DANISH BUSINESS AUTHORITY

OECD BETTER POLICIES FOR BETTER LIVES · LEED BUILDING MORE AND BETTER JOBS · POUR PLUS D'EMPLOIS DE QUALITÉ

OECD-DBA INTERNATIONAL WORKSHOP

"SKILLS DEVELOPMENT FOR SMEs AND ENTREPRENEURSHIP"

Summary Report [1]

Background information

The OECD Local Economic and Employment Development (LEED) Programme and the Danish Business Authority (DBA) organised a workshop on "Skills Development for SMEs and Entrepreneurship" on 28 November 2012. The workshop intended to support future policy development by DBA in the domain of human capital development in new and small existing businesses, as well as to strengthen the knowledge of OECD/LEED on an area where parallel work is ongoing (local reviews, surveys, etc.). The workshop was organised around three main sessions, which also provide the structure of this summary report: i) workforce skills development in SMEs; ii) skills for growth-oriented entrepreneurship; iii) skills for socially inclusive self-employment.

Session I: Workforce skills development in SMEs

It is well-known by policy makers that small enterprises invest less than large companies in training their workforces. Workforce training is up to three times more expensive for SMEs than for large companies, mainly as a result of lack of economies of scale, higher opportunity costs and higher costs for administrative compliance. Small companies tend to have fewer employees attend formal (internal or external) courses; meet greater production constraints due to lack of appropriate staff; and spend more time in understanding which training is relevant to them and how to benefit from it. However, cost is not the only issue. Small businesses find it difficult to receive customised training, largely as a result of lack of economies of scale. And they are less likely to perceive the value of training for upgrading their production processes. The whole of these factors poses a challenge to the training of workers in small enterprises and, in the long-term, saps the productivity and competitiveness of SMEs in an increasingly knowledge-based economy.

Given this background, **Prof. Ian Stone** (Durham University) gave the keynote speech of the workshop based on an international review of policies and programmes in upgrading workforce skills in small businesses. After identifying the main barriers to training in SMEs – which included some of the market failures introduced above – the author presented a rich overview of programmes that can be summarised in the table below according to which area of action they address.

[1] This summary report has been prepared by Marco Marchese from the secretariat of the OECD LEED Programme.

Table 1: Training policy measures by areas for action

POLICY MEASURES	AREAS FOR ACTION							
	Awareness-raising among SMES about role of training	Sectoral/local outreach mechanisms	Flexible provision of training	Integration of formal training with informal learning	Trainer and facilitator networks	Financial incentives for training demand	Collaboration between SMEs by pooling resources for training	Training partnerships between large and small enterprises
Changing employer outlook								
Information and guidance								
Forms of training provision								
Tax incentives for training								
Training subsidies								
Training levies								
Rights to training leave								
Job-rotation schemes								
Employer networks								
Accounting standards								
Pay-back contracts								
Occupational licensing								

Table 1 gives a snapshot of which policy measures are more likely to tackle multiple areas for action. Employer networks and training levies come at the top. In the first case, the pooling of resources by small employers offers a number of advantages related to economies of scale, specialist training expertise and reduced transaction costs in handling administration. Networks can also be vertical, linking buyers and suppliers. In this case, it is generally buyers' demands that drive training supply and production upgrading in smaller suppliers. Levy systems, which are based on voluntary/mandatory contributions by employers to a common training fund, have also the merit of addressing different policy needs at the same time. They also reduce the externality of "worker poaching" (i.e. worker moving to another enterprise after having received training) by requiring all firms to contribute to training expenditures. Not all levy systems are the same, and there is evidence in the literature that levy systems based on employers' contributions to a common fund from which training costs are met (e.g. Denmark, the Netherlands, Spain, Italy, Belgium, Australia) are more effective and efficient than systems hinged on the "train-or-pay" principle (France and Quebec, Canada), where employers are requested to commit to a minimum training budget or pay a tax on the outstanding shortfall.

The table also emphasises that tax breaks and subsidies are important but not sufficient to tackle the different forms of disadvantage experienced by SMEs in the provision of training, which also involve employers' perception about the function of training in the production process, the assessment of business training needs, the match of these needs with the available supply of training, etc. Financial incentives, therefore, have to be combined with or embedded in other forms of support (e.g. information and guidance, employer networks, etc.).

Within the domain of financial incentives, training subsidies should be preferred to general tax breaks if SMEs are the target of the policy. General tax incentives are likely to be captured by large firms more familiar with the tax system, which raises deadweight costs. As well, subsidies need to be substantial to entice small firms into the provision of training and need to be combined with other measures to help small employers cope with the multiple barriers they face in the provision of training.

The keynote presentation by Ian Stone was followed by a presentation by **Mr. Marco Marchese** of the OECD LEED secretariat on a project recently completed by OECD/LEED on "Leveraging training and skills development in SMEs". The presentation stressed the importance of informal learning at the workplace for small enterprises considering their low level of investment in formal training. Based on a survey of SMEs in 7 regions, the project found that informal learning through daily activities (e.g. interactions with co-workers or consultants, internal work projects, etc.), generally called "knowledge intensive service activities" (KISA), are perceived by small employers as a better source of skills upgrading than formal training courses. The divide in outcomes from training between high- and low-skilled employees is also narrower in KISA than in formal training, and innovative SMEs are twice more likely to engage in KISA than the average firm. The main policy implication, therefore, regards the development of a public policy framework for the recognition of informal skills development activities. This is all the more important because the OECD report also warns that the main motivation for training provision in SMEs lies in a demand from clients/buyers, rather than the existence of any policy regulation or incentive.

The third presentation in the session was by **Prof. Sergio Destefanis** (University of Salerno, Italy), who introduced the findings of two OECD/LEED projects on "Skills for Competitiveness" and "Local Job Creation" in the context of Italy. The human capital endowment of Italy is lower than that of most other important European countries. This is not so much because of schooling (primary and secondary education) or university (tertiary education), which have levels similar to other main EU economies, but because of extremely low adult education and on-the-job learning. This is partly related to structural conditions of the Italian economy, such as the disproportionate shares of self-employment in the business population and of temporary contracts in the workforce, both of which discourage the investment of SMEs in formal training.

The presentation also describes Italy's policy approach to skills upgrading as too supply-driven and sapped by the lack of effective selection criteria and burdensome regulations. Nonetheless, good policy practices are available especially at local level. For example, the employment agencies of Veneto and Trento, two neighbouring regions, have set up a matchmaking tool (i.e. *Borsino delle Professioni*) where local employers can post their job announcements and workers can upload their CVs. The tool also offers monthly information on local labour market trends detailed by occupational profile. A second good-practice concerns the footwear industrial district of Brenta, where firms from two different provinces of Italy (Venice and Padua) have been able to co-organise a series of skills development activities in spite of dealing with two different local councils. The key policy message from this presentation, therefore, concerns: i) the role of employer networks in SME training; ii) the importance of looking at training policy from a threefold perspective: demand, supply and the match of the two sides; iii) the usefulness of a decentralised approach in order to tailor policies to SMEs, though controlling for possible rent-seeking behaviours at local level.

The last presentation in session I was by **Ms. Mirkke Turunen** (Finland's Ministry of Economy and Employment), who presented the activities of the Finnish government Centre for Economic Development, Transport and the Environment (ELY) on training for business owners and employees in SMEs. The Finnish government is moving from a relatively rigid approach based on 11 different specialist product services to one that focuses on five different areas of training (management, finance, sales and marketing, internationalisation, growth). The goal is to better meet the actual needs of customer firms through a collective method in which training needs are jointly assessed by the firm together with the ELY local branches and local training institutions. This new approach, which is defined as Joint Purchase Training, is suitable for networks of employers who come together to cope with economies of scale and, compared to the previous model, aim to reach to a larger number of firms through a lower number of training and consulting hours. This Finnish reform, therefore, confirms the emphasis on inter-firm cooperation to strengthen training provision in small businesses.

Key messages of Session I

- SMEs are faced with multiple barriers in providing their workforce with training opportunities. A policy that puts emphasis only on one dimension, including financial incentives, is therefore unlikely to achieve the hoped-for results.

- Horizontal and vertical networks between firms hold the potential to strengthen the internal demand for training, often more than public incentives, and should accordingly be supported. This holds true for buyer-supplier linkages as well as for horizontal initiatives where SMEs jointly purchase training services.

- In the domain of fiscal measures, training levies are common and primarily based on a sector approach. They have the merit of reducing policy deadweight costs by obliging all companies in a local industry to take part in a common training fund so that training costs are mutualised. On the other hand, if subsidies or tax breaks are offered it should be recognised that SMEs can have difficulties accessing tax breaks, whereas subsidies may have greater market distortion effects.

- Governments often focus on demand-side and supply-side policies, but there is scope for public intervention also in facilitating the match between the two. The experience of Italy and its *Borsino delle Occupazioni* offers a case in point in this respect.

- There is also increasing emphasis on informal sources of learning within SMEs, as co-worker collaboration, co-operation with suppliers and client firms and in-work projects may all be sources of skills upgrading as much as formal training. This poses a challenge to policy makers with respect to whether and how to recognise the role of these knowledge intensive service activities (KISAs).

- The decentralised implementation of training policies should enable better policy tailoring to local business needs. Nonetheless, this should not happen at the expense of a common system of nationwide qualifications and should cope with possible rent-seeking behaviours at local level by exerting some degree of national control on training activities.

Session II: Skills for growth-oriented entrepreneurship

The second session of the workshop dealt with skills for growth-oriented entrepreneurship, scrutinising the skills set needed for the entrepreneurs who have the ambition to grow. The underlying assumption of this session was therefore that there are skills that can be cultivated in people and help them to become more entrepreneurial, either in running their business or in whatever other position they will occupy in life.

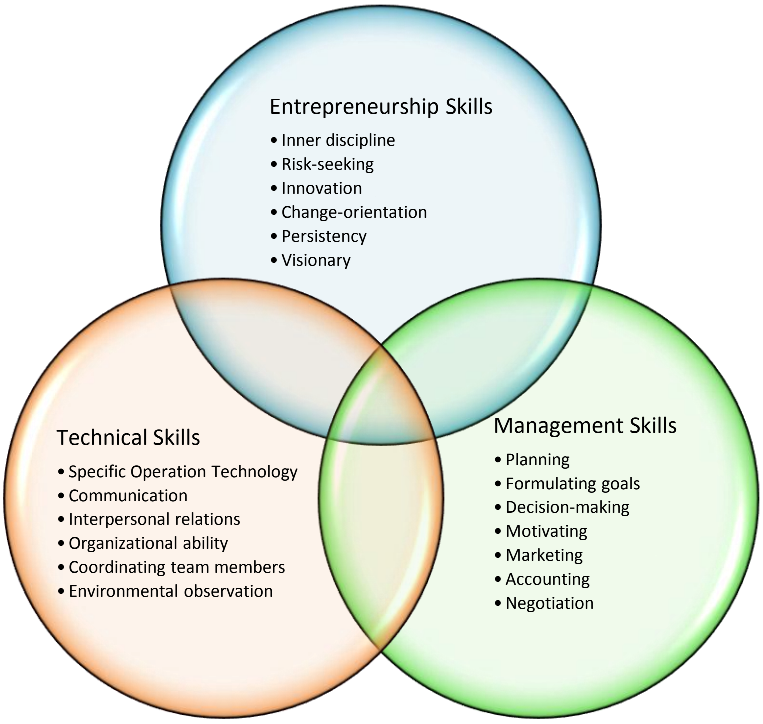
The first keynote presentation in this session was by **Prof. Thomas Cooney** (Dublin Institute of Technology), who gave an extensive overview of the literature on barriers to growth, what differentiates fast-growers from average enterprises, what entrepreneurship skills include, and how current entrepreneurship skills programmes work. An interesting snapshot of the main factors affecting growth is provided in the figure below, which distinguishes between entrepreneur-level, firm-level and strategy-level factors. Average enterprises may have some appropriate characteristics in the entrepreneur, firm or strategy areas, but it is only when all the three combine that high-growth firms arise. Each component provides a distinctive contribution: the entrepreneur factors are those that can be identified prior to the start up, the firm factors reflect decisions made on start-ups, while strategy factors determine the rate of growth of the business.

Figure 1: Factors influencing growth in small firms

ENTREPRENEUR	FIRM	STRATEGY
Motivation	Age	Workforce Training
Unemployment	Sector	Management Training
Education	Legal form	External equity
Management experience	Location	Technology
Number of founders	Size	Market positioning
Prior self-employment	Ownership	Market adjustments
Family history		Planning
Social marginality		New products
Functional skills		Management recruitment
Training		State support
Age		Customer concentration
Prior business failure		Competition
Prior sector experience		Information and advice
Prior firm size experience		Exporting
Gender		

In a similar vein, entrepreneurship skills can also be divided in three areas: entrepreneurship skills; technical skills; and management skills. It can equally be presumed that technical skills are key to running any type of business, whether or not the business has the ambition to grow, while management skills and entrepreneurship skills are more instrumental to successful high-growth ventures.

Figure 2: Entrepreneurship skills-sets.



But can entrepreneurship skills be taught? While some voices are critical on this matter and highlight that there is ambiguity in the evidence relating management training to small firm performance, there is a plethora of initiatives that try to promote these skills, both at the university level and through public programmes such as accelerators. Where there is more consensus, on the other hand, is that entrepreneurship training needs to be innovative in methods, favouring experiential (e.g. action-oriented, mentoring and group-work) and hands-on (case studies, games, projects, simulations, etc.) methodologies over traditional classroom lectures.

The author concludes that the main skills that growth-oriented entrepreneurs should have, are: i) *customer orientation* (i.e. entrepreneurs must be committed to creating customer value through the provision of innovative products or services); ii) *strategic development* (i.e. entrepreneurs should learn how to select from a number of market strategies that can influence their chances of success); iii) *financial management* (i.e. entrepreneurs must learn the skills required to access additional venture capital), iv) *human resource management* (i.e. entrepreneurs need to understand and appreciate the need to enhance the HR practices of the firm and to offer financial incentives to employees so as to share the rewards). Skills development opportunities should also preferably be provided in combination with access to networks, finance, international markets, peer-to-peer learning and mentoring opportunities.

The second presentation in this session was by **Dr. Anders Hoffman** (Danish Business Authority) and **Prof. David Storey** (Sussex University), who analysed the existing Danish programme Growth Houses from the perspective of a principle-agent dilemma between the Danish Business Authority (DBA) which sets the operating rules and the managers of the five regional Growth Houses who deliver the programme at local level. The programme gives entrepreneurs business advice and signposting to private business development services available in the market. The principal-agent problem implies that DBA's national managers (i.e. the principal) and the Growth Houses' regional managers (i.e. the agent) have conflicting interests and that the contract setting out the rules of operation can help address this conflict by influencing the behaviour of the agent. However, because in a principal-agent situation the agent continuously adapts itself to the new rules set by the principal, these rules need to evolve over time to reflect past learning and changed external conditions. Annual minor adjustments in the rules of the contract are, therefore, needed so that major radical changes do not happen later. The presentation also discussed the impact of the programme on participant firms compared to a control group gathering similar firms by age, size and industry. Whilst the global economic crisis has had an impact on all enterprises, firms which have used the services of the Growth House have weathered the crisis better, for example losing fewer jobs during the peak of the crisis and generating more jobs once the crisis had produced its worst effects in 2010.

The intervention by **Dr. Magnus Henrekson** (Sweden's Research Institute of Industrial Economics), the third in session II, reminded the audience that while skills are important, it will be difficult to promote high-growth entrepreneurship without the right set of institutions in place. The institutional framework determines the incentives for the actors in the entrepreneurial ecosystem to acquire and utilise knowledge, which provides the basis for the development of high-growth entrepreneurship. Particularly relevant among all institutions is the tax code, which can shift the incentives towards entrepreneurship or wage employment in multiple ways including through different rules in labour taxation (e.g. level and degree of progressivity, social security contributions, etc.), taxation of current capital income, taxation of capital gains, taxation on asset holdings (e.g. wealth tax, property tax, etc.), etc.

Prof. Markku Virtanen (Aalto University School of Business) discussed what the basic skills are for entrepreneurs. In his view, they relate to the ability of the entrepreneur and his/her team to identify and develop a business opportunity. Opportunity identification requires listening to customers to understand and solve their needs. Opportunity development calls for a more precise definition of the business concept and of the business model, where the former consists in the definition of market needs from the viewpoint of benefits and resources while the latter corresponds to an advanced version of the former in which information of competitors, pricing and profit-generation model is included. An implication of this view is that policy makers should not neglect the issue of "opportunity development" through, for example, the facilitation of knowledge platforms where entrepreneurs and customers can exchange information.

The final presentation in Session II was by **Prof. Leona Achtenhagen** (Jonkoping International Business School), who introduced the POMI competence model to explain the key skills for business internationalisation (Table 2).

Table 2: The POMI model of internationalisation competences

Personal international attitude/experience	*Organisational competences and resources*	*Market competence*	*Institutional competence*
P	**O**	**M**	**I**
International experience Cultural understanding Language skills	International innovativeness Internationalisation competence International marketing competence	International marketing International business skills • Customers • Markets • Competition	Experience and knowledge on: • Relevant actors • Institutional structures • Rules, norms, values of international markets
Contribute to reducing the fear of internationalisation	Challenge to make knowledge work in practice	Helps view environmental risks as less dramatic	Institutional competence needs are company-specific

Research by the author suggests that the prevailing internationalisation competence needs vary depending on the type of enterprise and its intention and business potential to internationalise. In particular, companies which have high business potential and high internationalisation intention (e.g. high-tech SMEs) will need both market competences and institutional competences; companies that have high potential but low intention (e.g. traditional manufacturing SMEs) will need to work on the sphere of personal attitudes; while companies that have high intention but low potential for internationalisation (e.g. imitative e-commerce companies) will have to focus on organisational competences and resources. The speaker, therefore, concluded by putting an emphasis on the role of skills development for business internationalisation and by warning policy makers about the different internationalisation competence needs by target enterprise.

Key messages of Session II

- There is not a universal consensus on whether entrepreneurship skills can be taught and can affect the likelihood of success by an entrepreneur. Nonetheless, entrepreneurship skills such as innovativeness, planning and risk-taking are typically appreciated in all work environments and will help people in any type of career they will undertake, whether or not this involves a business start-up.

- There are some skills that are more important than others for successful high-growth entrepreneurship, namely proper entrepreneurship skills (inner discipline, risk-seeking, innovation, change-orientation, persistency, etc.) and management skills (planning, goals formulation, decision-making, motivating, marketing, etc.).

- While there is not an agreement among academics on the impact of entrepreneurship training on successful entrepreneurship, there is a general consensus that teaching methods cannot be the traditional ones and should rather involve experiential and hands-on methodologies.

- There appear to be also specific competences required for a business to successfully go international. They encompass organisational resources, market knowledge, but also the entrepreneur's personal attitude towards internationalisation (e.g. foreign markets, foreign cultures, foreign languages, etc.)

- In the delivery of skills through soft forms of support such as mentoring and coaching, policy makers should not neglect basic economic principles such as the principal-agent problem that underlies the relationship between the policy-manager and the policy-deliverer and which have the potential to undermine the effectiveness of the policy itself.

Session III: Skills for socially inclusive self-employment

The third and last session of the workshop presented the case of a type of entrepreneurship that does not receive the same attention as innovative entrepreneurship among either academics or policy-makers. Nonetheless, especially in a time of recession and sluggish recovery like the one experienced by many OECD countries since 2008, self-employment provides an alternative to wage employment for people to integrate the labour market and escape unemployment. It is, therefore, an important tool of social inclusion.

The first presentation in this third session was by **Dr. Jonathan Potter** (OECD/LEED), who introduced a collaborative project between the OECD and the European Commission (EC) on "Entrepreneurship and Social Inclusion in Europe", which includes a series of OECD/EC Policy Briefs on youth entrepreneurship, senior entrepreneurship, social entrepreneurship, evaluating inclusive entrepreneurship programmes etc, and a forthcoming OECD publication on 'The Missing Entrepreneurs'. The speaker focused on extant OECD research findings on youth entrepreneurship and women entrepreneurship. There exist barriers to business start-up that are specific to either young people or women. Youth endure lack of savings and difficulty in accessing external finance (e.g. due to lack of collaterals); education and training models that do not promote entrepreneurship as a valuable career option; lack of prior work and entrepreneurship experience; and lack of business networks. Barriers to women's entrepreneurship are different to some extent and comprise gender norms discouraging entrepreneurship; tax, family and social policies that implicitly favour traditional roles; limited, compared to men, managerial and self-employment experience; and lower likelihood to have developed professional networks. Considerations for effective policy responses to these barriers include: i) providing support both before and after the start-up phase, as well as during start-up; ii) providing youth with entrepreneurship experience to compensate for lack of labour market experience; iii) using mentors and role models from the same social communities as the target population; iv) reaching out to hard-to-reach groups through community organisations, although linkages with mainstream business support need to be maintained; v) adapting training to the specific entrepreneurship barriers that youth and women are faced with.

The second intervention in Session III was by **Mr. Nardo de Vries** (Panteia/EIM), who presented his paper on "Explaining Entrepreneurial Performance of Solo Self-employed from a Motivational Perspective". His work investigates whether start-up motivations influence the entrepreneurial performance of self-employed people while controlling for other determinants of performance. The classic distinction between opportunity-driven vs. necessity-driven entrepreneur is applied to the concept of self-employment. The results reveal that necessity-driven self-employed have a lower probability to generate a high annual turnover. This is especially true if necessity self-employment is established by a previous condition of unemployment, as compared to "self-proclaimed necessity" and "author-classified necessity". The results of the analysis also suggest that formal education level and firm tenure only to a limited extent mediate the effect of start-up motivation (opportunity versus necessity) on the performance of self-employed people. The main policy implication the author derives from his research is that self-employment schemes could become more effective by targeting participants with the right motivation to succeed.

Prof. Friederike Welter (Jonkoping International Business School) followed, analysing the case of business crises and whether management skills development can help overcome them. The presentation firstly highlights that management mistakes are the main reason for business crisis among German SMEs, far more important than lack of financing or economic/industry downturns. Business crises are difficult to manage because they involve a score of risk factors such as uncertainty, high information needs, novelty elements, need for action, etc. They usually start as a "strategic crisis" in which success factors are threatened (e.g. top employees leave and market shares decrease), to move then to a "success crisis" in which the enterprise fails to achieve the return-on-investment goals (e.g. sales and turnover decrease and returns diminish), to become then a "liquidity crisis" leading to indebtedness (e.g. cash-flow decreases and debt/ratio increases) and to turn finally into open "insolvency". These steps are often aggravated by the fact that crises are a latent process which often entrepreneurs recognise only late on and whose outcome is difficult to forecast and manage. However, the final outcome of a business crisis is influenced by the skills and knowledge of the management, which is why entrepreneurship skills development should encompass the topic of crisis management. Germany, for example, has adopted a twofold approach to help entrepreneurs cope with periods of crisis. Firstly, it provides entrepreneurs going through a crisis with soft forms of support aimed at facilitating a turnaround. In this frame, the government has also facilitated partnerships between the German development bank KfW and the chambers of commerce. Secondly, a reform of bankruptcy has been introduced with the aim to reduce the social stigma of insolvency and facilitate enterprise restructuring.

The fourth intervention in the session was by **Prof. Jan Rath** (University of Amsterdam), who presented the case of migrant self-employment. The self-employment of immigrants is important for several reasons. By starting their own business, ethnic entrepreneurs create their own jobs. This enables them to circumvent some of the barriers they may encounter in the labour market, including unrecognised educational qualifications, limited social networks or open racial discrimination. If they are successful, ethnic entrepreneurs can create jobs for others as well. Ethnic entrepreneurs can also contribute different forms of social capital to immigrant ethnic communities. Because of their links to suppliers and customers, ethnic entrepreneurs can be useful in constructing bridges to other networks outside the inner circle, thus improving chances of upward mobility. Finally, ethnic entrepreneurs show that immigrants from less-developed countries are not necessarily restricted to filling vacancies in the job market. Despite this potential, specific programmes promoting ethnic entrepreneurship in the EU are thin on the ground and mainly limited to training and coaching, provision of business premises or subsidised loans. These measures are often ad-hoc and rarely integrated into a wider economic agenda. Moreover, ethnic entrepreneurs are often unaware of existing public support schemes while public agencies find it difficult to reach this target group, which makes the delivery of ethnic entrepreneurship schemes particularly complicated.

The fifth and last presentation in session III was by **Ms. Paula Fitzsimons** (Fitzsimons Consulting), who discussed the case of senior entrepreneurship. Senior entrepreneurship takes on increasing importance in the EU context because of the ageing of the population, which comes along with a growing number of senior people with skills, financial resources and available time to invest. Nonetheless, senior entrepreneurship and its promotion have so far been mainly focused on the option of micro-enterprises with limited growth prospects. Senior entrepreneurship policies should instead include traditional measures such as access to finance and training, but also more innovative alternatives such as the promotion of business acquisition as a route into entrepreneurship and of business angels and mentors for younger entrepreneurs. An example of a programme going in this direction is Ireland's "Senior Enterprise" in which older people engage with enterprises through starting and partnering; investing and acquiring; and advising and supporting innovation in new and existing businesses. So far, of those who have received some form of senior support, over 900 had set up new businesses in 2011.

Key messages

- Entrepreneurship policy covers not only innovative entrepreneurship but also self-employment and business creation by socially-disadvantaged groups, which plays an important economic and social role especially in a time of recession and slow growth like the one many OECD economies experience since 2008.

- Groups such as youth and women are faced with specific challenges that require tailored actions involving both pre- and post- start-up phases. The involvement of community organisations is advisable as long as it does not result in the marginalisation of target groups from mainstream forms of support.

- Migrants are often found in self-employment because of the legal, social and education barriers they face in entering the labour market of the host country. They often represent, therefore, an important share of the self-employment population. Nonetheless, there are relatively few policy measures that aim at this target group, partly because government agencies find it difficult to reach migrant communities and partly because migrants are often unaware and sometimes even sceptical of existing public support.

- Senior people have also attracted the attention of entrepreneurship policy makers due to the ageing of population in many OECD economies. Thus far, the focus has been on forms of low value-added self-employment, but in fact older people often have skills, financial resources and time that could be invested in more lucrative ventures. As a result, senior entrepreneurship programmes should promote the role of senior people not only as frontline entrepreneurs, but also as partners, mentors and business angels of younger partners.

- Interestingly, not all self-employment should be deemed necessity-driven. There are self-employed people who are more ambitious than others and who show more chances to succeed. It could, therefore, be argued that self-employment programmes should focus on those who have the ambition and the motivation to grow, including by hiring other people.

- Small enterprises are especially exposed to periods of crisis, which tend to follow a common four-step pattern: strategic crisis, success crisis, liquidity crisis, insolvency. Crisis management skills can help mitigate the effects of a period of slowdown on a business activity, and some governments are active on this front (e.g. Germany).