

## EDITOR'S NOTE

As governments worldwide show increasing interest in the power of entrepreneurship to successfully address the demands for economic growth, the process of small business formation and sustained innovation have come to dominate our current research thinking. In this issue, we examine the critical role of entrepreneurial drive, organizational architecture and the necessary tangible mechanisms for successful growth management in infrastructure design.

Our lead article (the 1997 SBIDA Distinguished Empirical Research Award winner) by James and JoAnn Carland demonstrates an exploratory model of potential entrepreneurship and develops the implications for entrepreneurship education. Their challenge to incorporate creativity into the entrepreneurship curriculum is further documented by Robert Cross and Frederick Funk who show why leveraging employee knowledge is a critical source of competitive advantage for the small business firm.

If small business firms truly are the "Keepers of Capitalistic Virtue," then Professors Schultz, Bennett and Ketchen's examination of the nature and extent of the relationship between competitive strategy and human resource management practices in small businesses offers a key to building future competitive advantage. Similarly, Drs. Haksever, Cook, and Chaganti find that the human resources and organizational arrangements of very small and small firms affects the types of service quality gaps. This paper received the 1997 SBIDA Distinguished Applied Research Award for illustrating how a popular service quality model can be utilized by very small/small firms interested in understanding and improving service quality. Certainly, service quality begins with understanding actual customer buying behavior. Lisa Spiller and Rich Hamilton provide timely information showing how small firms can maximize the power of their marketing expenditures by building and utilizing customer databases.

Small firms financial management and compensation issues are the focus of our last two articles. Dr. Nancy Day contrasts pay strategies, levels, and structures in 148 small and large growth companies. Her findings will both surprise and encourage small business decision makers in their design of compensation systems. The same fundamental differences between "Theory" and "Practice" are uncovered by Youness Alizadeh and Geoffrey Meredith in their research of financial management information systems utilized in self-employment enterprises. The study illustrates how unsatisfactory systems are further restricting the link between self-employed small business owners and professional financial advisors.

**Joe Singer, Ph.D.**  
Editor

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