

NEWSLETTER - November 7, 2000

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Feature Paper

Determinants of Successful Co-Preneurship

This paper was presented by George H. Tompson and Holly B. Tompson, both from the Department of Strategic Management at the University of Waikato in New Zealand, at the 45th International Conference on Small Business (ICSB) World Conference 2000 at Brisbane, Australia, on June 7-10, 2000.

Co-preneurs are couples striving to manage a business relationship and personal relationship concurrently. In the U.S., all accounts suggest the incidence of co-preneurship is growing. Estimates suggest nearly one million businesses are owned and managed by husband and wife partnerships. For the most part, academic research has neglected this business form. This paper summarizes treatment of co-preneurship by the popular press and by academicians, then offers a set of propositions for advancing the existing research. We also offer some suggestions for future research.

The field of family business, a subset of entrepreneurship, addresses topics such as succession planning, work-family conflict, dispute resolution within the family, nepotism. These issues are important because they represent potential problems for a very large percentage of businesses in most countries. While a precise definition of family business remains murky, most scholars suggest that a majority of small businesses are also family businesses. One category of family businesses that has received little academic attention is occupied by co-preneurs--husband & wife partnerships (or life partners) that co-own and co-manage a small business. This omission in the research is significant because, while published studies have not reported the frequency of co-preneurship as a form of business structure, it is generally agreed that many family businesses are or were managed by co-preneurs at some point in their history. Furthermore, co-preneurs face the unique challenge of pursuing two concurrent life goals that often make contradictory demands. Successful small business owners are described as being persistent, single-minded, hard working, and ambitious. Meanwhile, successful marriages require partners to spend time together, or offer mutual support, and to have time to focus on each other and build their relationship.

To read this entire paper on Co-Preneurship, visit our Web site at <http://www.sbaer.uca.edu/Research/2000/ICSB/117TOM.PDF>

Tip Of the Week

"Advantages and Disadvantages of Family-Controlled Firms"

Family values and influences can help the operation of a business. According to researchers, three advantages may be forthcoming after start-up:

- Preserving the humanity of the workplace. A family business can easily demonstrate higher levels of concern and caring for individuals than are found in the typical corporation.
- Focusing on the long run. A family business can take the long-run view more easily than corporate managers who are judged on year-to-year results.
- Emphasizing quality. Family businesses have long maintained a tradition of providing quality and value to the consumer.

The following list is a collection of advantages and disadvantages of family-controlled firms:

ADVANTAGES

Long-term orientation

Greater independence of action

- Less (or no) pressure from stock market
- Less (or no) takeover risk

Family culture as a source of pride

- Stability
- Strong identification/commitment/motivation
- Continuity in leadership

Greater resilience in hard times

- Willing to plow back profits

Less bureaucratic and impersonal

- Greater flexibility
- Quicker decision making

Financial benefits

- Possibility of great success

Knowing the business

- Early training for family members

DISADVANTAGES

Less access to capital markets may curtail growth

Confusing organization

Messy structure
No clear division of tasks

Nepotism

Tolerance of inept family members as managers
Inequitable reward systems
Greater difficulties in attracting professional management

Spoiled-kid syndrome

Internecine strife

Family disputes overflow into business

Paternalistic/autocratic rule

Resistance to change
Secrecy
Attraction of dependent personalities

Financial strain

Family members milking the business
Disequilibrium between contribution and compensation

Succession dramas

"Entrepreneurship: A Contemporary Approach," Kuratko, Donald F., and Richard M. Hodgetts, Harcourt College Publishers, 2001, page 594.

Call For Papers

46th ICSB World Conference

The International Council for Small Business would like to announce the 46th ICSB World Conference and Call for Papers. The conference will be located in Taipei, Taiwan, at the ROC Taipei International Convention Center (TICC) during June 18-20, 2001. In addition, the conference theme is "SMEs in a traditional and New Mixed Era." Furthermore, this conference is designed and prepared for SME Entrepreneurs, SME Policy makers, Academic Researchers and Business Educators, and SME supporting/consulting organization professionals.

Submission Deadline:

January 12, 2001 for academic papers evaluation
February 20, 2001 for workshop abstracts evaluation
April 20, 2001 for workshop papers evaluation

For more information on this conference, please visit <http://www.smbcgf.org.tw>

Call For Papers

The 4th International Business and Economics Conference

The 4th Annual International Business and Economics Conference will be held at St. Norbert College in De Pere, Wisconsin, on October 5-6, 2001. This is a multi-disciplinary conference devoted to the advancement of business and economic global issues and education.

Papers from all areas in international business and economics are welcome. Relevant international topics include, but are not limited to: trade and finance, financial and management accounting, management, organizational behavior, emerging markets, marketing strategies, cross-cultural marketing and consumer research, service marketing, multiculturalism and gender in the workplace, international business ethics, global technology, Internet, e-business, incorporating international aspects in the class.

Submission Deadline: **March 17, 2001**

For further information on this conference, visit <http://www.sncibec.org>

Conference

The 7th Annual West Virginia Economic Outlook Conference: Forecast for 2001 and Beyond

The conference, sponsored by the Bureau of Business and Economic Research at West Virginia University's College of Business & Economics, will be held at the Charleston Marriott on November 14, 2000. A conference for all decision-makers and strategic planners whose success depends on having the best available information on current and emerging economic trends. Attendees will receive the West Virginia Economic Outlook 2001, which tracks important regional indicators, such as jobs by industry, labor force, population, personal income by component, and gross state product. In addition, it compares West Virginia economic performance to other states as well as analysis comparing West Virginia counties' economic growth to each other.

For further information on this conference, visit <http://www.bber.wvu.edu/eo/eoconf.htm>

Announcement

Business Plan and Productivity Improvement Competitions

The Nebraska Center for Entrepreneurship proudly announces the Business Plan Competition and Productivity Improvement Competition on February 22-24, 2001, at the Cornhusker Hotel in Lincoln, Nebraska. The 14th Annual International Business Plan Competition recognizes and rewards graduate and undergraduate tracks for individual entrepreneurship. Also, the Productivity Improvement Competition is contested at both undergraduate and graduate levels by students who report on projects that have taken place in ongoing businesses. Anyone interested in either competitions can compete for up to \$10,000 in prize money. For more information about these competitions, visit

<http://www.cba.unl.edu/outreach/ent>

- If you have any comments about the SBANC newsletter or if you know of any upcoming small business event to promote, please contact Jin Hess at jah6677@cub.uca.edu or Richard Armstrong at rea7401@cub.uca.edu
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- SBANC Newsletter is provided as a service to the **International Council for Small Business (ICSB)** members and the **Association for Small Business and Entrepreneurship (ASBE)** members.
 - If interested in becoming a member of ICSB, visit <http://www.icsb.org/about/join.htm>
 - If interested in becoming a member of ASBE, contact Patti Wilber at plwilber@nwsu.edu
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