number of new jobs in each new establishment was declining.
3. Analyzing cohorts of new establishments reveals that age, not size, is the critical factor. There is a downward path which is rather steep, specifically 75% survive into year 2, 53% to year 5, only 35% by year 10. Survival rates vary by industry with health and social services reporting the highest, construction the lowest.
4. Births of new enterprises have shown a steady rise from about 180K to 230K from and deaths a similar rise from 150K to 200K on a quarterly basis, during 1994-2007; sharp decline from 2007 to 2011, rebound between 2011 and 2015.

The situation emerging from such trends is that lasting success is difficult to achieve even as entrepreneurship is celebrated in the U.S. national and local media, by chambers of commerce, and the politicians of the two major parties when they run for office. The ‘redemption’ lies in the key slogan adopted in many sectors; it is not a shame to fail, it is only a shame not to try. This slogan is the most applicable in high technology, but it is certainly evident in many other sectors. We now turn to analyzing entrepreneurial activity in a subfield of business services.

THE PROFESSIONAL SERVICE SECTOR

For the past three decades, we have studied professions and professional service firms in industrialized nations, focusing on four distinct areas in Canada, USA, the EU, and Australia: accounting; law; engineering, and management consultancy. Individuals in these four fields are characterized by high-level skill, acquired learning, and commitment to both ethical standards and client confidentiality. Continuing education, certification, and membership in a professional body or association is often required to demonstrate on-going expertise. Growing is no easy task in either USA or in other nations; but in Table 2, we delineate how entry and expansion take place.

Professionals are generally held in high esteem; they can form their own firms or be hired by business, government and non-profit agencies. Regardless of their post, they tend to: assert their status and autonomy to achieve power; strive to demonstrate their expertise by charging high fees; and cluster in associations from which
they exclude those they deem not qualified. Thus, it is not surprising that already a century ago, G. B. Shaw stated: “All professions are conspiracies against the laity.” Indeed, the characteristics of various professions are colorful, controversial and restrictive.

Professionals and their associations stress their own technical expertise, ethical standards, and confidentiality for clients; yet government bodies—at state or provincial level—insert themselves by requiring demonstration of qualification. Such certification can be demanding to qualify as a professional engineer in the State of Ohio in the USA requires (1) an engineering degree from an accredited university, (2) four years of practice, (3) thorough examinations, and (4) continuing education (there are minor exemptions). As a partial offset to the power of expert individuals and their associations, regulators opt for licensure which is a sign of accreditation. In some nations, public authorities yield the licensing or certifying process to associations.

Clearly, it is no small task to seek either licensure or certification in professional fields. The question often raised is where professionalism should reside—with individual or with the organization?! According to one study, “engineers would be licensed by the state, accountants certified by CPA testing, lawyers regulated by bar exam, but management consultants actively campaign to avoid government oversight” (Yet two private associations -ICMCI and IMCUS- chose to set standards for the title of becoming a certified management consultant. Our research has shown that solo or small firm management consultants like such certification, but large ones discourage it by insisting that professionalism resides with the firm.

The situation in regard to the four areas is fluid; we delineate the broad external forces, the specific sector drivers, and the two key issues of ethics and trust that now prevail in Table 3. The roadmap to the future will depend on how each sector resolves such challenges. The most intriguing facet, however, is likely to be the question of competition not just within one field, but rivalry among the sectors in the future. Fundamentally, all four are advising business clients about strategy and tactics in planning and managing. Will they invade each other’s turf in an aggressive way in the near future?! Discussion with staff, clients, and outside experts indicate that this is happening, especially via use of automation and/or artificial intelligence. The Big Four of accounting have now returned to management consultancy in a forceful fashion.

Another major issue is the use of “paraprofessionals” in each field as well as technology offering software assistance and automated reports from online providers. Western firms see competition from low-wage countries even as they do their own outsourcing; they also object to visa restrictions on immigrant engineers as a threat. Last but not least in the USA, clients are objecting to higher fees by accountants and lawyers and to “add-on” charges by engineering consultants. The (in-)famous custom of “billable hours” by many large law firms has been in the news lately, but reforms are under way. There is increased pressure for higher productivity, accountability, and transparency; clients now demand not just advice but implementation.

The future of each sector is dependent on the success of existing firms and on opportunities for new ventures. Total early-stage early entrepreneurial activity in business services is around in industrializing economies and around 30% in highly developed countries. They must be tailored not just for efficiency and cost-cutting, as well as attracting talent, job creation, and knowledge management. In carrying out such tasks, we offer appropriate promotion schemes for the four professional service sectors as shown in Table 4. These practices cut across the board and can be used effectively as suggested by commentaries that are shown in the table. Our decades-long contacts in all four sectors confirm that such suggestions are applicable to practicing professionals, be they startups or growing ventures.

SECTOR BY SECTOR COMMENTARY

Accounting/Audit.—The global accounting sector as well as the USA and UK are dominated by the Big Four (formerly Big Eight, then Big Six): Deloitte, Ernst & Young, PWC, and KPMG which have over half of the global market. Overall, each of the Big Four has over USD 30 billion in revenue, over 100,000 staff in 140 countries and 800 locations. Yet there is room for mid-tier firms, e.g. Grant Thornton acquired nine firms in emerging markets. The trend for mid-size firms in the USA is to expand regional coverage via networks and alliances. CBIZ was a Canadian startup in 1987 and then expanded into the USA and is now employing over 4000 in 100 locations. Some small accountancies cater to clients in just one metropolitan area and seek licensing of their staff in just one state.

Law/Legal Services. —The legal sector is fragmented, with revenues of the top five -Baker & McKenzie, DLA Piper, Skadden Arps, Latham & Watkins of USA and Clifford Chance of the UK- in the range of USD 2 to USD 3 billion range, modest in contrast to the Big Four accountancy firms. An additional evidence for the
fragmentation in legal services is the presence of Australian, Chinese, and Spanish law firms in the USA in the top 100 list. Traditional fields are criminal, contract, family, property, patent, tax, and tort law; new areas are international, intellectual property, environmental, and space law. Small firms often specialize in one of these areas; a popular one is the field of personal injury with these lawyers labeled “ambulance chasers.” Among recent startups are solo lawyers, with specific focus e.g. negotiating for sport or movie stars.

Engineering Consulting.- There is fragmentation in this sector just as in legal services; the top ten firms have only 15% of the global market. The largest firms have headquarters in USA, EU, Australia, and Canada. Small firms with less than ten associates still account for 65% to 75% of total revenue in many nations, but figures are hard to find. All players must adjust to the location of project offices - unlike in accounting, legal services, and management consultancy - where the client requires new facilities or is renovating old ones. Large firms will “follow the client, follow the money,” while small ones often act as their subcontractors. Many firms specialize along major end-use markets such as energy, transportation, pollution control, and manufacturing. Completing projects on time and budget are seen as vital as are “eco-friendly or green” practices. Large firms continuously evaluate their subcontractors.

Management Consulting.- While the other three professional services trace their roots back centuries, this sector is less than 150 years old. The explanation for growth of this sector is: increasing complexity of operations; spread of corporate ideology; growing impact of business education and the business press. Overall, only the large firms can afford to be generalists, small ones must be specialists. North America still accounts for about half and the EU for one-third of the world market. Among the “classic” firms are Bain, BCG, Booz, McKinsey, A.T. Kearney, and A.D. Little. The Big Four of accounting chose to remain in this sector. Accenture and IBM, both with emphasis on information technology, now have market share. The large Indian firms of Infosys, Tata Consulting, and Wipro are coming on strong by offering technical talent at lower cost and guarantees. To succeed, teams of generalists and specialists are assembled plus local experts. Management consultants have moved into accounting, financial, legal, and technical counseling, just as firms in those areas penetrate this field. Success is built on referrals, repeat business, and reputation.

Case study/A closing illustration.- About 25 years ago, two economists who held a tenured professorship at a state university in Ohio have quit their posts and formed a firm based on a single idea: to compute the potential life-time earnings of workers who were injured or died in an accident on or off the job. They got their start investigating the earnings of over 100 people who perished in a restaurant fire. Ever since then, they refined their model for different occupations and life spans. While the firm still employs less than 10 persons, it can call on accountants, lawyers, and other consultants. The two owners must be convincing in courts where they act as “expert witnesses.” They have been in active in growing a professional network, in the field of social media, and in refining their models with new algorithms.
### TABLE 1

**ENTREPRENEURSHIP AND THE U.S. ECONOMY**


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</table>

Note: Dashes indicate not applicable.


### TABLE 2

**EASE OF ENTRY, EXPANSION, AND LICENSING IN PROFESSIONAL SERVICES, USA v. EU**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Entry USA</th>
<th>Entry EU</th>
<th>Expansion USA</th>
<th>Expansion EU</th>
<th>Licensing USA</th>
<th>Licensing EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting &amp; Audit</td>
<td>Medium</td>
<td>High</td>
<td>Medium</td>
<td>Medium</td>
<td>Required</td>
<td>Required</td>
</tr>
<tr>
<td>Legal Services</td>
<td>Medium</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Required</td>
<td>Required</td>
</tr>
<tr>
<td>Engineering Consul.</td>
<td>Medium</td>
<td>High</td>
<td>Medium</td>
<td>Medium</td>
<td>If working on infrastructure</td>
<td>Variable</td>
</tr>
<tr>
<td>Management Consul.</td>
<td>Easy</td>
<td>Low/Med.</td>
<td>Medium</td>
<td>High</td>
<td>Not req’ed</td>
<td>Not req’ed; but recomm’d will vary</td>
</tr>
</tbody>
</table>
4. Primary interviews with select engineering and management consultancies, professional associations, multinational and national statistical bureaus in Australia, Canada, EU, USA in 2008-2013 by all three authors.
5. Presentations by all the authors at professional conferences, including one at McGill University in 2013 and another at Oxford University, 2015.

### TABLE 3

**CHALLENGES, DRIVERS, AND ISSUE IN PROFESSIONAL SERVICE SECTORS**

<table>
<thead>
<tr>
<th>Sector</th>
<th>External Challenges</th>
<th>Industry Drivers</th>
<th>Ethics/Trust Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountancy &amp; Audit</td>
<td>Global competition</td>
<td>Client capture</td>
<td>Conflict of interest</td>
</tr>
<tr>
<td>Dominance of Big 4</td>
<td>Dominance of Big 4</td>
<td>Market maturity</td>
<td>Full disclosure</td>
</tr>
<tr>
<td>Reporting req'nts</td>
<td>Reporting req'nts</td>
<td>Differentiation</td>
<td>Whistleblowers</td>
</tr>
<tr>
<td>Software packages</td>
<td>Software packages</td>
<td></td>
<td>Fiduciary duties</td>
</tr>
<tr>
<td>Fewer giant clients</td>
<td>Fewer giant clients</td>
<td>Past scandals</td>
<td>Audit vs. advice</td>
</tr>
<tr>
<td>Engineering Consulting</td>
<td>Aging infrastructure</td>
<td>Knowledge mgmt.</td>
<td>Know-how eval'n</td>
</tr>
<tr>
<td>Emerging competitors</td>
<td>Emerging competitors</td>
<td>Dispersed offices</td>
<td>Cost plus contracts</td>
</tr>
<tr>
<td>Automation of tasks</td>
<td>Automation of tasks</td>
<td>Bid procedures</td>
<td>and/or overruns</td>
</tr>
<tr>
<td>Licensure/certification</td>
<td>Licensure/certification</td>
<td>Specialization</td>
<td>Quality warranty</td>
</tr>
<tr>
<td>India+China graduates</td>
<td>India+China graduates</td>
<td>Fixed fee pricing</td>
<td>Lobbying/Cronyism</td>
</tr>
<tr>
<td>Legal Services</td>
<td>Legal systems</td>
<td>Pricing policies:</td>
<td>High social closure</td>
</tr>
<tr>
<td>Client expectations</td>
<td>Client expectations</td>
<td>‘billable hours’</td>
<td>Risk assessment</td>
</tr>
<tr>
<td>Jurisdictional control</td>
<td>Jurisdictional control</td>
<td>Geog. concen’t</td>
<td>Outsourcing</td>
</tr>
<tr>
<td>Nat'l/local regulation</td>
<td>Nat'l/local regulation</td>
<td>Ownership issues</td>
<td>Internal controls</td>
</tr>
<tr>
<td>Smaller base of clients</td>
<td>Smaller base of clients</td>
<td>Available jobs</td>
<td>Pro bono work</td>
</tr>
<tr>
<td>Management Consulting</td>
<td>Mixed reputation</td>
<td>Professionalism:</td>
<td>Public vs client interest</td>
</tr>
<tr>
<td>Ease of entry</td>
<td>Mixed reputation</td>
<td>firm or person</td>
<td></td>
</tr>
<tr>
<td>Lack of regulation</td>
<td>Lack of regulation</td>
<td>Reputation vs. certification</td>
<td>Self-regulation</td>
</tr>
<tr>
<td>Self-sufficient clients</td>
<td>Self-sufficient clients</td>
<td></td>
<td>Excessive billing</td>
</tr>
<tr>
<td>Friends in high places</td>
<td>Friends in high places</td>
<td>Alumni placement</td>
<td>Revolving door</td>
</tr>
</tbody>
</table>

**Source:** Primary research by the authors based on data from all four sector participants, both individuals and organizations (in Australia, Canada, EU, USA, etc.)

**Note:** These descriptions/insights apply to small, medium and large enterprises, but SMEs must deal more with external challenges, large ones with trust issues.
**TABLE 4**

**MAJOR PROMOTIONAL SCHEMES FOR PROFESSIONAL SERVICE FIRMS**

<table>
<thead>
<tr>
<th>Promotion Scheme</th>
<th>Comment #1</th>
<th>Comment #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client presentations</td>
<td>Front-line method; vital</td>
<td>Adjust to each client</td>
</tr>
<tr>
<td>Testimonials</td>
<td>Useful if unsolicited</td>
<td>Cite evidence if possible</td>
</tr>
<tr>
<td>Referrals</td>
<td>Can be effective</td>
<td>Best at same position level</td>
</tr>
<tr>
<td>Memberships</td>
<td>Corporate support vital</td>
<td>Allows networking</td>
</tr>
<tr>
<td>Seminars / Conferences</td>
<td>Strive to be speaker</td>
<td>Works best with experts</td>
</tr>
<tr>
<td>Trade shows/ Exhibits</td>
<td>Just to be seen; recognition</td>
<td>Not too effective</td>
</tr>
<tr>
<td>Charities, grants, donations</td>
<td>Public clients expect effort</td>
<td>Private clients - may work</td>
</tr>
<tr>
<td>Class lectures</td>
<td>Useful for recruitment</td>
<td>Prefer 3rd, 4th year students</td>
</tr>
<tr>
<td>Professional networks</td>
<td>Highly useful, keep it up</td>
<td>Linkages best at same level</td>
</tr>
<tr>
<td>Advertising, print or elec.</td>
<td>Just for recognition</td>
<td>Not viewed as effective</td>
</tr>
<tr>
<td>Publishing, talk shows</td>
<td>Can gain name recognition</td>
<td>Useful for visible issues</td>
</tr>
</tbody>
</table>

*Source:* Primary research by the authors based on data from four sector participants in USA, EU, Australia, Canada, 2010-2018.

*Note:* These descriptions/insights apply to small, medium and large enterprises, but SMEs must deal more with external challenges, large ones with trust issues.
THE COUNTRY CHOICE FOR BUSINESS EXPANSION: CASES OF EDIBLE ARRANGEMENTS AND KRAKOWSKI KREDENS

ABSTRACT

Companies’ expansion failures are attributed to lack of management taking the time to understand and adjust business strategy in accordance to the target market preferences and needs. Poor planning and lack of data analysis cause many firms to withdraw their businesses from multiple locations. This article is an example of detailed analysis of business expansion options for two successful companies, Krakowski Kredens and Edible Arrangements. We used CAGE framework in combination with numerical application to uncover the true opportunities and challenges of international expansions. Further discussion includes application of CAGE analysis in selecting new market entry strategy and electing the international business strategy going forward. USA and two European Union countries, namely Germany and Poland, have been chosen as companies’ expansion options. After detailed research and evaluation of targeted market we agreed that Germany is the best fit for both of them. Further discussion on entry mode strategies in response to local market preferences, challenges, opportunities and current business strengths and weaknesses is provided. Recommendations on expansion in Germany for both companies are also discussed in the paper.

Keywords: CAGE framework analysis, entry strategy, competitive advantage, international expansion, Krakowski Kredens, Edible Arrangement

JEL Classification: D51, E21, F02, F15, F43, M4, Q1

THEORETICAL FOUNDATION

Challenges of International Business Environment

Companies face challenges in accommodating their business operations and strategies to international environments (Kogut, 1993). They often fail due to the lack of knowledge and preparation, thinking that what works in the native market will apply to other markets as well (Luo, 1999). Such ignorance of information and lack of managerial capacity to understand particular market differences led many companies to fail. According to Walter Leob, 2013 in his article “Successful Global Growers” the reason for such failure might lie in individual country legal and cultural restrictions, which at times carry unpredictable operations challenges. New markets are unknown to the businesses who tend to underestimate and overlook the differences between regions, cultures and administrative restrictions. Some of the unsuccessful in international expansion businesses who had to pull the operations out of region include Tesco entering Japan and USA, Metro leaving Morocco, Carrefour moving out of Russia or Wal-Mart not being able to succeed in Germany and Russia.

Understanding International Markets

The lack of understanding of local demands, tastes, preferences and buying habits is sometimes attributed to companies, who cannot define their strategy and are unable to quickly respond to local markets demands and wants (Javalgi, & White, 2002). Such companies go global, mislead by thinking that operational excellence, additional sales, revenues and increasing market share before its competition does is the major motivator for their expansion. Time and competitors’ moves are often the most critical drivers for them and not a detailed analysis of hosting countries potential. Such unmeasured decision is fatal to business operations. The reason is lack of appropriate plan and financial analysis, which would show the true costs of all of the challenges, opportunities and struggles associated

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3 CAGE means Cultural, Administrative, Geographic and Economic Analysis
with expanding internationally. A significant number of companies are incapable to succeed because they are unable to understand and quickly respond to the cross-cultural competency of target region and combine it with own business strategy (Adler, 2008). Businesses must be flexible to adjust their strategy to accommodate local market’s needs. David Shed (2011) argues that such decisions must be well defined before the decision of expansion and entering foreign market is made. It also requires planning ahead, use of the analytical tools and theories.

According to James Johnson, Tomasz Lenartowicz and Salvador Apud (2006), the cross-cultural competences allow companies to understand their international expansion performance based on cultural, economic, administrative, geographic and social-technological aspect of doing business abroad. In multiple research this is often referred to as cultural distance (Babiker, Cox, & Miller, 1980; Brouthers, & Brouthers, 2001; Morosini, Shane, & Singh, 1998), where authors discuss the great disparity between businesses having the information and knowing what they are doing, versus just doing what they think is right for them at the time.

Cage framework and entry strategies

Through multisource research for this study, many sources directed businesses to enter markets with the same language as they expand internationally (Ghemawat, P. 2001). Per Pankaj Ghemwhat, if the company chooses to expand its business to a country, where the same language is spoken the chances of making an expansion a profitable one increases by 200 percent. However, each company must be comfortable and flexible with product and service adjustments to accommodate own operations to the unique local cultures, demands, taste and preferences regardless of language or geographical region. As businesses go global they often do not recognize their target market competition, respect local traditions and cultures, investigate an appropriate marketing or know about local infrastructure and real-estate which all combined are crucial to establish well operated business operations.

We will use a created by Ghemwhat a CAGE framework tool. The tool is a good starting point for management to visualize what they can expect when they are expanding abroad. It adds value to additional discussion on entry mode strategies and resource-based strategy, which helps companies to answer some of the urgent questions as: How will we enter the targeted market? What strategy should we follow to accommodate local market and succeed?

The CAGE framework analysis application to international business expansion is not discussed in depth. CAGE is widely referenced in multiple study applications; yet there is little additional information about the linkage of CAGE to international markets entry modes. This study provides an outline of steps needed to perform CAGE analysis for two companies and also connect it with entry strategies.

Method: CASE Study

Theoretical applications will be used in the two case studies of Edible Arrangement (EA) and Krakowski Kredens (KK). Both companies are considering an expansion and selected Poland, Germany and USA as potential markets. They offer differentiated, quality products satisfying universal customer needs. Products can easily be adjusted to local tastes and preferences in order to gain additional customer and market growth and increase future sales and market presence. None of the companies has a direct domestic competition that would force the brands to expand in search of cheaper labor, lower raw material costs or have local customer’s responsiveness pressures. They both face a domestic market challenges, threats and opportunities that have a lot of room to grow and improve.

CASE OF EDIBLE ARRANGEMENTS

Company Background

Edible Arrangements is the US market leader in creating, selling and delivering fresh, carved fruit shaped as flower looking bouquets. Additionally, EA offers fresh fruit premium beverages, salads and fruit dipped in chocolate creations. Edible Arrangements was created by Tariq Farid, who at age 16 purchased his first flower store and after couple of years implemented fruit into bouquets. He opened first Edible Arrangement store in East Haven, CT in 1999 and within two years franchised his idea to open store in Canada. Edible Arrangement strategy is to grow its presence around the world by providing opportunities for people. Its competitive advantage is to create an outstanding product, differentiated from its competitors by creativity, quality, freshness and uniqueness. According to Entrepreneur Magazine’s Franchise 500 Edible Arrangements is ranked as fastest-growing franchise in USA and globally (100th place as the Internet Retailer Top 500 in 2013). The growth is in its peak and the brand
and franchise is well recognized within domestic market, which contributes to 1199 franchise stores around the globe. International locations are found in China, Italy, Puerto Rico, Turkey, Bahrain, Hong Kong, Kuwait, Qatar, United Arab Emirates, Canada, India, Oman and Saudi Arabia. Edible Arrangements has a lot of room to grow domestically and internationally and for the purpose of this paper it is looking into expanding to Poland or Germany.

**International Business Challenges**

Edible Arrangements was selected for this study because of its current challenges in Eastern Europe where it still does not have a strong presence. The company is developing its presence in Europe and is currently facing a direct global competitor FruitLife (http://www.fruitlife.pl/), within the region of Eastern Europe. FruitLife began its operations in Poland and is currently operating in Ukraine, Slovenia and Poland with further expansion plans to Germany. Fruitlife business model is direct reflection of Edible Arrangements business model and idea. To stay competitive Edible Arrangements faces a challenge within the Eastern European region, because FruitLife offers similar products and services as Edible Arrangements at a lower price.

Edible Arrangements is being pushed by global competition to enter the Eastern European market or being left behind if the company decides to hold off on the expansion within this region. If it waits to long, it will miss out on the opportunity to enter the market and gain additional share and brand exposure. It will be challenging for Edible Arrangements to enter the market due to its name. Edible Arrangements is hard to remember for people who do not speak English and might have difficulty to associate it with fruit. FruitLife, current direct global competitor has easy and appealing name to remember. Even for people who speak little or no English since this name is simple and more transnational which makes it easier to remember.

Therefore, if Edible Arrangements plan in the future is to expand into this region, it needs to start quickly working on increasing its presence within the region. However, it still faces some of the domestic challenges, as the market in USA still has some room to grow. Additionally, it needs to establish clear guidelines and expectations for its franchisees as they become Edible Arrangements business partners. As potential partners look at the company's website there is no clear summary of the expectations or exact guidelines on the return on investment; which lets potential partners see that there is lack of clear expectations and universal structure of the business, that would help in starting the business by maintaining already established standards of products and services. Edible Arrangements has to clearly define and state its standards, quality control of products and services so that it is easy to understand for any of the potential business partners.

The table below compares Edible Arrangements with FruitLife capital requirements, which helps to narrow down potential challenges for EA to be competitive within Eastern European market as its franchise is much more expensive than FruitLife.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Edible Arrangements</th>
<th>FruitLife</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Investment</td>
<td>USD150,000 to USD2,790,000</td>
<td>35,000 Euro (about USD44,450)</td>
</tr>
<tr>
<td>Royalty Fee</td>
<td>5% of the sales</td>
<td>5% of the sales</td>
</tr>
<tr>
<td>Minimum Investment</td>
<td>USD80,000 - USD100,000</td>
<td>15,000 Euro (about USD19,050)</td>
</tr>
<tr>
<td>Return on investment</td>
<td>Not clearly stated</td>
<td>24 months</td>
</tr>
<tr>
<td>Contract length</td>
<td>10 years</td>
<td>5 years</td>
</tr>
</tbody>
</table>

*Source: The table was created by combining data from FruitLife.com and EdibleArrangements.com*

To compete with FruitLife, Edible Arrangements has to overcome a financial challenge. Since Edible Arrangements operates as a franchise which is also the company’s preferred market entry mode. To be competitive, another way of entering market might be considered and a company owned subsidiary might be created to enter Germany and/or Poland region. This will require additional investment capital and add risks.
Edible Arrangements’ current strategy in Europe (Italy and Turkey) is based on international strategy originated on offering the same products as in the domestic market with little differentiation. Prices in Italy and Canada are comparable to those charged in the USA. Customization or adjustment to the products or services offered in these regions are limited, as the corporate holds a very strict standards and controls over their marketing and products. Edible Arrangements international strategy will only last for a short period of time, as it is just a matter of time before competition will develop its own trends, products, services and start to compete on a local and global basis. This is already happening with FruitLife. Edible Arrangements is forced to protect itself by ensuring that they are prepared to compete with its main European competitor, which will force the company to lower its franchise royalty fee and initial investment capital in order to gain additional market share of this region. Therefore, to ensure that Edible Arrangements is able to maintain its international presence within Europe it has to move its strategy towards more global and then transnational strategy to serve local customers in accordance to their preferences. This will help Edible Arrangements to quickly adjust their strategy within the region, where the competition is getting stronger.

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CASE OF KRAKOWSKI KREDENS

Company Background

Krakowski Kredens (KK) is based in Krakow, Poland and began its operations in 2007. The company specializes in production of premium products created in response to growing demand for high quality food products for, and by Alma Delicatessen Market. Alma Delicatessen is a leader in high quality, specialized food from around the world and has 34 stores in Poland. Additionally, there are Krakowski Kredens individual brand stores operating around Galicia region (Galicia is where most of the Polish kings used to live) and in England. (http://www.krakowskikredens.pl)

The franchise operates and focuses on sale of wide range of products, designed to give customers an opportunity to taste Polish tradition made from scratch in accordance to old custom of the bourgeois region of Poland. Krakowski Kredens product line includes: sausages, lards, soups, mustard’s, processed vegetables, pastas, pickled mushrooms, sweets, jams, honeys, tees and tinctures. The unique quality, recipe, taste and elegant packaging contribute to the excellent product success. Currently Krakowski Kredens operates in Sweden, France, England, and Austria, and would like to increase their market share in regions highly populated by Polish citizens. For the purpose of this study, a potential target location of USA and Germany has been chosen to be considered.

International Business Challenges

Krakowski Kredens international strategy has been to enter the market through a franchise mode or creating partnerships with local businesses specializing in selling unique food products. Alma Delicatessen prefers to sell Krakowski Kredens brand in the regions highly populated by Polish ethnic groups, which limits its potential market within a particular region and adds additional challenges to its international expansions. Such challenge is especially visible after the brand received a fine from Polish government for a misleading marketing campaign. Krakowski
Kredens products are promoted and positioned as handmade, yet produced for Alma Delicatessen as high-end products on a mass production scale. Most of the Krakowski Kredens products are manufactured by smaller, usually family owned producers, who use new technologies to make their products, rather than making everything from scratch in accordance with traditional “grandma” recipes. Krakowski Kredens foods have some additives that caused questioning about marketed products that are described as natural. Such marketing is confusing to a customer who looks at the package stating that the brand and products go back to 1908 when in fact the company was created in 2007. There seems to be a lot of misperceptions and problems within the domestic market strategy that was based on handmade product tradition and quality.

There are concerns about domestic strategy of the company and its further product expansion as future strategy of the firm is unclear. Especially since customers within home market start to question the product, price, brand and quality that leads to worsening the overall company reputation. Currently its reputation is crucial to develop additional operations internationally and Krakowski Kredens is not the best name to use as the firm expands internationally and should be changed to a name that would be transnational and easy to remember for people who might not have any connection with the Galicia region.

Before Krakowski Kredens expands to Germany or USA it will need to rebuild the trust of customers, reputation for the product and brand. Adjust some of the food production requirements and certifications to maintain its traditional and made from scratch handmade product business model. Krakowski Kredens products and services are unique, yet limited to the region where they are sold. With some of the international expansion, there needs to be additional international strategy focus due to the company room to grow within domestic regions, which should be done in parallel with rebuilding a customer trust. Serving diversified customers of domestic markets, whose taste preferences and traditions are different, will provide a lot of substitutes that contribute to more challenges for the brand and its products. As the analysis shows that Krakowski Kredens does not have a clear strategy domestically which makes it harder to expand on international scale.

**Summary of CAGE Distance Framework across Poland, Germany and USA**

To evaluate what is the best target market for both companies, a CAGE framework evaluation of Poland, Germany or USA was used to research, analyze and perform a visual summary of the main differences, opportunities and challenges of individual countries. The summary was based on combining a validated research and literature that helped in putting this information together and is listed in the references at the end of this paper.

<table>
<thead>
<tr>
<th>Distance</th>
<th>Category</th>
<th>Germany</th>
<th>USA</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural</td>
<td>Population</td>
<td>80.5 mln people (Highest immigrant population in EU)</td>
<td>316,669 mln people; Male 49%; female 51%; median age - 37.2 years old</td>
<td>38.1 mln people; Male 48%; female 52%; Life expectancy 72.31; median age - 38.5 Birth growth rate of 1.19%</td>
</tr>
<tr>
<td>Ethnicity</td>
<td>Evaluated by race: White; Hispanic or Latino; Black or African American; American Native; Asian</td>
<td>Polish, German, Belarusian, Ukrainian</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Language</td>
<td>German</td>
<td>English &amp; Spanish</td>
<td>Polish</td>
<td></td>
</tr>
<tr>
<td>Religion</td>
<td>Non-believers; Roman Catholic; Protestants; Orthodox Christians; Islam</td>
<td>Protestant, Roman Catholic, Mormon, Christian, Jewish, Buddhist, Muslim</td>
<td>Catholic; Eastern Orthodox; Protestant</td>
<td></td>
</tr>
<tr>
<td>Greeting</td>
<td>Handshake greeting, direct, blunt communication</td>
<td>Greetings are very casual, with a handshake, smile and simple “hello”</td>
<td>Handshake, eye contact important meeting/departing greeting</td>
<td></td>
</tr>
<tr>
<td>Work and Cultural</td>
<td>Formal and bureaucratic, get to business attitude</td>
<td>Individualistic, informal, first name/nick name</td>
<td>Formal, hierarchical culture, academic and professional titles honored</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dress formally and</td>
<td>Dress business casual, will</td>
<td>First names are rarely used; additional respect</td>
<td></td>
</tr>
</tbody>
</table>
conservative, formality stops at home; 
Do not mix business and personal life 
Time is money, punctuality 
matters; Long hours = poor planning 
Great planners, organizers with attention to detail 
Focus on proper behavior, rules, structure and doing things right first time 
Details matter, discuss each carefully as there is no room for reevaluation 
Interested in learning about your credentials, experience and levels 
Do not believe in promises that sound too good to be truth 
No need for a personal relationship in business, no small talk 
Written backup to maintain decisions record 
Strict agendas to ensure that time is used effectively 

not obey cultural introduction and start talking 
Value privacy, plan their schedule ahead of time 
Punctuality matters, time is money, no/little small talk; work long hours 
Lacking eating table manners, no time to waste, fast-food 
Focused on money, relationships do not matter, signing contract does 
Direct honest communication, logic and linear thinking 
Phone same as face-to-face interaction 
Meetings taken seriously, agenda, summary, direct, visual aids, impressed by hard data & evidence 
Outside of USA world does not matter 
Love sports, TV, Racial jokes inappropriate 

for elderly and women 
Dress formally, punctuation matters 
Direct, diplomatic communication, sensitive to people feelings 
Relationship driven culture, sincere trust does not extend beyond family 
Relationships takes place before work, rules, decisions 
Relationships build over food; good table manners are expected 
Open, friendly, tolerant and eager to learn about peoples 
Small talk is a norm, meetings relaxed once relationship established 
Decisions based on evidence, facts, beliefs, experiences and sense of what is right and what is wrong, well organized presentations 
If the decision maker not present decision will not be made 
Skilled managers, professional, risk takers, formal approach with no intention for being distanced 
Catholic Church influences government; religious holidays = national holidays 
Great pride in history, tradition, nationality, culture 
Racial or sexist jokes are common

<table>
<thead>
<tr>
<th>Admistrative</th>
<th>Land Division</th>
<th>16 provinces (Lands)</th>
<th>50 states</th>
<th>16 provinces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political System</td>
<td>Federal Republic</td>
<td>Constitution Federal Republic (democratic ties)</td>
<td>Republic of Poland</td>
<td></td>
</tr>
<tr>
<td>Influential Groups</td>
<td>Influential and pressure groups: business associations and employers' organizations, trade unions; religious, immigrant, veterans groups</td>
<td>Environmentalists; business groups; labor unions; churches; ethnic groups; political action committees; health groups; education groups; civic groups; youth groups; transportation groups; agricultural groups; veterans groups; woman's groups; reform lobbies</td>
<td>All Poland Trade Union Alliance; Roman Catholic Church and Independent and Self-Governing Trade Union &quot;Solidarity&quot;</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Bureaucratic, rules, structure</td>
<td>Strong employment protection</td>
<td>English common law legal system; Louisiana Napoleonic civil code</td>
<td>Based on civil law system changing with democracy democratization; ruling of the Constitutional Tribunal is final; strong employment protection</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Geographic</th>
<th>Total Land</th>
<th>Total area 357,022 sq km</th>
<th>Total land 9,826,675 sq km; 3rd largest country</th>
<th>Total land 312,679 square km, largest in EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boarders</td>
<td>9: Austria, Belgium, Czech Republic, Denmark, France, Luxemburg, Netherlands, Poland and Switzerland</td>
<td>2: Canada, Mexico, between Atlantic and Pacific ocean</td>
<td>7: Belarus, Czech Republic, Germany, Lithuania, Russia, Slovakia, Ukraine</td>
<td></td>
</tr>
</tbody>
</table>
| Capital | Berlin  
Major cities are: Berlin, Hamburg, Munich, Cologne | Washington, D.C.  
Warsaw – Capital |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>539 airports, 41,981 km railways, 645,000 km roadways, 7,467 km waterways</td>
<td>Transportation giant: 13,513 airports; railways 224,792 km; roadways 6,586,610 km; Longest river Mississippi (4,070 km)</td>
</tr>
<tr>
<td>Climate</td>
<td>Temperate and marine, cool climate, cloudy wet winters and summers and occasionally warm mountain wind</td>
<td>Mostly temperate, tropical in Florida and Hawaii, arctic in Alaska, dry in west of the Mississippi River, arid in Great Basin in southwest; low winter temperatures in northeast</td>
</tr>
<tr>
<td>Natural resources</td>
<td>Natural resources: coal, lignite, natural gas, iron, copper, uranium, potash, salt, timber, arable land, construction materials and iron ore, natural gas</td>
<td>Natural resources: coal, copper, lead, molybdenum, phosphates, rare earth elements, uranium, bauxite, gold, iron, mercury, nickel, potash, silver, tungsten, zinc, petroleum, natural gas, timber</td>
</tr>
<tr>
<td>Time zone</td>
<td>Central European Time Zone</td>
<td>Central Time Zone (UTC-06:00)</td>
</tr>
</tbody>
</table>
| Other | Diversified ecosystems, extreme geographic features; Natural disasters: earthquake; hurricanes; tornadoes; mudslides and fires; flooding; permafrost, tsunamis and volcano eruptions  
Environmental issues: air pollution; acid rain; large emitter of carbon dioxide; water pollution from pesticides and fertilizers; limited natural freshwater; desertification | Air pollution is serious concern of Poland  
Most dangerous roads in Europe | |

<table>
<thead>
<tr>
<th>Economic</th>
<th>Currency</th>
<th>Euro</th>
<th>Dollar (USD)</th>
<th>Zloty (PLN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita</td>
<td>GDP per capita is USD 39,500</td>
<td>Overall GDP USD16.72 trillion in 2013; GDP per capita is USD52,800</td>
<td>GDP per capita USD21,100</td>
<td></td>
</tr>
<tr>
<td>Growth rate</td>
<td>Growth rate 1.3%</td>
<td>Growth rate 1.6%</td>
<td>Growth rate 1.3%</td>
<td></td>
</tr>
<tr>
<td>GDP combines</td>
<td>Services (69%); Industry (30.01%); agriculture (0.8%)</td>
<td>Services at 79.4%; industry at 19.5%; agriculture 1.1%</td>
<td>Services 62.7%; manufacturing 33.3%; agriculture 4%</td>
<td></td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>Unemployment 5%</td>
<td>Unemployment 6.7% (78th place in the world, higher than Poland at 133 or European Union at 113); population below poverty 15.1%</td>
<td>Unemployment 13.5%; population below poverty 10.6%</td>
<td></td>
</tr>
<tr>
<td>Export partners</td>
<td>France, USA, UK</td>
<td>Export partners: Canada, Mexico, China, Japan</td>
<td>Export partners: Germany; Russia; UK; Netherlands; China; Italy; Czech Republic; France</td>
<td></td>
</tr>
<tr>
<td>Import partners</td>
<td>Netherlands, China, France</td>
<td>Import partners: China, Canada, Mexico, Japan, Germany</td>
<td>Import: Germany, Russia, Netherlands, China, Italy, Czech Republic, France</td>
<td></td>
</tr>
<tr>
<td>Export products</td>
<td>Automobiles, precision engineering products, electronics, communication equipment, chemicals, pharmaceuticals</td>
<td>Exports: agricultural products; industrial supplies - organic chemicals, transistors, aircraft, motor vehicle parts, computers, telecommunications equipment, automobiles, medicines</td>
<td>Export: machinery and transport equipment, manufactured goods, food and live animals</td>
<td></td>
</tr>
<tr>
<td>Import products</td>
<td></td>
<td>Imports: agricultural products, industrial supplies; capital goods, consumer goods (automobiles, clothing, medicines, furniture, toys)</td>
<td>Import: machinery &amp; transport equipment, intermediate manufactured goods, chemicals, minerals, fuels, lubricants</td>
<td></td>
</tr>
<tr>
<td>Agricultural products</td>
<td>Agriculture products: potatoes, wheat, barley, sugar beets, fruit, cabbages; cattle, pigs, poultry, beer, hops</td>
<td>Agricultural: wheat, corn, other grains, fruits, vegetables, cotton; beef, pork, poultry, dairy products; fish; forest products</td>
<td>Agriculture: fruit, vegetables, potatoes, wheat, poultry, pork, dairy and eggs</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>3rd largest economy off the world</td>
<td>Economy is considered one of the largest and most technologically powerful economies in the world. In this market-oriented economy, private individuals and business firms make most of the decisions. Labor division bottom lacks; education and professional/technical skills of the top labor market. Big pay discrepancy, health insurance coverage, benefits. Flexible business; partners decide to expand capital plant, lay off workers and developing new products. Services: technological advances, computers, medical, aerospace, and military equipment. Industries include: highly diversified, world leading, high-technology innovator, second largest industrial output in world; petroleum, steel, motor vehicles, aerospace, telecommunications, chemicals, electronics, food processing, consumer goods, lumber, mining.</td>
<td>First ex-communist to adopt privatization &amp; economic liberalization, still in transition. Government privatized small and medium state-owned companies. Encouraged foreign direct investments; no recession downturn 2008 – 2009. Industries: machine building, iron, steel, coal mining, shipbuilding, food processing, glass, beverages, textiles. Skilled labor force.</td>
<td></td>
</tr>
</tbody>
</table>
CAGE framework tool provided visual illustration of potential risks and opportunities outlined by going abroad. The below numerical CAGE tool helps businesses in planning their financial capital investment and helps in further data analysis that can be individually developed by the organization. It splits each distance into main category of cultural, economic, geographical and administrative and is followed by distance sub-categories of importance. Numerical data analysis and evaluation is appraised on a scale of importance from 1 being the lowest to 6 being the highest. Some ratings might overlap due to equally important categories that can be adjusted and established by individual company in accordance to their own needs of the application of the numerical tool to calculate potential costs associated with the expansion. The total of CAGE numerical framework tool is 100 percent. Our analysis compares three countries, as they were selected for the purpose of this study. One may choose to analyze two at the time and compare particular number with the corresponding CAGE category. However the illustration below compares all three countries for easier visualization of the distances between three potential markets.

For further evaluation of strategic choices of companies’ expansion we will be using all three sides to present their difference from each other. In example, the metric measuring system in Poland and Germany is at low importance because it is the same and therefore there is no distance to overcome. However, USA English Engineering measuring system is different and therefore the distance of Poland and Germany against USA is significant especially for European businesses that are going to expand to the United States. Additionally an evaluation of the numbers should include the sub category sum and compare it against all nations to see what distance is closer to overcome. In particular, for cultural differences a total is 26 points for Poland, 22 points for Germany and 22 points for the USA. An assumption can be made that the distance between Poland and Germany is smaller than the distance between Poland and USA (Poland - 26 versus Germany - 22; Poland - 26 versus USA - 20). Furthermore, a correlation is recognized between USA and Germany because their distance is smaller as it differs only by 2 points (Poland and Germany) versus 6 points for Poland and USA.

Based on the CAGE analysis each company is able to perform detail research and evaluate its own distance across domestic and targeted market in order to select the correct location for their next business expansion. The same can be done for individual regions or cities where managers can evaluate their threats and opportunities by taking time to learn about distances that they will need to overcome as they expand.

In conclusion, Germany and USA are linked closer than USA and Poland. There is a strong linkage between Germany and Poland. Therefore Germany was elected as the best choice for international expansion for both companies, Krakowski Kredens and Edible Arrangements. Consequently, Edible Arrangements as an American company should first put a lot of impact to start investing in Germany, as this seems to be especially good market to enter for this American company to develop its European presence within the central Europe. Despite high costs, German market brings skilled labor, quality, first-class infrastructure and an opportunity to expand to the neighboring markets after the operations are established with the economical heart of Europe. Second choice for Edible Arrangements would be Poland, which is more challenging, but definitively worth the struggle due to future improvement and further development in the next couple of years. For Krakowski Kredens, a Polish based company trying to enter the United States market or Germany, the first choice for the expansion is Germany. Even though the US market is very attractive, it will cause a lot of challenges for the company that it is not ready yet. Germany is a neighbor to Poland with similarities in administrative policies and geographic characteristics that will make the logistics, entry mode strategies and further business control much easier than while expanding in the US market.

To enter German market and other countries of the European Union, a US company has to introduce high quality and modern looking product because Germans favor a high technology and innovation of the US products. They are willing to pay higher price for a good product that is unique and offers high quality with good benefits for the customers. The preferences of tastes vary from state to state and any new market entrant has to take under consideration local and regional competition. The only way for US companies to overcome regional competition and substitutes is to offer services at competitive prices, support local community and offer high-quality product or service. Additionally, Germany’s tax rates and complicated bureaucratic tax laws will substantially contribute to higher challenges for an American company versus Polish, which is used to the bureaucratic ways of leading the business. To be competitive in this market, an international entrant needs to take advantage of the write-off allowances and deductions to make the tax rates more competitive to other international levels.
Table 3. CAGE Framework Measurement Tool

<table>
<thead>
<tr>
<th>Distance</th>
<th>Categories</th>
<th>Poland</th>
<th>Germany</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural</td>
<td>Language (Different linguistic content)</td>
<td>6</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Religion</td>
<td>5</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Traditionalism</td>
<td>4</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Metric system</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Product standards and quality</td>
<td>4</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Social Values and Social Networks</td>
<td>6</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td><strong>Total Cultural Distance</strong></td>
<td><strong>26</strong></td>
<td><strong>22</strong></td>
<td><strong>20</strong></td>
</tr>
<tr>
<td>Administrative</td>
<td>Regional trading blocks</td>
<td>5</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Currency and political association (colonial ties)</td>
<td>4</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Legal and financial institutions</td>
<td>4</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Political hostility</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Corruption</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Government involvement in business and infrastructure</td>
<td>3</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>Total Administrative Distance</strong></td>
<td><strong>21</strong></td>
<td><strong>22</strong></td>
<td><strong>14</strong></td>
</tr>
<tr>
<td>Geographic</td>
<td>Transportation and communication</td>
<td>4</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Local supervision and requirements</td>
<td>4</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Internal remoteness</td>
<td>3</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Physical distance and size</td>
<td>4</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Climate, disease environments</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Time zones</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Borders, access to water</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td><strong>Total Geographic Distance</strong></td>
<td><strong>21</strong></td>
<td><strong>24</strong></td>
<td><strong>29</strong></td>
</tr>
<tr>
<td>Economic</td>
<td>Consumer income (rich/poor gap)</td>
<td>4</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Information/knowledge basis</td>
<td>6</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>costs of infrastructure (quality, natural, financial)</td>
<td>4</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Demand varies by income and household size</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Low income</td>
<td>3</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Unemployment</td>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Distribution and business system</td>
<td>3</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Companies responsiveness to act quickly</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Local competition</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td><strong>Total Economic Distance</strong></td>
<td><strong>32</strong></td>
<td><strong>32</strong></td>
<td><strong>37</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Total 100 percentage</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

CONCLUSIONS AND RECOMMENDATIONS

As companies fail their international expansions due to lack of self-awareness about own strengths and weaknesses the CAGE framework helps to see what the challenges are and how they might be resolved. CAGE tool together with the entry mode strategy helps the firms to evaluate what strategy they should choose while entering the market and what they can do to be successful going forward.

However, there are some differences as to how they will exactly solve the problems of international expansion and how they would work on the challenges that they encounter. By assigning numerical value based on their strategic goals, companies are able to gain additional financial value of the difficulties and distances they have to overcome.

Both Edible Arrangements and Krakowski Kredens have to protect their sustainability and future strategy as they expand. This may be accomplished by understanding and addressing individual, local customers’ preferences and needs through adjusting overall operations and products to particular region and choosing the right strategy for a particular region. As both companies expand and make adjustments they need to monitor them carefully and often review. This analysis will help to ensure ongoing improvement process and possibly apply some of the processes back to domestic markets.
To establish a well-defined, sustainable strategy, both Krakowski Kredens and Edible Arrangements have to make certain that their integrative and operating costs are uniquely standardized to reach lowest cost within the domestic market that will be easily transferable to other regions and be their uniform standards. Both have to maintain their competitive advantage of quality product at competitive price, which will lead to higher start-up costs of business. This is especially important for Krakowski Kredens and Edible Arrangements as they choose what entry strategy to select when expanding.

For Edible Arrangements their current strategy is to enter business through a franchise, however since there is a direct competition already present in Europe, joint venture or setting up own subsidies in Germany might be a better choice for the region. Their franchise initial investment cost is twice as high as FruitLife and therefore it will be harder for Edible Arrangements to convince local potential partners to choose their franchise mode. Nonetheless, franchising mode should continue to be used if the price of initial investment is lowered to directly compete with FruitLife. Despite Edible Arrangements long lasting tradition, and being first to market with the fruit bouquets, international markets might not recognize the brand and will think that FruitLife is the original brand even though it is copying the Edible Arrangements business model. Edible Arrangements should ensure the best franchisees support, quality and standardization of product, processes, services and the overall strategy so that it can have a greater control over its overall quality. Furthermore, it should continue to invest in its expansion domestically and consider changing its name on an international scale so that it could be easily recognized and remembered by those, who do not speak English.

Similarly, Krakowski Kredens should also consider changing its name to be more uniform and international. To be successful in Germany and USA, Krakowski Kredens might consider creating local partnerships with food makers and small food family owned businesses, so that it can still hold the idea of small specialty food production while supporting local economy and engaging other small businesses in the production of their products. As it expands internationally it should partner with local delicatessen stores, which could help to gain greater brand awareness in domestic and international market. Furthermore, some of the products sold by Krakowski Kredens limit its sales in countries such as USA where traditional Polish tastes and preferences to products such as marinated wild mushrooms or various types of lard are not popular and therefore should not be chosen as the products first sold in the United States. The best way to enter the US market for Krakowski Kredens is to limit its product line to neutral products and create a partnership or license some of the production to local producers, who already have developed the distribution channels within the region.

There are some limitations to this study since there are a lot of applications to CAGE analysis and each company has its own strategy, business model and operations. Each company, region, culture, administrative and economical targeted area is different and therefore it is almost impossible to really know all of the challenges that international expansion and future strategy might bring.

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Toronto Landscape with the CN Tower
Photo © by Dr. Antal Szabó
JULES VERNE, BUSINESS, INNOVATION AND COLLABORATIONS

ABSTRACT

The Author presents Jules Verne as one of the earliest businessmen. Today the business world is dominated by China, Germany, Japan, UK and USA. Reasons are highlighted why the EU projected to only reach GDP growth at half the rate of the rest of the world.

The innovation is a very strong economic factor. Europe due to utilization of the latest achievements in ICT surpassed the USA. Collaboration is a weapon to achieve common goals. With a focus on innovation and knowledge as the drivers of creating added value this may be a unique challenge that may be the answer to a new way of interaction between those who have the responsibility of thinking and those that have the responsibility of producing goods and services.

If Europe wants to recapture a portion of their former global dominance, it is the time to re-read the books of Verne and his lessons learnt in the acumen of communication and collaboration.

Keywords: Jules Verne, EU – IMF - World Bank GDP, effect of the fourth industrial revolution, ICT new generation: 5G

JEL Classification: M13, L26, O31

Prior to his illustrious career as a writer Jules Verne was a businessman who understood, pursued and benefited from the value of collaborations. Between 1864 and 1873 Verne wrote a series of ‘voyages extraordinaires’ that included: A Journey to the Center of the Earth; Twenty Thousand Leagues Under The Sea; and Around The World in Eighty Days. The stories appeal was based upon Verne’s fascination with science and innovation but his success as a writer was due to his communication skills and collaborations with Pierre Hetzel. 4

The world of business of the late 1800s was focused on Europe being fed with resources from the Americas and Asia. Europe’s dominance in commerce was facilitated by two major innovations of the time, steam ships and steam rail locomotives. It was these innovations, of the first Industrial Revolution, that inspired Verne to write the series and become the second most translated author in the history of the world.

Global Business and Europe

If we look today at the world of business we see that it is now dominated by five major countries (IMF, 12/18) they are the USA with USD 20.4 trillion followed by China 14.0; Japan 5.1; Germany 4.2 and the UK 2.9. These five countries accounted for over half of the world’s value in GDP. However, if the European Union collaborated then their total production in dollars would place them in second place with an estimated value of USD 18.7 but alas collaboration seems to be a problem.

Looking ahead, the World Bank (January, 2019) has projected that global GDP will likely grow at 3.5% for 2019 and 3.7% in 2020 while the USA will be at 2.5% and 1.8% respectively; China will remain constant at 6.2% over the same time but the EU will only manage 1.6% in 2019 and 1.7% in 2020. Putting this into perspective the world’s long term moving growth average is about 3.5% thus the only advanced beyond the moving average appear to be East Asia and the Pacific region at 5.9% led by India at 7.3%.

But why is the EU projected to only reach GDP growth at half the rate of the rest of the world? Many reasons have been cited. The European Parliamentary Research Services have suggested (2018) the major social reasons are:

4 Pierre-Jules Hetzel (January 15, 1814 – March 17, 1886) was a French editor and publisher. He is best known for his extraordinarily lavishly illustrated editions of Jules Verne’s novels highly prized by collectors today. (Source: Wikipedia)
Brexit; migration; terrorism; disinformation and cyber security; youth empowerment and unemployment; and inequality. Economic reasons include: stagnating economies (Italy & France); sovereign debt to GDP ratios (Greece at 182%, Italy at 134% and Portugal at 123%); and monetary policies changes from QE to QT. Today, we live and work in the new tech economy where one of Europe’s most pressing challenges is its heavy reliance on foreign Information Communications Technology (ICT) that is driving the Fourth Industrial Revolution (4IR) of today.

In the global fast moving markets and in light of the 4IR’s explosiveness in its developments and disruptions we must ask ourselves why are we globally only managing to keep pace with our moving average? McKinsey & Company (2018) tracked the most cited threats to global growth from a sample of CEOs representing 1,037 MNCs and found the following reasons: changes in trade policies, 53%; geopolitical instability, 46%; UK’s EU exit, 29%; changing levels of global trade, 23% and raising interest rates, 21%. Thus as we move ahead in our economic quest we must beware of the geo-political and monetary risks and perhaps ask ourselves … how much of this could be reduced by better collaborations?

Innovation and Europe

Every nation, every community and every organization strives to innovate. But it appears that innovation is not a one-time thing. It is an ongoing process. It was reported by Innosight (Summer, 2018) that about half of the current S&P 500 companies will likely be replaced within 10 years as a result of not developing and implementing an aggressive innovation program.

The ICT world has been and still is one of the fastest growing industries in the world and is connected to almost everything we do. It creates millions of jobs and is a key enabler of innovation and economic development. As a key enabler ICT is and will continue to be the dominant driver of growth in the global economy as it impacts every industry from agriculture to waste management.

In the world of ICT the newest generation (2018) of cellular network technology is what has been termed 5G. 5G was developed by Huawei (China) in 2013. It allows networks to operate at speeds 100 times faster that modern LTE networks. At this point in time Europe must be careful to adopt and manage 5G with its geo-political issues as typically the EU has had a reliance of foreign ICT development and has lagged behind in the development of this sector. An indiscriminate ban against Chinese 5G vendors would significantly delay the 5G rollout in Europe and give Chinese industries an even greater head start in developing services, applications, and new business models to fully utilize future 5G infrastructure. This could very well mean that in a few years, Europe’s industry will have to rely on those more innovative and efficient 5G applications and services to make the most use of its infrastructure making it even more dependent on foreign ICT and one more deterrent of economic recovery.

According to the EC’s Innovation Scoreboard Report (June, 2019) since 2011, the EU’s average innovation performance rate has increased by 8.8 percentage points. The EU’s performance rate has surpassed the United States for the first time but China is catching up at 3 times the EU’s innovation performance growth rate. The EU still trails Canada, Australia and Japan who maintain a better performance rate lead and are noted collaborators in commercialization.

The Global Innovation Index (GII) is calculated, by a group headed up by Cornell and INSEAD, using 8 major factors and gives each a score and then ranks them overall against 126 other countries. In ‘drilling down’ into Slovenia’s overall ranking was 30th with “creative output” ranked 16th but “market sophistication” ranked 78th. Why the huge differential between creative thinking and commercialization?

In now looking at the Global Competitive Index (2018) produced by the World Economic Forum it was noted that Slovenia ranked 35th overall out of 141 nations and had an “innovation factor” that ranked it 29th but a “markets factor” that only ranked it 55th. After looking at these two indexes one could conclude we have a major disconnect between academe (the thinkers of innovation and creativity) and industry (the doers of commercialization and bringing it to market). We must find the missing link in the innovation process between ideas and getting them to market.

The key to innovation is collaboration. Many of the world’s new technologies have emerged from high density business clusters such as California’s Silicon Valley, London’s Innovation Works; Singapore’s Innovation Hub and
Tel Aviv’s High Road Innovation Center. What is common to all these hotspots is that entrepreneurs, investors and talent come together and work together and where the communities provide an ecosystem to support this collaboration with a quality of life, reasonable cost of living, proximity to academic institutions and very little government ‘red tape’.

Collaboration and Europe

Collaboration, like innovation, is a process of people working together to achieve a common goal. In many ways it is teamwork or in its broadest sense simply the end result of knowledge management. A perceived problem in Europe is that there is a major disconnect between industry and academe especially when it comes to research. Academic research has tended to be curiosity driven rather than mission focused. It has favored insight rather than solutions to society’s needs. As a consequence it requires additional collaboration to become economically useful.

Further, the objectives of academe are to research, publish and teach. The objective of industry is to make a profit. Academe want basic research to publish, industry wants to delay publishing in order to beat the competition to market. Academe wants to share, industry want secrecy this results in the basic disconnect. Adding to these basic differences are the following - academe wants: funding; reputation enhancement; access to empirical data; and enhancement of research, publication and teaching. On the other side industry wants: access to complementary technology, testing equipment, patents, and skilled workers; influence on research agendas and input into skills teaching.

As we move into the Fourth Industrial Revolution a major opportunity for better collaboration could be ‘data share’. McKinsey & Company in their 2019 report on ‘Data Share’ suggest that from 2017 to 2019 the percentage of companies forming data partnerships rose from 21% to 40%. Further they estimate that connecting data across institutional and geographic boundaries could create $3 trillion annually in economic value by 2020 and truly create a new connected economy.

The concept of a connected economy is essential for a new future as it demands an effective partnership contract between all of society’s actors – governments, universities, companies, civil society. With a focus on innovation and knowledge as the drivers of creating added value this may be a unique challenge that may be the answer to a new way of interaction between those who have the responsibility of thinking and those that have the responsibility of producing goods and services. The connected economy must be an idea of change where there is a strategic challenge focused on the capacity of attracting new investments, new talents and a new ambition.

In summary, if the European markets want to recapture a portion of their former global dominance and break-out of their less than stellar economic growth then they may consider re-reading the books of Jules Verne and just not be inspired by his stories of innovation application but by his lessons learned in the acumen of communication and collaboration.
ENTREPRENEURIAL MINDESET
Prerequisite to Industry 4.0

ABSTRACT

Interdisciplinary skills development leads so to the development of Entrepreneurial Mindset. The Entrepreneurial Mindset in the 21st Century is a critically valuable skill, without it, ones will be left behind in the dust. The Autor presents the critical cornerstones of the Entrepreneurial Mindset by Darran Hughes. The mindset remained, for the most part, unchanged but it is being challenged by societal and environmental policies, activist groups and legislation, the need for sustainability, the emergence of Corporate Social Responsibility in addition to digitized manufacturing processes.

In the second part of the paper the Autor focuses on Management skills, which are as much art as science. Balancing enterprise activities with the external environment is vital. The conceptual skills such as creativity, vision and judgments will largely be controlling variables. The executive role is one of dealing with abstractness, change and unknowns. The role of higher education is presented. The ideal managers must have a truly renaissance view of their role if they expect to succeed.

Keywords: entrepreneurial mindset, fourth industrial revolution, Internet of Things, role of higher education, portrait of ideal manager.

JEL Classification: M13, L26

Preface

Industry 4.0 is the subset of the fourth industrial revolution[1] that concerns industry. Although the terms "industry 4.0" and "fourth industrial revolution" are often used interchangeably, "industry 4.0" refers to the concept of factories in which machines are augmented with wireless connectivity and sensors, connected to a system that can visualise the entire production line and make decisions on its own. The fourth industrial revolution encompasses areas which are not normally classified as industry, such as smart cities for instance. (See at https://en.wikipedia.org/wiki/Industry_4.0)

ENTREPRENEURIAL MINDSET

Entrepreneurs dispos of different personality characteristics than non-entrepreneurs? Davis, Hall & Mayer (2015) proposed that entrepreneurs likely do possess certain personality characteristics that differentiate them from non-entrepreneurs and that these characteristics are not likely amenable to change. As well, they posited that entrepreneurs possess cognitive and problem solving traits that might be more malleable and thus able to be developed. Using prior research results and an initial framework, they developed an instrument that measures EM by assessing 14 different dimensions. Seven dimensions are Traits, which are generally thought to be less susceptible to intervention. The other seven are Skills, meaning they can be learned and hopefully improved with intervention.

Interdisciplinary skills development leads so to the development of Entrepreneurial Mindset. It is the development of the good old Renaissance Person

These are cross functional life and professional skills for start-ups, SMEs, giant multinationals, conglomerates (a dying breed?), even not-for-profits, governments/public servants - a must for their survival not alone prosperity. The Entrepreneurial Mindset in the 21st Century is critically valuable skill, without it, ones will be left behind in the dust...

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Business will have to play an important and increasing that process, both “in-house” initiative and activities and in the educational system. Changes must be affected even on the subconscious level.

Darran Hughes, a consultant, mentor, author and speaker dedicated to the development of business from Cardidd (Wales, UK), identified four key Cornerstones of the Entrepreneurial Mindset. The four “C”s are:

1. Curiosity
2. Creativity
3. Conviction
4. Courage

AI is the cutting edge of technology today. The entrepreneur must embrace and exploit it as the way which all things will be created, manufactured, distributed and serviced. They will be done in a way that is both untraditional and unknown. It is a new frontier!

It is vital that the entrepreneurs create “mind-circles” and work collaboratively.

The mindset remained, for the most part, unchanged but it is being challenged by societal and environmental policies, activist groups and legislation, the need for sustainability, the emergence of Corporate Social Responsibility in addition to digitized manufacturing processes, - smart factories-smart warehouses-smart logistics-smart offices - the “Internet of Things”.

According to Siemens, the vision of the Internet of Things (IoT) is to create machines that cooperate independently, to evaluate sensor data in order to control systems more efficiently or to reduce energy consumption. Implementation is practically made more difficult by the fact that all these machines and control elements do not speak the same language. The data structures of objects such as sensors and motors vary from manufacturer to manufacturer. Markus Reigl, Head of the Siemens Standardization Department explains, that "so far, the data models of the various networks, machines and sensors have had to be laboriously converted in order to realize integrated solutions for digital transformation," This is why the Babylonian confusion of languages is one of the most important reasons why the Internet of Things is still in its infancy.

Of course, the digitalization is now affected by the need for heightened cyber security and cyber-physical systems.

In the Chinese language the word for “Crisis” is composed of two characters: one representing “Danger” and the other “Opportunity”. The entrepreneurial opportunity rests in in those that can simplify both the concepts and integration of the new processes for existing and new businesses.

Yet, another challenge is making business clearly understood. The new benchmark is understanding how Amazon, FedEx and Uber do business and how they are evolving their businesses to meet consumer demands and identifying new opportunities, Customers today are different from a generation or two ago;-- they are impatient, fickle and no longer brand-loyal. Even cost conscientiousness has heightened.

DIGITAL(?) TRANSFORMATION OF HIGHER EDUCATION IN MANAGEMENT/ENTREPRENEURSHIP AND INNOVATION

Key question: Education or Training?

Management skills are as much art as science. Little concern is directed to the development of a management perspective

Instead, focus is on the “how to do it?” aspects of management. Management/Innovation/Entrepreneurship cannot be learned as a series of procedures or as a body of principles. There is no “play-book”! In addition to the knowledge of techniques, it requires a conceptual understanding.

Balancing enterprise activities with the external environment is vital. The conceptual skills such as creativity, vision and judgments will largely be controlling variables. The executive role is one of dealing with abstractness, change and unknowns.

Higher education’s role

- Education must provide resources for the future, which we don’t know

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University needs some room – some breathing space so that it can respond to needs. We cannot always justify our existence with immediate/instant applicability. In times of uncertainty, which is what the next years hold, that is when you need generalists.

Train if you must, but train for uncertainty. This requires a degree of trust. Unfortunately we don’t have the trust from the environment, from the business, from the government and very seldom from the students.

Another way of looking at the university-business interface is that business should not only be a purchaser, but a long term partner, even a supplier.

In the information society, knowledge not capital is the key asset.

The ideal managers must have a truly renaissance view of their role if they expect to succeed.

The term “Renaissance Man/Person” was coined in the late Middle Ages to describe the person who is skilled and well versed in all of the arts and sciences.

It assumes an open-mind, a willingness to learn constantly and an attitude of constant self-renewal, an awareness of other values and cultures and a keen political awareness.

The educational strategies for the coming years can be summed up in that one word, we have to educate the “Renaissance Person”!

We are in the digital age: the changes affect every sector. Higher education is no different!

The traditional lecture format is history. Machine learning courses, distant education, (taped lectures) are the base’ we need to use class time for discussion, dialogue and interaction.

Massive disruptions in the labour force, whatever colour their shirt-collar is, forces workers to constantly retool their skill-sets to stay employed.

The current educational system remains focused on people between the ages of 17 and 30. Continuing education will become front row center and we have to reconsider/disrupt (the buzzword for the 2020s) the traditional three-hours lectures and 13 weeks semesters and even focus on nine-to-five workers. The old model is unsustainable.

Partnerships with business to enhance experiential learning are the keys. The future is in cooperative learning. This must embrace not only manufacturing, arts and related disciplines but also embrace it without compromising true and pure scholastic research and activities.

Higher education must reinvent itself or risk becoming obsolete.

Disrupt or be disrupted!

Don’t be daunted by digital disruption — be part of it!

“Culture Eats Strategy for Breakfast”- often credited to but not really Peter Drucker’s quote

Inspired by Steven Murphy, President and Vice-Chancellor of the University of Ontario Institute of Technology.

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Prof. Andrew Szőnyi and Dr. Antal Szabó in the Art Gallery of Ontario
Photo © by Mária Visy
Dr. Jeff Cornwall
Co-founder of The Entrepreneurial Mind,
Massey Chair and Professor of Entrepreneurship
The Jack C. Massey Chair of Entrepreneurship at Belmont University
E-mail: jeff.cornwall@belmont.edu

WELCOME TO THE ENTREPRENEURIAL MIND 4.0

Dr. Jeff Cornwall is the inaugural recipient of the Jack C. Massey Chair in Entrepreneurship and Professor of Entrepreneurship at Belmont University in Nashville, Tennessee. He also was founding director of the Center for Entrepreneurship at Belmont, and led the Center for the first ten years of its operation. He has a Doctorate in Business Administration and an MBA from the University of Kentucky.

In the late 1980’s, Dr. Cornwall left academics for a nine year “sabbatical” to become the co-founder and President/CEO of Atlantic Behavioral Health Systems, headquartered in Raleigh, NC.

Dr. Cornwall has received national awards for his work in curriculum development and teaching, and in 2013 he was named the National Entrepreneurship Educator of the Year by the United States Association of Small Business and Entrepreneurship.

He has published nine books and numerous articles on entrepreneurship. His blog, The Entrepreneurial Mind, is among the most popular with a focus on small business and entrepreneurship. The Entrepreneurial Mind is part of the Forbes blog network and was named by that magazine as a “Best of the Web.”

Source: https://www.udemy.com/user/jeffcornwall/

ABSTRACT

The Entrepreneurial Mind is a popular book of the Author with focus on small enterprises and entrepreneurship. This paper presents the development of the entrepreneurial thinking starting from finding and assessing opportunities, business planning, financing business start-ups up to the forth development phase with summarizing the achievement so far.

Technology, culture and society, the economy, and even the political milieu are all radically changing, which challenges those of us who work in this industry to think like entrepreneurs. This is why the Author is looking at higher education through the eyes of an entrepreneur.

Keywords: entrepreneur, entrepreneurial mind, entrepreneurship, entrepreneurial education

JEL Classification: M13, L26, L29

First launched this blog fifteen years ago. Jeff started quite simply as an experiment with a new medium that I knew very little about. In 2003, you could probably fit all the bloggers in the entire state of Tennessee into one of my classrooms and still have room for a few more.

Over time, the number of people following The Entrepreneurial Mind grew. And so, too, did the number of people blogging. Today there are tens of millions of blogs published in the US and hundreds of millions of active blogs worldwide. Up to this point, my blog has gone through three rather distinct incarnations.

The Entrepreneurial Mind 1.0

The first activities of blogging mirrored what Jeff taught – the academic discipline of Entrepreneurship. During the first few years of his blogging, he wrote about finding and assessing opportunities, bootstrapping startups, business planning, finding funding, and so forth. It was fun to write about all of this for a while, but eventually it started to feel rather stale and I felt like I was getting a bit redundant in my subject matter.
The Entrepreneurial Mind 2.0

The second incarnation of the blog evolved slowly, as Jeff began to move away from its original focus on the nuts and bolts of entrepreneurship. He started to find himself becoming more and more passionate about how public policy impacts entrepreneurs. Starting a business is hard enough without government policies putting speed bumps, obstacles, and road blocks in our path. His subject matter evolved from planning, starting, and growing a business, to the impact of tax policy, regulation, and property rights on entrepreneurs and small business owners. He tried to keep it out of politics and focus on the policies that have proven to help entrepreneurs.

He started to lose his inspiration for version 2.0 of the blog, just as he had with version 1.0. He just began to feel like he had said all I needed to say. The message is pretty simple. How do we foster entrepreneurship in an economy through sound public policy? Research from around the globe shows us that we need to lower and simplify taxation, reduce regulation on small business, and strengthen individual property rights.

The Entrepreneurial Mind 3.0

It was about this time that Jeff began to experiment with video content. He had started to do an online interview show in which he had conversations with interesting entrepreneurs. Videos seemed to be just the ticket to perk up his blog and re-engage my followers.

He taped well over 200 interviews he conducted with entrepreneurs and short video segments in which his friend Kane Harrison would interview me about various topics related to running a small business.

This phase of his blogging led to some fascinating side projects. For example, Kane Harrison and Jeff co-hosted a weekly online radio show about entrepreneurship based on our video work together. Also, his family and Jeff started a small business focusing on developing video educational content about entrepreneurship. Their business has found some interesting niche markets, far outside of the kind of teaching he do at the university. Their content is being used by companies providing online continuing education for professionals (accountants, health care professional, and so forth), prison education, homeschooling, and so forth. Currently they are working with an agency to use our content to help certify people to teach entrepreneurship in developing economies.

As he got more and more involved in these extensions from his video blogging, he found he had less and less energy for the process of blogging itself. Maybe his blogging career was over.

The Entrepreneurial Mind 4.0

Over the past year, Jeff have tried to decide what to do, if anything, with his blog. He had actually thought seriously about just shutting it down. Maybe he had said all I needed to say. Then two events changed his thinking:

First, his blog got hacked – and he mean severely hacked! It was devastating. He seriously considered just walking away from it all. But then he thought about the more than 2,900 posts he had made on the blog over the past fifteen years. So much of him has been captured in his work on the blog. He realized that his blog still mattered too much to shut it down. So, they put in the time and money necessary to get it cleaned up and secured. But, I still did not know what I wanted to do with it.

The second event that changed his thinking about this old blog actually happened just one morning. (I love the real-time nature of blogging!)

He was sitting on our back porch sipping his first cup of coffee. He came upon an article in my Flipboard feed written by John C. Cavanagh titled, “Higher Education in the Postdegree Era.” He have been thinking long and hard about the state of higher education. He love being a professor and am grateful to have such a wonderful place to practice his craft as he have with Belmont University. As an entrepreneur, he see that the macro environment in which higher education operates is undergoing fundamental transformations. Technology, culture and society, the economy, and even the political milieu are all radically changing, which challenges those of us who work in this industry to think like entrepreneurs. Cavanagh captured so much of what has been rattling around in my brain. His article gave the nudge he needed to get back to blogging in an area of focus that he care enough about to write about on a regular basis.

So that is just what Jeff is going to do in The Entrepreneurial Mind in this next incarnation. He will be looking at higher education through the lens of an entrepreneur.

He is, once again, excited to be a blogger.

Source: http://www.drjeffcornwall.com/2018/06/07/welcome-entrepreneurial-mind-4-0/#more-3970
ECONOMIC AND SOCIAL INTEGRATION OF MIGRANTS AND REFUGEES IN AUSTRIA

ABSTRACT

Migrants and Refugees has a long history in Austria, dating back to 1950s. Immigration has constituted a major component of Austria’s population growth in the last decades. Three major events in the modern Austrian migration history were the influx of Hungarians after the uprising in 1956, the influx of Czechoslovaks in 1968 and the war in former Yugoslavia in the 1990s. Austria has also been influenced by the immigration of so-called “guest workers” since the 1960s, which are made up of Turkish and Yugoslavian. The Austrian migration and Refugees policy are mainly the responsibility of the Federal State as compared to the provinces, the Federal Ministry of the Interior, the Federal Ministry for Europe, Integration and Foreign Affairs and the Federal Ministry of Labour, Social Affairs and Consumer Protection. However, the provinces are mainly responsible for social aid with respect to migrants and refugees. Accordingly, the legal situation with respect to public aid varies among the Bundesländer and is rather complex. Nonetheless, discrepancies in the field of social aid have been reduced to some extent by agreements between the provinces and the Federal State. In any case, the Austrian migration system involves a large variety of actors, including ministries, other authorities, legislators, courts, NGOs, intergovernmental organizations and migrants themselves. International organisation for migrants (IOM) Austria Chapter comply this two-way integration process by providing trainings directly to refugees in order to ease their integration process and through capacity building on the “receiving side” to facilitate the interaction with newly arrive persons. Austrian Migrants and Refugees integration policy framework takes into consideration the rights and obligations of migrants and host societies, including access to the labour market, health and social services, and education for children and adults. Integration implies a sense of obligation and respect for a core set of values that bind migrants and their host communities in a common purpose. In this regard, Austrian integration policies and supports are not limited to long term migrants, but also addresses the needs and challenges pertaining to shorter term migrants and Refugees.

Keyword: Migration, Refugees, Migrant, Emigration, Immigration

JEL Classification: F15, F22

THEME: Economic and Social Integration of Migrants and Refugees in Austria

INTRODUCTION
The development of migrants and refugees’ policies towards economic and social integration in Austria has a long history dating back to 1950s, since that time the Austrian government has been focusing on policies of multiculturalism, which has helped migrants and refugees integrate easily into the society to learn and adapt to the Austrian way of life and culture. Migration is the movement of people from one place to another. The reasons for migration can be economic, social, political or environmental. There are usually push factors and pull factors at work.

**Types of migration:**

* Internal migration is when people migrate within the same country or region - for example, moving from Salzburg to Linz or moving from Graz to Vienna etc.

* International migration is when people migrate from one country to another - for example, moving from Mexico to Nigeria or Moving from Germany to Ghana etc.

Key word associated with migration and refugees: Migrant, Emigration, Immigration,

* Emigration - when someone leaves a country. During the 1960s Austria was confronted with significant emigration. Many Austrian workers emigrated to Germany, Switzerland, Liechtenstein and Sweden where they found better working conditions and higher wages. At the same time the proportion of women workers decreased as they returned to taking care of children and of the household (Pöschl, 2015: 32).

* Immigration - when someone enters a country. Austria’s post-World War II economic boom caused a significant increase in labour demand. The Austrian government intended to fill the existing labour shortage with so-called “guest worker” immigration (cf. Gächter/ Manahl/ Koppenberg, 2015: 16, 19; Gächter, 2008: 3–4). The “Raab-Olah Agreement”31 of 1961 between entrepreneurs and trade unions fixed annual contingents of temporary workers mainly coming from Turkey and former Yugoslavia. The 1961 Raab-Olah Agreement between the social partners (ÖGB trade union and business association and the economic chamber) contains a provision on the employment of foreign workforce, which is the result of a compromise between the economy’s desire for liberalization and the objections of the trade unions. The provision is moulded on the Swiss model and is linked with the goal of introducing foreigners only as transitional supporting force in specific sectors of the market. In case of negative structural developments, the Gastarbeiter may be sent back to their land(country) of origin.

The quota agreement based on the Raab-Olah pact is set by the Social partners in 1962 to a maximum of 47,000 Foreigners. In order to hire one worker out of this quota, the employer must prove that no local worker could be available to fill the vacancy. The numbers grew the following year, and so did the employment rate. The Federal Economic Chamber set up hiring locations in foreign countries for the employment of foreign workforce: the most important “Anwerbestelle” (Hiring office) was in Istanbul. International agreements were sealed for the regulation of work migration from Spain. It is the first Employment Agreement that Austria sealed with another State. On a practical level, it did not produce a significant outcome.

1969 – 1973 Peak of entrances of foreign workforce; economic boom. The yearly average amounts to +23.498. The employment rate of Gastarbeiter reaches its peak in 1973 with the hiring of 230,000 workers, amounting to 8,7% of the total workforce. Right from the 1960s, majority of working migrants enters Austria as a tourist, “correcting” their status after the hiring. Despite the trade union’s rejection of such system of tourist employment, the economic chamber strongly supports it.

Migrant: The term migrant can be understood as "any person who lives temporarily or permanently in a country where he or she was not born and has acquired some significant social ties to this country." However, this may be a too narrow definition when considering that, according to some states' policies; a person can be considered as a migrant even when he/she is born in the country (UNESCO 2017)

Who is a Refugee? - A refugee is someone who has been forced to flee his or her country because of persecution, war, or violence. A refugee has a well-founded fear of persecution for reasons of race, religion, nationality, political opinion or membership in a particular social group. Most likely, they cannot return home or are afraid to do so (UNHCR). War and ethnic, tribal and religious violence are leading causes of refugees fleeing their countries. More than half of all refugees worldwide come from just three countries: Syria, Afghanistan and Iraq. In Austria, Syrians has the largest population of asylum seekers, accounting for 70% in 2015, and 39% in the second half of 2017, while Afghans accounted for 14% in 2017.
Number of asylum applications in Austria 1999-2003

The above Clustered column chart shows the number of asylum applications in Austria between 1999-2003. A clustered column chart is used to compare values across a few categories. A clustered column chart displays more than one data series in clustered vertical column. It allows the direct comparison of multiple series, but they become visually complex quickly. They work best in situations where data points are limited.

Number of asylum applications in Austria 2004-2008

Sources: Author’s own

The above scatter chart shows the number of asylum applications in Austria between 2004 to 2008. A Scatter chart is used to compare at least 2 sets of values or pairs of data. It is used to show relationships between sets of values.
Number of asylum applications in Austria 2009-2013

The above column chart shows the number of asylum applications in Austria between 2009-2013. A column chart is a graphic representation of data. Column charts display vertical bars going across the chart horizontally, with the values axis being displayed on the left side of the chart.

Sources: Author’s own source

Number of asylum applications in Austria 2014-2018

The above line chart showing the number of asylum applications in Austria between 2014 - 2018. A line chart or a line plot or line graph is a type of chart which display information as a series of data points called “markers” connected to straight line segments. It is a basic type of chart common in many fields. It is similar to a scatter plot except that the measurement points are ordered (typically by their x-axis value) and joined with straight line segments. A line chart is often used to visualize trend in data over intervals of time.

Who is an internally displaced person? People forced to flee their homes but never cross an international border. These individuals are known as Internally Displaced Persons, (IDPs). These individuals seek safety anywhere they can find it—in nearby towns, schools, settlements, internal camps, even forests and fields. IDPs, which include
people displaced by internal strife and natural disasters, are the largest group that UNHCR assists. Unlike refugees, IDPs are not protected by international law or eligible to receive many types of aid because they are legally under the protection of their own government. Countries with some of the largest internally displaced populations are Colombia, Iraq and South Sudan.

Who is an asylum seeker? When people flee their own country and seek sanctuary in another country, they apply for asylum – the right to be recognized as a refugee and receive legal protection and material assistance. An asylum seeker must demonstrate that his or her fear of persecution in his or her home country is well-founded.

Migrants and Refugees Policies in Austria

Integration can generally be defined as the process of mutual adaptation between the host society and the migrants themselves, both as individuals and as groups.

Integration in Austria- Integration is a comprehensive, long-term process that takes place in all areas of life. The goal is to provide framework conditions for “integration through achievement”, i.e a system where people are not judged on their origin, language, religion or culture, but solely by what they are willing to contribute to Austria. To achieve this, it is essential to promote, demand and acknowledge merits so that all citizens can participate fully in Austrian society.

Integration efforts have been stepped up and budgets have been increased considerably in Austria. To enforce the principle of a two-way process on integration, the participation in integration measures has been made mandatory. The Integration agreement may serve as an example to integrate third country nationals who are legally settled in Austria and aim at the acquisition of advanced German language skills and knowledge of the democratic system and the fundamental principles derivable from it. An applicant must have a basic knowledge of German before he may enter the country and be granted a residence permit. This serves as one of the fundamental basic way of integrating migrants and refugees, because learning the German language will enable them to communicate and work in the country legally. The integration agreement is comprised of two sequential modules. In order to be granted certain resident permits only the completion of Module 1 is mandatory. Module 2 does not have to be completed in order to be granted these resident permits. It is, however, a prerequisite in order to be granted a long-term residence permit (“long-term resident “Daueraufenthalts- EU”). Moreover, Module 2 is generally required in order to be granted citizenship. The Austrian government also has a similar program for European citizens who come to live and work in Austria to undergo such language courses to enable them to integrate and interact fluently, and to carry out their daily activities without hassles or friction.

A “rights and responsibility” approach is also guiding new legislation in Austria. In early 2017, the Austrian Government agreed on a new legislative proposal that foresees the introduction of an obligatory “Integration Year” for recognized refugees by September 2017. The Integration Year bundles existing labour market measures with a comprehensive package. Participation is obligatory for a minimum of 12 months or until participants gain employment. An “integration declaration” to be signed by the refugee to encourage the language training for migrants, who want to extend their temporary residence permit in Austria. The integration declaration requires consent to Austrian core values, the commitment to complete language training at A1 and A2 level and a value and orientation course of eight hours. Failure to fulfil the integration agreement can lead to a reduction of social benefits but will not revoke an international protection status of asylum or subsidiary protection.

Integration support provided at an early stage

Integration services are usually provided only after being granted a residence permit. The processing time of asylum claims are often very lengthy and inactivity during this period has a clear de-motivating effect for asylum seekers keen to start learning and working. Offering integration services such as language training, skills assessment and labour market preparation before a decision on an asylum application is taken is therefore not only a useful but also an effective policy measure. Literature points out that an early start of integration measures has a positive impact on labour market integration in the long run (OECD, 2016a; Hainmüller et al., 2016; Andersson Joona et. al., 2016).

In Austria, participation in the Integration year and in language courses is only possible after being recognized as refugee. The situation changed in January 1st, 2018 when the Austrian laws on the “Integration Year” started granting asylum seekers with good prospect for recognition access to integration measures provided and financed jointly by PES (AMS) and the Austrian Integration Fund (OIF). However, the change will probably affect a small group as only those who applied for international protection since April 1st, 2017 will be considered. Austrian government has provided more funds for reception and integration measures.
By making more funds available for integration, the Austrian government has stepped up its efforts to improve programmes for labour market integration. Integration funds have significantly increased, with the bulk going to language courses and targeted as well as general Active Labour Market Policy (ALMP) measures. In 2015, Austria spent 0.37% of GDP on reception and integration. Spending has further increased in 2016 and 2017 (OECD 2017a).

Austria has allocated a special budget of € 250 million annually for the integration of refugees, mostly to finance German language training and to support the education and training of refugee children. Until 2015, all PES supportive measures for the integration of refugees had been funded by the general AMS (Arbeitsmarktservice) budget. From 2016 onwards, a particular “integration fund” within the AMS (€ 10 million) has been created. From 2016 and 2017, the federal budget for the labour market integration of refugees has been increased to €105 million and €190.8 million, respectively. Federal funding for general language tuition and vocational language training almost tripled from 2015 to 2017.

Basic Welfare Support

The Federal Government of Austria has signed a Basic Welfare Support Agreement with the provinces which regulates the responsibilities and provisions of temporarily granted basic welfare support to third-country nationals in need of assistance and protection in Austria. The division of the costs is based on the Basic Welfare Support Agreement according to a cost allocation of 60/40 between the Federal State and the provinces.

Basic welfare support involves pursuant to Article. 6 para 1, includes the following benefits and services:

1. Accommodation and provision of food;
2. Monthly pocket money for applicants in organized reception facilities and for unaccompanied minors but not in cases of individual accommodation;
3. Medical examination and health care;
4. Measures for persons in need of nursing care;
5. Information, counselling and social support concerning their stay in Austria and voluntary return;
6. Costs of transport in the case of transfers and official summonses;
7. Travel expenses for school attendance and supply of school requisites for pupils;
8. Measures for structuring the daily routine if necessary;
9. Clothing in cash or in kind;
10. Costs of burial;
11. Return travel costs and a single payment by way of interim financial assistance in the event of voluntary return to the country of origin in special cases.

NEW INITIATIVES FOR BETTER LABOUR MARKET INTEGRATION

There is a widely shared consensus on key elements of an effective integration strategy such as targeted procedures for skills assessment and qualification recognition, for combining language courses with work experience or bridging courses to develop country specific skills. Knowledge of host country’s language (German language) is a key determinant of labour market success of immigrants and this is even more the case for refugees (see Konle-Seidl/Boltis, 2016 for an overview in a study for the European Parliament).

The available evidence suggests that an early investment into the language skills of refugees may actually be one of the most cost-effective measures to integrate them and enable them to fully capitalize on their formal qualification and thus contribute to society. This holds true for an early assessment of informal and non-formal skills and the recognition of foreign qualifications as well. Such measures seem highly effective, especially when being linked with bridging programs to get an Austrian qualification.

But many challenges for better labour market integration remain. The 2014 EU-LFS survey has shown that in Austria, there are particularly large differences in over qualification compared with the native-born. The reasons for the observed large discount of refugees’ formal qualifications are numerous and relate to the fact that most of them have obtained their degrees in education systems that are very different from those in Austria and which employers may have difficulties in evaluating. Hence, even better educated young refugees need more education and training as part of the discount of migrants’ qualifications is due to lower skills at the same qualification level (Bratsberg et al. 2016).

Empirical evidence from Germany shows that there are high gains from recognition of foreign credentials in terms of employment and wages. Results based on the IAB-SOEP Migration Panel show that immigrants (including refugees) with foreign degrees being recognised as equivalent to home country degrees improve their employment rate by 23 percentage points, reduce job-skills mismatch by 32 percentage points and increase their wages by 28 % compared to those immigrants who did not ask for recognition (Brücker et al., 2014). The positive effects on employment and wages have been confirmed by a recent evaluation of the “Recognition Act” implemented in 2012. The Recognition Act gives migrants and third country nationals the right to get foreign qualifications recognised in regulated as well as in non-regulated professions. After a successful recognition, migrants have better (full-time) jobs fitting more adequately their qualifications. Nine out of ten migrants with a foreign professional qualification
are employed after the successful recognition of their qualifications, which means that the employment rate rises sharply by over 50% and the gross income increases by an average of €1,000 a month, which corresponds to an increase of 40% (BMEIA, 2017).

Mobility of EU citizens and their family members within the EU “Right of Residence” This section focuses on the right of residence of EEA citizens, Swiss citizens, as well as their family members, in the EU. The right of residence under EU law is subject to uniform requirements. Compared to third-country nationals, it is easier for EEA citizens and Swiss citizens to enter and to reside in Austria. This means that you can enter Austria under a visa-free regime and can reside in Austria for a period of three months.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Immigration policy in Austria has a long history spanning over 9 decades ago, precisely in 1925 when the Christian-social government releases the “Inlanderarbeitschutzgesetz” (Local Workers Protection Laws), originally intended to be a transitory measure. As from the provision, Austrians should benefit from the facilitated entrance on the work market.

The economic and social integration of Migrants and Refugees in Austria has been well structured and successfully implemented considering the fact that every refugees living in Austria has a comfortable accommodation and accessibilities to free medical health, monthly allowance, free German language courses and pay mini amount on transportation within the host city.

The adoption of the Austrian Integration Act, the implementation of Values and Orientation Courses, simplified recognition procedures for qualifications acquired abroad through the Recognition and Assessment Act, the promotion of German language-learning in early childhood, the adoption of the Austrian Islam Law, the amendment of the Citizenship Act, to mention just a few.

The Austrian government has initiated a policy for a better market integration by recognising foreign certificates of migrants and refugees, which gave them an ample opportunity to be gainfully employed base on their qualifications. This is regarded as one of the greatest positive moves in the right directions towards the migrants, because they have equal opportunities to work and earn salaries base on their qualifications.

On the whole, the migrants policy in Austria should be use as a role model by the European union to encourage other countries to emulate them, for instance refugees in Austria are free to travel from one State (Bundesland) to another without harassment, which is not the same in some European countries.

The economic and social integration of migrants and refugees in Austria can generally be classified as successful and worthy of emulation by other countries in World.

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* USA for UNHCR. The UN Refugee Agency. www.unrefugees.org
INSTITUTIONAL PROFILE

U.S. Small Business Administration
https://www.sba.gov/

Created in 1953 as an independent agency, the U.S. Small Business Administration (SBA) continues to help small business owners and entrepreneurs pursue the American dream. The SBA is the only cabinet-level federal agency fully dedicated to small business and provides counseling, capital, and contracting expertise as the nation’s only go-to resource and voice for small businesses.

Mission The U.S. Small Business Administration helps Americans start, build, and grow businesses.

Our headquarters are located at:

US Small Business Administration
409 3rd St, SW
Washington DC 20416

You can also contact individual SBA headquarters offices at https://www.sba.gov/about-sba/sba-locations/headquarters-offices

SME initiatives are the following:

- SBA Rural Lending Initiative
- National Veterans Small Business Week
- Reducing unnecessary regulatory burden
- Small Business Saturday
- Ignite Tour
- National Small Business Week
- White House HBCU Initiative
- SBA Emerging Leaders Initiative
THE BUSINESS FAMILY INITIATIVE

WHY THIS INITIATIVE

The Business Family Initiative has been created within the Telfer School of Management. The dynamics of family businesses cause their strategies to differ from that of other businesses. For example, timelines are often measured in generations rather than quarters; decisions may be made at the dinner table and the boardroom table; and a focus on talent development may begin long before a family member joins the workforce, let alone the payroll.

Business families in Western countries own and manage around 75% of all private firms and thereby contribute more than 60% to GDP and 50% to employment. Yet, research that aims to develop best practices for business families, associated professionals, and policy-makers is still in its infancy. Most research focuses on the needs of anonymous corporations rather than family businesses. The former have dispersed and passive shareholders while family businesses have well-known family owners leading their businesses in their communities.

While iconic business families such as Rothschild, Rockefeller or Bombardier have successfully built legacies over multiple generations, most actually fail to follow into these footsteps. The unique challenges that most business families – e.g., family succession, professionalization of the next generation – help explain their higher failure rate. They also fuel our motivation to conduct cutting-edge research and transfer evidence-based insights from the world of academia to the community of business families, associated practitioners, and policymakers.

WHO WE ARE

The Business Family Initiative (BFI) is a unique venture within the Telfer School of Management at the University of Ottawa that seeks to become the forum for collaboration amongst business families, their trusted advisors, and world-class researchers that dedicate their careers to supporting the long-term success and sustainability of family businesses and business families.

We are a multidisciplinary initiative nested within the Telfer School of Management and conceived from the collaborative efforts and intentions of visionary family business leaders and academics in Canada. We address the topic of family business from within our varied backgrounds and look at it from a number of different perspectives based on the expertise of our professors and practitioners, i.e. management, entrepreneurship, accounting and finance, to name a few.

Moreover, we share strong ties with educators, practitioners, and business family networks, including:

- **Business Families Foundation (BFF)**;
- **Family Enterprise Xchange (FEX)**;
- **Family Firm Institute (FFI)**; and
- **The Family Business Network (FBN)**.

The academic leadership of the BFI is assumed by Dr. Peter Jaskiewicz. The University Research Chair in Enduring Entrepreneurship Dr. Peter Jaskiewicz is recognized as a leading global scholar in family business with a strong network of active research collaborators across five continents. Dr. Jaskiewicz is a prominent family business researcher, speaks at family business events, and advises business families in North America and Europe. He is also an editor of the leading academic journal on family business in the world, the Family Business Review, and the only editor of the journal located in Canada.
WHAT WE FOCUS ON

Building upon the global leadership position of Prof. Peter Jaskiewicz in family business research and education, and Telfer’s strategic commitment to invest in this critical yet often overlooked field, we are positioned to engage in the full spectrum of activities from knowledge creation to knowledge dissemination to knowledge impact.

Specifically, the BFI aims to assume thought leadership and generate impact to support the sustainability and legacy of family businesses and their wealth by:

- **Cutting the failure rate of Canadian family firms in succession from about 25% to 22%**. Such a reduction would contribute about $1 billion to Canadian GDP per year. To reach this goal, we are developing online and in-person executive education modules that will be shared with our students and the leading Canadian family business associations and networks to effect change and reach family businesses across the country.

- **Developing a code of best practices for sustainable family businesses in Canada**. While many family business leaders instinctively find the right answers when faced with family issues in the business, others do not. Exemplary questions are: how can the preferential treatment of family talent in the firm be managed so that it is accepted by non-family employees? How should families prepare the next generation for assuming vast responsibilities regarding firm ownership and family wealth? To answer these and related questions, a code of best practices will be developed and integrated into our programming initiatives on and off campus.

- **Discovering the factors that enable family business legacies**. The saying ‘from shirtsleeves to shirtsleeves in three generations’ exists in most cultures. However, only a few family businesses manage to build legacies for 5, 15, 25 or even more generations. The success of these families remains poorly understood but is not a coincidence. We aim study long-lived family businesses to identify the factors that help and hinder the creation of sustainable legacies across generations. Based on these insights, we will develop the educational programs to help business families build and sustain their legacies.

NEWS & PUBLICATIONS

Family businesses are the backbone of all economies – including Canada’s, but are they all the same? How families are organized, what they care about, and how they pursue their unique goals is changing rapidly. Contemporary families are more diverse than ever before. Practitioners and scholars have recognized that differences among family firms are driven by the families behind the firms, but do all these families experience their business in the same way?

Professors Peter Jaskiewicz (Telfer School of Management), James Combs (University of Central Florida) and Sandra Schillo (Telfer School of Management) will examine how these differences impact family firm growth, performance, and survival in a new research project. The team has been awarded an Insight Grant by the Social Sciences and Humanities Research Council.

Contact:
99 Bank Street, Suite 200
Ottawa, ON K1P 6B9, Canada

Source: https://telfer.uottawa.ca/en/executiveprograms/the-business-family-initiative
NEWS and NEW EVENTS

OHCHR SOCIAL FORUM
with PARTICIPATION OF THE CII @ ERENET

Centre International d'Investissement
associated with the UN Department of Global Communications (UN DGC)
oobserver status with WIPO (World Intellectual Property Organization)

www.cii-suisse.org  tel. + 41 22 757 66 86
ciisuisse@gmail.com  Canton Geneva Commercial Roster # CHE-205.626.490

On October 1-4, 2019 in Geneva, Switzerland will be held the X International Conference "International Cooperation: Innovation as a tool for social and economic changes."

The leading organizer of the conference is International Investment Center/Centre International d'Investissement, NGO associated with the United Nations, with the participation of Russian-Swiss Science Association, supported by Russian Ministry of Foreign Affairs and research center CERN.

Centre International d’Investissement cordially invites you to take part in the conference and make a presentation. The plenary session of the conference, co-organized with ERENET University Network, will be held in the conference hall of CERN. The conference will bring together representatives of universities, innovation and research centers, governments, financial institutions, industrial and promotional organizations and business associations.

Concept

The conference is devoted to 75th Anniversary of the United Nations Organisation and implementation of UN Sustainable Development Goals (SDGs).

At the United Nations Sustainable Development Summit on 25 September 2015, world leaders adopted the 2030 Agenda for Sustainable Development, which includes a set of 17 Sustainable Development Goals (SDGs) to end poverty, fight inequality and injustice, and tackle climate change by 2030.

The modernization of society demanded changes of the innovation system in all areas of life, from areas such as education and culture to the industrial and social infrastructure, investment policy, regulatory and legal framework, etc.

Innovative potential is a key condition for the development of the modern state. Social innovations, widespread today in the states of vanguard economy, not only form new type of people, but also define a new environment to live and work.

International cooperation is the basis of sustainable development and better future for all. The future belongs to young people, and they are consistently at the forefront of innovation.

The aim of the conference is to create a communication platform for:
- Sharing of best practices in social and economic spheres of human activity;
- Ensure the timely incorporation of innovation in the modern model of education, improving international mobility of universities;
- Identify favorable conditions for the realization of various forms of international cooperation.
Participants: Representatives of universities, innovation and research centers, governments, financial institutions, industrial and promotional organizations, chambers of commerce and business associations.

Preliminary Program

October 1, 2019 Tuesday, Palais des Nations
9.00-13.00 OHCHR SOCIAL FORUM
13.00-15.00 Round Table “International Cooperation: Joint Project Results and New Opportunities”
15.00-18.00 OHCHR SOCIAL FORUM

October 2, Wednesday, Palais des Nations
9.00-13.00 OHCHR Social Forum
13.00-15.00 Side event within the frames of the OHCHR Social Forum
“Innovation in Education: Gamification, Distance Learning and Lifelong Education.”
The event highlights
- Sustainable Development Goals # 4 (Quality Education),
- # 8 (Decent Work and Economic Growth),
- # 9 (Industry, Innovation and Infrastructure),
- #17 (Partnership for the Goals)

October 3, Thursday, CERN
9.00-14.00 PLENARY SESSION: UN SUSTAINABLE DEVELOPMENT GOALS, INTERNATIONAL COOPERATION AND INNOVATIONS
Moderator – Andrei Generalov, president, International Investment Center
Welcome Addresses:
Hon. Walter Gyger, former Ambassador of Switzerland to the Russian Federation
Permanent Mission of the RF to the UN and other International Organizations in Geneva
Speakers:
Dr. Antal Szabo, ERENET University Network, Hungary “Entrepreneurship in Industry 4.0”
Dr. Prof. Mirljub Hadzic, Sigismund University, Serbia “How to improve the Serbian country & #39;s position as a “moderate innovator”;
Mr. Peter Pavlovic, former Under Secretary of State for SMEs, “Serbia Strengthening Innovation as an important part of the Serbian Reindustrialization Strategy”
Dr. Yuri Ermoline, CERN “Russian-Swiss Scientific Association”
Andrei Generalov, IIC, “Innovations as a Tool for International Cooperation- case of Kyrgyz Republic”
13.00-14.00 Lunch
14.00-17.00 visit to CERN

October 4, Friday
Andrei Generalov
President, Centre International d’Investissement
Resolution adopted by the General Assembly on 6 April 2017

71/279. MICRO-, SMALL AND MEDIUM-SIZED ENTERPRISES DAY

The General Assembly,

Reaffirming its resolution 70/1 of 25 September 2015, entitled “Transforming our world: the 2030 Agenda for Sustainable Development”, in which it adopted a comprehensive, far-reaching and people-centred set of universal and transformative Sustainable Development Goals and targets,

Reaffirming also its resolution 69/313 of 27 July 2015 on the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, which is an integral part of the 2030 Agenda for Sustainable Development, supports and complements it, helps to contextualize its means of implementation targets with concrete policies and actions, and reaffirms the strong political commitment to address the challenge of financing and creating an enabling environment at all levels for sustainable development in the spirit of global partnership and solidarity,

Recognizing the need to focus on the importance of micro-, small and medium-sized enterprises in achieving the Sustainable Development Goals, in particular in promoting innovation, creativity and decent work for all,

Recognizing also the importance of encouraging the formalization, participation and growth of micro-, small and medium-sized enterprises in international, regional and national markets, including through access for all to capacity-building and financial services, such as affordable microfinance and credit,

Recognizing further the need for sustainable business practices and the importance of principles for responsible business and investing,

Reaffirming its resolutions 53/199 of 15 December 1998 and 61/185 of 20 December 2006 on the proclamation of international years, and Economic and Social Council resolution 1980/67 of 25 July 1980 on international years and anniversaries, particularly paragraphs 1 to 10 of the annex thereto on the agreed criteria for the proclamation of international years, as well as paragraphs 13 and 14, in which it is stated that an international day or year should not be proclaimed before the basic arrangements for its organization and financing have been made,

1. Decides to designate 27 June as Micro-, Small and Medium-sized Enterprises Day;

2. Invites all Member States, organizations of the United Nations system and other international and regional organizations, as well as civil society, including non-governmental organizations, academia, individuals and other relevant stakeholders, to observe the Day in an appropriate manner and in accordance with national priorities, in order to raise public awareness of their contribution to sustainable development;

3. Invites Member States to facilitate the observance of the Day by fostering research presentations, policy discussions, practitioner workshops and business owner testimonials from around the world, to the extent possible, in collaboration with public, private and non-profit organizations, and stresses that the cost of all activities that may arise from the implementation of the present resolution should be met from voluntary contributions.

74th plenary meeting
6 April 20
DOING BUSINESS IN THE UNITED STATES BY THE WORLD BANK

Note: The Ease of Doing Business Score captures the gap of each economy from the Best regulatory performance observed on each of the indicators across all economies in the Doing Business sample since 2005. As economy's ease of doing business score is reflected on a scale from 0 to 100, where 0 represents the lowest and 100 represents the best performance.
Procedures to legally start and operate a company

- Preregistration
- Registration in the economy’s largest city
- Postregistration (for example, social security registration, company seal)
- Obtaining approval from spouse to start a business or to leave the home to register the company
- Obtaining any gender specific document for company registration and operation or national identification card

THE SOCIAL FORUM OF THE HUMAN RIGHTS COUNCIL

The Social Forum is an annual meeting convened by the Human Rights Council. It is defined as a unique space for open and interactive dialogue between civil society actors, representatives of Member States, and intergovernmental organizations, on a theme chosen by the Council each year.

In setting the theme and focus of discussion for each Forum, the Human Rights Council underlines the importance of coordinated efforts at national, regional and international levels for the promotion of social cohesion based on the principles of social justice, equity and solidarity as well as of addressing the social dimension and challenges of the ongoing globalization process. The debates are steered by a Chairperson-Rapporteur, appointed every year by the Human Rights Council from candidates nominated by regional groups, who is responsible for leading the discussions.

The Social Forum is open to the participation of representatives of United Nations Member States and all other interested stakeholders including intergovernmental organizations, different components of the United Nations system, representatives of the private sector, non-governmental organizations (NGOs) in consultative status with the Economic and Social Council, and representatives of other non-governmental organizations, whose aims and purposes are in conformity with the spirit, purposes and principles of the Charter of the United Nations.

The Forum is also open to the participation of emerging actors, such as: small groups and rural and urban associations from the North and the South; anti-poverty groups; peasants’ and farmers’ organizations and their national and international associations; voluntary service organizations; youth associations; grassroots organizations, trade unions and associations of workers, among others.

History of the Social Forum

The idea of a Social Forum had been discussed since 1997 in response to concerns about the impact of globalization on the enjoyment of economic, social and cultural rights. The forum was meant to serve as a new space in the United Nations system for the exchange of diverse views and concerns across regions, professions and cultural backgrounds with a view to formulate new ideas and proposals for action to address global human rights challenges.

The Social Forum was originally an initiative of the former Sub-Commission on the Promotion and Protection of Human Rights (the Sub-Commission) which was the main subsidiary body of the former Commission on Human Rights (resolution 2001/24). As a forum on economic, social and cultural rights, the initial meeting of the Social Forum was held in 2002 prior to the annual session of the Sub-
Commission, and two-day meetings were held annually between 2004 and 2006 with the participation of ten members of the Sub-Commission taking into account regional representation.

After the Commission on Human Rights was replaced by the Human Rights Council in 2006, the latter decided to preserve the Social Forum (resolution A/HRC/6/13).

Since 2008, the Social Forum has focused on the following themes:

- Eradication of poverty and social dimension of the globalization process (2008)
- Impacts of economic and financial crises on efforts to combat poverty (2009)
- Adverse effects of climate change on human rights (2010)
- Promotion of the right to development (2011)
- People-centered development and globalization (2012)
- The rights of older persons (2014)
- Access to medicines in the context of the right to health (2015)
- Human rights and fundamental freedoms of persons with disabilities (2016)
- The promotion and protection of human rights in the context of the human immunodeficiency virus (HIV) epidemic and other communicable diseases and epidemics (2017).
- The possibilities of using sport and the Olympic ideal to promote human rights for all and to strengthen universal respect for them (2018).


The Human Rights Council, in its resolution 38/17 entitled “The Social Forum”, decided that the 2019 meeting of the Social Forum should focus on the promotion and protection of the rights of children and youth through education.

In accordance with resolution 38/17 of the Human Rights Council it will focus on “the promotion and protection of the rights of children and youth through education”.

Education is both a fundamental human right in itself, and an essential means by which children and youth are empowered to claim their rights and become agents of change for sustainable development. It serves as a powerful tool to break down cycles of exclusion, and will be central to the overall achievement of the 2030 Agenda for Sustainable Development. The 2030 Agenda defines a holistic vision for education under SDG 4, emphasizing the need to ensure lifelong learning, to reach those left behind, and to activate the key role of education in realizing sustainability and human rights. All children and youth have an equal right to a quality education regardless of their gender, family income level, migration, disability or other status.

The 2019 Social Forum takes place on the 30th Anniversary year of the Convention on the Rights of the Child, and at a time that youth has become a priority for the United Nations. It is also aligned with International Youth Day 2019, which will focus on “transforming education” to make it more inclusive and accessible for all youth.


7 The Social Forum was not held in 2013.
GW Entrepreneurship Week is the “destination event” for established entrepreneurs and those interested in entrepreneurship for the region. GW’s has established itself as a leader in this regard, and we want to build upon this reputation. This week will increase awareness, opportunities, education, and funding for members of the GW community while driving entrepreneurial behaviors and creating measurable results. We intend to stimulate engagement and collaboration during this week in an environment that promotes a diversity of thought and perspective and provides networking opportunities as well as idea generation for interested participants. This week will also stimulate excitement about the Global Entrepreneurship Week that occurs annually in November. By building upon the popularity of existing programs and events, and potentially working with the Center for Entrepreneurial Excellence, ICSB, GW Global Entrepreneurship & Research Conference, GWU Entrepreneurship Week would provide an opportunity for those interested parties from many disciplines, both throughout GWU and within the local and regional community, to come together in time and space; for a much anticipated and comprehensive experience which does not yet exist. As participants gather for these events, GW Entrepreneurship Week will provide the spark between participants and will be meaningful for the community and beyond.

ENTREPRENEURSHIP ECOSYSTEMS – THE FUTURE AHEAD

The George Washington University – School of Business

10th Annual Global Entrepreneurship Policy & Research Conference

October 3-4, 2019

In 2019, the 10th Annual GW October Conference titled, “Entrepreneurship Ecosystems – The Future Ahead”, hosted in collaboration with ICSB and with SBA will provide entrepreneurs, small business, and advocates tutorials on how to put together an “SME Ecosystem”. The normally two-day program has been expanded with a pre-conference workshop. For the second time at GWOctober, The US Small Business Administration will provide an all-day session on the five pillars that are necessary to support SMEs.

Entrepreneurship Ecosystems have emerged as the most used word in the last 18 months across academia, policy, and research circles. It is a new perspective used to discuss how to facilitate entrepreneurship and SMEs in the face of competitive and dynamic environments and societal challenges. The term refers, analogous to biology, to interacting organizations or ‘factors’ that rely on each other’s activities. From an engineering perspective, a system-of-systems (SoS) analogy can also be proposed in
which a set of systems or system elements that interact to provide a unique capability that none of the constituent systems can accomplish on its own. A system-of-systems approach now is a more systemic perspective that acknowledges the interplay of various actors and factors appears to resonate among both academics and policy makers.

Witnessing the increasing attention to local entrepreneurial ecosystems in policy, academia and among other stakeholders it becomes apparent that the lack of an existing harmonized research and policy to its further development. Moreover, the challenge for entrepreneurs, policymakers, researchers, and employees, is to consider the ecosystem from various perspectives. ICSB proposed the Humane Entrepreneurship model ensuring entrepreneurship is coupled with the foundation on empathy. It is imperative that whatever direction the 4th Industrial Revolution goes, empathy must remain at the core of any new economic paradigm that emerges.

In the context of the 2030 Agenda for Sustainable Development the role of entrepreneurship in improving the quality of life for ordinary people, including disadvantaged groups is recognized, as it contributes to building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation. In regard to the SDGs under review in 2019, entrepreneurship is linked to SDGs 4 and 8. SDG target 4.4 aims to substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment and decent jobs and entrepreneurship. Concurrently, SDG target 8.3 sets out to promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises (MSMEs), including through access to financial services.

MSMEs are a key part of the equation as agents for and beneficiaries of inclusive development. In most countries, MSMEs are the main drivers of employment and important facilitators of income generation, poverty eradication and inequality reduction for the majority of the population, including disadvantaged groups. MSMEs are one of the best tools to address the challenge of creating 600 million new jobs by 2030, particularly for the youth as they provide sixty to seventy percent of formal employment in developing countries and eighty percent in sub-Saharan Africa. Moreover, transformational entrepreneurs create new products and business models and offer dignified employment, and their success leads to broader improvements in the quality of life and even bolsters fiscal sustainability.

GW October convened on the campus of The George Washington University with prominent academics, government leaders, and influential members of the business community to discuss how small businesses should be supported. Along the way, international institutional partners like the World Bank, The International Monetary Fund (IMF), The International Finance Corporation (IFC), Korean Management Institute (KMI), and the US Small Business Administration (SBA), and governments around the world have provided speakers and resources to make this conference a must-attend if you are in Washington, DC in October.

**CERTIFICATE ON SOCIAL ENTREPRENEURSHIP**

**Description**

ICSB Global in partnership with its worldwide affiliates and chapters is proud to offer educators, researchers, entrepreneurs, students, government officials, and small business owners the opportunity to advance their entrepreneurial knowledge and skills through our new innovative CSB Global Social Entrepreneurship Certificate (ICSB Global SE).

The ICSB Global Social Entrepreneurship Program now offers a unique in-person and online educational hybrid instruction model where participants can join in-person at different ICSB dedicated events. Alternatively, participants can take all the modules online. Finally, participants can join in-person some
session and then complete the remainder online. Please view a sample of an online segment: (click here for sample segment).

Each ICSB Global SE certificate requires you complete three (3) mandatory modules followed by two (2) elective modules from the many provided. The ICSB Global SE certificate offers an invaluable experience of being able to interact with participants from across the globe and from a variety of backgrounds, experiences, and knowledge. ICSB brings over 60 years of knowledge to this certificate program.

**Module One: Introduction to Global Social Entrepreneurship: Led Instructor: Dr. Tony Mendes**

This module compares social entrepreneurship with traditional entrepreneurship, outlines the basic concepts of social entrepreneurship and summarizes social entrepreneurship concepts. An overview of new organizational options for social ventures and understanding how for-profit ventures can accomplish social good.

**Module Two: Global Challenges and the UN Sustainable Development Goals: Led by Dr. Winslow Sargeant**

This module examines the major components of sustainable development. It looks at the topic of Micro, Small & Medium-size Enterprises, and the positive effect it can have on world economies, and the challenges for these MSME’s are explored in detail.

**Module Three: Innovation and Opportunity Recognition for Social Enterprises: Led by Dr. Donna Kelley**

This module brings up the topics of innovation and creativity and how these are applied in social enterprises. The process of moving from problems to the solution, with empathy, and the process of moving from solution to problems, with effectuation, is explored in depth. This module discusses the diffusion of innovation and social change and why innovation often does not get adopted.

**Registration fee:** USD 1500.

Source: [https://gwoctober.com/](https://gwoctober.com/)
**WHITE HOUSE LAUNCHES WOMEN'S EMPOWERMENT “UMBRELLA INITIATIVE” IN 2019**

Ivanka Trump, first daughter and adviser to the United States president, in September 2018 announced that the White House is planning a “major initiative” that will launch in 2019 and will consolidate efforts to promote women’s economic empowerment. Ivanka described the forthcoming initiative at an event hosted by the World Bank to highlight the Women Entrepreneurs Finance Initiative on the sidelines of the United Nations General Assembly UGA73 held in September 2018.

White House-led umbrella initiative focuses on the economic empowerment of women for three specific pillars. Those three pillars are: **Vocational education and skills training**, promotion of women entrepreneurs, and “eliminating barriers and creating enabling environments so that women in the developing world are able to freely and fairly participate in their local economies,” Trump said. “We’re really excited to continue to do this work in support of, obviously, our own national security strategy, but to foster broader peace and stability,” she added.

The second pillar of the new initiative will incorporate the Women Entrepreneurs Finance Initiative — also known as “We-Fi” and previously dubbed the “Ivanka Fund.” World Bank President Jim Yong Kim credited the American first daughter with planting the seed for that initiative at the Women 20 — or W-20 — meeting in Germany last year.

“Last October we launched it, and we thought if we can get — when Ivanka and Mr. Kim first talked about it — maybe US$50 to US100 million would be great if we can get there. We didn’t have much time. We ended up getting US$350 million from 14 countries,” he said.

Kim reported that their hope was that they might be able to take that $350 million and “leverage it up” to US1 billion in private sector investment. On Tuesday, he told attendees that We-Fi has delivered its first allocation — a US$120 million grant to the Asian Development Bank, the Islamic Development Bank, and the World Bank — which has in turn already leveraged US$1.6 billion in additional dollars.


In February 2019, President Trump signed a memorandum establishing the Women’s Global Development and Prosperity Initiative, or W-GDP. This new initiative will for the first time coordinate America’s commitment to one of the most undervalued resources in the developing world—the talent, ambition and genius of women. This initiative aims to help 50 million women in developing countries realize their economic potential by 2025. W-GDP establishes an innovative new fund at the U.S. Agency for International Development to support proposals that enable women to succeed in the economy. The president has directed USAID to allocate an initial $50 million for this new fund.

The economic empowerment of women shouldn’t be viewed as a “women’s issue.” Smart development assistance benefits families, communities and nations. By investing in women, we are investing in a future in which countries can support themselves by unleashing the potential of their own people.

W-GDP establishes a cohesive three-pillar structure to support governmentwide programs and partnerships. **Pillar One** will advance workforce development and vocational education for women.
Pillar Two will empower women to succeed as entrepreneurs. Women own or run more than a third of all small and medium-size enterprises in emerging markets, yet the United Nations has found that less than 1% of spending by large corporations on suppliers is allocated to women-owned businesses.

Pillar Three focuses on eliminating the legal, regulatory and cultural barriers that prevent women from participating in their local economies. According to the World Bank, more than 100 countries prohibit women from working in specific industries, which means 2.7 billion women are legally restricted from having the same choice of jobs as men.

Source: https://www.whitehouse.gov/briefings-statements/ivanka-trump-empower-women-to-foster-freedom/
SMALL BUSINESS RESEARCH CENTRE CONFERENCE: ENTREPRENEURSHIP POLICY IN CONTEXT - CRITICAL PERSPECTIVES

Thursday 13 February - Friday 14 February 2020

Venue: Room 0027, Kingston Business School, Kingston Hill campus, Kingston Hill, Kingston upon Thames, Surrey KT2 7LB

Price: £70 / £50 students

To attend: booking will be available soon, please check back

Whilst entrepreneurship is the result of proactivity by individuals and groups of individuals, even in mature market economies, the state plays a key role in shaping the environment in which private business takes place. This international conference will adopt a broad definition of what constitutes relevant policies, including government actions that can affect entrepreneurship although are not necessarily targeted at them.

The conference is organised by Kingston University London, in collaboration with the Universities of Trento (Italy), Zhejiang University (China) and Corvinus University of Budapest (Hungary). The conference will be of interest to academic scholars and policy experts worldwide in the field of entrepreneurship and public policy. It will be interactive and designed to provide space for policy makers and academics to share ideas and critiques of policy.

Delegates are encouraged to present papers on any aspect of public policy related to entrepreneurship, but we particularly welcome those related to the following topics:

- The role of the state in relation to entrepreneurship in emerging market economies
- Better regulation in a cross cultural context
- Distinguishing features of inclusive entrepreneurship that affects policy priorities
- Is the current array of policy measures focusing on support for internationalising firms meeting the needs of Europe's SMEs?
- Is evidence based policy a realistic objective?

Keynote speakers to be confirmed.

Abstract Submission and Deadlines

An extended abstract of your paper (about 1000-1500 words) should be sent to Prof. David Smallbone by Tuesday 1 October 2019. The abstract should include:

- Objectives (200 words)
- Literature/review (300 words)
- Approach/Method (200 words)
- Results/Findings (300 words)
• Value/ Implications (200 words)

Important Dates
Date of conference: Thursday 13 - Friday 14 February 2020
Submission deadline: Tuesday 1st October 2019
Registration open: Monday 7 October 2019
Acceptance notification: Friday 1 November 2019
Registration deadline for the conference: Tuesday 31 December 2019

Organising Committee
Questions concerning academic issues should be sent to:
Prof. David Smallbone
Prof. John Kitching
Dr. Hang Do
Questions concerning logistical and administrative information should be sent to Lucy Williams.
View local accommodation information, and see below for a map to reach Kingston Hill campus.
Booking is essential to attend this event.
For further information about this event:
Contact: Prof David Smallbone
Email: d.smallbone@kingston.ac.uk

Directions

Directions to Room 0027, Kingston Business School, Kingston Hill campus, Kingston Hill, Kingston upon Thames, Surrey KT2 7LB:
ICSB in 2015 started advocating for a new perspective on what Business Corporations should mean to society, employees, stakeholders, and the world. In two separate articles published in the ICSB’s Journal for Small Business Management, co-authored by Drs. Ki-Chan Kim (co-founder of Humane Entrepreneurship) and Dr. Roberto Parente (Founder of the Salerno Declaration on Humane Entrepreneurship) ICSB became the first organization in the world to create a new business model for corporations to consider.

The new theory called Humane Entrepreneurship – HumEnt - integrates the sustainable use of natural resources, better use of produced capital, and further investment in human capital. Humane Entrepreneurship encompasses three key research domains: Entrepreneurship, Leadership, and Human Resource Management.

ICSB also set in motion a series of global events hosted by partners in Seoul, Washington DC, Paris, Cairo, Tokyo, Jakarta, New York, Dubai, Salerno, Buenos Aires with a goal of discussing this new topic and putting a comprehensive model for Humane Entrepreneurship to further build awareness and support. The most recent United Nations event on MSMEs Day also focused on the topic of Humane Entrepreneurship.

ICSB supported various partner declarations to put a new proposed Humane Entrepreneurship framework as follows:

The function of organizations, globally, goes far beyond purely bottom-line incentives. Investing in human capital can be a springboard for diversification of national wealth and the economy, reducing many countries’ dependence on natural capital and the commodity-driven boom-and-bust cycles common to many low and middle-income countries. Humane Entrepreneurship is a relatively new theory, but we believe it raises substantial questions regarding positive, sustainable business practices.

ICSB is very proud to announce that the Business Roundtable, a group of chief executive officers from major U.S. corporations, issued a statement Monday with a new definition of the “purpose of a corporation” confirming ICSB’s vision and work on Humane Entrepreneurship since 2015. They stated:

The reimagined idea of a corporation drops the age-old notion that corporations function first and foremost to serve their shareholders and maximize profits. Rather, investing in employees, delivering value to customers, dealing ethically with suppliers and supporting outside communities are now at the forefront of American business goals, according to the statement.

- “While each of our individual companies serves its own corporate purpose, we share a fundamental commitment to all of our stakeholders,” said the statement signed by 181 CEOs. “We commit to deliver value to all of them, for the future success of our companies, our communities and our country.” While each of our individual companies serves its own corporate purpose, we share a fundamental commitment to all of our stakeholders. We commit to:

- Delivering value to our customers. We will further the tradition of American companies leading the way in meeting or exceeding customer expectations.
Investing in our employees. This starts with compensating them fairly and providing important benefits. It also includes supporting them through training and education that help develop new skills for a rapidly changing world. We foster diversity and inclusion, dignity and respect.

Dealing fairly and ethically with our suppliers. We are dedicated to serving as good partners to the other companies, large and small, that help us meet our missions.

Supporting the communities in which we work. We respect the people in our communities and protect the environment by embracing sustainable practices across our businesses.

Generating long-term value for shareholders, who provide the capital that allows companies to invest, grow and innovate. We are committed to transparency and effective engagement with shareholders.

Dr. Ayman El Tarabishy
ICSB Executive Director of ICSB

Source: https://mail.google.com/mail/u/0/#inbox/FMfcgzwDqnhgKzzpZzbnSnqLmSTKsv

Peacock at the Garden of the Palais des Nations in Geneva
Photo © by Dr. Antal Szabó
BALI HAS COMMITTED TO EMBRACING HUMANE ENTREPRENEURSHIP AS THE PROVINCE THRIVES TOWARDS CONTINUOUS SUSTAINABLE DEVELOPMENT

This commitment came in a meeting between Mr. Tjokorda Oka Sukawati, Vice Governor of Bali and King of Ubud and Mr. Ahmed Osman, President of The International Council for Small Business.

_The Bali Declaration for Humane Entrepreneurship_ was signed between both parties in addition to Mr. Hermawan Kartajaya, President of ACSB and Professor Ki-Chan Kim, ICSB Past President and current ICSB Vice President for Humane Entrepreneurship. The declaration commits to people and profits as well as long term sustainable development over the short and medium-term in addition to the creation of people-centered small and medium enterprises. Mr. Sukawati welcomed ICSB to Bali and confirmed the province's commitment to the creation of Humane companies.

Mr. Osman stated that it is a great achievement that the globally renowned beautiful province of Bali becomes the first province in the world to commit to embracing Humane Entrepreneurship and that this adds a great attribute to the already humane Balinese people. Mr. Kartajaya emphasized the commitment of ICSB Indonesia to the development of Human-Centered Small and Medium Enterprises. Professor Kim expressed his great pleasure with Bali’s commitment to Humane Entrepreneurship, a concept he brought to the United Nations in 2016.

Best Wishes,
Dr. Ayman El Tarabishy
ICSB Executive Director of ICSB

Source: https://mail.google.com/mail/u/0/#inbox/FMfcgxwDqnpZTsJXZCVpfxvntFsMrJF
The address of the ERENET Secretary sees below:

Dr. Antal Szabó, Scientific Director
Helga Matusek, Secretary

HUNGARIAN YOUTH ENTERPRISE SUPPORT SOCIETY

ERENET

H-1141 Budapest, Szugló u. 134., Hungary
Phone: (+3630) 399 7067
E-mail: helga.matusek@gmail.com and erenetszabo@gmail.com
http://www.erenet.org

ERENET Secretary for South-Eastern Europe is the following:

INSTITUTE OF ECONOMIC SCIENCES

Ms. Vesna Pejovic, SEE Secretary

11000 Belgrade, Zmaj Jovina 12, Republic of Serbia
Phone: (+381 11) 2623-055, Fax: (+381 11) 2181-471
E-mail: office@ien.bg.ac.rs
http://www.ien.bg.ac.rs

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