RESEARCH OF CONDITIONS OF SMALL AND MEDIUM-SIZED ENTREPRENEURSHIP DEVELOPMENT ON SILESIAN UNIVERSITY, SCHOOL OF BUSINESS ADMINISTRATION

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Key Words:
small and medium-sized entrepreneurship (SME), research project, evolution SME in Czech Republic (CR), function SME in CR, taxation, accounting, legislature, over-border co-operation, integration CR into European Union, revenue office, banking, financial services, state support of SME, managerial communication, logistics structure, decision support systems, information needs of SME

Abstract
In this presentation was described research of conditions of small and medium-sized entrepreneurship (SME) development, on Silesian University, School of Business Administration in Karvina (SU SBA) – Czech Republic (CR).
The research has done on SU SBA from 1996 till this time. The initial conditions of this project were based on programme of Ministry of Education of Czech Republic: “Development of Research Activities on Czech Universities”. In this presentation there are described sight of this research project, its organisational structure, important characteristics and research targets. Research activities are focused on historical, social and legislation conditions functioning of SME, financial and personnel management, infrastructure, logistics, decision support, financial and information background in CR and Ostrava region. The research project is divided on 3 tasks (subprojects):
1) Characteristics of evolution and actual state of functioning of SME in CR;
2) Chosen problems of SME’s management;
3) Infrastructure, logistic systems, decision support systems and informatics in development of SME.
Tasks are divided on subjects, their aims and results are here described. In this presentation there is described creation of Institute of SME and areas its actual function. Its further orientation of research activities in area SME is also mentioned here.

1. Introduction
Silesian University, School of Business Administration (SU SBA) is dislocated in Central Europe, on North - East part of Czech Republic. According new administrative partition of CR is this region called “Ostrava region” (OR). Activities of SU SBA are unbounded only in university education, but SU SBA is an important centre of research in OR too. Its significant component is also research of conditions of development SME, which is subject of this paper.
In years 1948 - 1989 was CR a part of “socialist block” and its industry was orientation on its needs. There are was preferred great state enterprises with overbearing orientation on heavy industry, especially mines, smelting works, machine industries and chemistry. Significant part of Czech economy was created armament industry. Small and medium-sized entrepreneurship was practical liquidated.

After break up of “socialist block” and also division of Czechoslovak state on Czech and Slovak Republics in 1993, Czech industry lost significant markets. In present time CR is in process of transforming from central planned economy into market economy. The most of large enterprises, often even with significant participation of state, isn’t able to compete upon hard to please markets. They considerably derogate staffs, what leads to advance of unemployment, loads for social rescue net growths and social tension escalates. Small and medium-sized enterprises are playing more significant part in Czech economy. They are elastic into loading innovations and significant with escalate their share on GDP and exports.

That is why problems of SME development are on SU SBA implied into educational plans of all branches, which are studying on our faculty. Therefore, by thinking about head direction of research on SU SBA, there was taken decision, target this one on development SME into CR, especially on Ostrava region, in which SU SBA is dislocated. F. e.: from former 16 mines, they are at present in operation only 4. Also chemical and metallurgical enterprises are shutting its plants or hard lower his production too. It results second tallest unemployment in CR - on January 2000 near 20% and it is possible to expect its further growth. One of problems of this region is also fact, that this one has not highway, which discourage big foreign investors. One of a few possibilities of solving complicated economic situation hereof region is development of SME. That is why SU SBA had placed problems of development of SME into its research intentions.

2. Creation and support project.

Public universities in CR they are at present from decisive parts financing from state budget through Ministry of Education, Youth and Physical Training CR. From its assets are financed in main pedagogic activities. For obtaining grant on research activities SU SBA has been necessity demonstrate, that problem solving through research intention is actual, will have significant social contribution and that soluble workplace is able to ensure it as personally and technically. These requirements SU SBA demonstrated and in hard to please competition 200 project, its programme was in 1996 chosen to realisation.

3. Aim and structure of project

3.1 Aim of project

Main aim of this project is co-ordination research activities on SU SBA, which are connected with support SME in CR, link-up active co-operation with entrepreneurial sphere and institutions relevant for SME and creation research workplace, which will be engage in systematically with problems of function and development SME. Matter of-fact solving project go out from history SME on territory CR, contemporary state function SME in CR and its future development in conditions of the European Union. Solving is orientation like generally valid in CR, with marked accent on conditions OR.
3.2 Structure of project

Research project is partition into 3 research tasks, which are divided on research subjects:

**Task 1: Characteristics of SME evolution and actual state in CR**
- Subject 1.1: Characteristics of SME evolution in Czech Republic
- Subject 1.2: Actual state function of SME and recommendation for its development
- Subject 1.3: Social connections of restructuralisation
- Subject 1.4: Legislative background for SME development
- Subject 1.5: Common conditions and regional differences in SME development
- Subject 1.6: Preparation on incorporation CR into European Union and SME

**Task 2: Chosen problems of SME management**
- Subject 2.1: Theory of firm’s finances and development of SME financial management, conditions of payment system and financial services for SME
- Subject 2.2: Development of banking sector and financial services in relation to SME
- Subject 2.3: Development of managerial skills and communication barriers in business interaction of small and medium-sized firms

**Task 3: Infrastructure and logistics systems, decision support systems and informatics in SME development**
- Subject 3.1: Infrastructure and logistics systems in SME development
- Subject 3.2: Decision support systems for SME
- Subject 3.3: Informatics in SME development

4. Compendious characteristics of particular subjects

**Subject 1.1: Characteristics of SME evolution in Czech Republic**
Research of evolution entrepreneurship in CR was partition on several phases. At first ones has been made analysis of basic trends of economy evolution in period “First Czechoslovak Republic” (1918 - 1939). In this period evolution of entrepreneurship proceeded in conditions market economy and CSR belonged to advanced industrial countries. It is period, from which is possibility to draw impulses for present renewal of SME in CR. Period 1945 - 1989 was characteristic renewal economy up 2. World War, but, in main, transition on directive central planned economy. Research will be drawn till present time and its exit will be published monograph, what will characterise long-term evolutionary trends of SME, interpretation adventitious experience and appreciation their exploitation for contemporary and especially future development entrepreneurial activities in CR.

**Subject 1.2: Actual state function of SME and recommendation for its development**
This subject research aim was at first determination basic concepts and determination working definition small and medium-sized enterprises (SMEs), analysis and appreciation entrepreneurship evolution in the world and in CR, as basis for its development. There was analysed conditions in which undertaking firms, working in different business branches, f. e.: trade, consumer industry, tourists, but also agriculture and forestry. Object of research was cognition of level knowledge entrepreneurs about management, accounting, marketing and so on. There was analysed conditions in which undertaking firms, working in different business branches, f. e.: trade, consumer industry, tourists, but also agriculture and forestry. Information about state even another forms of support SME are running up-dated. Results of analyses are suggestions and recommendations for changes of conditions entrepreneurship, proposals for ori-
entation additional education of entrepreneurs and processed practical handbook for starting entrepreneurs. Influence of restructuralisation large enterprises on undertaking SMEs was search too.

There was also search state and perspective innovative entrepreneurship in CR. In frames analyses these problems was determination problems in all-round apply innovation in CR, in creation innovative strategy of enterprises and in informative indemnity of innovative processes - innovative entrepreneurship. Results research work was focused on possibilities solving of locate problems and recommends for improvement contemporary state.

*Subject 1.3: Social connections of restructuralisation*
In this subject was researched different aspects development human potential, its classes of age and profession structure at Ostrava region. Essentially we concerned to obtain answer on question: what kinds of people in region are alive, who make up entrepreneurial and working part population, what is their possibility and limitation quality of life. Considerable attention was dedicated for problems of unemployment, its evolution and possibility his reducing.

*Subject 1.4: Legislative background for SME development*
Object of solving in this subject was analysis essential juridical norms, which formation on legislative framework SME. Head accent was setting on practical problems, which influence entrepreneurial subjects in SME. There was appreciation of current juridical adjustment (de lege lata), needs its amendment or brand-new adjustment (de lege ferenda).

*Subject 1.5: Common conditions and regional differences in SME development*
Research work in this subject were set especially on problems over-border co-operation between CR and Poland, that have relatively long common border. There was made monitoring, geographical, demographic, economic and other characteristics over-border regions. There was examined also legislative framework of entrepreneurship in height mentioned countries. Head aims of this subject was take up advantages of economic potential of over-border regions for support of entrepreneurship and realisation common projects. At frame these subject was, in co-operation with polish High - Silesian School of Business in Katowice, make-up two international conferences: “Regional co-operation ‘99”, in Karvina (CR) and “Europe of regions. Regional co-operation 2000”, in Wisla (Poland).

*Subject 1.6: Preparation on incorporation CR into European Union and SME*
This subject was set off from previous subject in connection with preparation CR on entrance into European Union (EU). Essential aim was to define possibilities of SME development in conditions running processes of integration of economics CR into EU, it means demarcate requirements EU on present institutions and influence new institutions on processes formation conditions for advancement SME. There has been processed survey about institutions and especially about programmes EU, which be able to improve conditions for SME in CR. There was also processed methodology of regional analyses of sector SME. On its basis is preparing project, that would make to map state in SME in OR and its evolution in continuous statistical series. Results would be as service for Czech entrepreneurs by preparation and attendance at projects, supported from assets EU.

*Subject 2.1: Theory of firm’s finances and development of SME financial management, systems of payments and financial services for SME*
In 1997 was research focussed in problems of financing needs SMEs, which was in that time in CR new forms of financing. There had make analysis of products and conditions offered of leasing companies, including insurance of leasing operations. Further will be, in frames this research, analysed availability of financial services and possibilities of exploitation electronic banking and preparation corresponding legislature, arranged electronic banking and traffic.
Subject 2.2: Development of banking sector and financial services in relation to SMEs
Solving hereof subject begin from analyses influence currency policy of central bank upon financial conditions of development sector SMEs, with accent on ties with development rates of currency and development of interest rates in CR. Further will be made analysis relationships of commercial bank undertaking credits for SMEs. There had been also analysed “credit crunch” and his impact on SMEs. Further will be elaborated aspects of globalisation process, his contribution, influence on capital ties between financial and bank sector and also capital bindings between banks and entrepreneurial sector.

Subject 2.3: Development of managerial skills and communication barriers in business interaction of small and medium-sized firms
Solving this subject was sighted above all on characteristic moulds communication in SMEs firm, its conditions and needs. It was been found generally low of level written even talking communication inside firms and outside too. Special area is communication in foreign languages. Long time concentration of Czechoslovakia on “socialist block” make isolation off world’s economy even cultural environment. Level of knowledge “world’s” languages is in CR common very low and it was practically narrow upon fundamental knowledge of Russian. This understanding led to specification of conception tutorial language on SU SBA and to processing proposals special training for concrete small and medium-sized firms, which SU SBA arrange. These programmes are concentrated not only on linguistic aspects, but they are setting considerable accent on cognition cultural environment countries, whose languages they are teaching. Considerable attention in them is presentation specified managerial communication, creation firm’s documents, business correspondence etc.

Subject 3.1: Infrastructure and logistics systems in SME development
Solving this subject has issued from brief description evolution logistics, determination logistics in system of management enterprises, logistic characteristics OR and comparison theoretic piece of knowledge and practical experience in area logistics in CR even abroad. Aim is on basis analytical phases, propose needed moves and recommends for logistics development OR with accent for needs of SMEs development.

Subject 3.2: Decision support systems for SME
Contemporary complicated economical situation requires new tools and new methods, how transcribe quantity factors, which influence on economical outcome, work upon achievement aim and consistency judgements for achievement of valuable conclusions. These tools however would not to be so much complicated, so as make possible exploitation only for thorough-paced specialist, but they would able to help unity thinking generally. Solving in this subject with locate on exploitation mathematical models for support decision making in SME. On difference from most of models, known into literature, operation research, which search problems with one decision criterion, researchers focussed in this project on multi-criterion decision making. It go-out from distribution of problem on his components, in frames hierarchic or feedback net and determination priorities, which they are make-up given alternatives. There was are exploited especially these methods: theory utility, based on comparing lotteries, Bayes’s theory, which is found on contingent probability, objectives programming, based on theory of mathematical programming and at last theory priority, which found on analytical hierarchical process (AHP), predecessor analytical network process - ANP, for support decision making in areas SME.

Subject 3.3: Informatics in SME development
Solving hereof subject was focussed partly on loading and exploitation of information systems, rather of particular components of information systems in firms, which exploitation on support their head activities computing technology only like users. Second part of solving of
this subject, was making proposal information systems for Institute of Small and Medium-sized entrepreneurship (ISME) on SU SBA. There was been made analysis of given problematics and on basis this analysis were created concrete www-pages. These www-pages serve as hypertext information system, which will be to serve not only for students and pedagogues from SU SBA, but also for entrepreneurs and others interested persons, in main from Ostrava region. Designed www-pages may be easy incorporation into information systems of higher levels.

4. Utilise of results this project

Results solving project are already exploitation or they are exploitable especially for:

- specialist community, interested in development SME (entrepreneurs; researchers, profession bodies, developing agencies etc.),
- representatives of municipalities and state administration,
- improving quality of educational process, especially on SU SBA, but also others universities, where pedagogic personnel from SU SBA is professing or where him worked teaching texts and revolting publication, in which results hereof research project are publicised are exploited.

5. Conclusion

Research of conditions of SME development on SU SBA isn’t naturally its only one direction of research. At his frame however there was successful geared pedagogues from all faculty institutes into research activities. It has allowed solve complexly these so actual problems. Although this research project will imposition end year 2000, will be farther continue in modify shape like intention of faculty institutional research. In frames research project arose Institute of Small and Medium-sized Entrepreneurship, which not only create researchers technical, economical and organisational groundwork for research activities, but in future will be more and more oriented on concrete help for small and medium-sized entrepreneurs, especially forms consulting, counselling and project working.

Literature