

# **Strategic Entrepreneurship: evidence from small family farms**

Obi, Afamefuna ; Tonner, Andrea ; Gibbs, Juliette

*University of Strathclyde*

Entrepreneurship is popularly considered to be an opportunistic and risky approach to profitably exploit change in dynamic business environments. However, this may be a bias characterisation of the phenomena. In the UK for instance, small family-farm businesses typically exhibit an aversion for risky business opportunities in order to pursue non-pecuniary goals like the inter-generational transfer of family farms (Barnes et al. 2016). A similar aversion to change is exhibited by major stakeholders in the sector because of its importance of rural economies (ScotGov 2015). Consequently, risk-taking and spontaneous opportunism are not typical characteristics of this business environment. Nevertheless, entrepreneurship was forecasted to be a most important aspect of farming (Phelan & Sharpley 2012).

Ironically, physiocrats, like Cantillon, were instrumental in developing the entrepreneurship discourse. Cantillon considered entrepreneurship to be the organisations of factors of production; facilitated by an entrepreneur. Schumpeter (1934) advanced this view but emphasised the importance of a firm's existing resources; while Casson (1982) simply concludes that entrepreneurship will be significantly constrained by a lack of these resources. These views emphasise another aspect of entrepreneurship, i.e. a firm's existing resources that enable it. Whereas its popular characterisation focuses on the business environments that accelerate it.

This paper argues that the existing resources of a firm can be strategically developed to create opportunities in multiple markets. This strategic approach, by no means a novel idea (Van Rensburg 2013), bears particular relevance to the business environments of small family farms since 1) their non-pecuniary goals require the preservation of their existing resources and 2) high regulations, put in place to minimize change, favour a long term (strategic) approach to entrepreneurship. However, the relative newness and a dearth of empirical research on strategic entrepreneurship has allowed the image of risky-opportunism, in dynamic business environments, to dominate its discourse.

In response, this paper adopts three resource-based perspectives to examine the resources of family farms engaged in entrepreneurial activities. We identify the resources that are employed to produce multiple agricultural products for multiple markets. The attributes of these resources were analysed to determine those with potentials for strategic entrepreneurship. The results of this research broaden the entrepreneurship discourse to accommodate atypical business environments, like in the small family-farm sector; while simultaneously providing empirical evidence to establish strategic entrepreneurship as a viable option for these businesses.