



Entrepreneurship from the perspective of small business support entities

Empreendedorismo na perspectiva das empresas de fomento às pequenas empresas

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Abstract

In this paper we discuss the entrepreneurship phenomena from the perspective of five supporting entrepreneurial organisations in the city of Itabuna – Bahia, Brazil. The entrepreneurial environment, strategies and challenges encountered in the opening, continuity and succession of business formed the theoretical scope. We examined the *modus operandi* of entrepreneurs in the management of micro and small firms. The research used a qualitative approach, both exploratory and bibliographic. The fieldwork was based on interviews and content analysis systematised the information collected. The interview results revealed strengths and weaknesses in the local business environment. The results show a business setting with contradictory situations: on the one hand, full of opportunities while on the other hand there are many uncertainties to overcome. Most entrepreneurs develop actions/strategies empirically, and experience is the most common factor in business administration.

Keywords: Entrepreneurship, strategies, business, challenges, succession.

Resumo

Este paper discute o fenômeno do empreendedorismo sob a ótica de cinco entidades de apoio ao tecido empresarial da cidade de Itabuna – Bahia, Brasil. O ambiente empreendedor, as estratégias, os desafios encontrados na abertura e continuidade dos negócios e a sucessão foram os temas desenvolvidos neste estudo. O referencial teórico aborda o empreendedorismo na dimensão econômica e na dimensão comportamental. Objetivou-se expor o *modus operandi* dos empresários no gerenciamento das micro e pequenas empresas sob a ótica dos responsáveis das agências de fomento ao empreendedorismo. A pesquisa tem uma abordagem qualitativa e bibliográfica e foi realizada por meio de entrevistas e análise de conteúdo, que por sua vez sistematizou as informações coletadas. O atual panorama empreendedor expõe situações favoráveis e desfavoráveis dos empreendedores. Os resultados mostram um ambiente empresarial em situações contraditórias: de um lado, repleto de oportunidades; do outro, muitas incertezas a serem ultrapassadas. A maioria dos empresários desenvolve ações/estratégias de forma empírica e a vivência é o fator mais utilizado na administração.

Palavras-Chave: Empreendedorismo, estratégias, negócios, desafios, sucessão.

1. Introduction: The business universe

Entrepreneurship is regarded as a vital force in the economic performance of all economies in the world. International organisations dedicate part of their guidelines, studies and procedures to economic actions focusing on this element, and all governments of countries with an entrepreneurial culture focus their efforts on activities that encourage social and economic growth. Entrepreneurship can be a mechanism for supporting economic development promoting and maintaining jobs, creating new businesses, encouraging innovation and stimulation of the economy, and, of course, generating wealth.

Entrepreneurship as a phenomenon and the entrepreneur as a historical agent of change can be fundamental parts of the economic structure of a society and generate excellent results – economic, financial, social, and ecological – for the progress of humanity.

The most striking features of entrepreneurs are their ability to add and complement input – and to fill in the blanks or eliminate shortcomings in the market. Entrepreneurs are agents able to associate and complete the necessary input for a certain production process. They are the driving force for growth and economic transformation, stresses Leibenstein (1968: 72-75).

In the late 80s, Drucker (1986) and Fillion (1998) stated that entrepreneurship has returned as a topic of discussion in society: it has become an important issue in various social sectors. The literature on economics has gradually established that entrepreneurship is a dynamic and revitalising process in economies, and sees entrepreneurs as capable of maximising results (Leibenstein, 1968).

Furthermore, entrepreneurship is expected to play a relevant role within new demands of society, as well as to establish new ways of managing organisations. Elements such as competition, strategy, survival, competitiveness, innovation, opportunities, risk, and creation of new ventures are gaining space in economic activities. An entrepreneurial culture with rising professionalism in companies, particularly in small and micro businesses, is being established.

It is from this innovative perspective that this research debates the topic of entrepreneurship. The theoretical review below discusses the traditional entrepreneur model in economic and behavioural dimensions. Regarding the overall objective, this study investigates the dynamics of formation, survival and succession of ventures in the city of Itabuna, Brazil. In order to achieve this broad objective, we assess the institutional role of public and private organisations in fostering the creation of new businesses and guidelines for business continuity and longevity (measures and guidelines). Both bibliographic and



qualitative research were the most used tools for achieving results. Content analysis confirmed the revelations of respondents.

We explore the postulates of entrepreneurship as a business model to be used by entrepreneurs. Some questions emerge. How can income and occupation be generated for people? How can a steady pace of growth be maintained in societies? How can the entrepreneurial spirit be encouraged? How can an entrepreneurial mind-set be developed in individuals?

2. Literature review: To undertake what is needed

2.1 Entrepreneurship: Some concepts, definitions and contradictions

The word "Entrepreneur" comes from the French word *entreprendre*, meaning "do something" or "undertake" (Swedberg, 2000). Its definition has emerged from the works of French economists, Richard Cantillon (1680-1734) and Jean-Baptiste Say (1767-1832), when they devoted attention to the creation of new enterprises and managerial procedures (De Paula, Cerqueira and Albuquerque, 2004: 573). With the advance of studies in this area, it has been found that there are some differences between entrepreneurs and these differences have conceptual and practical implications (Bayma, Sant'Anna e Diniz, 2013: 93)

Cantillon, according to his perception of his own commercial experience (Roll, 1972), was the first economist to develop key ideas relating to the entrepreneur and entrepreneurship for academic use. This author viewed the entrepreneur as the bearer of risks inflicted by the changes in market demand and argued that traders were involved in the balance of supply and demand. Cantillon outlined an entrepreneur in search of business opportunities, worried about economic management, and astute in obtaining better returns on capital invested (Filion, 1998: 1-2; Filion, 1999a: 6)

Jean-Baptiste Say is one of the most insightful thinkers in economics and, along with Cantillon, placed the role of the entrepreneur at the centre of economic theory when he invented the term "entrepreneur" to highlight his vital role in economics, in which he would be responsible for the growth of industry – a dynamisation of the productive process.

The desirable features of a good entrepreneur, agent or "master-servant" should be the ability to plan, assess projects and be able to take risks. Say developed moral qualities that should be part of the entrepreneur's behaviour, such as: judgement, perseverance, good sense, knowledge of the world, as well as business expertise (Say, 1972).

The economist Alfred Marshall (1842-1924) contributed much to the discussion on entrepreneurship in his treatise "Principles of Economics" of 1890. He recognised the necessity of entrepreneurship in production and incorporated organisation in the three classic factors of production. According to this author, organisation would be the factor coordinating the others: land, capital and labour, and he viewed entrepreneurship as the moving element in enterprises. Businessmen had to create new products or improve the manufacturing plan of a former product. Marshall (1985) believed that the entrepreneur should have a deep knowledge of industry and, he should be a natural leader.

In addition, entrepreneurship is seen as an activity of risk and opportunities. The risk relates to events which frequently have occurred in previous times or experiences and therefore can be estimated as probabilities. Uncertainty also occurs as single instances for which probability can only be estimated. In the ideas of Knight (1972), the entrepreneur has the function of absorbing the uncertainty involved in the decision making

process and its consequences. The fundamental role of the entrepreneur is to tackle uncertainty.

Businesses in the contemporary world are developed within a highly unstable environment characterised by permanent change. The entrepreneur has to deal with this setting both inside and outside organisations. Opportunities are scarce. Threats are constant and from different factors such as technology, legislation, economic policies, financial crises, and new consumer preferences – beneficial or not for economic activities.

In business activities, the agent who makes the quickest decisions will be able to see opportunities where others do not see them. Kirzner (1986) called this a "constantly alert state". In other words, entrepreneurship is a warning sign for businesses which find profit opportunities when they are visible to some individuals but not to others or to competitors. Thus, the entrepreneur is not a holder of innovative ideas, but someone alert to existing opportunities, waiting to be discovered, as asserts Salazar (2006: 201).

Another point of relevance are the contributions of Schumpeter's theories, including the aspects of innovation, economic development, balance and imbalance of the capitalist system, through creative destruction and resistance to change. "Development" in the economic environment is understood by Schumpeter (1985: 47) when managers radically change the way organisations produce, and this change happens through new combinations in the means of production through innovations, with entrepreneurs as the main agents. Schumpeter (1985) notes that there are two types of entrepreneurs. Those that innovate constantly are called a special type of entrepreneur. The others are "stuck" to the habit of doing things always in the same way, and are considered mere administrators, organisers of production.

Another dimension to consider in entrepreneurship is the psychological question. The behavioural school was the subject of much debate and their conclusions were always criticised, as confirms Filion (1999a). Regardless of this position, much of the work developed by psychologists is accepted in the scientific world. Their results have the validity and reliability of empirical research, thus they have gained theoretical support and acceptance in the academic environment, according to Filion (1998; 1999a). The legacy of McClelland (1961) contributed to some understanding of the behaviour/performance of people (Gibson, 2006: 144) and study of this author is essential to understanding the entrepreneurial phenomenon.

Mark Casson (1982), despite being an economist, also contributed substantially to the behavioural theory of entrepreneurship. Casson (2004), while analysing the market, severely criticises the idea that the information available is perfect. Here this entrepreneurship theory diverged from the neoclassical orthodox approach by identifying that the information found in the enterprise environment is heterogeneous, scarce, localised and constantly becoming obsolete. Thus, "the entrepreneur, confident of being in possession of information, knowledge and superior judgment compared to the other market participants, takes over in order to reallocate resources in a more efficient way", writes Braga (2003: 25).

Another author who also contributed to formulating the equation for entrepreneurial behaviour was Timmons (1989). He centred his studies on the proactive attitudes and initiatives of entrepreneurs (Macêdo et al., 2009).

Boava (2006), reflecting on the work of Timmons, stresses that the primary factor for someone to become a successful entrepreneur is his ability to undertake, and for that, the



following behaviours are needed: “a) proactively respond to challenges and learn through mistakes; b) take initiative; c) have perseverance and determination” (Boava, 2006: 46). A successful entrepreneur, according to Timmons (1989), is the one who has a high level of creativity and innovation and also the ability to manage businesses.

We identify economic and behavioral aspects in this discussion. Thereby, based on studies of Smith (1967), Bayma, Sant’Anna and Diniz (2013) expose what kinds of entrepreneurs are characterized as: craftsmen and opportunists. Entrepreneurs are agents of changes in social structures or by their more traditional typologies or by innovative ones. We observe, therefore, behavioral and economic qualities. The same authors emphasise that:

“The (...) [craftsmen] are characterized by being children of workers and with technical training. These are professionals dedicated to excellence in the service they provide and try to avoid the influence of managers and trade unions while performing their trade. They appreciate quality services and serious employees and do not give importance to growth. The opportunists, however, normally have a full university education in areas such as administration. Normally they have a managerial background before opening their own business. It is worth stressing also that this profile strives for business growth and higher profits”. (Bayma, Sant’Anna e Diniz, 2013: 93).

2.2. Succession: Encouraging business longevity

Business succession is another topic of interest to owners of micro and small businesses. Sometimes the owner of an establishment is not attentive to this important step. Succession is a topic that cannot and should not be ignored. To talk about a company transfer means, in principle, the removal of the owner from the management of activities.

The authors Lodi (1987), Bernhoeft (1989) and Leone (1992) suggest that succession should be discussed by entrepreneurs so that transitions can be carried out in an organised way, with a minimum of turbulence. Entrepreneurs must be careful with the transfer of businesses in order for these to have greater longevity. Procedures for business transfers need to be discussed not only by the owners of commercial establishments but also by international organisations. The European Union (2006: 9), when examining this issue, says that “one third of European businessmen will abandon entrepreneurial activity over the next ten years.”

Given the above, succession is a topic of great importance to the organisations that support entrepreneurship (business), and this is a topic of discussion for the European Union, The Organisation for Economic Co-operation and Development (OECD) and Brazilian entities, i.e., SEBRAE (Brazilian Support Service for micro and Small Enterprises).

3. Methods

This study used qualitative research methods using tools such as an informal exploratory study and bibliographic research. The literature review was used to build a theoretical-conceptual framework. As for the fieldwork, we used structured interviews based on a script, with six responsible people who directly promote entrepreneurial activities.

Our observations relied on a predetermined script. The documentary research adhered to the records, reports and documents of the entities studied. Secondary data was obtained from public and private organisations. Content analysis was the

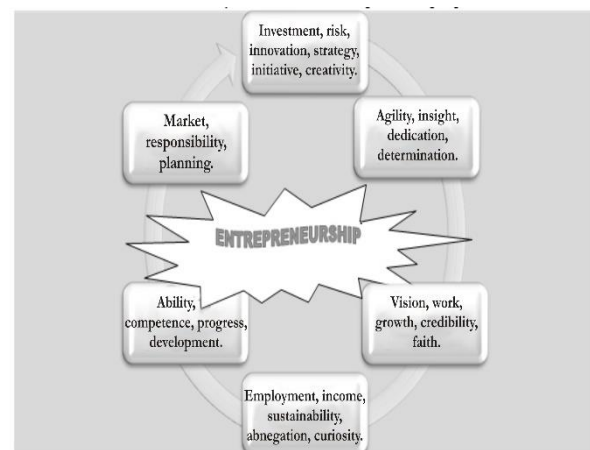
strategy applied for the interpretation of this qualitative information.

4. Results and discussion: Business support organisations

4.1. A definition of entrepreneurs

Interviews were held with representatives from AMPESBA (Association of Micro and Small Enterprises of Bahia State), from CDL (Board of Itabuna Shopkeepers), from ACI (Commercial and Business Association of Itabuna), from UESC (Santa Cruz State University), from the Secretary of Industry, Commerce and Tourism of the Itabuna city hall. The questionnaire was comprised of two main topics: first, we asked about general strategy, and then we asked about initiatives taken by each institution analysed. The first topic covered words associated with entrepreneurship. We asked respondents “What are the key words that come to your mind when you think of ‘entrepreneurship?’” The answers were quite broad, revealing that this topic is extremely wide. Neither in the theoretical nor in the empirical fields is there a coherent delimitation. Below, we present the words suggested by the heads of the entities questioned:

Figure 1 - Key words within entrepreneurship



Source: Authors

Filion (1999a), Swedberg (2000), Gartner (2001), Audretsch (2002), Falcone & Osborne (2005), and Boava (2006) have previously identified the lack of a systematic definition. Their studies have shown that the entrepreneurial phenomenon is diverse in its definition and conceptualisation. There is a very wide approach whenever the entrepreneurial character is defined or conceptualised into a model of entrepreneurs, in the sphere of ideas as well as in business reality.

Another aspect researched refers to external environment issues. The city of Itabuna is favourable to business activities but introduces some ambiguity. On the one hand, the representatives of the entities interviewed revealed that Itabuna is a regional focus of services and trade in full expansion. Its geographical location and the surrounding municipalities also facilitate the economic growth of the city. On the other hand, it has a precarious infrastructure which requires a substantial investment in its strategic sectors. The Bahia Secretary of Industry, Commerce and Mining confirms this, as reported in newspapers such as the article “New Eldorado Baiano” (Governo da Bahia, 2010: 1)

A lot of opportunities will open up for micro and small entrepreneurs (Conexão, 2010) and this “unique time” will make it possible to start an activity or strengthen an existing one. The role of the entrepreneur is to discover the possibilities



that the market is offering and to try to take the full advantage of these.

On the other hand, we found some concerns of respondents. They commented that the region is lacking in infrastructure to absorb foreign investment, the workforce lacks training, the public administration needs to be professionalised with good and efficient managers and coordination between politicians needs to increase. To support this understanding, we transcribe some quotes from respondents.

Table 1 - Entrepreneurial environment of Itabuna: ambiguity

AMPESBA	Favourable: "Itabuna is undoubtedly a city that offers a favourable environment for entrepreneurs due to location and climate" Unfavourable: "...lack of public policies to improve its infrastructure, (...) our workforce lacks training still"
CDL	Favourable: "Itabuna is a regional pole of expanding trade and services"
ACI	Favourable: "The local business has invested in improvements (...) Itabuna has distinguished itself by its dynamic and successful trade" Unfavourable: "If the city had a good administrator, such as the mayor, we would certainly have a much better environment"
UESC 1	Favourable: "The city has a history of entrepreneurial initiatives (...) and its trade is quite dynamic, which saved the city from a collapse in the acute period of the cocoa crisis (...) [Itabuna] holds a strategic position" Unfavourable: " (...) [Itabuna] historically has not focused on support for vocational training"
UESC 2	Favourable: "Reasonable. The spatial environment is satisfactory due to the geographical location of the town and suitability of the population for commercial activities"

Source: Authors

We also asked representatives of business support organisations if the entrepreneurs apply differentiated strategies in their businesses. The responses pointed out that the entrepreneur settles for survival, business plans are neglected and companies survive with great difficulty. In their words, it became clear that there is a need for better training of individuals in order for them to work in a business, and there is a widespread lack of planning. Below, we validate this analysis through the words of respondents:

Table 2 - Strategies used by entrepreneurs of Itabuna.

AMPESBA	"Usually [entrepreneurs] do not make a business plan and do market research, they still use their skills acquired through practical experience, (...) I'm sure that in order to continue running a business, they will have to adapt to the new culture"
CDL	"We see our entrepreneurs as willing to change, but somewhat unprepared for development, therefore, needing competent entities to promote them"
ACI	"Entrepreneurs that stand out, true entrepreneurs, have created their own strategies, but certainly the younger generation is already applying, in most cases, to universities, and will be working more technically, extending

	their vision to take advantage of the opportunities that will come"
UESC 1	"My impression is that there is a lack of medium/long term planning in virtually all industries, with rare exceptions"
UESC 2	"I do not know of research that talks about the subject [strategy]. The impression I have is that most entrepreneurs in Itabuna are guided by their personal intuition, in an empirical way"

Source: Authors

Many points were raised by respondents. The lack of public policies to strengthen small businesses was discussed by one of the interviewees. Insufficient credit is another concern of the business community – from the perspective of representatives of support organisations. Fees, taxes and labour burdens particularly harm small businesses and are seen as aggravating factors. Knowing the market is also another challenge. Excessive bureaucracy and disability in the workforce are worrying, and, finally, the lack of training in basic principles of management is an obstacle to be overcome by the entrepreneurs. Below we transcribe some speeches that highlight the challenges encountered by owners of micro and small establishments, from the perspective of leaders of support organisations.

Table 3 - Challenges faced by entrepreneurs of Itabuna

AMPESBA	"Lack of public policies to strengthen small businesses. (...) The lack of credit (...) I think it's one of the major obstacles for the emergence of new entrepreneurs, I think it's the financial system"
CDL	"Fees and taxes, as well as labour charges. It goes beyond property taxes, like water, light, telephone, and finally, holidays which are many"
ACI	"Know the market"
UESC 1	"Bureaucracy and shortage of manpower"
UESC 2	"Literature shows at the national level, and consequently occurs in Itabuna, that the main challenges are: lack of working capital, lack of market knowledge, lack of business support mechanisms like a business plan, a strategic plan and others, lack of experience"
PMI	"Financial challenges to maintain stability in the application of resources, business plans, exit strategies, (...) manage a business and have a viability plan."

Source: Authors

The succession of companies was another topic discussed in this survey which is a subject of great discussion in international organisms, as mentioned by the European Commission (2006). Succession planning, when organised in advance, reduces the number of business closures. Establishments may be closed due to the lack of a successor and not because of financial or managerial issues. Thinking about succession in advance is a passport to eternity for a businessman in the "hands" or "under the management" of another person. The successor will come from his own family or outside of it.



Initiatives including guidelines for business transfers should be directed to entrepreneurs. In the European Union, out of three owners of establishments, one will cease activity over the next ten years (European Commission, 2006). Flören (1998), Brown and Coverley (1999) stated that only a few companies include succession in their strategies. The information collected from respondents confirms this same lack of interest in the issue of corporate succession.

The results are worrying. The respondents (AMPESBA, CDL, UESC, ACI, PMI) informed us that this subject is not part of the day-to-day discussions of companies in the city of Itabuna-Brazil; succession is not discussed by entrepreneurs nor addressed in the business fabric of the city. Below are some reports from respondents.

Table 4 - Entrepreneurial succession in Itabuna

AMPESBA	"Unfortunately, we do not have good examples, we lost medium-sized and big enterprises in our region and they closed because of the lack of a family policy. (...) We can count on our fingers the companies that practice corporate succession in Itabuna (...) We should discuss and draw attention to this subject [succession] so that it can be put into practice as a matter of urgency, we can launch campaigns."
CDL	"This important topic is not focused enough. We position ourselves in favour of a targeted and focused work on succession so that there is no continuity problem"
ACI	"What we have noticed is that currently there has been a growing interest in the subject"
UESC 1	"I have not formed an opinion yet"
UESC 2	"I do not know any discussion on this topic. Even outside the region, this theme has not been discussed."
PMI	"No. (...) the company does not prepare itself for this moment, a traumatic situation can occur, conflicts between family members due to the transmission of capital and also power may even ruin the deal..."

Source: Authors

Through these analyses, we uncovered the complexity of the business world of Itabuna. Business activities include a wide range of contexts that were attested in the verbal responses of respondents when they conceptualise enterprises.

The business environment of the studied city is very propitious for businesses. The respondents, in their reflections, describe the business environment of Itabuna-Brazil as very receptive to micro and small establishments, an appropriate location for business transactions, even though it has poor infrastructure. The city has an inclination for business activities and it favours entrepreneurship

Next, we discuss the main guidelines developed by support organisations to improve the business environment in Itabuna-Brazil. The greatest challenge was to understand how the practices of these entities provide a better business environment.

4.2. Organisations that support entrepreneurial activity: Institutional roles

Our first observation relates to the institutional role of the support organisations. We asked the leaders of these entities,

how they aid in the creation and continuation of economic activity. The responses received are detailed below.

The representative of the AMPESBA said his goal is to represent the sector of micro and small enterprises and of the constituted authorities, fighting for better conditions in the financial system and creating favourable conditions for taxes. The respondent stated that his achievements are still far from satisfying needs but added that he needs to do much more.

The head of the CDL stated that he accompanies entrepreneurs in their training in accounting and legal issues. The president of the ACI, Eduardo Fontes Neto stated that his primary goal is to defend the interests of the business class in general and to promote business expansion in both industrial and service areas. Furthermore, he aims to develop initiatives for the improvement and development of business techniques, propagate actions and campaigns that strengthen free initiative and entrepreneurship, defending with legal means their associates, and interacting with other organisations representing the country.

The Santa Cruz State University had two representatives, the first was the head of the NIT – the Centre for Technological Innovation of the UESC and the second, the Dean of Extension Studies. The person in charge of the NIT stated that the priority of the organisation is to guide any member of the community assisted by the UESC in intellectual property protection practices, and also to encourage entrepreneurship in the academic community and in the technology-based business milieu.

The Dean of Extension Studies of the UESC, Raymundo Bonfim dos Santos, stated that "at this time [November 2010] we're not working on that approach". He said that when he was in charge of the Municipal Job Agency (AME) of Itabuna, he developed, along with his employees, initiatives in the field of entrepreneurship such as training entrepreneurs and workers, encouraging businessmen to adopt management instruments, business plan, strategic planning, and the use of control procedures.

The Secretary of Industry, Commerce and Tourism – PMI – through its director, stated that the organisation promotes initiatives directed towards the development of tourism, industry, commerce and service, generating employment and income, proposing a municipal policy for local economic development, as well as coordinating with other secretariats to develop the tourism and economic potential of Itabuna.

Courses, conferences, leadership forums, legal and accounting support, joint policies, external investment research, sales promotion campaigns: all occur in Itabuna. These events are visible, and are registered in the internal documents of the central government, and in advertising agencies, newspapers, and media. Their purpose is valid, but these activities should be improved.

The institutional roles of these firms and their actions are very distant from the business reality. There is a gap between proposals, guidelines and facts that support and strengthen the entrepreneurial spirit of the city. These organisations need to make a qualitative leap by working on additional improvements for the entrepreneurs of Itabuna-Brazil.

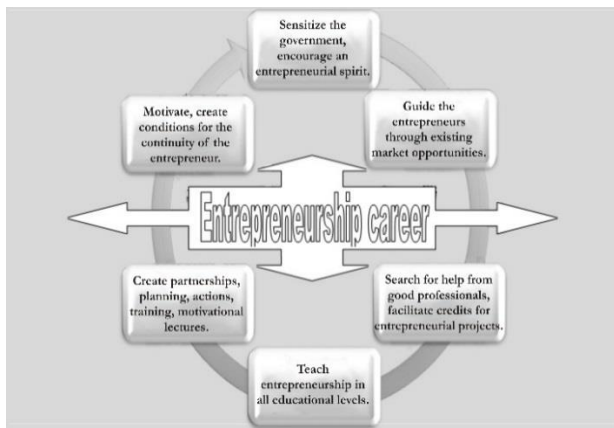
Through observations and analysis, we conclude that these firms urgently need to move forward with their proposals. Their practices are intermittent, isolated, and incipient: events without significant impact on the business process. Working closely with entrepreneurs, we realised that the contact between these entities are only friendly, not including any consistent contracts or effective business programmes.



The third and fourth questions focused on the entrepreneurial career and on business transfers, respectively. We asked the following questions: How can an entrepreneurial path be encouraged? How can business owners be prepared and guided through the succession process? Respondents showed interest in supporting entrepreneurial training through the inclusion of "business notions" in basic education. As for succession, they felt preparation and planning are the best paths.

We made two self-explanatory figures, shown below, to synthesise the entrepreneurial career and the transfer of businesses - based on reports from respondents (representatives from the entities AMPESBA, CDL, UESC, ACI, PMI). In Figure 2, the leaders suggested procedures and aspects that must be present in the training of entrepreneurs. In Figure 3 are specific guidelines to use at the time of a succession.

Figure 2 - Entrepreneurial career: some challenges

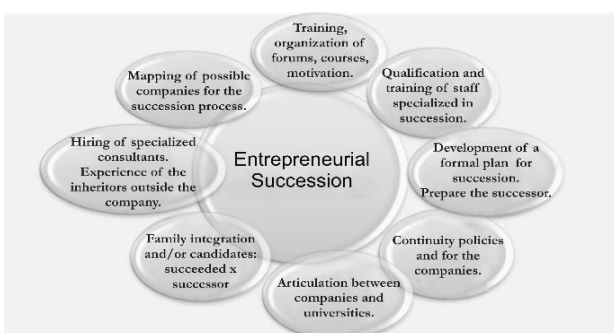


Source: Authors

Babson College in Massachusetts, USA, offers their students an entrepreneurial education. The Indian Institute of Entrepreneurship also supports business careers with their training programmes. These institutions already realise that studying the entrepreneurial model strengthens business activities. The enhancement of the entrepreneur profession by society constitutes a cornerstone for the consolidation of commercial establishments, a structured craft like many others already recognised in the academic environment.

Succession was another point discussed in this survey. This topic is discussed superficially and often not appreciated in the business environment. In fact, the entrepreneurs from Itabuna do not prepare their successors. Therefore, the continuity of activities is neglected. Respondents, aware of this situation, listed initiatives that should be encouraged in the society being studied. These practices, shown in Figure 3, reduce the undesired closure of enterprises, consolidate businesses to allow their longevity and, finally, facilitate an orderly and planned succession.

Figure 3 - Business succession: concepts suggested by representatives of support organisations



Source: Authors

Finally we conducted interviews with representatives of development agencies on the topic "business beliefs". Respondents suggested other possibilities that should be adopted by entrepreneurs. Their suggestions were the following: contribute to an economic plan for the region through the UESC - Santa Cruz State University; make business activity a tradition within society, seen as an important profession; seek funding alternatives with lower interest rates; conduct research in the entrepreneurial field; and deal with global competition.

Respondents indicated a few relevant practices to strengthen the local economy through micro and small businesses. Among them were relevant initiatives: some create a plan for the medium and long term coordinated between organisations; develop a public policy that benefits entrepreneurs; promote trade activities; and identify appropriate conditions for the goals of entrepreneurs.

Given the above, it is evident that there is a long way to go before the business class can be strengthened in the city studied. The challenges are immense, the demands are also intense and many arduous tasks are still ahead. We believe that the stakeholders of these entities, together, can make the business sector much more solid, cohesive and competitive, perhaps even an entrepreneurial city, as suggested already by Drucker (1986).

5. Final thoughts: The search for integration

Organisations that promote entrepreneurship, in theory, have a crucial role in boosting the economy: a strengthened entrepreneurial fabric creates a prosperous city. Itabuna is favourable to business activities because it is a convergent centre. Support agencies should encourage the creation of enterprises, in particular small businesses, because Brazil has good prospects for economic growth and social development over the next ten years (2011-2021), and the town in question is part of this promising setting. At this moment it is vital to consolidate Itabuna as a business centre in the state of Bahia, Brazil.

The "winds" are favourable for doing business, but entrepreneurial practices require great effort from those involved. These organisations (AMPESBA, CDL, UESC, ACI, PMI) must work more effectively to build an entrepreneurial city. The activities carried out by these organisations are fragile, poorly prepared and incoherent. Representatives of these organisations have good intentions, but the economic process is extremely fast: it will not survive on good intentions alone. An integrated effort is needed for these organisations to produce better results.

Organisations need to create aid mechanisms (courses, orientations, meetings, consultancies, debates, business fairs, services, and so on) for business owners as well as defend the entrepreneurial class with public institutions such as banks. In general, they need to protect and ensure the interests of their members. In addition, they need to consolidate entrepreneurial training for businessmen, to professionalise business activities.

We can infer that support organisations work in isolation, without coordination. Some contact between them has been found, but this is not very developed, as it is only occasional and without systematisation. These agencies maintain their own interests and they do not join together and work on larger projects involving all the stakeholders. The surveyed entities operate far from each other with merely cordial relationships.

The efforts of the representative of the AMPESBA to defend the needs of the micro and small entrepreneurs in Itabuna are another relevant example of initiatives. The directors of these entities need urgently to make a comprehensive plan that takes into account the problems identified in the business scenario of



Itabuna. Critical situations must be addressed, not only by individual entrepreneurs, but also by their representatives. The city needs to improve its infrastructure, facilitate access to credit with lower interest rates for productive activities, and effectively integrate universities and businesses, the UESC in particular.

Santa Cruz State University (UESC) is a respected entity within Itabuna society, yet we could not perceive anything extraordinary developed by the UESC for strengthening entrepreneurship in Itabuna. We observe only a few initiatives without continuity, initiatives without entrepreneurial training and only a few annual seminars on the subject in question. There are few courses for specialisation with a management approach and recently an extension project for high school students in business education. We hope that UESC contributes even more to teaching, research, and extension with entrepreneurial purposes.

In conclusion, all is not lost: entrepreneurship will advance by its very nature. We believe that the time is now for promotional entities to contribute to entrepreneurs in some way. Eduardo Neto (ACI) has already stated: Itabuna is a "headstrong" city.

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