

# **THE ENTREPRENEURIAL DILEMMA IN THE LIFE CYCLE OF THE SMALL FIRM**

# THE ENTREPRENEURIAL DILEMMA IN THE LIFE CYCLE OF THE SMALL FIRM

How the Firm and the Entrepreneur Change  
during the Life Cycle of the Firm,  
or How They Should Change

BY

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INVESTOR IN PEOPLE

To Jan Westen, much more than a father-in-law  
To my mother Helmi Masurel, always encouraging

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# About the Author

**Enno Masurel** (December 6, 1959) is a Full Professor in Sustainable Entrepreneurship at the Vrije Universiteit Amsterdam. His educational background is business economics; in the last decade, he has moved into the direction of business administration and entrepreneurship. His main activities are currently:

- Education: he teaches the course New Venture Creation and Development in the joint MSc Entrepreneurship (organized by the Vrije Universiteit Amsterdam and the University of Amsterdam), various electives in entrepreneurship at beta faculties of the Vrije Universiteit Amsterdam, the International Summer School New Venture Creation and Entrepreneurship at the Vrije Universiteit Amsterdam, and for PhD candidates.
- Research: his main focus is on the explanation of the success of entrepreneurship and small and medium-sized enterprises (SMEs), with special reference to innovation, sustainable entrepreneurship, and the life cycle of the firm.
- Management: he is one of the two co-directors of aforementioned joint MSc Entrepreneurship, the Director-founder of the Center for Entrepreneurship at the VU (CfE@VU) and a Member of the Board of Dutch Centers for Entrepreneurship (DutchCE).
- Valorization: he aims to bridge the gap between the academic world, on the one hand, and the private sector and the public sector, on the other, by showing mutual benefits and building long term relationships.
- He is involved in capacity building projects in Africa, mainly training of university lecturers and supervision of PhDs in Tanzania, Kenya, Ethiopia, and Zambia.
- He is also an advisor of entrepreneurs and SMEs, an advisor to international publishers in the field of entrepreneurship, and a speaker for various audiences.

See for his most recent profile: <https://www.linkedin.com/in/enno-masurel-63551645/>.

# Acknowledgments

My journey of working with the entrepreneurial dilemma in academic education started more or less in the year 2009, when I introduced the Entrepreneurship Case (or E-Case) in the Master of Science (MSc) Specialization Entrepreneurship at the Vrije Universiteit Amsterdam. However, the basic idea of working with an entrepreneurial dilemma in academic education without any doubt has emerged earlier in my life (and possibly also earlier in the life of others as well). In 2009, the MSc Specialization Entrepreneurship was the most recent one of seven specializations within the MSc Business Administration at the Vrije Universiteit Amsterdam (next to among others Strategy and Organization, Management Consulting, and Human Resource Management). This E-case was developed for the head course Entrepreneurship and Innovation of the MSc Specialization Entrepreneurship. In 2012, the name Entrepreneurship Case/E-Case was changed to the name Entrepreneurial Dilemma Assignment in the same head course.

In 2014, the MSc Specialization Entrepreneurship at the Vrije Universiteit Amsterdam was terminated and more or less replaced by the joint MSc Entrepreneurship, collectively organized by the Vrije Universiteit Amsterdam and the University of Amsterdam, the two universities in Amsterdam. This joint MSc was developed with the help of the Amsterdam Center for Entrepreneurship (ACE), a partnership of the University of Amsterdam, the Vrije Universiteit Amsterdam, the Amsterdam University of Applied Sciences, and the Amsterdam School of Applied Arts (in the early years of ACE, also the University of Applied Sciences InHolland participated in this partnership, but this organization left ACE after a number of years). ACE received essential funding from the Dutch government (among others) in order to develop different forms of entrepreneurship education: the joint MSc Entrepreneurship was and still is one prominent result of that collaboration among the higher education institutes in Amsterdam, the Dutch government, and others.

The Entrepreneurial Dilemma Assignment was housed in the specialization course New Venture Creation and Development (NVCD) in the second period of the joint MSc Entrepreneurship, since the academic year 2014/2015. The content of the assignment was also changed in that academic year, and the focus of the assignment became explicitly on the identification of the current stage and the wished stage of small businesses, the obstacles between these two stages, and the solutions to overcome these obstacles. In the solutions to these obstacles, obviously the entrepreneurial dilemma (or the dilemma of the entrepreneur) comes back, because the entrepreneur(s) has/have:

to choose between two or more future courses of action concerning his firm/their firm(s), without sufficient information to make that choice or not being able to prioritize the gathered information

for making that choice. (see the definition of the entrepreneurial dilemma in the “Introduction” of this book)

With this change of content, the name of the assignment was also changed into the Start-up Case. In 2017, the name of the case was once again changed, into the NVCD Case, after the name of the specialization course. The main reason for this change was that the scale-up stage was also covered by the assignment, next to the start-up stage, and the scale-up stage even became more and more important. Every academic year, between 25 and 75 students participated in this specialization course, and between 15 and 25 teams worked on their own NVCD Case, with normally 2–4 students per team.

Consequently, since 2009, the concept of the entrepreneurial dilemma has been used by the author of this book, not only in aforementioned forms of education but also in various other courses and workshops, both within and outside the domains of entrepreneurship, business administration, and economics, both within and outside the Vrije Universiteit Amsterdam, and both within and outside the Netherlands. Although the entrepreneurial dilemma took different forms through the years, and sometimes even within one period in a year, the basic form of the entrepreneurial dilemma has always remained the same. The case is developed through one or more interviews by students with an entrepreneur (or by using information from the own entrepreneurial situation of one of the students), on the current stage and the wished stage of his/her firm. The case is solved by the formulation of recommendations by the students on how to overcome the gap between the current stage and the wished stage of the firm. The sources for the identification of the current stage and the wished stage of the firm and the sources for the formulation of the recommendations how to overcome the gap have always been threefold: what does the literature say, what does the entrepreneur say, and what do the students think themselves. It is important to notice that these three angles did (and will) not always point in the same direction.

Without any doubt, the concept of the entrepreneurial dilemma will be developed further in the future, not only by the author of this book but also by others. On the one hand, it is guesswork in what direction the development of the concept of the entrepreneurial dilemma will go. On the other hand, as trends are witnessed, some estimation of the future development of the concept of the entrepreneurial dilemma can be made. For instance, sustainability may leave its traces on the development of this concept, or privacy in relation toward social media may leave its traces, just to mention two examples. Also, the direct environment in which the author of this book will work in the coming period may leave its traces on the development of the concept of the entrepreneurial dilemma. Time will tell what will happen, especially if a second edition of this book will be allowed.

My acknowledgments go to all students, entrepreneurs, and colleagues, who participated in my courses and workshops on the entrepreneurial dilemma (and beyond the topic) and thought along with me. You have been a true source of

inspiration for the use of the entrepreneurial dilemma since 2009 and an essential factor for the realization of this book on the entrepreneurial dilemma in the life cycle of the small firm. My great acknowledgments also go to Emerald Publishing for the trust that has been put in me and the assistance that has been given.

From a personal point of view, my greatest gratitude goes to the most important persons in my life: my wife Erna Westen, my mother Helmi Dekker, and my father-in-law Jan Westen. Your support and commitment have been indispensable.