

Study uncovers how effective entrepreneurship can ignite economic growth of an entire community

August 20 2020, by Hamish Armstrong



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New research from The Business School (formerly Cass) has shed light on how Mirandola, a small town in the North East of Italy, became a

major hub for the production of medical devices and sets a roadmap for the origins of industrialisation in small, quiet communities.

The study, led by Professor Simone Ferriani, Professor in Management, looked into the story of Mario Veronesi with a view to framing how anchor entrepreneurship—an individual's generative role in galvanizing economic change—can act as a catalyst for rapid development.

As recently as the 1960s Mirandola was a town without any significant tourist attraction, with poor access and transport to major cities. Through a combination of one man's intuition, a slice of fortune and the entrepreneurial spirit of its community, it quickly became home to one in five [medical device manufacturers](#) in Italy, generating 30 percent of the country's medical equipment revenues.

Mario Veronesi began manufacturing simple medical kits with disposable plastic tubing for blood tests and transfusions from his parents' garage, after learning about the risks of applying disinfectant to reusable tubing. He harnessed the skills of friends and built networks, encouraging people in the community to diversify from their normal trade activities to scale manufacturing. He also leveraged competitive advantages such as loyal residents who were reluctant to leave the town for bigger cities, and lower-than-average salary levels.

The authors outlined three stages of anchor entrepreneurship by conducting interviews with Veronesi, his friends and key figures in the local community. They also gathered evidence from journal articles and local press clippings. The three stages are described as:

- **Genesis:** ideas and formulae are conceived, but a lack of resources means taking more chances and increased "bricolage" – or "making do." Veronesi harnessed his network of scientists and a small team of skilled workers, training them to diversify their

line of work. For example, he taught electricians and telecommunications experts how to apply their trades specifically to the production of medical machinery.

- Expansion: a shift from individual-level to organizational-level outcomes. In bringing together groups of people to apply their skills to an industry, Veronesi inspired partners and collaborators to form their own independent companies or take senior positions in multinational firms that were by now acquiring his companies. This led to subsequent expansion as they in turn inspired others, creating a virtuous cycle of productivity and economic stimulus.
- Attraction: as operations exponentially expand, regions gain an international reputation for proficiency in their field—the manufacturing and distribution of medical devices, in Mirandola's case—and alerts multinationals, customers and entrepreneurs as an attractive hub for investment. The output of superior, in-demand products coupled with a skilled labor force made Mirandola an attractive proposition for global medical machinery providers to set up headquarters and subsidiaries.

Professor Ferriani said the growth of Mirandola proved the existence and impact of the anchor entrepreneur.

"Mario Veronesi himself was not a specialist in the medical field but he had a vision, and he knew how to persuade others to buy into this vision," he said.

"He plugged gaps in his own medical knowledge by developing relationships with medical specialists and encouraged tradesmen to leverage their skills towards the production of medical equipment. He also taught and inspired a generation of entrepreneurs. This knowledge transfer across firms set in place a rapid economic expansion of Mirandola which remains prevalent today. The story of Veronesi and

Mirandola shows us how charismatic leadership and a strong sense of community can revitalize entire regions. Although Mario Veronesi is no longer with us, his legacy has put a small rural town on the map as an industrial hotbed for medical supplies. He has done this by simply recognizing the raw potential of an idea and the talents of residents, using every resource at his disposal to get this idea off the ground."

"Anchor entrepreneurship and industry catalysis: The rise of the Italian Biomedical Valley," by Professor Simone Ferriani, Gianni Lorenzoni and Mark H. Lazerson, is published in *Research Policy*.

More information: Simone Ferriani et al. Anchor entrepreneurship and industry catalysis: The rise of the Italian Biomedical Valley, *Research Policy* (2020). [DOI: 10.1016/j.respol.2020.104045](https://doi.org/10.1016/j.respol.2020.104045)

Provided by City University London

Citation: Study uncovers how effective entrepreneurship can ignite economic growth of an entire community (2020, August 20) retrieved 7 May 2024 from <https://phys.org/news/2020-08-uncovers-effective-entrepreneurship-ignite-economic.html>

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