

# TAPPING OUR ENTREPRENEURIAL HERITAGE

## ABSTRACT

This paper examines the role of the entrepreneur in economic development. In particular, it considers the role of commercial experience, business failure, immigration and capital in the new venture process using contemporary examples, and the results of a case analysis of 150 New Zealand entrepreneurs active in business between 1880 and 1930.

It is the great New Zealand conundrum, or so we have been told. How can a country that displays one of the highest levels of entrepreneurial activity in the world, with one of the highest concentrations of small businesses in the world, be one of the worst nations at turning those businesses into vibrant growing firms (Reynolds et al., 2002). In short, we excel at starting a host of small firms that struggle to get any bigger. Is it a problem of structure, of mentality, of distance, of education, of management, what? This article examines this debate by considering commercial experience, failure, immigration and capital in the entrepreneurial process, examining both contemporary research and the results of a historical case analysis of New Zealand entrepreneurs. For perhaps there is something in our past that might give us insight into remedying this present ailment?

Ideas about the role of the entrepreneur in the economy date back 300 years to the writing of Richard Cantillon, an Irish banker and financier. Cantillon recognised the risk factor in entrepreneurial endeavour, and that entrepreneurs acted as a vital link between the producers and consumers (Cantillon, 1931). Since then, a number of economists and writers

have contributed to the field, accentuating various characteristics of the entrepreneur. Hawley (1900) saw proprietorship, or firm ownership as important with its incumbent risks and rewards. Knight (1921) and Casson (1982) both emphasised the decision-making aspect of entrepreneurial endeavour. Indeed, Knight stressed that it was the entrepreneur who produced pure profit in an economy because of the uncertainty in speculative activity. Schumpeter (1934) added innovation as a primary attribute of the entrepreneur. He saw the entrepreneur as someone who 'did things differently.' Such difference might include new firms, new products, new methods of production or new ways of organising – but innovation, claimed Schumpeter, stimulated economic growth and progress. Innovation can have other benefits and Baumol (2002) suggested it increased a nations capital stock along with an expansion in education. Birch (1979) identified the link between entrepreneurial firms and job creation in the economy.

New Zealand then, at first glance, with such a high concentration of small businesses must surely be an extremely entrepreneurial place. The 2001 Global Entrepreneurship Monitor (GEM) report supported this and cited Mexico, Australia, New Zealand, Italy, Brazil, Hungary and the United States as countries with high entrepreneurial activity. On some indicators like opportunity entrepreneurs, business angel activity, women entrepreneurs and general entrepreneurial activity, New Zealand came out significantly ahead of other countries. Yet, the GEM survey included in its classification of entrepreneurial activity, any type of self-employment, and this kind of approach can produce distorted results. For example, in some studies, it has meant seasonal farm labourers, or journeymen were classified as entrepreneurs (Levenstein, 1995; Godley, 1996). Historically, New Zealand has had large numbers of workers outside the traditional waged structures. The building industry, the film industry, sections of the agricultural industry, the transport

industry, clothing outworkers, share milkers, computer programmers, all fall into the self-employed category though all do not aspire to develop their employment status into a thriving business.

Entrepreneurs are not just making a lifestyle choice, they are growth orientated, or as Schumpeter pointed out, they are generating wealth through adding difference. The GEM report partially addressed this in its discussion of market creation firms, versus market replication firms (though the study itself did not differentiate between the two). Market creation firms provide new and unprecedented goods or services for the customers and expand the total amount of economic activity by creating entirely new markets and industries. Market replication firms merely duplicate existing business activity – another cafe, another house building firm, another Internet provider - customers are provided with increased choice, though the market size remains relatively stable.

It is the self-employment factor, which might help explain some of the oddities in the GEM survey results for New Zealand. For instance, that even though we had one of the highest levels of entrepreneurial activity among all 29 countries, our entrepreneurs displayed an inward focus with relatively low aspirations. In addition, only a small percentage of New Zealand entrepreneurs could be classified as firms with dynamic export orientated businesses. One commentator asked the obvious question that if New Zealand has such a high percentage of Maori entrepreneurs, why are they so under-represented in the commercial landscape, and also pointed out that the typical New Zealand entrepreneur was portrayed as an inwardly-looking Auckland, working in the service industry, who would like to employ six people (Jones, 2001). Hardly the stuff of a world-beating nation - so the question remains, if we do have a history of entrepreneurial activity what does it look like?

## The Study

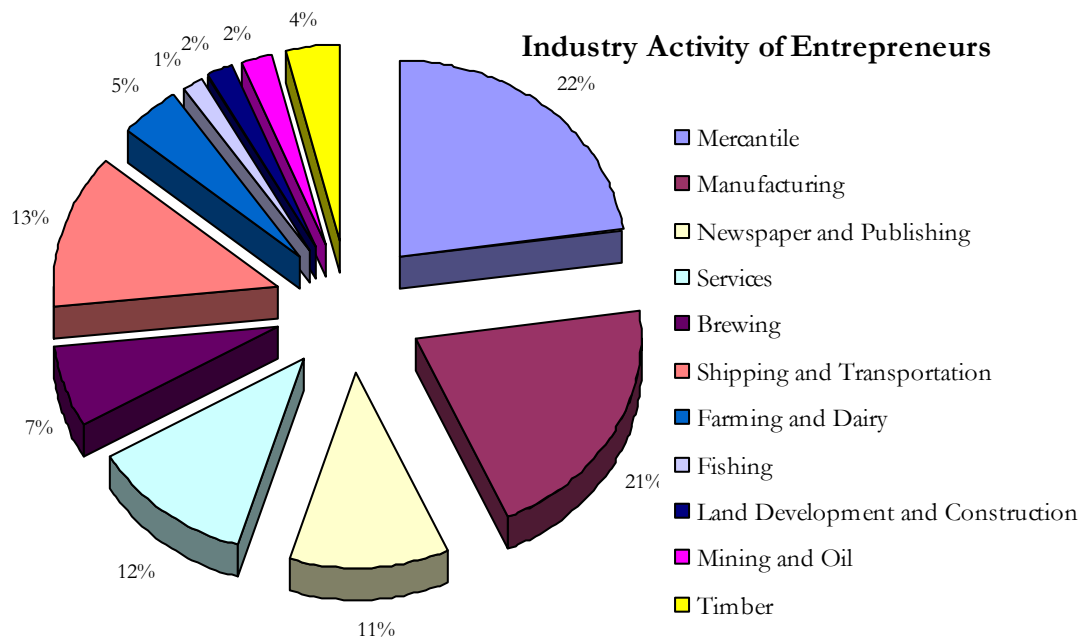
The present study used a case analysis of 150 New Zealand entrepreneurs who were active between 1880 and 1930. The entrepreneurs were selected from a list of over 500 business people after a survey of biographical dictionaries, *Who's who*, newspaper reports, company histories and biographies. This list was then culled to 150, by asking two questions of each person. Firstly, was this person an entrepreneur or a manager? An entrepreneur was defined as someone who had a significant ownership stake in the firm, and was actively pursuing the growth of the firm during their lifetime. This was opposed to managers with no ownership stake, those who were 'self-employed workers', or those who were clearly running a firm as a lifestyle choice and adding no difference in size or structure or products.

The second qualifying question was; was this person active as an entrepreneur at some point in the years 1880-1930. Those who were outside this time period were not considered for this study. The final list included a wide range of people and activities. Some were well known like baker Ernest Adams, newspaper proprietor Henry Brett, winemaker Assid Corban, baking powder manufacturer Thomas Edmonds, retailer Bendix Hallenstein, cinema owner Robert Kerridge, department store innovator Robert Laidlaw, brewer Arthur Myers, industrialist George Skellerup and automobile assembler Charles Todd. Others were not so recognised including bedding manufacturer Arthur Ellis, florist Sarah Elsom, tent manufacturer and dairy importer Carl Dahl, and merchant Byron Brown.

The industries the entrepreneurs represented are shown in Figure 1 and covered a wide range of activities. Mercantile interests such as retail operations, stock and station agents, department stores and wholesale and distribution activities were the largest cluster and represented 34 entrepreneurs, (23 percent). The second largest industry group was manufacturing, (31 entrepreneurs, 21 percent), followed by the shipping and transportation

industry (19 entrepreneurs, 13 percent). Services industries like auctioneering, advertising, tourism enterprises and landscape gardening represented 18 entrepreneurs (12 percent), closely followed by newspapers and publishing (17 entrepreneurs, 11 percent). Smaller groupings included farming and dairy industry (5 percent), timber (4 percent), with the lowest category fishing (1 percent).

Fig. 1.



The study investigated a range of variables including, age at which the entrepreneur started their first venture, family and social background, educational background, venture activity, industry type, business strategy, failure rates, sources of capital, and reasons for start-up. This article examines four of these areas and considers the degree to which they inform the present discussion on entrepreneurship, in particular, the importance of commercial experience; venture failure, immigration, and capital.

## The Importance of Commercial Experience

Does entrepreneurial success favour the young, and happen early in life or not at all? Certainly, some high-profile media accounts tend to suggest this is the case. Local entrepreneur, Sarah Hunter, made headlines when she sold PC Direct in 1996 to Blue Star for an estimated \$30m, having started the firm seven years earlier, aged 22, with business partner, Maurice Bryham. Wellingtonian Steve Outtrim's success was even more dramatic. With only \$18 to his name, he created the web page design software, Hotdog, and within 18 months, was a multi-millionaire. In 2000, after four years service, he 'retired' from the board of Sausage Software aged 27, worth an estimated \$130m. But are such cases the norm?

The results of this research give a measured view. Historically, young entrepreneurs have started some of our most successful, and longest lasting firms. Edward Firth was only 20 when he joined his father in Ironclad Products, later Firth; Josip Babich was 25 when he opened the New Era Orchard and Vineyard; William Winstone was 26 when he started his cartage business; Robert Kerridge was 28 when he opened his first cinema, and John Kirkcaldie was 25 when he and partner, Robert Stains, commenced the drapery business Kirkcaldie & Stains. But this is not the whole picture; indeed it is too limiting just to consider the age at which they started their first business, without considering the previous background and experience they had that equipped them for this activity.

For the typical early New Zealand entrepreneur did not start a new enterprise with no prior commercial experience. Indeed, the complete opposite was true. The mean age they started their first business venture was 27, with on average 12 years of commercial experience. They were not as a rule particularly well educated; the mean school-leaving age was 15, however it was their experience post-school that was of interest. Thirty-five percent

received a trade qualification in such fields as printing, drapery, ironmongery, the building trades, and 41 percent held a management position prior to starting their first venture.

The entrepreneur's first leap into a new venture took several forms. Some had an opportunity to buy the firm they were working for, others saw an opportunity in their industry and pursued it alone, some met partners who had complimentary skills to theirs and together they started a business, a few went into business with an established partner with existing capital. What was consistent was that launching into a new business venture was typically after a decade or more of industry experience.

Entrepreneurship researcher, Patrick Liles, called this stage 'readiness,' (Liles, 1981). The entrepreneur is at the point in their life where they have not only achieved mastery of business problems and skills, but also over themselves, displaying greater self-image, self-confidence and competence. It is during the mid-life period that the entrepreneur has established the networks, contacts, experience and credibility to establish a successful business. The entrepreneur may identify key features of a product or service they work with that they believe they can operate better, or deliver at a lower cost, or with greater benefit. Or they may discover a particular need for a good or service no one is supplying.

The recent book by Cameron and Massey (2002) paints a similar picture of the contemporary New Zealand entrepreneur. Of the 22 entrepreneurs portrayed in the book, 19 had extensive industry experience in the industry or related field to that which they then commenced their first venture. Caterer Ruth Pretty, ran her own restaurant for ten years before starting Ruth Pretty Catering, David Ellis had worked in senior capacity at Fairydown for nine years before starting out his outdoor-clothing company, Earth Sea Sky; internet news agency, Newsroom, was started by Peter Fowler, who himself was an award-winning journalist.

## **Failure**

It is claimed on occasion that up to fifty percent of entrepreneurs fail within the first five years. It is a chilling statistic and enough to put off any would-be entrepreneur for life. Fortunately, we now know that it is a statistical nonsense. The difficulty arose with how previous researchers defined failure. The most liberal deemed it failure when an entrepreneur and their start-up firm parted company (Baldwin and Gorecki, 1991; Churchill 1952). This could be for any reason including the business going bankrupt, or voluntarily closing down, or being closed down in one location to open in another, or the entrepreneur selling their business to a partner or manager, leaving to pursue a better opportunity, or even as ridiculous as the entrepreneur selling the business at a profit to another company. All these were deemed failure because the entrepreneur was no longer with the firm they started. More precise failure rates give entrepreneurs more hope in the future. Watson and Everett (1996) claim that the rate at which entrepreneurs close down a venture because they cannot make a go of it, is in the region of 9 to 17 percent depending on the industry. Closing down due to bankruptcy is between 1 and 2 percent. Of all company failures with a loss to creditors, Dun & Bradstreet say that only 3 to 5 percent involve more than \$1m, the majority are less than \$5000 (Case & Furash, 1996).

Yet, the failure question has social implications as well. The GEM Summary Report stated, “New Zealanders severely punish failed entrepreneurs. Fear of failure is listed as a major reason for not becoming an entrepreneur,” (Reynolds, 2002, p.91). This was not a characteristic of any other country in the top-seven group. They had other difficulties - shortage of capital, inflexible labour markets, lack of business skills, - but not failure. The United States for instance, held the complete opposite view and saw failure as a learning experience with entrepreneurs often repeating their efforts to launch new businesses.

Have New Zealand entrepreneurs historically had a high failure rate? The answer is, it depends on your definition of failure. If we consider failure as including bankruptcy, being ejected from the company they started, or clearly failing to make a go of it and closing the business down to avoid further losses, then the rate of failure in the present study was 31%. In other words, one in three entrepreneurs would experience failure at some point over their lifetime. But this is only one part of the failure question. Indeed the important question is not “did they fail?” but what happened next? Did the entrepreneur forsake their ambitions to develop their own business and resume waged work? Did they remain in a financially strained state? Overall, this was not the case. Eighty-nine percent of failed entrepreneurs restarted and again achieved the position of having a successful business. In some cases they rebuilt the business that had failed, or took on a new partner, or pursued a completely new product/service innovation – whatever the tack taken, historically, failure was not the end of the line for New Zealand business entrepreneur, rather they carried on to make a renewed contribution to economic growth through additional new ventures.

It is also important to consider failure in terms of the overall number of ventures that these entrepreneurs commenced. One finding of this study was that only a limited number of entrepreneurs conducted a single new venture activity during their lifetime. In short, it was more common for an entrepreneur to start multiple businesses over their career. This could take many forms; some entrepreneurs started a business that was only marginally successful and then ceased it to start another firm in a different location, others saw a better opportunity with a group of entrepreneurs, or they added to their original firm providing additional product or process innovations. In total, business failures as a percentage of the overall number of businesses these entrepreneurs were active in represented only nine percent.

This finding has other implications as it is common to associate one particular business enterprise with an entrepreneur and as time passes, a person becomes almost synonymous with the business they founded. In this vein, we might associate Robert Kerridge with Kerridge Odeon Cinemas, or Harvey Turner with Turners and Growers, or George Skellerup with Skellerup Industries. But this was not the only business activity these entrepreneurs commenced. George Skellerup's business ventures for instance, included the Para Rubber Company, a rubber plantation in PNG, a rubber importing company, a waterproof coat manufacturing company, a footwear company and a salt-works.

In total numbers, the 150 entrepreneurs in this sample represented 535 business ventures, and of these ventures, 426 were entirely new start-ups by the entrepreneurs. Twenty-five percent of the entrepreneurs in the sample were involved in five or more business ventures over the course of their lifetime; the highest number by single entrepreneur was 40. Westhead and Wright (1998) have called these highly active entrepreneurs "serial founders." What this study suggests, is that New Zealand entrepreneurs have a heritage of this kind of behaviour, and in this regard, the failure of a commercial venture by an entrepreneur, though an unpleasant experience, is only a stepping-stone to a longer-term economic contribution.

### **Role of Immigration**

Prior to the 1870s and 1880s immigration was New Zealand and Australia's dominant source of population increase (Gibson, 1971). Migrants not only brought capital, they became consumers themselves and increased local demand for housing, transportation, education, foodstuffs and retail services (Condliffe, 1930). The data from the present study reflected this trend and 113 (75 percent) of the entrepreneurs were immigrants. They came from such outposts as Lebanon, Dalmatia and Prussia, yet the majority, 53 entrepreneurs (35

percent) were from England, 17 percent from Scotland and 7 percent from Ireland. Twenty-five percent of the sample (37 entrepreneurs) were New Zealand born.

Skilled labour accounted for a significant portion of these migrants. Thirty-four of the emigrants had gained their trade qualifications prior to arriving in New Zealand, in occupations like drapery, iron moulding, carpentry and joinery, merchant, accounting, brewing, printing and engineering. As such, they were well equipped to take advantage of opportunities in the emerging economy. For example, William Dawson was already a fully qualified brewer by the time he emigrated to New Zealand aged 21, and quickly found employment at Wilson's Well Park Brewery. Three years later, in 1876, he and two other employees, James Speight and Charles Greenslade, left the firm and took over a redundant malt house to establish James Speight & Co's Brewery. Within ten years, it dominated the local market and continued its growth to become the largest brewery in New Zealand.

Likewise, Richard Hudson, founder of Hudson's biscuit and confectionary business, was a qualified baker when he arrived in New Zealand in 1865. Richard Hellaby, co-founder of meat processing firm, R. & W. Hellaby, had served his apprenticeship as a butcher prior to immigrating to New Zealand in 1868, and engineer Eben Hayes, who would found the Hayes Engineering Company, served his apprenticeship as a millwright in Warwickshire before he emigrated with his wife to Otago in 1882.

Immigration has again become a contentious issue. The Treasury working paper on the Brain Drain (2002) attempted to redefine the phenomenon and call it a brain exchange. But the brain exchange they discussed was not a zero sum game. Young New Zealanders were leaving the country and being replaced by older, immigrant non-New Zealanders. The writers ambitiously claimed that these immigrants were more highly skilled than the emigrants, even more highly skilled than the general population. However, there were less-

publicised acknowledged shortcomings about these claims. The study was based on an analysis of arrival and departure cards; yet, over 60 percent of all arrivals do not give their skill level and referred to themselves as either unspecified or not actively engaged. Their actual skill level was completely unknown. In addition, category jumpers, those who intend to stay only a limited time and then remain longer, were not accounted for in the skill analysis by occupational class. But the numbers in this group were so significant they increase the annual average migration statistics over the 1961-2000 period by 300 percent. In short, if there is a brain exchange it is at best, a fanciful hope, but far from a proven reality. What then are the affects of migration on economic development and entrepreneurship?

Simon (1989) claims that contrary to popular notions of immigrants taking the jobs of the existing population and being a drain on social services, other dynamics occur. Using examples and studies from North America, Australia, New Zealand, Canada, and Israel he argues that immigrants have a number of positive effects on an economy including: immigrants display a higher propensity to start new businesses than natives, immigration narrows disparities in income, immigrants create new jobs with their spending and decrease native unemployment, they have a higher rate of participation in the labour force and save more than natives. Razin and Light (1998) claim immigrant groups often concentrate in niche entrepreneurial activities and rather than displacing existing business activity, thrive in declining niches, creating opportunities for themselves that result in a net contribution to the economy or widening the range of goods and services offered.

Perhaps one of the most informed analyses of immigration has been Canada's Longitudinal Immigrant Database (IMBD) that has tracked the economic performance of immigrants between 1980 and 1995. Analysis of the findings tend to suggest the conventional view that barriers to entering the labour market in a new country, prompts

some immigrants to commence entrepreneurial ventures (Li, 2001). However, the findings emphasised that those with the highest human capital, be it educational qualifications, business experiences or resources, were more inclined to engage in self-employment. Overall, immigrants in this category reported high employment earnings and low rates of unemployment benefit and other forms of social assistance, whereas, those immigrants in the family reunification and refugee categories reported low employment earnings, high rates of unemployment benefit and high usage of social assistance (IMBD Report, 1998).

### **Capital**

Capital formation is an essential part of starting and growing a business enterprise and some might argue that capital is a necessary precursor to fostering entrepreneurial activity. But is it? The entrepreneurs in this sample provided an opportunity to examine the sources of capital used and it was a revealing picture. Eight sources of capital were identified in the study; family wealth and inheritance, the entrepreneurs own savings, several partners each contributing funds, the capital of a partner with an established business, public float, private float to a limited number of investors, money earned from other activities like mining or farming or professional services and finally, clearly borrowed funds from a bank, loan company or private financier.

Twenty-three (15 percent) of the entrepreneurs had access to family wealth through an inheritance or an existing family business and used this as the source of their capital to start their first venture. This ranged across activities like brewing, winemaking, mercantile operations, transport, and shipbuilding. John Ilot and Arthur Ellis both took over family businesses that their fathers had commenced, avoiding the need to raise capital. At Te Mata, Bernard Chambers could indulge his interest in winemaking due to several thousand acres of inherited land.

Yet, the most common source of start-up capital was the entrepreneur's own savings. Thirty-five percent of the entrepreneurs used their own savings as the means to support their first venture. This reflected two factors. Firstly, in some industries, the barriers to entry were low, so opening a retail store, small factory, or printing works, could be done with a few hundred pounds or less. Secondly, large-scale starts to new ventures were uncommon. Numerous entrepreneurs commenced their first venture by themselves, or with one other family member or business associate. However, this did not mean that a small firm begun on minimal savings was destined to remain a small firm. Fifty entrepreneurs from the sample grew business enterprises that either had branch operations across New Zealand (usually 40 or more chain-stores) or, if in manufacturing, construction, or the like, distributed goods and services nationwide. Of these, nineteen entrepreneurs had started from their own savings, and ten from inheritance or family wealth.

Aldrich and Martinez (2001) distinguish between three types of capital in the new venture process; financial capital, social capital including family networks and the entrepreneur's independent relationships, and human capital, that is, knowledge, training and expertise. To create a new firm, entrepreneurs need all three, though it is clear that social and human capital are the most important ingredients. Aldrich and Martinez claim that most new businesses start small with entrepreneurs drawing upon their own savings and personal assets. As they develop the business, social capital provides the entrepreneur with access to knowledge, capital, clients and suppliers that might otherwise have been unavailable. In this respect, networking or mentoring activities enhance the ability to develop a new business further as they supplement the entrepreneur's social capital. Interestingly, sourcing financial capital may not prove to be the entrepreneur's greatest dilemma. Brodsky (1995) claims that in the US, new entrepreneurs typically don't have difficulty finding capital, however, they

tend to be over optimistic in their sales projections and waste their start-up funds on extravagant offices, stationery, PR, and the symbols of success before the real thing comes along.

## **Summary**

So how entrepreneurial are we as a country? Clearly, we have some requisite traits; we applaud ingenuity and inventiveness, we have a willingness to have a go, are good at working across boundaries, and seem to be good all-rounders (Campbell Hunt, 2001). We have a strong history of entrepreneurs such as Ernest Adams, Bendix Hallenstein, Assid Corban, Mary Milne, William Winstone, Charles Todd, Alfred Price, Henry Kelliher, Albert Sanford and others, who in many cases developed large and enduring enterprises. Among these early New Zealand entrepreneurs few commenced their first venture with extensive capital, however they were able to leverage the business experience they had, using their knowledge of suppliers, products, customers and markets to develop a firm. Their ventures were not always successful, however they tended to treat failure as a stepping-stone rather than the end of a business career and the majority added to our economic wealth and development through multiple business ventures.

The final report of the New Zealand Science and Innovation Advisory Council (2002) highlights a number of points brought out in this article. It isolated a range of factors necessary to move New Zealand back to the top half of the OECD through pursuing innovation led growth. The report identified that as a country we have been good at generating ideas and knowledge yet far less successful at generating wealth from ideas in the marketplace. To do this the report suggests a wide range of measures including: private sector support, government initiatives, fiscal changes, changes to educational curriculum, business planning courses, mentoring, venture development specialists, access to funding,

expatriate involvement and a change in prevailing cultural attitudes towards failure. In total, there were over 90 recommendations and action points. It is a staggering list, and one can't help but think that if even a quarter of these initiatives were put in place, they would significantly improve our commercial and social environment for decades. But which of these actions and recommendations will yield the greatest change? How can we identify and leverage our existing capabilities in pursuit of economic goals? Now is the time to put in place the initiatives that will build on our entrepreneurial history and deliver an enterprising future.

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Optional thumbnail sketches of entrepreneurs in the research study.

Photographs may be sourced for some of these entrepreneurs.

#### Robert Laidlaw: Fast Growth

Of all our entrepreneurs, probably none experienced business growth as fast as Robert Laidlaw and his mail-order business, Laidlaw Leeds, that eventually transpired into the Farmers Trading Company. In the first 12 months of trade, Laidlaw shifted premises three times and his staff rocketed from 2 to 122. How did he carry this off? Firstly, four years of planning went into his enterprise before he started. He carried out market research, pre-planned all his business systems and had in-depth knowledge of the industry he was working in. However, perhaps more importantly, right from the start he had a long-term vision. Said Laidlaw in his first mail order catalogue: ‘We have set out to build the greatest direct supply mail order business in the Southern Hemisphere. You need not fear unfair competition, no trickery or misrepresentation will be used; our policy, “stern, old fashioned, unflinching honesty,” will govern all our business transactions.’

#### Annie Millar: Against Adversity

It was not Annie Millar’s choice to be a baker. Had things gone better, she may have settled down to family life and devoted herself entirely to raising her nine children. However, with her husband’s business failing, she took a job as manager of the Prince of Wales hotel in Invercargill. Ironically, her business acumen proved far superior to that of her husband and seven years later, in 1900, she leased a large tea rooms and bakehouse. Joined by her children the business thrived. In 1911, Annie added another tea room and function room to the business. Though, it was the actions of competitors that saw Annie move into bread-

baking. Faced with limited ingredients during the First World War Annie began baking her own small tea loaf. Regarding this as a hostile move, local bread makers refused to supply Millars with bread for sandwiches. Annie's response was characteristic. She entered the bread making business herself and Millars grew to be a substantial bakery. The firm Annie Millar created is now part of Quality Bakers New Zealand Ltd.

#### Partnership: Safety in Numbers

Sometimes in entrepreneurial activity there is added advantage in numbers and not all the entrepreneurs in the study of New Zealand entrepreneurs commenced a business on their own. In fact, partnerships of one form or another constituted around 50 percent of all start-ups. Some were family partnerships like the Logan brothers in shipbuilding, the Walsh brothers in aviation, and the Coulls brothers in printing, others were innovators who joined established entrepreneurs to start a new kind of venture like bookseller and printer, John Blair, who joined existing businessman William Lyon in his bookselling business on Lambton Quay, and developed it to become one of the largest printers and booksellers in New Zealand. A final group were complimentary partners; like drapers Kirkcaldie and Stains, who met while working in the same industry and brought together complementary skills to start a venture together. Harbour pilot, James Bradney, and engineer, Ernest Binns, teamed up in 1884 to start shipping company, Bradney and Binns, likewise William Dawson, who started a jewellery firm of the same name, was one of a group of three founding partners who left Wilson's Well Park Brewery in 1876, to launch James Speight & Co.

#### The Family Connection

Having a parent who runs their own business can be advantage for aspiring entrepreneurs. As a child they are exposed to the language, problems and successes of business, they learn about commercial practice and trade. If they choose to go into business for themselves, the social stigma of following a non-traditional career path has already been broken-down by their parent. In the study of early New Zealand entrepreneurs, 43 percent had a parent who had their own business. These included, Ernest Adams, whose father and brother both had bakeries, Ted Firth, who started what would become Firth Industries with his father Edward Firth, a manufacturer and inventor. Bendix Hallenstein's father was a woollen cloth manufacturer in Ludge, and Picton-based fisherman, Joseph Perano, followed his father into the fishing industry. Contemporary examples include, David Levene, who spent his early boyhood years in his father's paint shop and Stephen Tindall, whose father was part owner in a hardware store and whose mother ran a hairdressing business from home.