

ICSB GAZETTE

THE GLOBAL LEADER SUPPORTING MICRO-, SMALL AND MEDIUM ENTERPRISES

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WHAT DID RESEARCH TELL US ABOUT MICRO-, SMALL AND MEDIUM-SIZED ENTERPRISES?

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"According to the US Small Business Administration women are starting businesses at twice the rate of their male counterparts and are starting these businesses in non-traditional areas"

As Editor-in-Chief of the Journal of Small Business Management (JSBM), I am privileged to edit one of the oldest and largest circulated academic journals in the world dedicated to exploring the successes, failures and interesting breakthroughs in small business management and entrepreneurship sector. Currently, JSBM's Impact Factor is 2.876, and it's ISI Journal Citation Reports © Ranking: 2017: 48/194 (Management). The primary purpose of the Journal of Small Business Management (JSBM) is to publish scholarly research articles in the fields of small business management and entrepreneurship.

As the official journal of the International Council for Small Business (ICSB), JSBM is recognized as a primary instrument for projecting and supporting the goals and objectives of ICSB, which include scholarly research and the free exchange of ideas. The journal, circulated in 60 countries around the world, is a leader in the field of small business and entrepreneurship research.



Gender

My top ten list of trends in no order of importance of trends starts out with examining the growing diverse gender issues impacting both the employment and ownership of micro and small and medium enterprises. Women today are seeking more flexibility, opportunities and variety in deciding on their career options. According to the US Small Business Administration women are starting businesses at twice the rate of their male counterparts and are starting these businesses in non-traditional areas' such as construction, trucking and manufacturing. They are making major strides using social networking to share resources and information.

A large contingent of women entrepreneurs is coming from the under 25 years of age group primarily college graduates looking for a more fulfilling professional experience. JSBM will publish in 2019 a special issue devoted to “High Growth Women Entrepreneurs.” The four co- authors have been involved in the Global “Diana Project.”

Technology and the rate of change

Recent cover pages for Time and Business week show thousands of drone’s flying in precision to form the cover page for Time, and in the case of BusinessWeek’s cover page, artificial intelligence (AI) painted a highly complex forest scene. Although small and medium enterprises may not need these resources and skills it is important to understand that the increased use and diversity of task may require small and medium enterprises to seriously think which types of jobs in my businesses will be lost to the more efficient alternative, probably AI. Especially in labor intensive and customer services jobs. These jobs historically are where small businesses have started and thrived. The people occupying these jobs may not be able to be trained in the new digital age.



Founder of Chobani
photo credit to the New York Times

"...welcoming refugees have a positive or at least a neutral effect on a host community's economy and wages."

Moreover, as the rate of change accelerates the marketplace, new demands for more innovation, uniqueness and functionality is demanded by consumers for them get excited and purchase. Take the case of Samsung and Apple. Each seems to be generating new smartphones annually, and consumers cannot wait to stand in line for hours to get the newest model. Now enter a small business whose unique selling point is excellent customer service and knowledge of the newest and coolest technology. They would have to constantly retrain staff to keep up the new products which in turn would require many SMEs to find less technological industry's which is highly unlikely. Small and medium enterprises are leaner with less historical precedent to get in the way.

As the millennials, projected to be over 50% of the active, consuming marketplace become more and more comfortable sharing all their personal data on Facebook, LinkedIn, Twitter and other social media, changing jobs, careers and multiple consumer items such as driverless cars, micro ,small and medium enterprises will have to adjust or discontinue operations. Today, Alexa, the AI manages our home environment. Tomorrow Big Brother will manage us. JSBM and Technovation realized the importance of the technology interface with micro, small and medium enterprises and co-published special issues in JSBM and Technovation within months of each issue so as to stress the importance of collaborating and sharing information.

Global refugees

"The man who built the country's best selling Greek yogurt brand, Chobani, has made a point of hiring refugees in his U.S. plants. In an interview with CBS's "60 Minutes," Chobani founder Hamdi Ulukaya discussed the practice, which drew him into election-year politics and debate over the U.S. refugee policy."

Hamdi has two major plants in the US, one in upstate New York and another in Twin Falls, Idaho. Both are staffed in part by refugees resettled locally.

"The minute they get a job, that's the minute they stop being a refugee," Ulukaya told Steve Kroft. "They are the most loyal, hard-working people right now in our plant here [in New York]. We have 19 different nationalities, 16 different translators."

"I think his care about his employees, whether they be refugees or they be folks that were born 10 miles from where they're working — I believe his advocacy for that person is no different. And there's nothing wrong with that," Otter said. Refugees described as a "burden" for the countries they settle in. The usual thinking is that the refugees are consuming too much on limited government coffers and weight on sluggish economies, but that countries ought to take them in for moral and legal reasons. Even those in favor of expanding help for refugees, like the former British foreign secretary David Miliband and the executive director of Human 68 Rights Watch for the Middle East and North Africa, have referred to sharing the "burden" of refugees.

However, research that has looked at the effect of refugees around the world suggests that, in the longer run, this view is often wrong. From Denmark to Uganda to Cleveland, studies have found that welcoming refugees have a positive or at least a neutral effect on a host community's economy and wages.

Human capital, Youth Unemployment and the “Millennials” As in the past, micro, small and medium enterprises (MSMEs) will be faced with the challenge of attracting and keeping highly qualified staff. As in the past, MSMEs will struggle to grow their business due to a lack of available and affordable human resources. Among the young, especially the millennials unemployment worldwide is reaching almost fifty percent (50%). However, the good news is that MSMEs have a distinct advantage over their larger competitors in that they can offer flexible work schedules, remote access to work via the internet and flexible hours for those individuals with family responsibilities. In addition, start-up founders can offer equity in the business in exchange for a minimum three years commitment. This would enable both the business and the staff person to mutually benefit from the arrangement.

Family Businesses, Globalization and Ecosystems and Resources

The final three trends: Family Businesses, Globalization and Ecosystems and Resources are fundamental trends that have existed from the later part of the 20th century and into the beginnings of the 21st century. Families for the most part are involved worldwide in over 90 percent of all businesses. It is a global phenomenon affecting all MSMEs. Families tend to stick together through good and bad times. They are more willing to sacrifice so all can earn and survive.

However, the dilemma facing families is that they tend to draw their knowledge from the collective. Thus limiting new ideas, techniques’ and strategies to sustain and grow the business. More importantly, individuals outside the family, who may possess valued information and skill sets are generally relegated to minor position without any influence on procedures and strategies. Finally, transferring knowledge and authority from one generation to the next is extremely difficult which tends to limited second and third generation businesses.

Globalization is everywhere and MSMEs will need to compete locally, regionally and globally. The advent of the internet of needs means that a small business in rural Alabama maybe supplying peanut butter to a small convenience store in Ireland. China will be the largest trading market globally and both within and outside of China. The rest of the global market will need to adjust and develop new methods of doing business digitally.

Ecosystems and resource availability are by no means the least important of the ten trends. The truth is that without a supportive network advising and assisting the MSMEs, the probability of success is diminished. Governments must abandon old ideologies that money I she cure for all problems affecting MSMEs. What is needed is a coordinated long-term program of knowledge acquisition and resource networks that MSMEs can use. In addition, establishment of networks targeted to provide linkages to and among valuable resources should be undertaken immediately. “Knowledge is the key to success.”





About ICSB Gazette:

The ICSB Gazette is a weekly edition of a key topic that ICSB will showcase. The content is varied from research, practice, policy, and education. The editor of the ICB Gazette is Ms. Jordyn Murphy, ICSB Operational Manager. She will be soliciting ideas and articles from ICSB members world-wide.

ICSB Executive Director Comment:

Dr. George Solomon, Editor of JSBM, has done an outstanding job in leading JSBM to being the premier research journal focused on entrepreneurship, micro-, small, and medium sized enterprises. He is the pillar of excellence in bringing many voices together to build a robust and impactful research agenda. ICSB is very lucky to have him.

Dr. Ayman El Tarabishy



Jordyn Murphy Editor, ICSB Gazette

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Contribute:

Have a topic you would like to see or an article to share? Please submit for consideration to jordyn@icsb.org

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