
THE FUTURE OF ENTREPRENEURSHIP

■ **Abstract:**

Entrepreneurship, as a key development activity and as a source of major competitive advantage of individual countries compared to others, with its manifestations, such as entrepreneurial activity and climate, has become an indispensable element represented in the development strategies of all world countries regardless of their current development. It has been generally accepted that entrepreneurship, with minimum theory and basic knowledge of the profession, is learned by the examples of good and bad world practices. This paper reveals a fundamental change in the importance of entrepreneurship and small business functions in generating employment, competition, innovation and overall economic progress, and answers to the questions: How will entrepreneurship expand in the future in terms of fields of activities and types of businesses and which branches and activities will be particularly attractive? What will consumers expect from products and services and how entrepreneurs and their businesses will respond to their needs? How will demographic trends affect the structure of future entrepreneurs?

■ **Keywords:**

Entrepreneurs, entrepreneurial economy, entrepreneurial education, competitive advantage, innovation

■ **INTRODUCTION**

With all the difficulties of objective prediction of the future due to constant changes, discontinuity and uncertainty, futurologists estimate that there will be a lot more opportunities for entrepreneurial activities and entrepreneurship will be significantly more attractive for the involvement of individuals than before. It has been estimated in a number of publications that competition will be much fiercer which will favor customers and their requirements, considering the fact that the offer will be far more diverse and of higher quality. The dominant factor of development and competitive advantage will be knowledge, i.e. intellectual, human capital and intangible assets. Business and economic development and growth will affect the increase of the wealth of society and individuals and intensify

technological progress, which will significantly change the living and working conditions of people, especially in the most developed parts of the world. People will have more free time and interest to its design and use, whether for leisure and entertainment or for starting up, organizing and developing their own personal business. This will open up chances and opportunities for entrepreneurial ventures in all areas, especially in the fields of services.

According to Peter Drucker, principles that are nowadays contributed to entrepreneurship won't operate in the future. Planning as a generally clear concept is, in fact, incompatible with entrepreneurship and entrepreneurial economy. Innovation really needs to be purposeful, while entrepreneurship should be managing. However, innovation must be decentralized, ad hoc, autonomous, specific and microeconomic phenomenon. As a rule, it is far

better that it starts from a small, modest, temporary, flexible. Indeed, the possibilities for innovation are, generally, just on the way and manner that are close to the event. They will not be in mass aggregates, which are counted as necessities by a planner, but in their deviations - in the unexpected, in discrepancies, in the difference between "the glass is half full" and "the glass is half empty", in the weak link of the process. Usually it is already too late, when a deviation becomes "statistically significant" and therefore visible for a planner. Innovative opportunities do not come with the storm, but with the breeze rustle (Drucker, 1991, page 324).

■ **CONTRIBUTION TO ENTREPRENEURSHIP IN DIFFERENT COUNTRIES**

Besides undoubtedly the most important achievements in development that entrepreneurship has reached in the U.S.A. and the most favorable conditions for its further affirmation and expansion, there is a growing number of countries that are - in their national development ambitions - turned to entrepreneurship and the creation of a supportive and stimulating environment for the application of entrepreneurial strategies as the most effective ways to reach the goals of economic development. The most developed economies such as those of Japan and European countries have gone the furthest in this aspect. That has traced the path into developed entrepreneurial economy and new entrepreneurial society that is both stimulating for strengthening the entrepreneurial potential and for the development of national economies.

■ **JAPANESE ENTREPRENEURIAL INVENTIVENESS**

Japan's economic and technological development is, to a large extent, based on the principles of entrepreneurial business and expressed inventiveness and creativity of entrepreneurial management of small and medium-sized enterprises. Japanese government contributes maximally to the creation of conditions and a climate conducive for the development and implementation of entrepreneurial initiatives. It applies it not only at the national, but also regional and local levels, especially through legislation and financial incentives and benefits of different

forms, such as the use of credit guarantee system as well as credit insurance. There are credit guarantee associations in more than fifty cities of Japan, which help small and medium-sized businesses in securing loans from private banks, guaranteeing that the association will return debts if companies are not able to. Especially stimulating is the Law on economic measures for the revitalization of small and medium-sized enterprises in sectors of particular importance from the 1985 regarding granting special loans, tax incentives and different treatment of gained profits (Group of authors, 2004, page 250).

Japanese state ensures, through various organizations and institutions, provision of competent professional assistance through a variety of advisory and consulting arrangements, as well as technical assistance in equipping and operation of small and medium-sized companies of entrepreneurial profiles. In particular, it stimulates and enables the free circulation and exchange of necessary information as new knowledge in various fields, the transfer and use of technology and other business factors, the development of permanent education system, the establishment of business directories for small and medium-sized enterprises, etc.

■ **EU ENTERPRISE POLICY**

Developed European countries also work intensively on creating a business climate that will encourage entrepreneurial initiatives and the establishment and launch of a number of new companies able to adapt more quickly to economic changes, to more effectively and successfully take advantages of the opening of large market opportunities, entering into creative or innovative ventures related to commercial exploitation on a larger scale. The changes that occurred in the economy and the economic structure of European countries have moved sources of comparative advantage to innovation and knowledge, as the most important business factors. The result of this orientation was in diversification of business programs, the emergence of new products and expanding service sector. Strengthening entrepreneurial initiatives contributed to this process, and EU Member States separately and institutions of the Union and their policies create a suitable environment and climate for the recognition of entrepreneurship and releasing of

entrepreneurial energy, which can – with correct direction and exploitation – significantly contribute to the creation of new jobs, new employment and a rich and diverse offer to consumers. The Internal Market created by the European Union, which increased to 450 million people with the last enlargement, favors the development of entrepreneurship through the ability to use a large potential market opportunities and chances, the harmonization of regulations and increase the availability of resources for various business activities, in particular knowledge and technologies as key sources of new business ideas and business projects.¹

Europe needs to motivate more strongly the manifestation of entrepreneurial charge and needs to express – through their own businesses or within other organizations – and turn into useful new outputs creative potentials that are not used in the existing economic structure. The challenge for the European Union is to identify the key factors for creating a climate in which entrepreneurial initiative and business activities can be developed. The goal is to raise the level of entrepreneurship in the EU and accept it as the dominant approach that favors the creation of more entrepreneurs, more entrepreneurial ventures and companies that are growing. The EU has already implemented all this.

In Lisbon in 2000 the European Council defined its objectives in the areas of employment, economic reform and social cohesion. Until 2010 the EU should become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion. This should create much more attractive business opportunities and involve active recruitment. The European Council established a strategy for sustainable development and added an environmental dimension to Lisbon goals in 2001. The need for radical economic transformation in order to create 15 million new jobs by 2010 was recognized. Even though the Lisbon Agenda is generally evaluated as a failure, certain progress has been made. A favorable environment for employment and business development has been established thanks to the EU Charter for Small Enterprises, which covers the following

key areas: Education and training for entrepreneurship; Cheaper and faster start-up, Better legislation and regulation, Availability of skills, Improving online access, Getting more out of the Single Market, Taxation and financial matters, Strengthening the technological capacities of small enterprises; Making use of successful e-business models and developing top-class small business support, Developing stronger, more effective representation of small enterprises' interests at Union and national level. At the meeting in 2003 the special attention of the Council was focused on entrepreneurship, with particular importance of encouraging investments and business development through knowledge, innovation and business dynamism. Foundations for macroeconomic policy oriented to growth and stability have been established, which is a prerequisite for the creation of a climate which accelerates entrepreneurial initiative. The European Council publishes an annual "Economic Policy Guidelines", which recommends measures to foster entrepreneurship through taxes and regulations for new and existing businesses, through legal reforms and the promotion of efficient financial markets.² The European Union, compared to the U.S., remains late on its entrepreneurial path. National regulations, less mobility, and, above all, the culture of unsparing marking of the failure in Europe are holding back entrepreneurial revolution.

■ ENTREPRENEURIAL EXPERIENCES OF BOSNIA AND HERZEGOVINA

Although most of the countries work on improving conditions to increase entrepreneurship, the administration in our country is far from it. So, not only the citizens of BiH, but also the Europeans (citizens of the EU Member States) still see administrative barriers as the main obstacle to starting a business. When starting a business, the problem arises in the provision of money and finance at an early stage. The division of risks between the public and private sectors can help increase access to finance.

When the Eurobarometer survey asked Europeans to express their views on obstacles to starting businesses, 69 percent agreed that the

¹ www.knowledge-bank1.org/preduzetnistvo

² <http://europa.eu.int/com/enterprise/index.en.htm>

existing administrative procedures are complex, and 76 percent pointed to the lack of available finance.

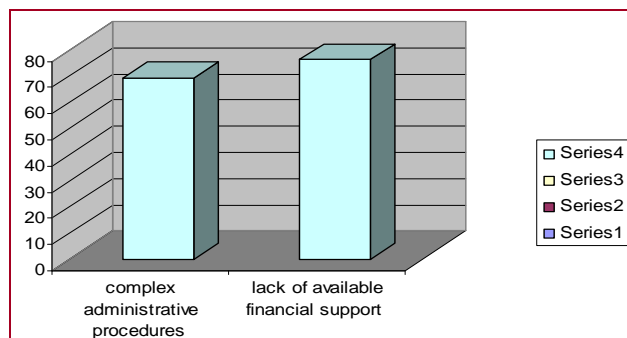


Figure 1. Barriers in starting a business in Europe

According to our survey among 70 citizens in the Republic of Srpska, i.e. those who would like to start their own business, 80 percent find administrative procedures the obstacle to start up a business, while the lack of financial support is seen as a barrier by even 98 percent of respondents, as it is shown in the following diagram.

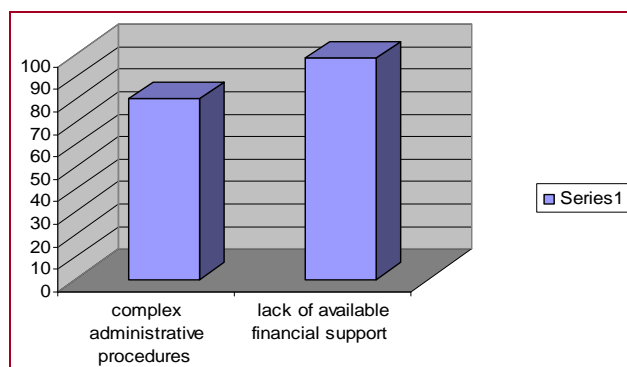


Figure 2. Barriers in starting a business in the Republic of Srpska

Administrative procedures for the creation of companies have already received significant attention in EU. The European Commission has noticed favorable trends in terms of time it takes to start a business. However, some member states have yet to work on reducing the time and costs of establishment an enterprise. There is still room for further improvement in terms of multiple procedures, contacts, forms, required licenses and permits, as well as costs. Centres for business formalities have been established in Portugal since 1997 in order to facilitate the registration of new companies. These centers bring together representatives of all public agencies responsible for various formalities required when registering a new company

(concerning, for example, the statute of the company or business registers and registers of social insurance). Future entrepreneurs can get advice from the office for assistance in the same center. At the same time, procedures are simplified. As a result, the time to set up a business was decreased for 80% compared to the mid-nineties. Portugal aims to reduce the time for the additional 50% in the future.

Access to finance still remains a major barrier for new entrepreneurs: they have difficulties in securing bank loans or finding risk capital. Banks seek positive balance and collateral warranty – which new firms, especially those that develop activities based on knowledge, usually do not have. Start-ups also have serious difficulties to cover the needs for working capital. In addition to bank loans, new firms should have better access to alternative sources of funding. Besides venture capital, it is necessary to further explore the potential of informal investors – family, friends or business angels. GEM survey reveals that the informal support of the new enterprises was five times higher than the support of the local venture capital, and while venture capital support declined sharply between 2000 and 2001, the informal support has been consistent. In order to increase its interest in risky companies, private investors have expressed the need for incentives such as tax breaks. The division of risk between banks and investors in the private sector and public financial institutions specialized for small and medium-sized enterprises (SMEs) is an effective way to strengthen the scarce public funds, which proved successful to increase the funding of new enterprises.

In Europe, risks associated with entrepreneurship are not adequate counterweight to the prospects of success. This calls for reconsideration of the balance between risks and rewards of entrepreneurship. The failed entrepreneur meets shame of failure. When the Eurobarometer asked Europeans to identify what worries them most about the risks of entrepreneurship, bankruptcy and loss of personal property prevailed. Potential entrepreneurs in the Republic of Srpska are also, when it comes to the risks of entrepreneurship, mostly concerned about the bankruptcy and the loss of property, in 75 percent of cases, lack of market and fierce competition worries 15 percent of the respondents, while 10 percent of

them would not dare to start a business in the current economic environment which they consider as the riskiest factor.

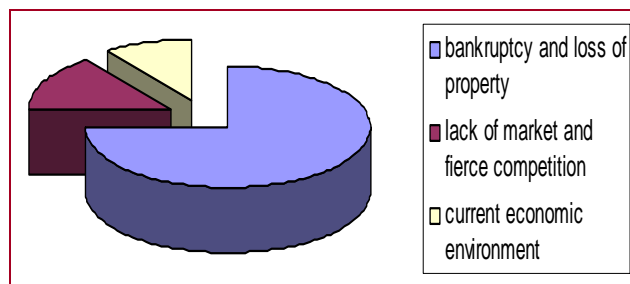


Figure 3. Risks in entrepreneurship for RS citizens

In addition to social stigma, personal bankruptcy involves serious legal consequences. Repayment of debts can take years; those people may lose their personal property and are subject to certain restrictions. Such consequences are justified in cases of fraud or dishonesty, but failure is an integral part of economic life and a significant number of entrepreneurs go into bankruptcy because they cannot compete in the market. Insolvency laws could be revised to reduce barriers to re-start for honest entrepreneurs. That, of course, should not unreasonably affect the interests of creditors, who could become reluctant to invest in small and new ventures. Belgium has adapted the insolvency laws so that they allow entrepreneurs to save their business when they meet temporary problems and to liquidate non-sustainable business as soon as possible. The courts may "forgive" honest entrepreneurs who are in bankruptcy by allowing them to re-start the business.³ People might be willing to accept the risk of entrepreneurship if it could be compensated with the prospect of reward in case of success. A recent trend to reduce taxes for the self-employed and small businesses is considered in the European Union and steps are taken in order to minimize the taxation of potential self-employed people. However, in some Member States, such tax rates remain high, reducing the chances of entrepreneurs to create and maintain profit. If someone becomes a self-employed, one has to opt for a reduced social welfare. The system of social protection that would be tailored to the needs of entrepreneurs could make entrepreneurship more attractive.

³<http://europa.eu.int/com/enterprise/index.en.htm>

Education and training should contribute to encouraging entrepreneurship, nourishing the right mind-set and awareness about the progress of entrepreneurs and new career opportunities. Therefore, Eurobarometer has found that 37 percent of Europeans are or were thinking of becoming entrepreneurs, and yet only 15 percent achieved their aspirations.

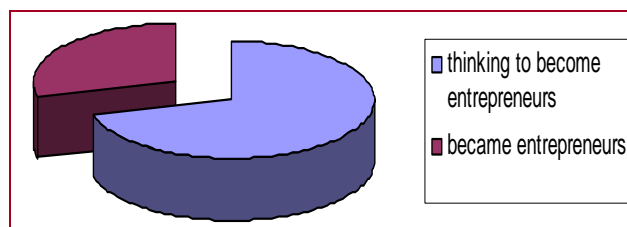


Figure 4. Readiness and outcomes of becoming entrepreneurs

It appears that surveys emphasize the fact that knowledge about starting a business increases the likelihood of becoming an entrepreneur. The survey carried out by the Eurobarometer has found that respondents of self-employed parents are more "oriented towards self-employment" than those whose parents are civil servants. The GEM's survey has found that people confident in their skills and experience are between two and seven times more likely to be involved in starting or managing a new business, those who know someone who has recently started a business are three to four times more likely to do the same. The survey among British households has revealed that those who have previously been exposed to entrepreneurship (through friends, family or education) tend to think seriously about starting a business. The educational system can provide the skills and expertise as a contribution to fostering entrepreneurship. Establishing a business requires enthusiasm, creativity and persistence, while developing a business gradually requires more management skills, such as efficiency, effectiveness and reliability. Bearing in mind that personality and management skills are key elements of success, it is necessary to develop personal skills from the earliest times and to cherish them up to university level, where the focus could be on building management capacity. The European Commission has revealed that the majority of member states are, in varying degrees, dedicated to the promotion of teaching entrepreneurship in their educational systems. Entrepreneurship courses at universities shouldn't be only the

privilege of MBA students, but they should be available to students of other fields as well. For example, teaching entrepreneurship at technical universities can contribute to the merger of entrepreneurial and technological potentials. Entrepreneurship education in combination with public research programs includes components to merge scientific excellence with the commercialization of results.

■ HOW TO STRENGTHEN ENTREPRENEURSHIP

Eurobarometer experts argue that entrepreneurship should be more promoted, with special emphasis on women and other underrepresented groups. Ethnic minorities show a high level of sense for entrepreneurship and even a greater potential. Available services for business support do not seem to fit very well to their special needs. There are significantly fewer female than male entrepreneurs in Europe: the percentage of self-employed women ranges from 16 percent in Ireland to 40 percent in Portugal. Women entrepreneurs face the same difficulties as all entrepreneurs, but in some cases, it seems that some problems for them, such as finding finance, are more difficult to be solved. Women also often lack the necessary confidence and skills to start and lead business successfully. There are different reasons for this, including the selection of activities, lack of information, visible discrimination, and the lack of networks or difficulties in harmonizing work with family responsibilities. The European Commission has facilitated the exchange of good practices on policies in order to promote entrepreneurship among women through the "WES Network", which brings together government officials who are responsible for the promotion of women entrepreneurs. Nutek in Sweden has started the project Business consultants for women, under which women consultants provide advices and non-financial assistance to women entrepreneurs. This is a response to evidence indicating that many women prefer to turn to other women for guidance regarding the conduct of business. Consultants give advices on business issues and broader requirements, such as the question of how to reconcile family life with running a business. Nutek provides training and exchange of experience for consultants.

Ethnic minority businesses in Europe show a strong entrepreneurial capacity and potential. Ethnic entrepreneurs are a heterogeneous group in terms of language, culture and socio-economic position, which is reflected in the nature of their business activities. However, many of them are concentrated in the initial low-level activities and have difficulties to get out of them. The problems faced by ethnic entrepreneurs are, fortunately, in general, similar to those that all entrepreneurs meet, but they seem to have less benefits from public services that support business and they are less involved in business organizations. Networks of ethnic entrepreneurs throughout Europe could try to facilitate the sharing of experiences and propose legal remedies for identified problems. In the context of its policy on immigration, the European Commission put forward two proposals that will contribute to the facilitation of entrepreneurs in third world countries to open businesses.⁴

Some Member States are, in many aspects of entrepreneurship, better than others and may serve as an inspiration. The European Commission helps them learn from each other through the "open method of coordination", where the Commission creates a platform for member states to share examples of good practice and standards. It must be borne in mind that different national or regional concepts affect the effectiveness of political measures and that, during the identification and implementation of policy priorities, a country or a region should take into account its specific context. Common guidelines should be adapted to national or regional circumstances. Since the availability of comparable and relevant indicators is a prerequisite for the success of these applications, the Commission seeks to coordinate actively the development of necessary statistical data. European standards that governments should reach are determined according to time and costs needed for starting a business. When they do that, governments should be sure that the public is aware of their efforts to reduce initial barriers.⁵ The French government, for example, intends to facilitate the reorientation of their employees into entrepreneurs. This action, which is a part of comprehensive initiative to promote the

⁴ www.knowledge-bank1.org/preduzetnistvo

⁵ <http://europa.eu.int/com/enterprise/index.en.htm>

creation of companies, includes measures to reduce barriers for employees who want to set up a company, either independently, either with their employer. It will also remove discriminatory fiscal and social attacks against the new entrepreneurs who still have the status of civil servants.

Furthermore, it is good to mention that twice as many Europeans would rather start a new business than take over the existing one. However, the takeover can be an attractive alternative with less risk. For example, in Austria 96 per cent of successful business transfers survive the first five years after the transfer, compared to 75 percent of new ventures. It is expected that about one third of companies in the European Union will need new owners in the next ten years, either because of retirement, or for other reasons. This will provide many opportunities for taking over existing enterprises. An ongoing work on the improvement of the internal market functioning and reducing red tape requires a further removal of barriers to business and the promotion of the "think small first" principle. Efforts to improve the access to finance and skilled workers must also be strengthened. Entrepreneurs need to be supported in developing skills they need to adapt their business to changing conditions. The exchange of experiences and mutual work, through clusters or networks, can help entrepreneurs to find inspiration and advice, to have access to technology and knowledge or to find partners. Maintaining and nurturing networks could have particular impact on support of specific sectors or groups of entrepreneurs, such as ethnic minority businesses.

■ **CONTEMPORARY WORLD OF AMERICAN ENTREPRENEURSHIP**

Talking about entrepreneurship without mentioning American experiences would be too conceited and in fact, extremely frivolous and this paper will lose its quality. Small businesses are an important and growing driver of US economic growth and dynamism. By 2017, small businesses will be formed and run by a new and more diverse group of entrepreneurs, with a new outlook based on the changing nature of the American business landscape. The Intuit report examines three emerging trends that will

impact small business formation and operations over the next decade. Entrepreneurs will be far more diverse than their predecessors in age, origin and gender. Recent studies show aging baby boomers, Generation Y, women and immigrants joining the ranks to start small and personal businesses at increasing rates. The last decade has seen substantial growth in the small and personal business sector of the U.S. economy, and technology has been a major contributor to this trend. The growing digital infrastructure has reduced the costs of starting and running a small business, lowered competitive barriers, opened new markets and industries to small businesses, and led to the creation of new, and often disruptive, business models. The Internet will become a platform that provides small businesses with a wide range of new tools, services, and capabilities. Technology will become cheaper, easier to deploy and use, and pervasive.

■ **DEMOGRAPHIC TRENDS CHANGING AMERICAN ENTREPRENEURS**

Over the next decade, entrepreneurship will continue to increase, with more entrepreneurial-specific education in academics, more freelancers than ever and more diversity among small business owners. The white, middle-aged men who traditionally start small businesses will be outnumbered by other types of entrepreneurs like the mompreneur and, until we can come up with a better name, those young folks known as Generation Y. Immigrant entrepreneurs will help drive a new wave of globalization. Immigrants are increasingly turning to entrepreneurship as a way to steer around traditional barriers of entry to the workplace. Immigrant entrepreneurs also have the skills, contacts, and technology to exploit the global marketplace. According to the U.S. Census Bureau, immigrant entrepreneurs are the fastest-growing segment of small business owners today. Data from the Kauffman Foundation also show that immigrants form small businesses at a much higher rate than non-immigrant Americans, and a recent study by Duke University shows the importance of immigrants in the U. S. technology industry. The Intuit study notes that even though immigrants often have education, professional experience and even a network of friends and family when they come to United States, it's still not the

easiest transition. "Starting a business is often easier than finding a job," the study found. The U.S. Census reports that immigrants are currently the fastest-growing segment of small business owners. Khorramian, the company's president, adds, "You also start with nothing, so you have nothing to lose, and that's another advantage." Women will increasingly see entrepreneurship as an alternative to corporate life and a means to break through the glass ceiling or balance family and work demands. Working moms who want to have a career and still be available for their children have found that virtual companies often provide the solution to their dilemma. They can parent, wear their bathrobe and slippers and ship out 58 orders a day to customers around the world. Generation Y (ages 18 to 29) or the digital generation will emerge as the most entrepreneurial generation ever (Belmont University entrepreneurship professor Jeff Cornwall) since they are the first generation to grow up with digital technologies rather than having to adapt to them; thus, they have a unique approach to information, society and the workplace. They see traditional big company jobs as both constraining and risky. They have a clear wish to be the captains of their own destiny. They see entrepreneurship as a way of maintaining independence, of owning their own careers. Several nationwide surveys reflect Generation Y's interest in entrepreneurship. A recent Gallup poll showed that a majority of teens would prefer owning their own businesses over working for a large company. They are inspired by entrepreneurial heroes such as Steve Jobs and Bill Gates, and they like working on their own.

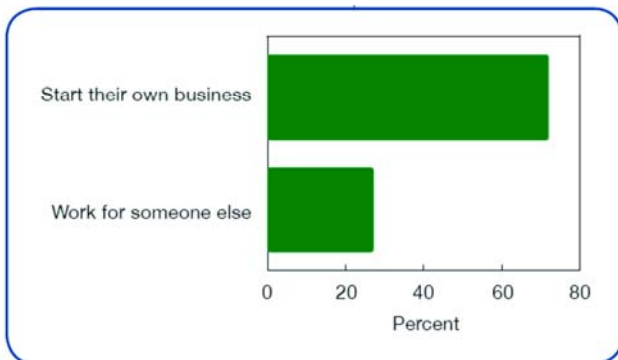


Figure 5. Teens and Young Adults Want to Start Small Businesses (percent of respondents age 18-29 who want to). Source: CNN/USA Today/Gallup Survey, April 2005.

Personal businesses are one-person shows. Typically they do not have employees, and usually they are home-based. Personal businesses include contract employees, part-timers, hobbyists, do-it-yourselfers, and early-stage social entrepreneurs. Personal businesses are often formed as an extension of previous work relationships or "accidentally" as extensions of hobbies or other passions. People with personal businesses rarely consider themselves small business owners. Yet, as the personal business takes shape and grows, it may indeed become one. The breakdown of the traditional employment contract and the lack of large company jobs are resulting in new and more independent ways of working. Small business employment continues to climb in absolute numbers and as a percentage of total employment. The old employment contract will not return; large corporations simply cannot afford it. This will continue to make personal businesses attractive - and necessary - to workers set loose by large companies.

THE EMERGENCE OF ENTREPRENEURIAL EDUCATION

Entrepreneurial training and education is spreading quickly in the United States. Entrepreneurship used to be seen as something one learned only through experience and mentoring. The growth and success of entrepreneurial education has changed this view. Entrepreneurship programs are in place at elementary, secondary, and tertiary levels of education. Vocational schools are adding entrepreneurial education; online information and training on small business is expanding; and small business skills are being taught to artists, musicians, and others not traditionally exposed to business education. Entrepreneurship will be a widely adopted curriculum at educational, trade, and vocational institutions. Currently, there are over 1,600 colleges and universities offering programs in entrepreneurship. The number of academic chairs that have been funded specifically for entrepreneurial education at these institutions grew from 237 to 406 in less than four years. Demand for these programs is strong. The only limitation in expansion has been access to faculty with both the entrepreneurial experience and the academic background to teach entrepreneurship effectively. With the increasing

demand by mid-career professionals and small business oriented college students, the roll-out of entrepreneurial programs at the university level is expected to continue.

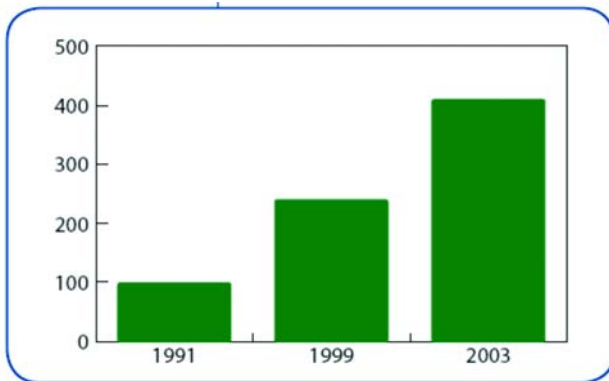


Figure 6. Entrepreneurial Education is on the Rise (number of endowed positions in entrepreneurship at U.S. universities) Source: Kauffman Foundation, 2004.

Dr. Peter Vaill, a leading organizational theorist, coined the phrase “permanent whitewater” to describe the rapidly changing and highly competitive business environment. Small businesses are under continuous 24/7, “always-on” customer and market pressures. While emerging analytical tools and intelligent devices will increase the sophistication and capabilities of small business operations, they will not necessarily decrease the pressures on small businesses and entrepreneurs. In fact, the next decade will likely see even stiffer small business competition. However, the adoption of these new technologies will allow greater flexibility about when, where, and how work is done. Instead of being “always-on,” small business management will increasingly become “on my time” and “on my terms.” Being onsite will become much less important. Vacation homes and automobiles will double as offices, and increased flexibility will make participation in family activities easier. While most small business owners will continue to work long hours, they will often be able to pick the times and places that best suit their needs and better fit their work–life balance objectives. Moreover, at this point, social networks play a very important role in spreading information and influencing customers decisions. Social networks are the collective system of relationships among people who have met each other through family, work, school, religious, or political activities, hobbies, sports, or other

contexts. Social networks form an extended set of relationships that can be called on for a variety of purposes. Social networks can help a person get a job, find a date, or decide what movie to see. As social networks grow in size, they become communities and take on broader roles in the lives of community members. Social networks are also used by people to discuss products, services, and companies. “Word of mouth” social network discussions are both common and powerful. Social networks do not just spread raw data; they also act as information filters and often assist participants in making decisions. Information outsourcing is also common among members of social networks, with people turning to trusted friends or network members for advice and information in areas where they have limited knowledge.

CONCLUSION

Everyone is involved in the creation of entrepreneurial society. Attitudes about entrepreneurial initiative and failure should become more positive. Current and future entrepreneurs depend on those who can help to achieve this goal. The EU Council considers that entrepreneurship deserves the promotion because society has other benefits of entrepreneurial skills and attitudes besides their application to business activities. In order to respect entrepreneurship, society must value and celebrate successful entrepreneurs and tolerate failure. Positive attitudes about entrepreneurship are particularly important among those from whom today's and future entrepreneurs depend on, such as schools, universities, investors, local communities, regions, businesses, consultants and the media. One way to encourage such positive attitudes is to provide role models through “showcase stories” on success.

Acceptance of risk should be rewarded, not penalized. Social security and tax conditions should be reviewed in light of their impact on the willingness of entrepreneurs to take risks in starting or developing a business. The takeover of existing companies should also be encouraged and it is necessary to further explore the potential of “intrapreneurship”. In order to reduce the negative effects of bankruptcy, it is smart to consider appropriate measures, such as earlier discharge of debts, keeping certain

property, or remove certain restrictions on bankruptcy.

Although many people express a desire to become entrepreneurs, many lack confidence and skills to launch their ambitions. Young people should be supported and exposed to entrepreneurship, along with teachers, in an effort to develop entrepreneurial skills. Entrepreneurs could get an insight into the role models and stories, throughout campaigns that would emphasize the benefits entrepreneurs bring to society. This would particularly need to be directed towards those who play a key role in supporting future entrepreneurs, such as schools, universities, investors, local communities, regions, businesses, advisers and the media.

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