Invitation to Deliver the Key Note Speech - Annual Research Conference of Sri Lanka Forum of Entrepreneurship (SLFE) 2022

From: Sri Lanka Forum of Entrepreneurship (slfe@sjp.ac.lk)

To: fregetto1@yahoo.com

Date: Thursday, January 27, 2022, 01:19 AM CST

Dear Sir

I am writing to you on behalf of the Department of Entrepreneurship (DoE) of the Faculty of Management Studies and Commerce of University of Sri Jayewardenepura, Sri Lanka, with reference to the Annual Research Conference of Sri Lanka Forum of Entrepreneurship (SLFE) 2022 which holds the chairmanship for the year 2021 by DoE.

SLFE is creating the first-ever platform in the entire university system which provides a great opportunity to connect with universities that are providing entrepreneurship education and training in Sri Lanka. Annual Research Conference is considered as one of the main events organized by SLFE in its annual calendar.

Thereby, this is a cordial invitation for you to be the keynote speaker of the Annual Research Conference of SLFE 2022 organized by DoE. The above event will be conducted as an online zoom session on **25th of March (Friday) 2022 from 8.00 a.m. onwards. (Sri Lankan time).**

The event is mainly focused to provide a platform for both Sri Lankan and international researchers to present and publish their research findings specially in the fields of entrepreneurship and business management.

Henceforth, we eagerly anticipate your acceptance to be the keynote speaker of the above event as we believe that it would add much more value and glamour to the event.

Thanking you in anticipation for your kind consideration and cooperation on the above subject.

Looking forward for your positive response in this regard.

Yours Sincerely
Ms. Chathini De Silva
Conference Secretary - SLFE 2022
Lecturer - Department of Entrepreneurship
Faculty of Management Studies and Commerce
University of Sri Jayewardenepura

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Sri Lanka Forum of Entrepreneurship (SLFE)
Department of Entrepreneurship
Faculty of Management Studies and Commerce
University of Sri Jayewardenepura
Contact No : 0112758807 / 0779389551 (National Coordinator - SJP)

Thinking about Entrepreneurship

Presented by:

Eugene Fregetto, PhD

University of Illinois at Chicago (retired)

Keynote presentation for the 1st Annual Research Conference
of Sri Lanka Forum of Entrepreneurship (SLFE)

Chairmanship by:

Department of Entrepreneurship

Faculty of Management Studies and Commerce
University of Sri Jayewardenepura
Sri Lanka
Email: slfe@sjp.ac.lk, Telephone: 0112758807

"Survive, Sustain and Strengthen: Unlock Entrepreneurial Potentials for a VUCA World"

Annual Research Conference of SLFE

2022

25th March 2022

SLFE
Sri Lanka Forum of Entrepreneurship

Chairmanship by:

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Thinking about Entrepreneurship

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Presentation
for the
Annual Research Conference of SLFE

"Survive, Sustain and Strengthen: Unlock Entrepreneurial Potential for a VUCA World"

March 25, 2022

I'm honored to be your keynote speaker for Sri Lanka's first joint research conference on entrepreneurship. You have made an important step towards the development of your scholarly research, your teaching, and the impact that you and your universities will have on the economic, political, and societal future of Sri Lanka.

Today, it is a pleasure to see the 21st Century's high regard for entrepreneurship, including the importance of entrepreneurship education. Today, we have changed our teaching methods from the traditional lecture approach to experiential and reflective approaches that stress the importance of how we teach over what we teach.

This was not the case in 1982 when I taught my first course in entrepreneurship. At that time, entrepreneurship lacked both legitimacy and popularity, and I frequently referred

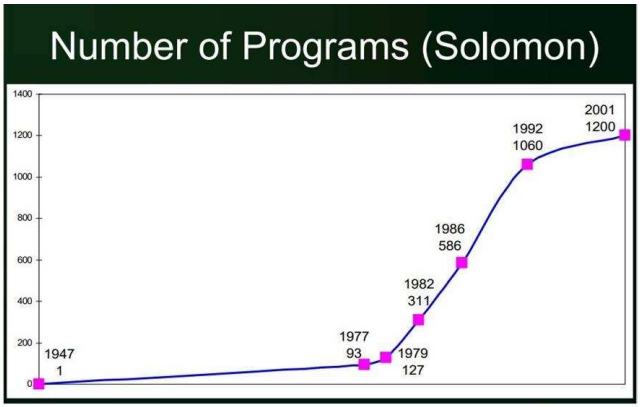
to entrepreneurship as an "orphan" discipline, as there were only a few universities in America where entrepreneurship scholars could find a home.

As scholars, it is important that we understand how entrepreneurship became our shining star over the past forty years; a star that illuminates how we can mediate, resolve, and benefit from technological change, societal change, and all the uncertainty that surrounds every decision we are about to make.

I believe my story is also of value to you in today's dire economic context as my story is about what 20th Century entrepreneurship scholars, public officials, and academic achieved under similar adverse conditions. Conditions that included a culture that placed its faith in big business; a culture that considered the entrepreneur a misfit as expressed in the following 1956 quote from ***The Organization Man***:

> "The entrepreneur, as many see him, is a selfish type motivated by greed, and he is, furthermore, unhappy. The big-time operator as sketched in fiction eventually loses stomach for enterprise that he finds happiness only when he stops being an entrepreneur . . ." ***The Organization Man*** by Whyte, 1956

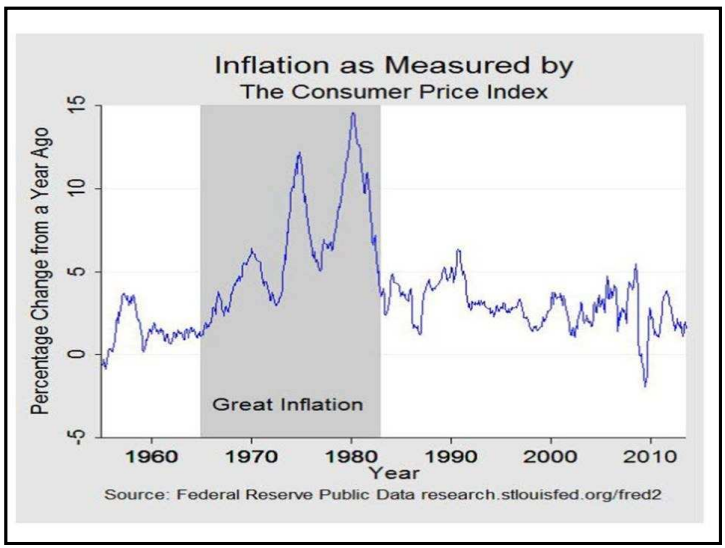
When I entered the field of entrepreneurship, relatively few universities offered entrepreneurship courses. According to Carl Vesper, there were only 4 schools offering entrepreneurship education in 1968; based on a survey performed by George Solomon, there were 312 colleges and universities that offered at least one course in entrepreneurship in 1982. However, as this figure shows, the number of schools rapidly rose to nearly 1,400 by the end of the 20th Century. Today entrepreneurship education is ubiquitous and has spread rapidly to universities all over the world.



So what happened?

From my perspective, the ground work of 20th Century scholars, public officials and academics, working together, positioned entrepreneurship as an important solution for the dire economic situation that faced America in the early 1980s called "The Great Inflation" occurring between 1965 and 1982.

As America's economic vitality started to deteriorate during the "Great Inflation," big businesses began to struggle and in an effort to survive, big business made massive layoffs, causing a significant rise in unemployment at the same time America was entering a period of runaway inflation. It was a period of great economic and societal uncertainty as this figure shows the spike in the prevailing interest rates that were crippling the American economy.



So, where is the link between America's economic recovery and entrepreneurship? The dramatic rise in entrepreneurship education, as shown in the previous slide, along with the dramatic rise in entrepreneurship publications from a low of 20 publications per year during the early 1980s to over 200 publications per year by 2010, shown in this slide[1], paralleled the recovery of the American economy.

[1] Ferreira, Manuel P., Nuno R. Reis and Rui Miranda (2015). Thirty years of entrepreneurship research published in top journals: analysis of citations, co-citations, and themes, Journal of Global Entrepreneurship Research, 5:17, DOI 10.1186/s40497-015-0035-6.

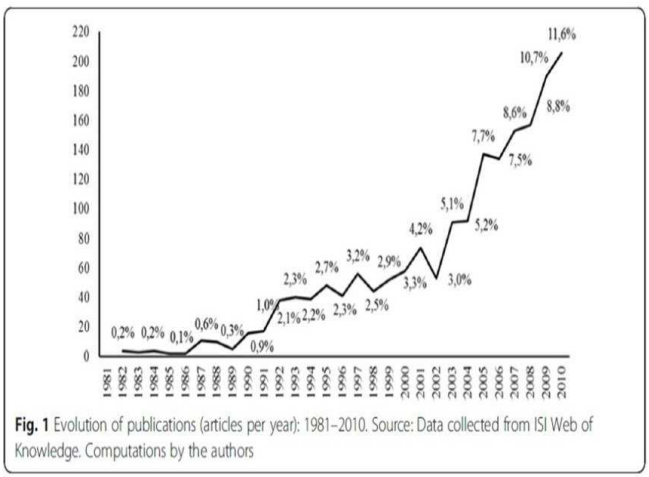
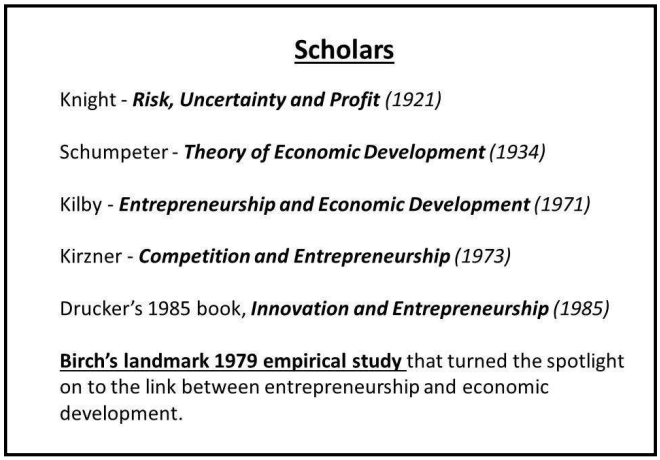


Fig. 1 Evolution of publications (articles per year): 1981–2010. Source: Data collected from ISI Web of Knowledge. Computations by the authors

These figures suggest that there was "something" going on within the field of entrepreneurship during the 20th Century that contributed to America's economic recovery.

In my opinion, that "something" was the scholars, government officials, and academics of the 20th century, working together, to provide pillars upon which entrepreneurship helped rebuild the American economy; a foundation that also caused the rise in both the legitimacy and popularity of entrepreneurship that we now enjoy in the 21st Century.



Here's a brief highlight of the notable 20th Century scholars that helped to establish the legitimacy of entrepreneurship by explaining the linkage between economic development and entrepreneurship. Scholars like Frank Knight and his 1921 book, ***Risk, Uncertainty and Profit***; Schumpeter and his 1934 book, ***Theory of Economic Development***; Kilby and his 1971 book, ***Entrepreneurship and Economic Development***; Kirzner and his 1973 book, ***Competition and Entrepreneurship***; Drucker and his 1985 book, ***Innovation and Entrepreneurship***; and the landmark empirical study by David Birch as Birch's 1979 study showed SMEs to be the most important source of job creation in America.

Government officials were equally busy developing programs with the creation of the U.S. Small Business Administration in 1953; the Small Business Institute Program in 1972; the Small Business Development Centers 1977; the Small Business Innovation Research grants in 1982, and the Small Business Technology Transfer program in 1992.



And, academics were creating addition support for entrepreneurship through the creation of the International Council for Small Business in 1956; the first scholarly journal, ***Journal of Small Business Management***, in 1963; the first undergraduate concentration in entrepreneurship in 1972; the first Babson Entrepreneurship Research Conference in 1981; the first national business plan competition in 1986; and Academy of Management established an entrepreneurship division in 1987.



As you can see, scholars, government officials, and academics, all working together, laid the groundwork and helped to position entrepreneurship for its role to help the U.S. economy recover. Today, in the 21st Century, the same coordinated effort is of equal importance, because we are in a similar dire situation as we face the urgent need to rebuild our economies. It is critical that 21st Century scholars, public officials, and academics work together to implement the right mix of entrepreneurship programs to help our countries economically and socially recover.

I'd like to identify three priorities for us in the 21st Century.

Today, our first priority must be to design meaningful entrepreneurship programs by ridding ourselves of the traditional lecture-based models of education, because we are educating our students to engage in complex, unstructured and chaotic market activities where disequilibrium and uncertainty prevails; activities that require a broader set of skills, knowledge, and competencies than produced by traditional methods.

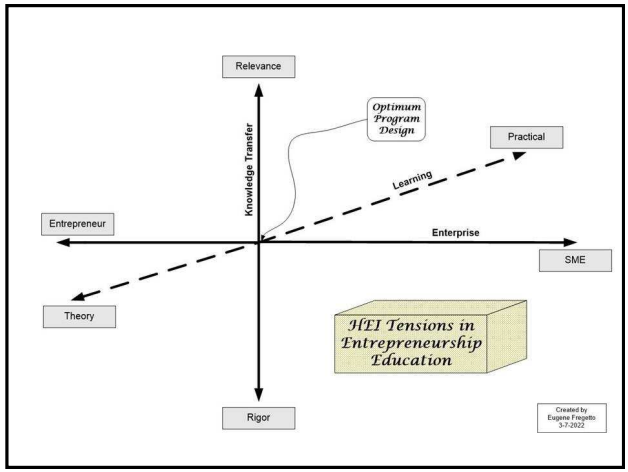
Surprisingly, the source of today's education challenge is not scarcity, but the abundance of good and viable approaches to entrepreneurship education.

In order to help explain our challenge, I created a three-dimensional diagram. In the diagram, each dimension represents a leading parameter that is considered when designing entrepreneurship programs. The y-axis represents the veracity by which knowledge is transferred; the z-axis represents the approaches used to facilitate the learning, and x-axis represents the type of enterprise formation. The arrows at the end of each axis symbolizes the tensions caused by the expectations among different stakeholders, pulling the design of each parameter in opposing directions as different stakeholders advocate their preference regarding what's needed in EE based on their experience, knowledge, and reflection.

Consequently, the "optimum program design" will be a function of the stakeholders' advocacy, the array of options considered, and the context.

Here's a brief explanation of each parameter:

The "knowledge transfer" parameter is relevance versus rigor representing the tension between applied research and basic research; between the iterative mode versus linear



approach to knowledge creation; and the difference between informal networking, unintended consequences, and spillovers of knowledge as a means of transferring knowledge versus a formal, explicit, and tangible means via rules and institutions.

The "learning" parameter is practical versus theory representing the tension between tacit learning and a rational approach to teaching entrepreneurship; the difference between vocational education and strategic modeling.

The "enterprise" parameter is SMEs versus the entrepreneur representing the tension between SME as survival and growth versus an individual's exploitation of opportunity; the difference between the strategic management of SMEs and Schumpeterian creative destruction.

Simply stated, there are many program possibilities. The optimum design will be defined by the nexus of the three axes that is situated due to the tensions from the expectations of stakeholders within a particular context.

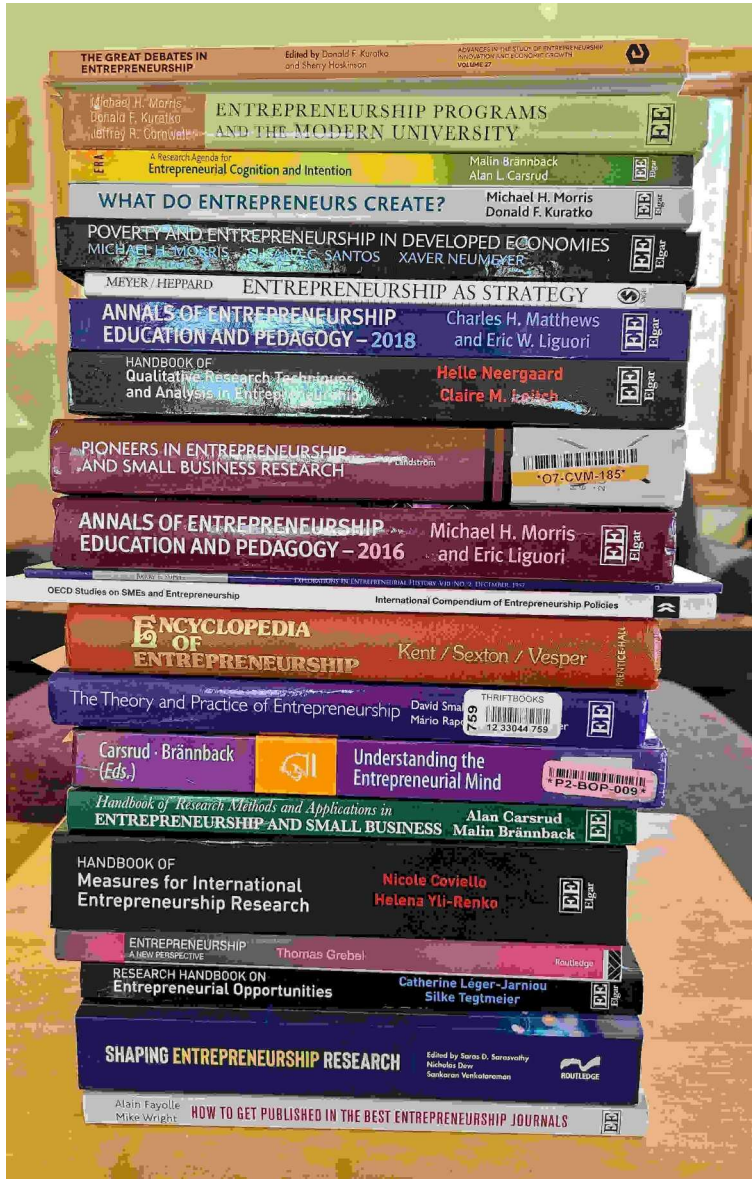
Our second priority is to expand our research and teaching beyond the focus on entrepreneurship.

As you know, we call ourselves entrepreneurship professors. Why? Because it's a lot sexier than being called a small business management professor; this has been our bias for decades, and the bias still persists today. We continue to overemphasize entrepreneurship; even though we know, from an American perspective, that 98.7% of all businesses in the America have less than 100 employees, for a total of 37 million SMEs, and we know that once the 500,000 to 600,000 start-ups each year establish themselves, those entities will also become SMEs. Without a doubt, we know that SMEs are the workhorses for the American economy; yet our research bias remains in favor of entrepreneurship.

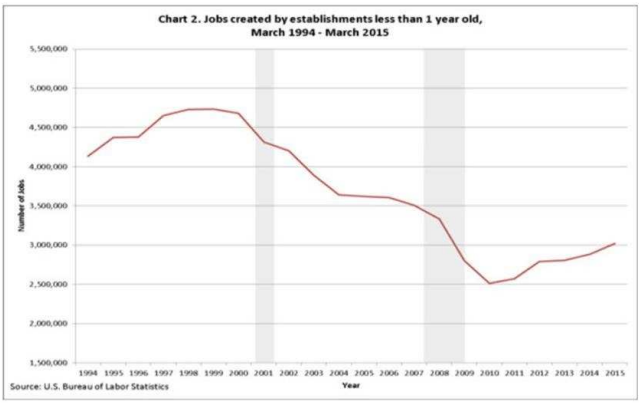
Our research bias towards entrepreneurship can easily be seen in this stack of books! The oldest of these books is the 1982 classic "Encyclopedia of Entrepreneurship" by Kent, Sexton, and Vesper to a book published in 2022. These books span forty years of research, and, as you can see, all the books carry the title of entrepreneurship, with two exceptions.

One publication of special interest is the OCED Studies on SMEs.

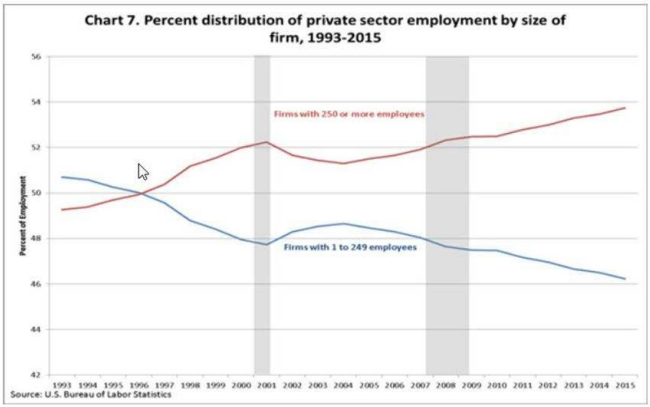
The OCED report titled their report "International Compendium of Entrepreneurship Policies." What about SME policies? The first sentence in their report states, "Entrepreneurship is a key driver of job creation, economic growth and social cohesion."


THE GREAT DEBATES IN ENTREPRENEURSHIP
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MICHAEL H. MORRIS, SUSANA C. SANTOS, XAVER NEUMEYER
MEYER / HEPPARD
ENTREPRENEURSHIP AS STRATEGY
ANNALS OF ENTREPRENEURSHIP EDUCATION AND PEDAGOGY – 2018
Charles H. Matthews and Eric W. Liguori
HANDBOOK OF Qualitative Research Techniques and Analysis in Entrepreneurship
Helle Neergaard, Claire M. Leitch
PIONEERS IN ENTREPRENEURSHIP AND SMALL BUSINESS RESEARCH
ANNALS OF ENTREPRENEURSHIP EDUCATION AND PEDAGOGY – 2016
Michael H. Morris and Eric Liguori
OECD Studies on SMEs and Entrepreneurship
International Compendium of Entrepreneurship Policies
ENCYCLOPEDIA OF ENTREPRENEURSHIP
Kent / Sexton / Vesper
The Theory and Practice of Entrepreneurship
Carsrud · Brännback (Eds.)
Understanding the Entrepreneurial Mind
Handbook of Research Methods and Applications in ENTREPRENEURSHIP AND SMALL BUSINESS
Alan Carsrud, Malin Brännback
HANDBOOK OF Measures for International Entrepreneurship Research
Nicole Coviello, Helena Yli-Renko
ENTREPRENEURSHIP A NEW PERSPECTIVE
Thomas Grebel
RESEARCH HANDBOOK ON Entrepreneurial Opportunities
Catherine Léger-Jarniou, Silke Tegtmeier
SHAPING ENTREPRENEURSHIP RESEARCH
Alain Fayolle, Mike Wright
HOW TO GET PUBLISHED IN THE BEST ENTREPRENEURSHIP JOURNALS

The validity of this statement can be challenged by using the job creation data of firms that are less than one year old in America. This figure shows that job creation by new firms has been declining over the past 20 years.



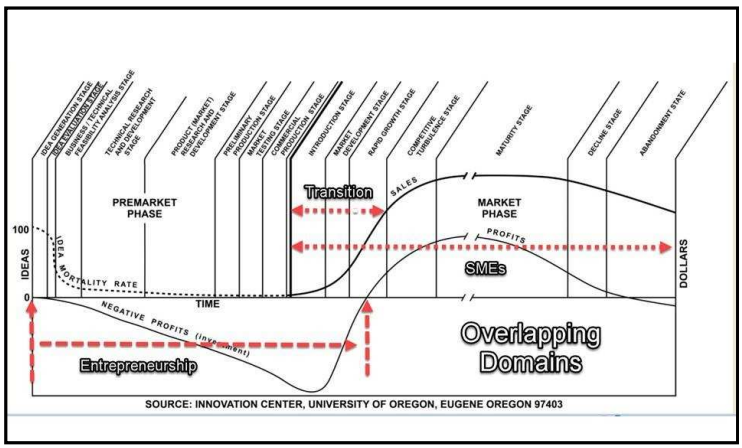
It is also important to know that SMEs are facing their own challenge to remain a viable part of the American economy as SMEs' share of America's total private sector employment has also been declining over the past twenty years as shown in this.



Obviously, we need to improve our research. Based on the trends shown here, we must revisit our research agenda and our commitment to rigorous research, as it appears we have become complacent; because we have been unable to create the necessary insights to help the nascent entrepreneurs create ventures that also create jobs.

Of equal importance is the need to correct for our neglect of SMEs which has resulted in their inability to provide a majority of jobs as they did in the early 1990s.

A detailed discussion for improving our research is beyond the scope of my presentation, but we do have time for a brief overview as shown in this figure. Here are a few general insights. First, each domain has an exclusive area of concern; second, the two domains share a common area of study, that is, from start-up to positive cash flow; and third, there is a transition process by which a nascent entrepreneur must become a professional manager while retaining their entrepreneurial mindset.



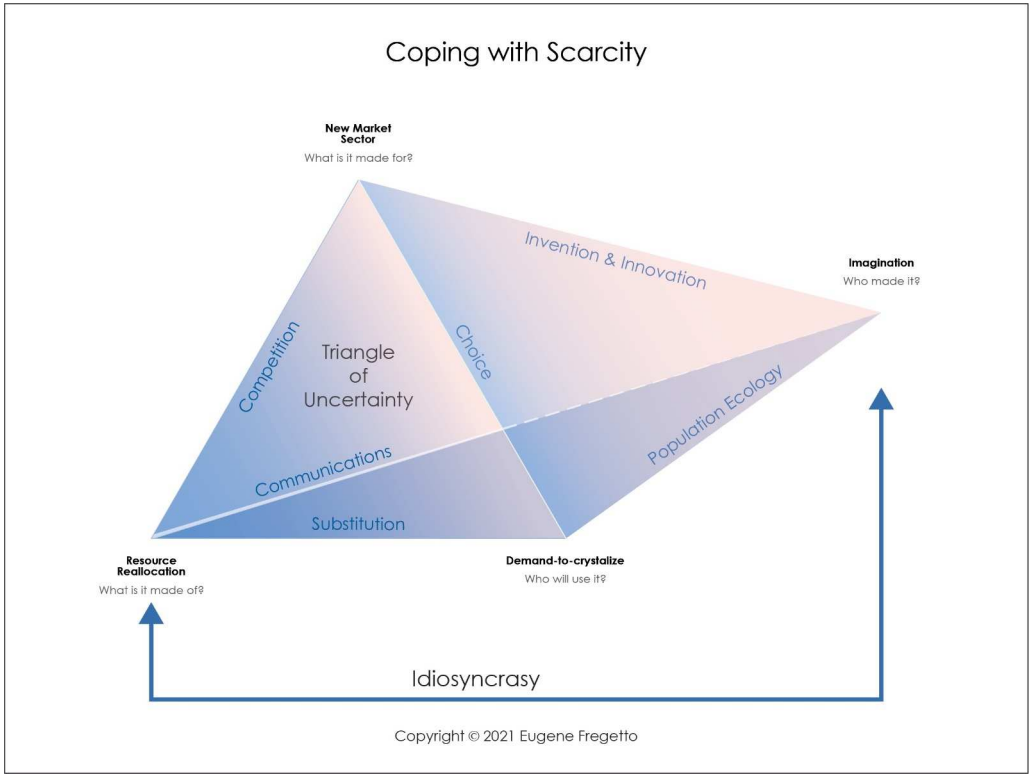
Scholars have overlooked the transition as we have been unable to identify the inflection point at which the entrepreneurial competences need to be replaced or supplemented by the skills of a professional manager; a manager who can use entrepreneurship as a strategy rather than a start-up tactic.

My final comment for you today is a question: "What happened to risk?"

Historically, the perception of an entrepreneur, as a risk-taker, fits the image of the entrepreneur as a gambler; an adventuresome person who forges ahead recklessly, rolling the dice, in pursuit of an opportunity. However, we no longer view the entrepreneur as a gambler, because risk has failed to provide scholars with a pathway to deepen our understanding of the entrepreneurship. Risk, nor its companion terms, chance and luck, can be operationalized in order to build a strategy for success; as betting the future of a new venture on risk, chance, or luck is like going to Las Vegas to bet everything you have on one roll of the dice. Simply stated, risk ended up being nothing more than just risk.

The final demise of risk as an explanatory variable came with the discovery of effectuation, as effectuation positioned uncertainty, rather than risk, of importance to entrepreneurship. More importantly, uncertainly opened a pathway to allowing scholars to explore many interesting aspects of entrepreneurship, such as, alertness, intentions, and the co-creation of opportunity; leading to many other interesting and meaningful insights.

As a result of my interest in learning more about uncertainty, I did a "deep dive" into the literature about uncertainty. Consequently, my understanding of uncertainty deepened enabling me to visualize what uncertainly might look like, and I'd like to share my image of uncertainty with you today. The image is a three-dimensional perspective of uncertainty, a perspective I call the "Triangle of Uncertainty."



I have yet to develop a full explanation of this 3-D diagram, but following are a few insights that I have figured out to date.

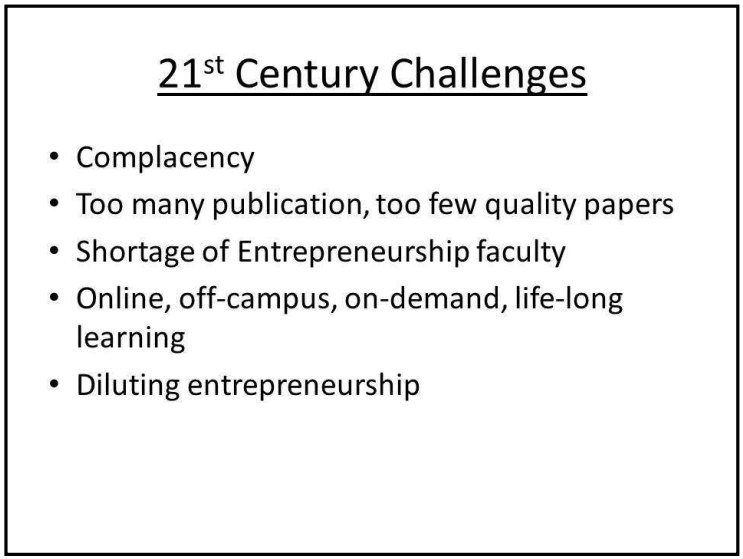
First, I view uncertainty to be a function of the four fundamental questions we need to answer in order to achieve economic value in an uncertain environment. The four questions are:

- Who made it?
- What was it made for?
- What is it made of?
- Who will use it?

Second, from an entrepreneurial perspective, imagination answers the question about "who made it," and the 3-D diagram identifies three methods by which the entrepreneur's imagination is formed to help answer the other three questions, that is, via invention and innovation, population ecology, and communications.

Third, the triangle of uncertainty is a function of three factors: competition, choice, and substitution; as the market obtains answers to the three remaining questions, uncertainty is reduced.

My final observation about the triangle concerns the value of using a 3-D perspective to explain the phenomenon we experience every day. In my opinion, we shortchange ourselves when we use only two dimensions to explain a phenomenon that occurs in our 3-D world; granted that it is more challenging to think in three dimensions, but failing to do so, causes us to eliminate some important insights that lie along the 3rd dimension.



In closing, I'd like to remind you about the dangers of becoming complacent, because there are many challenges facing entrepreneurship in the 21st Century; challenges like the publication problem of too many journals chasing too few quality papers; the shortage of entrepreneurship faculty at all levels caused by the exponential growth in entrepreneurship education; the need to develop online, off-campus, on-demand, and lifelong learning for entrepreneurs; and the danger of diluting the meaning of entrepreneurship by naming all good business practices entrepreneurial.



You are living during an important time for entrepreneurship; a time that has an urgent need for entrepreneurs and SMEs to revive and to grow our economics; we, the scholars, public officials, and academics of the 21st Century, must close the gap between simply optimizing “what is” and finding opportunities in uncertainty.

Thank you for your attention. It was a pleasure to speak to you today.

Message from the Keynote Speaker

Thinking about Entrepreneurship



by Eugene Fregetto, PhD
University of Illinois at Chicago (retired)
March 25, 2022

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University of Sri Jayewardenepura

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- Postgraduate Diploma or a Higher Degree from a recognized University with 2 years relevant experience.
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- A professional qualification approved by the Senate (for more details please visit (http://graduate.sjp.ac.lk/handbook.mgt.sjp.ac.lk/ent).

