

Book Review

STRATEGIC ENTREPRENEURIAL FINANCE FROM VALUE CREATION TO REALIZATION

Darek Klonowski (Routledge Advanced Texts in Economics and Finance), 2016 Edition, Page 420, \$ 70.

The book entitled “Strategic Entrepreneurial Finance: From Value Creation to Realization” is one of the latest editions published by Routledge Advanced Texts in Economics and Finance. This book is an excellent reading resource for the young and emerging entrepreneurs to understand the practical dimensions of value creation in the process of managing entrepreneurial finance.

The book, authored by Professor Darek Klonowski is currently working as a Professor of Business Administration at Brandon University, Canada which was established in 1967. Professor Darek is a senior academician, passionate researcher and is an author of series of books in finance as well as various other allied areas.

The book contains five parts (I-V) and is having 14 chapters elaborating the various aspects of Entrepreneurial Finance spread over in 420 pages. The book is of great help to the young and budding entrepreneurs in the process of financial decision making.

The first part (Chapters 1-2) focuses on the introduction of the topic with emphasis on importance and introduction of strategic entrepreneurial finance and on the value creation model for the entrepreneurial firms. The first chapter introduces the topic of strategic entrepreneurial finance. The second chapter elaborates how the entrepreneurs can create the value creation model for the entrepreneurial firms.

The second part (Chapters 3-6) of the book covers the value creation dimension. The third chapter deals with the various determinants of value creation in entrepreneurial firms. The fourth chapter of the book also emphasizes on how to prepare the financial projections for the entrepreneurial firms. The fifth chapter covers the various sources of venture capital financing for the entrepreneurial firms and how the value creation should be done. The sixth chapter provides the details of the various modes of entrepreneurial finance.

The third part (Chapters 7-9) of the book focuses on the value measurement of the entrepreneurial firms. The seventh chapter of the book focuses on the process of financial analysis of the entrepreneurial firms. The eighth chapter of the book has focused on the valuation of the entrepreneurial firms. The ninth chapter of the book focuses on the creation and valuation process of the intellectual property rights in the entrepreneurial firms.

The fourth part (Chapters 10-12) of the book focuses on the value enhancement process in the entrepreneurial firms. The tenth chapter has elaborated the process of value enhancement of the organization with the help of financial decision making. This chapter also emphasizes on the fact that financial decision making can lead to significant value enhancement of the entrepreneurial firms. The

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eleventh chapter enlightens the readers about the entrepreneurial growth prospects. This chapter has vividly covered the importance, advantages and disadvantages of internal and external growth methods, key reasons behind the failures in acquisitions, concept of financial and operational synergy and the differential analysis to understand the value of acquisition. The twelfth chapter has provided the concepts of corporate governance and social responsibility, important components of corporate governance and how these evolve over an entrepreneurial firm's life cycle, main paradigms of social responsibility and the ways by which entrepreneurial firms can improve their corporate governance structures.

The fifth part (Chapters 13-14) of the book covers the topics related to value realization of the entrepreneurial firm. The thirteenth chapter outlines the most common methods of the value realization for entrepreneurial firms, and outlines the key steps in a trade sale and an initial public offering, involvement of entrepreneurs in firms acquired by strategic investors, key steps in a trade sale and an initial public offering; involvement of entrepreneurs in firms acquired by strategic investors, and overview of tax consequences related to the disposal of shares and assets. The fourteenth chapter has emphasized on entrepreneurial succession, perpetuation and philanthropy dimensions of entrepreneurial finance.

The book has vividly explained the topics and contents of Strategic Entrepreneurial Finance, a discipline which covers the various facets of financial resource mobilization, resource allocation, risk moderation, optimization in financial contracting, value creation, and value monetization within the context of entrepreneurship.

All the chapters of the book have covered various topics for the young entrepreneurs who confront many questions regarding the quantum and time when the capital must be raised. The book also enlightens the young entrepreneurs about the methodology which must be adopted to enhance the chances of raising the finance successfully. The young entrepreneurs are required to leverage the available opportunities in the marketplace. This book helps the managers and entrepreneurs in the process of analysis and decision making during the various stages of the life cycle of the organization.

The book is an optimal combination of the various aspects and dimensions of strategic management and entrepreneurial finance thereby equipping the readers with the ability of making the right plans and taking the right decisions to accomplish success in the highly dynamic and competitive business world of modern times. Strategic entrepreneurial finance is an indispensable and integral part of the process of management of any new entrepreneurial venture offering any kind of product or service(s).

This book is highly recommended for entrepreneurs, students, managers, directors, CEOs, business incubators, fund managers, credit managers and various other stakeholders from banking and SME financing segment.

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