

Chapter 1

Framework Entrepreneurship Process

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ABSTRACT

The thematic of entrepreneurship has assumed a great importance in recent times and is regarded by the governments of all countries as a lever for economic and social development of nations. Entrepreneurship is generally recognized by the process that leads to the creation of companies, and consequently, creates wealth and employment. In their genesis, entrepreneurial ventures, emerged mainly as small business, associated with creative ideas or innovative approaches implemented in most situations, using empirical processes, without major concerns with the scientific rigor that can also contribute in a sustainable way to add value to these business initiatives. In this way, together with the empirical component, resulting from the business opportunity perception by promoter, the process of setting up a business, commonly known as entrepreneurship, should follow a methodology and make use of tools and techniques best suited to each stage of the process. The perspective proposed, Framework Entrepreneurship Process, intends to position itself as a guide for business creation, which took as its starting point a particular idea with potential business leads in a systematic process of transforming it into a successful company. This framework intends to provide an integrated view of the whole process of setting up a company, while it indexes each of the different stages of the process, a set of techniques and tools, perfectly validated in scientific contexts.

INTRODUCTION

The general systems theory in the context of this chapter is seen as the source of theoretical underpinning of the framework, as it provides an appropriate approach, system approach, the

processes of any complexity and uncertainty, subject to a number of constraints that are typical of business environments. The Framework Entrepreneurship Process served within the competences of the Office of Entrepreneurship and Innovation at the Polytechnic Institute of Bragança, in reference to the creation of 17 small businesses, made up of students and former stu-

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dents of this institution of higher education in a period of four years of activity. The concept about entrepreneurship comes from French vocabulary “Entrepreneur” and means that any individual has ability prepared to take risks and start something new. It is believed that this term must have been created in the seventeenth century, when the writer, and French economist, Richard Cautillon (1680-1734) distinguished the individual entrepreneur; as one who established contractual arrangements with the Government for the supply of products or services, the individual capitalist who owned the capital. The origins of entrepreneurship dates back to economic liberalism, and derived from the reflections of the thinkers at that time, they were known as advocates of the “*Laissaz-faire, Laissaz-Passer*”. According to the view of Economics Students, the activity of the economy was reflected by free market forces and competition and entrepreneurship is the engine that directs innovation and promotes economic development.

By default and in accordance with the economist approach, the entrepreneur is the individual who risks in the business sense, creates companies, wealth, workstation, at least he helps to economic and social development. The entrepreneurship, as the primary result of entrepreneurship activity, is one of the main levers in social modern economies that won even more relevance, because of the economy and financial recession that happened at the end of the first half XXI century, that emerged from the financial markets in the middle of 2007 and now extends the several parts of the economy. Throughout the world has sought to promote entrepreneurship should be, such efforts, the relationship between this process and economic progress (Ferreira, Santos & Serra, 2010). The new and small companies generate more workstation. However, the positive effects of entrepreneurship in society are not limited to job creation, but also the contribution to innovation. By way of example will be able to refer new business generated in academic environments, which is the default technology-based, generate new standards

of competition among incumbents, forcing them to improve their processes and products to be more efficient, effective, competitive and flexible in adopting new technologies and methods.

The entrepreneur is the true agent of creative destruction advocated by Joseph Schumpeter (1935). USA can keep the twenty-first century the same level of development achieved in the late twentieth century, thanks to the increase recorded at the level of small and medium enterprises, which grew from 18 million in 1990 to 30 million in 2000. In last decades of the XX century, more than 90% of new workstation in the USA was created by small and medium enterprises.

The specialty literature, the importance of entrepreneurship for economic development of regions and improving the living conditions of populations is addressed by several authors, (Low & MacMillan, 1998), (Gartner, 2001).

Others authors maintain that the issue of entrepreneurship should be studied very carefully, given the economic and social importance that has come to take in recent times.

It should be mentioned, by way of example, the number of small and medium enterprises created in the U.S. in the last fifty years. In 1955, there were 4.5 million small businesses equivalent to a ratio of one for each 38 inhabitants. In 1965, the ratio has evolved into one pair every 29 inhabitants. In 1975 there was one company for each 26 inhabitants in 1998 and had a company for each 26 inhabitants (Antão, 2009).

According to the opinion of Henrekson (2002), the importance of entrepreneurship is due mainly to three reasons, which are:

1. The creation of employment, including self-employment,
2. Innovation, and
3. Wealth creation.

History has demonstrated, over time that entrepreneurship, innovation and development are mutually reinforcing concepts in the sense

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