Publicly-funded small business advisory and training services: their contribution in a multifaceted support environment

A dissertation submitted by
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Abstract

For some years small business has been the target of public policy. Governments throughout the developed world have sought to increase the number and diversity of small businesses operating in their jurisdictions. Small businesses are seen as an important part of a successful economy and society. They foster innovation, productivity and competition. The social benefits of small business are just as important: small businesses help foster a sense of responsibility, community, and citizenship.

The New South Wales Government has implemented a number of strategies to support the development and growth of small business in the State. The New South Wales Business Advisory Services (BAS) program (2009-2012) aimed to support intending and start-up business owners by providing three distinct supports: general information, one-on-one guidance, and training workshops.

This thesis reports on research undertaken to investigate the ways in which publicly-funded initiatives, such as the BAS program, can be designed to best service the needs of the intending and start-up small and medium sized business owner and manager. A model of small business generation developed by Gnyawali and Fogel was used as the theoretical basis for the study. The model shows that opportunity, ability to enterprise, and propensity to enterprise operate together to stimulate small businesses activity. Using a mixed-method design, the study used interviews with business facilitators and clients, focus groups with clients, and a small-scale survey of clients.

The research produced a number of key findings. The very strong support demonstrated by business facilitators and clients for one-on-one advisory services is an ongoing theme of these findings. In both the qualitative and quantitative phases of the study the overwhelming conclusion is that one-on-one interactions are the core of the service, valued above all other aspects of the service. Of particular interest are the demographic categories which appear to benefit most from the services and which view the support as invaluable; the young, those new to business, sole traders, and partnerships.
The research indicates that while well regarded as a general information gathering tool, small business websites are not regarded as substitutes for personal interaction concerning an individual’s business. The contention that a well functioning website might replace person to person information provision, guidance, and training is disputed by the findings. Furthermore, websites are often found to be overloaded with information, creating confusion and frustration for many intending and start-up business owners.

This thesis makes a number of recommendations with regard to policy and practice, and suggests a shift in thinking concerning the importance of non-financial assistance outlined in previous theoretical models. Since the initial results of this research were provided to government during a number of informal meetings in late 2011, some significant changes have been made to the delivery of small business services in New South Wales. The newly established office of the NSW Small Business Commissioner has taken on a number of the recommendations of this research in establishing the new Small Biz Connect funding initiative. This initiative sees an increase in funding for small business development across the State, with an increased emphasis on face-to-face servicing of intending and start-up small business people, a greater emphasis on mentoring, and a reduced reliance on web-based service delivery. The new initiative replaces the Business Advisory Services (BAS) program (on which this research is based) and incorporates many of recommendations made as a result of this research. The initiative commenced on 1 July 2012.

This research, therefore, while not the primary motivator of change, provides support for the New South Wales Government’s delivery of an enhanced small business services program across the State. Developed with a clear awareness of the ontological and epistemological assumptions held, the study addresses the research question in a holistic manner and demonstrates rigor in its methodology and design. As a study closely aligned with government policy and practice, the research is framed from a policy and practice perspective, and not only from an academic perspective.

The research contributes to the theoretical framework evolving in the discipline of small business development. The research provides support for, and builds
upon, the work of Gnyawali and Fogel. It is anticipated that the research will further inform the refinement of policy and practice in the delivery of services to the small business sector. The research highlights the importance of publicly-funded small business advisory services, particularly in regard to their holistic approach to business development, their ability to provide less biased advice, and their ability to provide emotional and psychological support to those in the early stages of business.
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## Certification of authorship

I certify that the ideas, experimental work, results, analyses, and conclusions reported in this dissertation are entirely my own effort, except where otherwise acknowledged. I also certify that the work is original and has not been previously submitted for any other award, except where otherwise acknowledged.

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<thead>
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If there is any credit, these people share in it. If there is any fault, it rests with me alone.
Chapter 1: Introduction
1.1 Introduction

1.1.1 Overview

Publicly-funded small business advisory and training services operate alongside a wide variety of private and not-for-profit services. The sector is awash with books, periodicals, and online content addressing a host of small business issues. What place then for publicly-funded initiatives? Which intending and current small business owners benefit most from these services, and in what ways? How can publicly-funded small business advisory and training services be designed to take full advantage of their opportunities and make a meaningful contribution in the small business sector? This thesis reports on research undertaken to address these questions.

The research contributes to the expanding body of knowledge concerning small business development and makes a number of recommendations concerning the design and implementation of publicly-funded small business advisory and training services. It does this by extending the current understanding of the way in which publicly-funded small business advisory and training services are viewed and used by intending, start-up, and existing small business owners. It establishes how the advice provided through the New South Wales Business Advisory Services (BAS) program is best delivered and it provides a number of recommendations concerning future research opportunities.

This first Chapter introduces the research and related issues. It provides a justification for the research, and outlines the theoretical basis for, and the limitations of, the research. The Chapter provides an introduction to both the business enterprise centres and the Business Advisory Services Program. It provides a brief overview of the research methods employed in the study and gives a brief introduction to some of the findings.

1.1.2 The contribution of small business

Small businesses are recognised for their contribution to employment, innovation and growth in the U.S. (Nijhawan & Dubas, 2007), U.K. (Loan-Clarke, Boocock, Smith, & Whittaker, 2000) and Australian markets (Ehrich &
Billett, 2004). It has also been recognised that support services can increase the success of small businesses in the start-up and early stages of development (Thompson & Downing, 2007). Small businesses are an important part of a successful economy and society. Small businesses foster innovation, productivity and competition. The social benefits of small business are just as important: small businesses help foster a sense of responsibility, community, and citizenship (Gibson & Cameron, 2001).

1.1.3 Government involvement

Given their contribution, it is understandable that small business features prominently in the economic strategies of Australian governments, and these governments have introduced a variety of practices, including the provision of training and advice, to stimulate the formation of new businesses and to aid their survival (Robson & Bennett, 2000a). All Australian state governments and the Australian Government have dedicated funding allocations, departments, and programs designed to increase the number and diversity of small businesses in the community. Small businesses have long been the target of public policy, with government support for small businesses increasing in wealthy countries like Australia based on the view that small businesses contribute to high-quality employment generation and are exceptionally innovative (Parker, 2000).

1.1.4 Evaluation of government initiatives

There is, however, a significant body of evidence suggesting that publicly-funded services are poorly evaluated and that their outcomes are questionable. As far back as 1998, for example, it was recognised that many policy initiatives were monitored rather than evaluated, and that the more sophisticated and careful the evaluation, the weaker the impact of the policy appeared to be (Storey, 1998). It has also been suggested that enterprise promotion by government is driven by political considerations rather than by economic reasoning (Hallberg, 2001).

The key for policy makers is to identify how and when individual small business owners can learn most effectively in order to obtain and apply knowledge to
their business that will allow their business to grow (Bessant, Phelps, & Adams, 2005). This research contributes to the understanding of small business development initiatives by taking a more in-depth view of a publicly-funded initiative.

1.1.5 Origins of interest in the topic

The NSW Department of Trade and Investment delivers programs and services that support the New South Wales Government’s aim of winning new business activity for New South Wales and developing the capacity and productivity of the State’s economy. It provides advice and assistance to help businesses of all sizes establish or expand in metropolitan and regional New South Wales (NSW Department of State and Regional Development, 2009).

As a small business services facilitator, the New South Wales Department of Trade and Investment is interested in small business services as part of a broader economic and social agenda. The function of government is facilitation of both the demand and supply sides of the small business services market (Traucki, 2009).

The researcher in this study has been the Manager of Small Business Programs for the NSW Department of Trade and Investment, with specific responsibility for the management of the Business Advisory Services (BAS) program, since January 2006. During the years leading up to the commencement of candidature, the researcher became increasingly curious about the impact the service was having on the end users, both in terms of business success and personal support.

While the researcher worked on the BAS program during the period of the research, the independence of the researcher was maintained in three ways. Firstly, the researcher was aware of his position and made personal and conscious efforts to maintain impartiality. Secondly, the design of the research and the research questions were reviewed by a number of independent external experts and were found not to reflect a conflict of interest. Thirdly, the researcher did not take part in the initial design of the BAS program, and had no influence on either its objectives or the overall measure of its outputs.
Furthermore, the researcher’s independence is reinforced by the findings, which are not commensurate with either the political or bureaucratic paradigm influencing public policy decisions during the research.

A number of conversations with business facilitators seemed to suggest that the benefits of the program were not fully appreciated by government and that further investigation may be warranted. These conversations were based on a common perception that publicly-funded initiatives, rather than private support services, have the greater ability to provide emotional support to clients, deter clients from starting small businesses that may be susceptible to failure, and develop a trust relationship with an experienced and knowledgeable mentor.

Reduced funding for the program between 2001 and 2012, in both real and dollar terms, and a diversion of funds towards online services appeared to belie the feedback provided by the contracted providers of the service that interactive and personalised guidance is the aspect of the program most valued by its recipients. These issues prompted the study. The researcher maintained the position of Manager Small Business programs throughout the research.

1.2 The small business advisory environment

There are an extensive assortment of government funded, for profit, and not-for-profit providers of services to the small business sector. For example, there are currently 39 members of Business Enterprise Centres Australia operating in New South Wales (Business Enterprise Centres Australia, 2012). They are all not-for-profit community-based organisations. The 2009-2012 Business Advisory Services Program was conducted on behalf of the New South Wales Government by 14 of these organisations (with a further 3 sub-contracted providers in Sydney).

In addition, in 2008, the Australian Government confirmed the allocation of funding to 10 business enterprise centres in New South Wales. The aim of the funding, which was similar to the aim of the Business Advisory Services Program funding, was to support small business development. Funding was provided for a four year period and commenced on 1 July 2008.
It has been suggested that the range of government support initiatives indicate that questions need to be raised about the actual benefit of such support. The economic view is that small business support is needed to address market failure, but impact is often measured in terms of outputs that can have a rather tenuous relationship with outcomes (Brooksbank, 2008). Nevertheless, the Department of Trade and Investment maintains the market failure view, arguing that intending and early stage business owners lack the financial and time resources to use commercial advisors (Scott, 2009).

Government funded services are provided in an environment in which accountants, legal professionals, private for-profit business advisors, local councils, and an array of other service providers are available to service the small business sector. There are also a large range of popular online and printed magazines available. For example, My Business, an online and print magazine targeting small and medium size business owners, has an Australian circulation of 40,000 and a readership of 105,000 (My Business, 2011), and Flying Solo, an online small business community, currently boasts over 46,000 members (FlyingSolo, 2012).

The largest supplier of small business advice is accountants, followed by solicitors and banks. Government funded initiatives account for only a small percentage of advice provided to the intending and start-up small business sector (Lee, 2009).

Different players in the small business services markets have different interests, which in turn determine the type and scope of performance measurement that are relevant to them. For small business services providers, performance measurement can be a management tool that helps them design marketing strategies, monitor customer satisfaction, respond to changes in demand, develop new and better products, manage costs, and establish staff incentives (Buchanan, 2009). Governments may be interested in monitoring the performance of the providers they fund and ensure accountability in the use of those funds, with a focus on the broader social and economic objectives of employment, enterprise competitiveness, and poverty alleviation (Committee of Donor Agencies for Small Enterprise Development, 2000).
It would be useful, perhaps, for government departments to use performance measurement to draw comparisons across programs and providers in order to choose strategies and establish best practice; however, comprehensive comparison is difficult because what is measured depends upon the objectives of the agency or program.

There are also many practical problems in small business services performance measurement, for example, the problem of attribution: were changes in performance caused by the intervention or by other factors (Committee of Donor Agencies for Small Enterprise Development, 2000)? This is particularly true of jobs impact measurements required by the Business Advisory Services Program’s reporting process. Dealing with such measurement problems can be difficult and costly.

1.3 Business Enterprise Centres and the Business Advisory Services (BAS) program

The New South Wales Government has implemented a number of strategies to support the development and growth of small business in the State. The New South Wales Business Advisory Services (BAS) program (2009-2012) aimed to support intending and start-up business owners by providing three distinct supports; general information, one-on-one guidance, and training workshops.

The BAS program was delivered by a range of community-based not-for-profit organisations on behalf of the New South Wales Government. The program provided small business skills training and guidance services to intending and start-up small business owners.

The New South Wales Government’s own evaluation of the Business Advisory Services Program focussed primarily of the measurement of activity, in the form of number of clients serviced, number of information sheets distributed, and number of workshop participants. This approach was been supplemented by an annual client satisfaction survey which measures client satisfaction in relation to such things as the information provided, the time taken to see an advisor, and the helpfulness of the advisor.
The Business Advisory Services Program was one of the core small business support programs of the New South Wales Department of Trade and Investment. It was intended to assist with the Department’s overall mission to advance the economic development of New South Wales and expand new business in New South Wales. Under the 2009-2012 Business Advisory Services Program, the New South Wales Government invested $6.9 million over 33 months in support of small business development objectives, as well as broader regional economic development objectives.

The New South Wales Department of Trade and Investment’s approach to the delivery of the Business Advisory Services Program in 2009-2012 was to contract 14 community-based not-for-profit organisations across New South Wales to deliver information services, workshops and business guidance services. Each contractor operated within a designated region in New South Wales, as shown in Appendix A. All of the 2009-2012 contractors were members of Business Enterprise Centres Australia, a not-for-profit network whose primary role is to ‘support and grow the national network of Business Enterprise Centres and provide representation on behalf of its members to key stakeholders’ (Business Enterprise Centres Australia, 2011).

Between the early 1990s and 2004, the New South Wales Government provided operational funding to all Business Enterprise Centres in New South Wales. The Business Advisory Services Program was developed in response to the New South Wales Government’s refocussing of funding arrangements, away from ‘grants’ to Business Enterprise Centres and towards contractual arrangements with community-based not-for-profit organisations. The New South Wales Department of State and Regional Development’s rationale for this approach was to gain more control over the services delivered and to better monitor the activities of the contracted providers of the program (Dumazel, 2004). It has also been argued by senior Department staff that a political agenda was played out to ensure greater funding in Labor seats (Scott, 2009).
The Business Advisory Services Program aimed, as just one function of an overall government strategy, to support intending and small business owners to start and develop small businesses that are successful and that contribute to the economic and social fabric of the community. The program recognised the knowledge gap that exists for many small business people and attempts to make small business an option for a larger number of people in New South Wales (Dumazel, 2004).

Between 2004 and 2011, over 112,000 intending and start-up business owners accessed a one-on-one consultation in relation to their specific business. In addition, over 36,500 people attended small business workshops and over 1,000,000 pieces of information on small business development issues have been distributed (Dresser, 2011).

Much of the assistance provided through the BAS program was free of charge. The contracted providers offered practical information for small businesses on business evaluation, management, licensing requirements, resources, business databases, and developing exports. The contracted providers offered a wide range of free business publications and electronic resources on site.

Each BAS program contractor employed business advisors who advised on business start-up, development and growth, and provide referrals to appropriate business support such as mentoring programs, networking events, regional programs and business development workshops. The BAS program contractors offered a wide range of practical small business skills training, including financial management, marketing and promotion, business planning and legal issues. The BAS program contracts required output delivery is three distinct areas:

1. Information services, which include information on small business management issues and business evaluation, and resources such as business planning templates. Information services may be delivered either verbally (phone or face-to-face), electronically (website and email), in writing (email, or hard copy), and/or through a group format, such as workshops, small business telecasts etc.
2. Guidance services, delivered by experienced business facilitators, including assisted use of business resources. Guidance services were provided at contractor premises or during a site visit at client premises or at other operating bases for the service. These services were delivered free of charge by contractors. Guidance services included referral to other business service providers such as accountants, solicitors, business associations and financial institutions.

3. Business skills training workshops are a range of short, user-pay workshops, especially developed by the State Government to address a number of business management issues for clients, including business planning, financial management and legal issues (Dumazel, 2004).

The organisations that were contracted to deliver the Business Advisory Services Program have existed, in some cases, for many years. Most hold a number of contracts to deliver services on behalf of the New South Wales and Australian governments.

1.4 The research

1.4.1 Justification for the research

The New South Wales Government and the executive staff of the Department of Trade and Investment were generally pleased with the Business Advisory Services Program. The delivery of what were perceived to be high quality services to large numbers of intending and start-up business people was seen as very positive output (Scott, 2009).

There was overwhelming support for the delivery of business guidance by both the clients of the service and the contracted providers of the service. This fact is reflected both anecdotally and through client satisfaction surveys conducted in 2006, 2007, 2008 and 2010.
The independent client satisfaction survey, conducted annually by Sweeney Research, indicates very high levels of client satisfaction with the program. Satisfaction with the business facilitators in particular, and the contracted providers in general, was strong, and clients reported a strong correlation between the program and their positive experiences with their business.

For example, the 2010 Business Advisory Services Program client satisfaction survey showed a high satisfaction level with the program. The overall customer satisfaction index for the program, calculated using a number of program parameters and presented as a score out of 10, was 8.4. Sweeney Research, the private organisation conducting the research, indicated that this figure falls into the highest satisfaction ratings for a government funded community-based program (Oscuro, 2010).

The 2010 Client Satisfaction Survey Report contained the following highlights:

- Word of mouth strengthened as the main source of awareness of the service, growing from 43% in 2008 to 58% in 2010.
- Time taken to get an appointment with a Business Facilitator dropped across the State, from an average of 7.4 days in 2008 to 5.9 days in 2010.
- Satisfaction with the ease in contacting the service increased from 8.7 in 2008 to 8.8 in 2010.
- Satisfaction with the Business Facilitator rose from 8.3 in 2007 to 8.7 in 2008.
- Satisfaction with the information provided rose from 7.9 in 2008 to 8.2 in 2010.
- All six drivers of satisfaction improved between 2008 and 2010.
- Overall satisfaction with business guidance increased from 8.1 in 2008 to 8.3 in 2010.

There was little evidence, however, that these activity and satisfaction levels translated into meaningful outcomes for clients, the local communities or the wider economy/society, or that the information and training provided would not have been obtained through other sources had the program not been in operation.
There is some evidence to suggest that government support for small business service provision has limited effect. For example, Boys Smith Consulting Ltd conducted a series of 50 correlation analyses between UK Government expenditure per business (the inputs) and the evidence for regional business creation and entrepreneurialism (the outputs). These showed that the Government’s expenditure on business support was not having any measurable impact whatsoever (Richard, 2009).

The research undertaken by Sweeney Research, while demonstrating high satisfaction levels, was limited to individuals that received a guidance service in the previous three months and was focussed on somewhat superficial issues such as time taken to arrange a meeting, how contact was made, the reason for wanting to arrange a meeting, and the friendliness of the staff.

The research problem, therefore, was how can publicly-funded small business services be designed and delivered to effectively influence the creation and development of small business enterprises? This study is about the benefits of small business advisory services, in particular publicly-funded services. It identifies the current research in relation to small business advisory services, and places the research into an established framework.

The research focused on the 2009-2012 New South Wales Business Advisory Service program, administered by the New South Wales Department of Trade & Investment. Using a model of new business creation developed by Gnyawali and Fogel (1994), the research investigates the relative importance placed on various aspects of the BAS program by the end users of the services and the business facilitators that deliver those services.

1.4.2 Context

For some years governments throughout the developed world have sought to increase the number and diversity of small businesses operating in their jurisdictions (Watson, Hogarth-Scott, & Wilson, 1998). One way in which governments seek to influence this growth is through the supply of business
advisory services. These services typically provide information, guidance and mentoring to intending and start-up small business owners and managers.

Some small business advisory services are supplied on a stand-alone basis by specialised service providers. Sometimes, providers bundle small business advisory services together with other services or products. Chambers of commerce, industry associations and informal business networks are other vehicles for the delivery of advisory services to small businesses (White, 2004).

The groups involved in small business training and advisory services delivery include:

- Small businesses and intending small business owners, the demand side of the market, are mostly profit-oriented and are the actual or potential clients of small business advisory service providers.
- Small business service providers deliver training and consultancy to small businesses and intending small business owners. They may be individuals, private for-profit firms, non-government organisations, or industry associations. They may be small businesses themselves.
- Small business service facilitators, such as the New South Wales Department of Trade and Investment, provide small business service providers with new service products and improved provider capacity, including funding. They also work on the demand side by educating small businesses about the potential benefits of services or providing incentives to try them. It also provides external evaluation of the impact of services, quality assurance, and advocacy for a better policy environment for the small business market.

While output numbers of the 2009-2012 Business Advisory Services Program and the results of the 2010 client satisfaction survey results show that the Business Advisory Services Program is successful, there remain questions concerning the source of this satisfaction: does the real benefit of the program lie in its ability to deliver business skill training or in its support for the individual business person in overcoming their insecurities and doubts about the
business? Are online information and service provision viable alternatives to personal contact in regard to small business advice and training?

There is little evidence that the activity and satisfaction levels reported by client satisfaction surveys have provided enough detail about which aspects of the program have been most beneficial to the end users. This research analyses more rigorously which elements of the program have been most beneficial in meeting the needs of intending and existing small business owners.

1.4.3 Theoretical base

A model developed by Gnyawali and Fogel (1994), demonstrates how environments influence the propensity to start new businesses and develop already existing ones. The model shows that opportunity, ability to enterprise, and propensity to enterprise operate together to stimulate small business activity. The probability to enterprise is greatest when all three (opportunity, propensity to enterprise, ability to enterprise) are present for a certain individual. The model shows the importance of stimulating new businesses by creating an environment with business opportunities, supporting entrepreneurial characteristics and contributing to opportunities for competence building. A justification for the use this model is provided in Chapter two.

1.4.4 Research area, topic and questions

It has been suggested that although small business advice ‘may have considerable impact it may be shown in the achievement of no change where the counterfactual would have been decline’ (Ramsden & Bennett, 2005). Soft outcomes (improved ability to manage, ability to cope, emotional support, etc.) could also be considered as higher priority outcomes for government funded small business services than the hard outcomes (profitability, turnover, longevity, reduced costs, etc.) (Ramsden & Bennett, 2005).

The research provides a basis for further research into the most effective way of providing support to the small business sector in New South Wales by determining which aspects of the current service mix are most highly valued by end users of the program. The research examines the use of internet services
and how effective clients find these. It also provides some insight into the types of clients that benefit most from the various aspects of publicly-funded services.

1.4.5 Outline of the research methodology

The research was developed with a clear awareness of the ontological and epistemological assumptions held. It addresses the research questions in a holistic manner and demonstrates rigor in its methodology and design. As a study closely aligned with government policy and practice, the research is framed from this perspective, as well as from an academic one.

Using a mixed-method design, this study involves interviews with business facilitators and clients, focus groups with clients, and a small-scale online survey of clients. Data collection occurred in February to May 2011. Qualitative interviews and focus groups were the primary source of data, supported by quantitative data collected by way of a small scale survey. While a considerable number of small business owners responded to the online survey, it is considered secondary in importance to the qualitative aspect of the study. This is because the online survey sought responses to only a limited number of questions using a Likert scale, to triangulate the results of the qualitative research.

1.4.6 The research’s contribution to professional practice and policy

The findings of the study highlight the importance of publicly-funded small business advisory services, particularly in regard to their holistic approach to business development, their ability to provide less biased advice, and their ability to provide emotional and psychological support to those in the early stages of business, the young business person, and the sole trader or partnership operator.

The study contributes to the theoretical framework evolving in the discipline of small business development. The research provides support for, and builds upon the work of Gnyawali and Fogel (1994). The research informs the refinement of policy and practice in the delivery of services to the small business sector.
There is a broad range of views on how government can best support small business. They include quite costly market intervention strategies, structural and legal framework restructuring, economic stimulus initiatives, and market-led approaches.

The maintenance of the current approach to small business service delivery is favoured by the New South Wales Department of Trade and Investment. The current program has delivered positive outputs for the New South Wales public as measured by both quantitative (quarterly reporting) and qualitative (client satisfaction survey) measures. The delivery of services to intending and small businesses is thought to be cost effective and superior to other forms of intervention (Traucki, 2009).

This research contributes to the information available to government about the best method of supporting small businesses in the intending and start-up phases of the business lifecycle. The research confirms that government funding of small business advisory services continues to be relevant and important to the growth of a vibrant small business sector. The research also provides government with information that can be used to ensure public money is used in the most efficient and effective way in servicing the small business sector.

1.4.7 Delimitation of scope

The research was confined to the users and the contracted providers of the NSW Department of Trade and Investment’s Business Advisory Services Program 2009-2012. All of the providers are not-for-profit community-based member organisations of Business Enterprise Centres Australia and operate as Business Enterprise Centres in New South Wales.

The research did not attempt to compare end user attitudes across various service delivery models, although end user attitudes towards other service providers (accountants, banks, etc.) are included in the findings. The views of intending and start-up small business owners that did not use publicly-funded services were not canvassed. The client informants for the study either operate
or have contemplated operating a small business in New South Wales in 2009-2012. The findings of the study cannot be assumed valid for other jurisdictions or time periods.

Business facilitator informants were business facilitators during the same period. They were self nominated, or at least quite willing to be included in the study, and may carry some bias towards ongoing government support for publicly-funded initiatives. Nevertheless, the mixed method approach to the study, detailed in Chapter three, was able to triangulate the findings. Through this approach any business facilitator or client bias was able to be minimised.

1.5 Outline of the thesis

The thesis is presented using a six chapter model as outlined in Figure 1.1. The model indicates the relative content of each chapter, body of current knowledge in the field and the researcher’s current contribution to the field.

Figure 1.1: Model of the chapters of the thesis – adapted from Perry (1998:65)

This first Chapter (Chapter 1) introduces the research and related issues. It provides a justification for the research, and outlines the theoretical basis for, and the limitations of, the research. The Chapter provides an introduction to both the business enterprise centres and the Business Advisory Services Program. It provides a brief overview of the research methods employed in the study and gives a brief introduction to some of the findings.
Chapter two provides a detailed review of the current literature in relation to the theory and public policy in relation to small business development. It details the role of small business development in economic development, and outlines a number of theoretical models of small business development. The Chapter introduces, in some detail, the theoretical model used for the research and provides a justification for its use. It highlights the role of small business advisory and training services, and provides a detailed account of the history and current status of the Business Advisory Services Program. The Chapter concludes by drawing upon the literature to develop the research questions around which the research is based.

Chapter three describes and justifies the research methodology. It details the mixed method approach used for the study, a combination of qualitative and quantitative techniques. The Chapter describes the process of informant selection and data collection. It provides details of the timeline and stages of the study, and comments on the ethical issues considered as part of the research.

Chapter four presents the findings and analysis of the qualitative phase of the research. It begins with the results of the interviews and focus groups. The Chapter provides an analysis of the general findings of the qualitative study and of the findings in regard to the theoretical model.

Chapter five presents the findings and analysis of the quantitative phase of the research. It provides a descriptive analysis of the informants, a factor analysis of the data, and analysis of variance for each of the variables in each factor. The Chapter provides an analysis of the general quantitative findings and of the findings in regard to the theoretical model.

Chapter six discusses the results in relation to the research questions. It discusses the implications of the research for theory, practice, and industry. The Chapter carefully describes the limitations of the study and provides suggestions about future research in the field.
1.6 General findings

The research has a number of key findings. The very strong support demonstrated by business facilitators and clients for one-on-one advisory services is an ongoing theme of these findings. In both the qualitative and quantitative phases of the study the overwhelming suggestion is that one-on-one interactions are the core of the service, valued above all other aspects of the service. Of particular interest are the demographic categories which appear to benefit most from the services, and which view the support as invaluable; the young, those new to business, sole traders, and partnerships.

The research indicates that while well regarded as a general information gathering tool, small business websites are not regarded as substitutes for personal interaction concerning an individual’s business. The contention that a well functioning website might replace person to person information provision, guidance, and training is disputed by the research. Furthermore, websites are found to be overloaded with information, creating confusion and frustration for many intending and start-up business owners.

The research makes a number of recommendations with regard to policy and practice, and suggests a shift in thinking concerning the importance of non-financial assistance detailed in previous theoretical models.

1.7 Conclusion

The purpose of this Chapter has been to introduce the topic and to provide background and context for the following Chapters. It began with an overview of the topic and the reasons for the researcher’s interest in the area. This was followed by a general introduction to the Business Advisory Services (BAS) program and the business enterprise centres that deliver the program, along with a general explanation of the small business and BAS operating environment. An introduction to the research was provided, including an outline of its theoretical base, an introduction to the overall research question, an outline of the methodology, and a brief description of the limitations and contributions of the study. Finally, an outline of the thesis structure was provided along with a snapshot of some of the broad findings of the study.
The next Chapter provides details of the literature in the field of small business development, publicly-funded advisory and training services, and the theoretical model used as the backdrop to the research. It details the Business Advisory Services Program, its history and structure, and it provides an overview of the adjunct initiatives provided by the NSW Government. The Chapter concludes with a detailed explanation of the research problem and questions which have emerged from the literature.
Chapter 2: Literature review
2.1 Introduction

In this Chapter the foundations of the research are established through an investigation of the literature on the topic, leading to the development of the specific research questions.

2.1.1 The literature

There is a significant literature concerning small business and small business advisory services. The following Sections provide an outline of the scope of this literature and how it was used during the course of the research.

Five distinct literatures have been identified which informed the research. These are small business and its role in economic development, small business development theories and initiatives, the elements of small business creation, small business training, advisory and guidance services, and the NSW Government’s Business Advisory Services Program and adjunct programs. Within these literatures the review notes the use of online information and training and the role of emotional and counseling services in supporting small business development.

2.1.2 Literature search report

The literature review is based on a selection of published literature sourced through the major business journal library databases available through Charles Sturt University. The time frame for primary document searches was 2000-2012, with additional searches carried out for earlier documents cited in the primary search documents.

The review has shown that there has been a wide range of research conducted in the field of small business and small business development. Most has focussed on the analysis or development of theory concerning the factors influencing business growth from an environmental, organisational, and individual perspective. Much of the literature concerning training and advisory services is focussed on two areas: professional services from accountants, banks, solicitors and other professional small business advisors; and publicly-
funded initiatives that may include start-up grants or low interest rate loans. A smaller literature focuses on non-financial publicly-funded advisory services.

For the purposes of this research, the literature review concentrates on small business and small business advisory services, particularly non-financial publicly-funded support services. In addition, a number of unpublished papers were consulted during the literature search including work by Dr Geoffrey Lee and Associate Professor Robyn McGuiggan of the University of Western Sydney, a number of dissertations on small business, and various conference and discussion papers. Several internal New South Wales Government documents were also consulted, including briefing notes, internal program descriptions, reports, and budget papers.

2.1.3 Terminology

While turnover, assets, employment numbers, and management characteristics have been used to define small business, there has been no agreement on a standard definition (Hyland & Matlay, 1997). Small business in Europe, for example, is often classified by employment, with small businesses employing fewer than 50 full-time people and micro-enterprises employing fewer than 10 people (European Commission, 2009). In Australia, the Australian Bureau of Statistics (ABS) defines small businesses as those with fewer than 20 employees and micro-businesses as those with fewer than five employees (Australian Bureau of Statistics, 2001). Much of the literature refers to ‘small and medium enterprises’, some using the term ‘small business’ and SME interchangeably.

The New South Wales Business Advisory Services Program provided services to clients that fit into all categories. As such, this study uses the term ‘small business’ to describe the range of intending, micro, and small sized businesses described in the literature.

The New South Wales Department of Trade and Investment was established in 2011, bringing together a number of agencies previously operating as separate departments. The Business Advisory Services Program and the adjunct
initiatives which form the focus of this research were administered by the New South Wales Department of State and Regional Development until the creation of the New South Wales Department of Trade and Investment. The Business Advisory Services Program operated without alteration during the creation of the new Department and remained unchanged in scope during that time. For the purposes of this research the name of the Business Advisory Services Program’s administering agency may appear as either the New South Wales Department of State and Regional Development or the New South Wales Department of Industry and Investment.

Small business services include training, consultancy and advisory services, and business networking opportunities. In many organisations the term ‘incubator’ is used to describe a range of services provided to start-up and early stage businesses. These services may include subsidised accommodation as well as advisory services and networking opportunities; however, this research uses the terms ‘advice’ and ‘advisory’ to describe the full range of small business support services.

2.1.4 Placing the research

2.1.4.1 Industry framework

In their review of the small business growth literature, Gibb and Davies (1990) concluded that the body of evidence then available was inadequate as a basis for developing policy. Nevertheless, policy makers around the world continue trying to identify and support those productive, innovative small businesses that will generate employment and promote economic growth (Amini, 2004; Audretsch, 2004; Robson & Bennett, 2000b). It is the sustained growth of these businesses that creates the new jobs and other benefits that communities are seeking, while at the same time holding out to their owners the possibility of wealth, variety, self-fulfilment, and independence.

A number of studies have concluded that small business also plays a major role in job creation (Smallbone & Wyer, 2000). It has been suggested that the sustained growth of businesses creates the new jobs and other benefits that
provide positive social as well as economic outcomes (Robbins, Pantuosco, Parker, & Fuller, 2000).

It has been well-documented that owner-managers of small businesses have disparate business goals. Some have economically rational goals such as competitive advantage and growth (Chong, 2006; MacGregor & Vrazalic, 2007), while others choose to keep their business small to focus on family, lifestyle, enjoyment, socialising, autonomy, survival and stability (Galloway & Mochrie, 2005).

In 2009, there were 1,961,337 small businesses accounting for 47.2 percent of all employing businesses in Australia. New South Wales accounted for over 33% of Australian small business (652,454). In NSW, over 84% of small business was conducted in the service industry, defined by the Department of Innovation, Industry, Science and Research as a collection of ‘residual’ industries, namely all industries excluding agriculture, mining and manufacturing (Department of Innovation Industry Science and Research, 2011).

2.1.4.2 Operating environment

Small businesses are different from large businesses, with independent ownership and operations, intuitive decision making, close control by the owners, and centralized management (MacGregor & Vrazalic, 2007). Small business owners are generally characterized by lower levels of formal education and management skills and they participate less in formal skills development and training programs than managers of larger businesses (Gray & Lawless, 2000).

Small businesses tend to suffer from resource constraints and managerial deficiencies (Gray & Lawless, 2000). Some suggest these constraints occur when there are low levels of managerial training and that small businesses commit to training when necessary and are not part of a continuous skills improvement process (Lange, Ottens, & Taylor, 2000).
Government-funded small business advisory and trainings services are provided in an environment in which accountants, legal professionals, private for-profit business advisors, local councils, and an array of other service providers are available to service the small business sector. There is also a large range of popular online and printed magazines available, for example, My Business, an online and print magazine targeting small and medium size business owners which has an Australian circulation of 40,000, and a readership of 105,000 (My Business, 2009).

The largest supplier of small business advice is accountants, followed by solicitors and banks. Government-funded initiatives account for only a small percentage of advice provided to the intending and start-up small business owner (Lee, 2009). There is, nonetheless, a range of government-funded and not-for-profit providers of services to the small business sector. For example, there are currently 39 members of Business Enterprise Centres Australia operating in New South Wales (Business Enterprise Centres Australia, 2012). They are all not-for-profit community-based organisations. The Business Advisory Services Program in 2009-2012 was contracted out to, and conducted by, 14 of these organisations on behalf of the New South Wales Government.

A large range of programs is also conducted by the various tiers of government in New South Wales. For example, in 2008, the Australian Government confirmed the allocation of funding to 10 Business Enterprise Centres in the State. The aim of the funding, which is similar to the aim of the Business Advisory Services Program funding, is to support small business development. Funding was provided for a four year period to 30 June 2012.

It has been suggested that the elaborate range of government support initiatives raises questions about the actual benefit of such support. The economic view is that publicly-funded small business support exists to address market failure. However, the impact of these publicly-funded services in terms of outputs can have a rather tenuous relationship with outcomes (Brooksbank, 2008). Nevertheless, the Department accepts the market failure view, arguing that intending and early stage business owners lack the financial and time resources
to use commercial advisors, and that the private sector does not adequately provide these services (Scott, 2009).

2.1.4.3 Placing the research questions

The research problem falls into the parent discipline of Regional Economic Development. The relationship between the parent discipline and the research questions is shown in Figure 2.1, adapted from Perry (1994).

Figure 2.1: Positioning the research within Regional and Economic Development, adapted from Perry (1994)

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2.2 The role of small business in economic development

2.2.1 Stimulating economic activity

Economic progress can include human capital, institutions, specialization in primary products, and terms of trade changes’ (Bleaney & Nishiyama, 2002). There are a number of economic and non-economic factors that influence economic progress, including climate, education, property rights, saving propensity, presence of seaports, etc. (Bleaney & Nishiyama, 2002; van Stel, Carree, & Thurik, 2005). While small business is noticeable by its absence from the Bleaney and Nishiyama (2002) list of variables, research suggests that small business activity is positively correlated to growth (van Stel, et al., 2005). While economic theory is rather inconclusive about whether small business and
large businesses differ in their contribution to economic growth (Bruce, Deskins, Hill, & Rork, 2009), the ability of small business to generate new knowledge, some claim, gives it the superiority in relation to economic impact (Acs & Plummer, 2005; Disney, Haskel, & Heden, 2003). Recent decades have seen a growing recognition of the contribution small business makes to the economy (Beaver & Prince, 2004). Small businesses have been identified as being responsible for 55 percent of innovation (Robbins, et al., 2000). Policy makers around the world have therefore tried to identify and support small businesses that will generate employment and promote economic growth (Amini, 2004).

### 2.2.2 Innovation and Invention

While a range of views exist concerning the relative contribution of small and large organisations to employment, innovation and growth, small businesses have been recognised in a number of studies for their contribution in the U.S. (Nijhawan & Dubas, 2007), U.K. (Loan-Clarke, et al., 2000) and Australia (Ehrich & Billett, 2004). The sector is often viewed as an incubator of employment, innovation, and growth (Craig, Jackson, & Thomsom, 2003). Smaller firms are seen to be more innovative than their larger counterparts (Tonge, Larsen, & Roberts, 2000). Larger businesses tend to concentrate on products that have a steady or predictable demand, leaving the more risky items to the small business sector. Most notably, these businesses have been vital to the success of the computer, biotechnology and other high technology industries (Robbins, et al., 2000).

### 2.2.3 Job Creation

The most cited public benefit of small business growth is the contribution it makes to employment. A large number of studies carried out in various countries have concluded that small business plays a major role in job creation (Smallbone & Wyer, 2000). While there is some controversy in regards to whether this contribution is primarily the result of many small start-ups and incremental expansions, or if a small minority of high growth businesses contribute the lion’s share of new employment, most commentators agree on the importance of small businesses for employment creation (Curran, 2000; Gibb, 2000; Hamilton & Dana, 2003; Robbins, et al., 2000). In Australia, for
example, small businesses employ 47.2% of the workforce, or 4.47 million people. In comparison, medium sized businesses employ 2.34 million people, and large businesses employ 2.97 million people (Department of Innovation 2011).

The obvious benefit of growth for business owners is that of an increased return on their investment. Growth is typically equated with high performance and therefore owners stand to gain a monetary return from such developments. Further, while growth offers businesses the opportunity for financial gain, it also increases their chance of survival (Davidsson & Delmar, 1997; Taylor & Cosenza, 1997). A study by Phillips and Kirchoff (1989) found that young growing firms were twice as likely to survive compared to those who were not growing. Accordingly, growth is seen as a way to improve and protect the income of business owners, as well as provide additional employment opportunities for others.

2.3 Small business development theories

2.3.1 Overview

Neoclassic economic theory establishes the framework for analysing the need for small business support programs. This approach assumes the existence of different stages in the economy where the supply and demand of goods and services are in balance, and where resources are most effectively used. However, the limited resource base of small businesses often means that they face disadvantages in the market and cannot compete with large companies (Penrose, 1959). Public programs may sometimes be justified on the basis that their support counteracts, to some extent, external effects such as industry, economic, and demographic changes, and that they stimulate competition in limited ways. For instance, efforts to facilitate access to business information or to provide small business skills training supposedly eliminates market imperfections and stimulates competition (Caves, 1982).

An alternative way of considering the small business is to underline the importance of the individual, the entrepreneur, and how these more or less exclusively small enterprises function in the market. The so-called human action
tradition (von Mises, 1949) is based on the conviction that it is absolutely necessary to focus on the entrepreneur in order to understand and analyse market conditions. As this perspective emphasizes, the entrepreneur acts independently. A major challenge of effective support programs focuses on information and financial support for a heterogeneous population (Mole, 2004).

Other approaches within the economic literature originate from theories within business administration, and focus on external contingencies and environmental factors, since relations and exchanges between entrepreneurs, enterprises and the environment always exist. One such example, the network perspective, strongly underlines the importance of entrepreneurs and individuals (Johannisson & Monsted, 1997). Network theories have found that entrepreneurs not only need business-like relations, but also social and private relationships. Another type of model suggests that the single enterprise depends on the environment and access to important resources. The economy of organisations may then be useful when analysing access to, utilization of, and impact arising from the use of external resources, such as information and technology, and correspondingly for internal resources, assets and competencies (Aldrich, 1999).

A significant number of models have attempted to map small business growth. Approaches may be divided into six broad groups: stochastic, descriptive, evolutionary, resource-based, learning, and deterministic (Dobbs & Hamilton, 2007), as detailed on the following Sections.

### 2.3.2 Stochastic models

Stochastic models suggest that, because of the large number of factors affecting a small business, no one theory can be used as predictive of growth in all situations (McMahon, 1998). The stochastic approach has its roots in Gilbrat’s (1931) ‘Law of Proportionate Effect’ which has been used in many studies on business growth. Gibrat's Law suggests that there are a large number of causes for changes in the size of a business, but none that exert a major influence over time (Dobbs & Hamilton, 2007). The growth or decline of a business is dependent on the quality of its management, the tastes of its
customers, government policy and a range of other forces, but each variable accounts for only a small portion of the proportionate growth of businesses. There have been many studies incorporating Gibrat’s hypothesis, and for the most part, these have tended to reject the basic proposition, with evidence that smaller businesses have higher growth rates (Reichstein & Dahl, 2004).

2.3.3 Descriptive models

Descriptive models do not explain what causes a business to grow. Rather, they are concerned with how a small business evolves to allow for growth. These models suggest that businesses grow through a number of stages, and assert a similar growth process in which the phases tend to be long and smooth, but which must overcome a number of issues before the growth can continue.

Lippitt and Schmidt (1967:102) open their paper in the Harvard Business Review reporting that ‘as a business organisation goes through the stages of birth, youth and maturity, it faces a predictable series of organisational crises … like people and plants, organisations have life cycles’. According to Phelps, Adams, & Bessant (2007), the comment exemplifies the assumptions underpinning much of the work concerning organisational life-cycle models. These models have considerable intuitive appeal and continued to be widely used in academic and practitioner literature. Recently, however, stages models in general have been challenged as appropriate ways of thinking about organisational growth (Rutherford, Buller, & McMullen, 2003).

According to Phelps, Adams, & Bessant (2007), viewing organisations as organisms perpetuates misconceptions about heterogeneous growth, and provides shaky foundations on which to build theory or develop policy. In more recent years, though, the idea that firms have pre-determined life cycles in the sense suggested by Lippitt and Schmidt (1967) has been challenged by a perspective which argues that organisations do not have even approximately predictable life cycles.
Despite criticisms of the stage models, there are some well-known empirical studies that do go some way to validating specific stage models (Kazanjian, 1988).

### 2.3.4 Evolutionary models

Evolutionary models of small business growth can be found in the work of Aldrich (1999). In these models, the growth of a business is contingent on the interaction of a number of internal and external forces. Hence, the nature and timing of a business's growth will be the result of its own unique circumstances: there is no standard model or sequence of stages to be observed (Vinnell & Hamilton, 1999).

Aldrich (1999) refers to the descriptive models as the ‘developmental’ perspective, where maturation is a realization of the potential inherent in organisations. The evolutionary approach, on the other hand, describes a contingent process of interaction between internal factors and external events. Aldrich (1999) does not use of the term ‘life cycle’ with its deterministic linear implications, preferring, instead, to use ‘life course’ to describe the evolutionary perspective. The pace, pattern and direction of change are driven by this external/internal interaction.

### 2.3.5 Resource-based models

The resource-based view of small business growth comes from the work of Penrose (1959). The model suggests that small business growth depends on the managerial resources within the business available to plan and manage growth, in addition to maintaining current operations (Orser, Hogarth-Scott, & Riding, 2000).

This view of business growth suggests that the growth of an organisation is linked to the owners’ and managers’ business acumen and their technical and professional skills in regard to the particular industry in which the organisation is involved. In addition, the model suggests that a critical requirement of small business owners is the strategic capability to identify opportunities for growth in
the ‘interstices’ (Penrose, 1959), where large organisations have left room for small businesses to find opportunities.

2.3.6 Learning models

The learning models suggest that it is through learning that knowledge is created in the decision-makers, which in turn facilitates the growth of a business. Small business growth is dependent on satisfactorily resolving the ‘crisis of knowing’ (Macpherson, 2005:1138). The emphasis of the learning models is to understand how and when individual small business owners can learn most effectively in order to obtain and apply the knowing or ‘absorptive capacity’ (Bessant, et al., 2005:32).

These models are closely linked to the resource-based models described in 2.3.5. They suggest that once a crisis of knowing has been overcome the knowledge forms part of the managerial competence required for managing future problems and aiding business growth.

2.3.7 Deterministic models

In the deterministic models, a set of variables is used to explain a major proportion of the observed variation in business growth (Becchetti & Trovato, 2002). This is the converse of the stochastic approach described above. These deterministic models have only been able to provide partial explanations of small business growth. However, if researchers were able to identify the systematic determinants of growth, then we would observe a much-diminished share of the explanation being attributed to random effects. It is this quest for the prescriptive model of small business growth that motivates so many studies of this type, and it remains the dominant empirical approach to the study of small business growth (Barringer & Jones, 2004).

2.4 The Gnyawali and Fogel model

2.4.1 Overview

A model developed by Gnyawali and Fogel (1994), broadly fitting the deterministic model, demonstrates how environments and personal
characteristics influence the propensity to start new businesses and develop already existing ones. The model shows that opportunity, ability to enterprise, and propensity to enterprise operate together to stimulate small businesses activity. The probability to enterprise is greatest when all three (opportunity, propensity to enterprise, and ability to enterprise) are present for a certain individual. The model shows the importance of stimulating new businesses by creating an environment with business opportunities, supporting entrepreneurial characteristics and contributing to opportunities for competence building.

Research has convincingly demonstrated the important role played by institutional and cultural dimensions and their specific implications for entrepreneurship (Dennis, 1997). Other influences have an impact on macro-economic policy for enterprises, for example tax legislation and labour laws.

Propensity to enterprise represents a comprehensive body of research linked to psychological and behavioural aspects of the human being. Some of the more well-known contributions in this field are McClelland’s (1961) ‘high need for achievement’ and Schumpeter’s (1934) ‘capacity to innovate’. Accordingly, there are some specific personal characteristics that foster the ability to develop new products, to satisfy new customer needs, and to establish and develop new enterprises.

Ability to enterprise underlines the technical and business conditions necessary for running companies. As such, entrepreneurs need a collection of competencies in order to manage these functions. For example, research and development, financial control, and market management all demand education and experience. Rapid developments also require current advanced knowledge in multiple business sectors. These core elements of the model are shown diagrammatically in Figure 2.2.

Opportunity, ability to enterprise, and propensity to enterprise function as a platform for entrepreneurial activity. The probability to enterprise, i.e. the propensity for concrete entrepreneurial actions, is greatest when all three modules (opportunity, propensity to enterprise, ability to enterprise) are present for a certain individual, or group of individuals.
The management of business also demands efficient training in leadership, production, financial control, and marketing. Resources available for support and stimulation could, for example, be equipment for research and development, training programs for managers and key personnel, and consulting assignments to support areas requiring external expertise. The main purpose of small business policy is to increase business competence. When the propensity to start-up businesses and establish serious development processes is present, it may be appropriate to offer financial support channels, business information, advisory services and counselling.

The Business Advisory Services Program requires contracted providers to deliver services across a number of these elements.

2.4.2 Government policies and procedures

This aspect of the model relates to issues such as restrictions on imports and exports, provision of bankruptcy laws, entry barriers, procedural requirements for registration and licensing, number of institutions for entrepreneurs to report
to, rules and regulations governing entrepreneurial activities, and laws to protect proprietary rights (Gnyawali & Fogel, 1994).

The framework for businesses development is couched in macro-economic measures and government policy-making. This includes legislation, interest rate policy, and labour law regulations. These factors are important for an individual's propensity to start-up and develop enterprises (Boter & Lundstrom, 2005). In addition, issues of management of money supply, fiscal settings, budget deficits and surpluses, and regulation of capital markets, contribute to the creation of opportunity.

2.4.3 *Entrepreneurial and business skills*

This aspect of the model has been an essential element of the Business Advisory Services Program. It consists of business education, entrepreneurial training, and the provision of information. It is dealt with in greater detail in 2.6.

2.4.4 *Socio-economic conditions*

This aspect of the model includes the public attitude toward entrepreneurship, presence of experienced entrepreneurs, successful role models, existence of persons with entrepreneurial characteristics, recognition of exemplary entrepreneurial performance, proportion of small firms in the population of firms, diversity of economic activities, and extent of economic growth (Gnyawali & Fogel, 1994).

The presence of Business Enterprise Centres and the conduct of the Business Advisory Service program, together with adjunct programs, would seem to provide tacit encouragement for entrepreneurial activity and small business ownership in New South Wales. These are reinforced by a range of other socio-economic supports such as small business awards, a diverse economy, and a large number of small businesses in the community.

2.4.5 *Financial assistance*

This aspect of the model includes the availability of venture capital, alternative sources of finance, low-cost loans, willingness of financial institutions to finance
small entrepreneurs, credit guarantee program for start-up enterprises, and competition among financial institutions (Gnyawali & Fogel, 1994).

2.4.6 Non-financial assistance
This aspect of the model is of primary concern for the research. It consists of counselling and support services, entrepreneurial networks, incubator facilities, government procurement programs for small businesses, government support for research and development, tax incentives and exemptions, local and international information networks, and modern transport and communication facilities (Gnyawali & Fogel, 1994). It is dealt with in greater detail in Section 2.6.

2.4.7 Justification for use of the model
The Gnyawali and Fogel (1994) model first appeared in the journal *Entrepreneurship: Theory and Practice* in 1994. The journal has been described as ‘a leading scholarly journal in the field of entrepreneurship studies and the official journal of the United States Association for Small Business and Entrepreneurship’ (Baylor-University, 2010). The Gnyawali and Fogel model is widely known and is cited in 452 subsequent publications concerning new venture development, entrepreneurial activity, and small business government policy.

The contracted providers of the Business Advisory Services Program are responsible for not only the provision of business skills training and small business information provision, but also a range of non-financial assistance such as counselling, networking, and mentoring services. The service regarded as most central to the program is the guidance service, a one-on-one counselling and advisory service. It is necessary from a research perspective to work with a model that clearly differentiates between services that are considered to be impersonal, such as online and formal information and business skills training provision, and those that have a more emotional and personal orientation such as guidance, counselling, mentoring, and networking. The Gnyawali and Fogel model is able to show a clear distinction between these two aspects of small business creation, which is important to the
A major thesis of this paper is that entrepreneurship can flourish if potential entrepreneurs find opportunities in the environment, if environmental conditions motivate entrepreneurs to take advantage of these opportunities, and if environmental conditions enhance entrepreneurs’ ability to start and manage a business.

A key intention of this research is to establish the extent to which publicly-funded small business advisory and training services contribute to the creation of these environments, and which services are most valued by the intending and start-up small business owner.

For these reasons, it is considered appropriate to use the Gnyawali and Fogel (1994) model to examine the way in which publicly-funded small business advisory and training services support the intending and start-up small business person, and thereby stimulate small business development and growth.

2.4.8 Use of the model

The model is used as a backdrop to the segmentation of opinion on the most valuable aspects of the Business Advisory Services Program and the adjunct initiatives of the contracted providers of the Business Advisory Services Program. The research demonstrates which aspects of the model have been most adequately addressed by the Business Advisory Services Program and which end users are most likely to have benefited from the services.

2.5 The role of small business advisory and training services

2.5.1 Overview

There are a range of issues that need to be overcome by an individual to become a successful small business owner. While research indicates that small businesses have higher growth rates than larger businesses (Reichstein &
Dahl, 2004), the resource-based view of small business growth holds that growth depends on the managerial resources available to plan and manage growth in addition to maintaining current operations (Orser, et al., 2000). It is through learning that knowledge is created to facilitate growth (Macpherson, 2005).

In addition, business failure through bankruptcy has been linked to three fundamental problems: inaccessibility to finance, the lack of knowledge of the owner, and the business climate (Carter & Van Auken, 2006). A significant number of small businesses fail because of limited management knowledge and skills (Beresford & Saunders, 2005; Paige, 2002).

It is observed that different cultures have different attitudes towards risk. In Silicon Valley in the United States of America, for example, higher levels of risk and business failure are seen as normal. In other cultures, such as Australia, high failure rates are seen as impacting negatively on individuals, their families, and the wider community.

An identified relationship between time and survival rates shows 65 percent of businesses survive their first five years, 45 percent survive 10 years and 35 percent survive longer than 15 years, and the larger the business by employment number, the more likely it is to survive (Bickerdyke, Lattimore, & Madge, 2000). Despite business failures being regarded as a natural part of the dynamics of a market-driven economy, failures are costly to investors, owners and the community (Carter & Van Auken, 2006). The key for policy makers, then, is to identify how and when individual small business owners can learn most effectively in order to obtain and apply knowledge to their business (Bessant, et al., 2005) that will allow their business to grow.

So while small businesses make a significant contribution to the Australian economy (Ehrich & Billett, 2004), the literature suggests that many small businesses fail through lack of managerial competencies (Worrall & Cooper, 2000), and that small businesses are much less likely than larger organisations to provide managers and staff with training (Kitching & Blackburn, 2002). For
many, this justifies the public funding of initiatives to increase training levels in small businesses (Storey, 2004). Developing managerial capability is rightly recognised by governments as essential for improved competitiveness and performance.

2.5.2 Intervention

2.5.2.1 Overview

Small business assistance is viewed as important in terms of stimulating economic growth. As a result, both public and private providers are seeking to enhance the interactions they have with small business (Massey, 2003) as they believe these interactions to be worthy of public investment (Organisation for Economic Co-operation and Development, 1998). Improvement is seen as being achieved through program evaluations, improved policy, and increased levels of funding for training.

The use of external advice could be expected to be related to small business growth. It has been found that small businesses seek external advice to fill gaps in management expertise, for specific one-off tasks, or to develop new internal processes (Clark, 1995). While the benefits of this type of assistance may be seen as self-evident, the primary focus of program evaluation has been on program delivery rather than on the needs of the small business owner. This means that there is the potential for a mismatch between what is being provided and what is required by the small business owner (Storey, 2002).

Given the range of support available, it seems natural to ask whether or not small businesses actually benefit from such support services, and how. The success of increased levels of online training and information provision, for example, appears to be measured in terms of numbers rather than end user perspectives.

2.5.2.2 External advice

Business advice is varied, and is provided by a wide variety of suppliers in different service domains (Bennett & Robson, 2005). While large businesses
rely on skilled managers or expert staff, small business performance is likely to be dependent on the skills of the owner (Pearce, Chapman, & David, 1982). For the owner, the business may be seen as an extension of self (Cardon, et al., 2005), and for that reason the owner often wields great influence over many of the decisions that may ultimately affect performance. Many owners, however, do not have the managerial skills and knowledge (Bauer, 2003) and business failure is a frequent consequence.

External advice is of increasing importance to businesses, with an increase in its use from 86 percent of businesses in 1991 to 94 percent in 2002 (Bennett & Robson, 1999, 2003). Research findings on the benefit of professional business advice have been mixed. While some studies demonstrate that the use of professional advisors has a positive effect (Larsson, Hedelin, & Garling, 2003; McLarty, 2005), other studies show that professional business advisers have little or no effect on business success (Robson & Bennett, 2000b).

Many small business owners have a negative perception of professional advisers because they feel that professional advisers do not offer practical advice, do not offer value for money, or do not understand small business (Mole, 2002). There is an extensive literature on business assistance and its role in improving the performance of small businesses. A large proportion of it is written from the perspective of delivery processes (Evans & Volery, 2001; Smallbone, 1997; Wren & Storey, 2002). There is some way to go before these are matched by emphasis on the successful provision of assistance.

Of interest is the number and type of sources small business owners turn to for advice. A UK study found that 95 percent of 2,547 respondents had sought assistance from sources outside the business. The research concluded that decisions made about assistance were not only related to the type of issue, but also the level of perceived trust between the supplier of assistance and the client (Bennett & Robson, 1999). Research frequently shows that accountants and other professionals fall into a high trust category (Goederham, Tobiassen, Doving, & Nordhaug, 2004).
Despite the contribution of the research outlined above, there remains a limited understanding of business assistance and the usefulness of that assistance. Establishing direct cause-effect relationships between external advice and business performance is difficult. Impacts may be delayed and difficult to detect, being mixed with the effect of many other changes and decisions that a small business owner makes over time, such as undertaking independent training, taking on a partner, and changing the goods and services sold (Ramsden & Bennett, 2005).

Studies have demonstrated that frequently the main effect of external advice is to reassure managers and to overcome uncertainties (Smallbone, 1997; Sturdy, 1997). Thus, external advice can be seen as a human learning process of adjustment and alignment, which only later may influence business outcomes (Wyre, Mason, & Theodorakopoulos, 2000).

Rather than assess the relationship between business advice and business success, this research examines satisfaction levels, because even negative outcomes may produce positive or negative satisfaction, depending on the purposes of the advice (Woodruff & Gardial, 1996). In a number of studies of business consultants, assessments of hard and soft outcomes found that both influence satisfaction, and both are jointly affected by the process of delivery (Bennett & Robson, 2005; Patterson & Spreng, 1997). Hence, understanding the process and differing forms of delivery of external advice is important. Not starting a business may be a positive outcome of the advisory process in some circumstances.

It has been suggested that the delivery of business advice is knowledge-based and intangible (O'Farrell & Moffat, 1991). Advice can be seen as a process which is not usually an instant transfer, but requires an exchange of information on both sides. Delivery of business advice is thus a process that develops over a period of time (Bennett & Robson, 2005). In addition, it has been suggested that for an exchange of business advice to be successful, personal relationships must develop which allow explicit and implicit assumptions and obligations to be explored, and trust to develop (Bennett & Robson, 2005).
A distinction is often made between neo-classical or operational small business advisory services and neo-Austrian strategic small business advisory services. While neo-classical operational advice is often found by small business owners on the private market, neo-Austrian strategic services deal with subjective and dynamic knowledge, which has not been thought of in advance of the advisory process (Hjalmarsson & Johansson, 2003).

As one commentator notes, when one sees a doctor they may or may not learn anything about medicine, but hopefully they will be cured. This does not mean that the next time they are ill they will not need to return to the doctor (Mole, 2002). In the same vein, developing a small business owner’s business acumen involves a transfer of knowledge over and above any advice given. This personal and interactive approach leads to greater client satisfaction levels (Robson & Bennett, 2000b).

2.5.3 Publicly-funded initiatives

As discussed in Chapter one, small businesses have long been the target of public policy in wealthy countries like Australia, based on the view that small business contribute to employment generation and innovation (Parker, 2000). These are regarded as an antidote to a number of economic problems, including unemployment. A key aim of any government, therefore, is to ‘create a suitable macroeconomic framework’ (Storey, 1994:315). Two of the most common public interventions are to supply small businesses with capital and to provide public advisory services.

It can be argued that small businesses play a vital role in the economic and social fabric of society. In addition, the stimulation of a vibrant and sustainable small business sector has been cited as a way of limiting the impact of environmental changes at the industry and national levels, such as technological advancement, the arrival of competitors, changes in the strategic direction of competitors, and geopolitical changes (van Gelderen & Sayers, 2008). Governments are therefore interested in how best to promote small business development and limit small business failure. Understandably, small business features prominently in the economic strategies of Australian
governments, and they have introduced a variety of policies, including the provision of advice, to stimulate the formation of new businesses and to aid their survival (Robson & Bennett, 2000b). However, many business owners believe that government has neither the experience nor the skills to advise them about running their business (Curran & Blackburn, 2000) and that government agencies fail to understand their business (Lightfoot, 1998).

It has been noted that publicly-funded advisory services tend to be underutilised, with many potential users choosing not to use the services. In a major piece of research conducted by Bennett and Robson (2005) in England, the three public sector agencies used by the respondents were Business Link, used by 6 percent of respondents, Training and Enterprise Councils used by 5 percent of respondents, and the Department of Trade and Industry used by 2 percent of respondents. Each of these offer free or subsidized local advisers (Bennett & Robson, 2005) yet are used by a relatively small percentage of small business owners.

In general, the public sector bodies achieve low satisfaction ratings in surveys (Bennett & Robson, 1999; Priest, 1998). Highest satisfaction levels are achieved when advice is received from customers and consultants, followed by the other private sector types of suppliers (Bennett & Robson, 2005). The literature confirms that, in general, public sector agencies have lower satisfaction levels than private sector providers. Client satisfaction surveys of the Business Advisory Services Program historically reveal high satisfaction levels. While this may seem contradictory, Business Enterprise Centres are not government agencies, but rather community-based organisations that receive some funding from government.

It has been suggested that the reasons for the low patronage of publicly-funded advisory services might include a lack of confidence in the capacity of government agencies to understand and fully empathise with the situation faced by small business operators, together with a lack of awareness of the services and sources of public advice available (Peacock, 2000). Government programs
also tend to be structured into discrete packages and delivered generically (Turok & Raco, 2000).

Jay and Schaper (2003) argue that this may indicate that publicly-funded services are perceived by the small business sector to offer advice of questionable value and relevance. However, Ramsden and Bennett (2005) have noted that publicly-funded small business advisory services tend to be more highly regarded for their ‘soft’ impacts.

Arguments for publicly-financed advisory services are usually based in neo-classical theory. The argument can be derived from the concept of imperfect markets (Caves, 1982; Stiglitz, 1986). Small businesses are seen as disadvantaged because of their size and lack of available resources. However, this argument does not consider the practical implementation and evaluation of the intervention that is supposed to address the imbalance (Hjalmarsson & Johansson, 2003).

The New South Wales Department of Trade and Investment was established to help build a diversified State economy that creates jobs. The New South Wales Government established the Department with the aim of attracting investment to New South Wales and supporting innovative, sustainable and globally competitive industries through technical, knowledge and scientific capabilities (Quinlan, 2010a).

State and Regional Development & Tourism, a Division of the New South Wales Department of Industry & Investment, delivers programs and services that support the New South Wales Government’s attempts to attract new business activity to the State, and to develop the capacity and productivity of the State’s economy. State and Regional Development & Tourism provides advice and assistance to help businesses establish or expand in metropolitan and regional NSW. The Division works to attract investment projects to NSW as well as major events that have the potential to benefit the State’s economy and promote Sydney and NSW nationally and internationally (Quinlan, 2010a).
The Business Advisory Services Program continued to be delivered by a range of community-based not-for-profit organisations on behalf of the NSW State Government. This approach to the delivery of public services has raised questions about the role of government at a time ‘when boundaries are blurring across the public, private and not-for-profit sectors’ (Edwards & Lindquist, 2002:5). These questions include: are publicly-funded small business advisory services achieving the aims set for them?; are services delivering outcomes that would be achieved regardless of their existence?; would business enterprise centres and other providers achieve similar outcomes by offering full fee services? While some effort has been expended on understanding the benefits to government of these approaches (Osborne & Gaebler, 1992), there appears to be lack of appreciation about what makes the contracted providers of government services distinctive, and what added value they bring to these services (Considine, 2003).

The contracting out of the Business Advisory Services Program appears to be premised on one of two views. The first is the ‘remedialist’ view, which suggests that not-for-profit and other contracted organisations step in to assist when government services could, but for some reason are not, delivered directly (Lyons, 2001). The second is the ‘essentialist’ view, which suggests that the not-for-profit providers actually produce a different type of service due to their particular values and approach to service delivery (Jackson-Elmoore & Hula, 2000).

The New South Wales Department of Trade and Investment has for some years debated the merits of in-house small business advisory provision versus the contracting out of the service provision. Integral to that debate has been the question of whether or not the service is enhanced by the use of contracted providers. It has been noted that the use of contracted providers does not necessarily mean the admission of either bureaucratic failure or market failure, but possibly demonstrates a simple desire to add some qualitative value to the publically provided service (Considine, 2003).
2.6 The New South Wales Business Advisory Services (BAS) program

2.6.1 History

The Business Advisory Services Program has its origin in the establishment of Business Enterprise Centres. In 1986, under the Local and Regional Employment Initiatives Program, the then Minister for Employment asked that each Business Enterprise Centre be formed as an independent legal entity to provide, on a non-profit basis, free assistance to those seeking to start a business (Traucki, 1996). The program was renamed in 1988 as Local Employment Initiatives in Business and again in 1990 as the Self Employment Development program. Over time, the Self Employment Development program was used as the funding program for a number of initiatives in addition to the Business Enterprise Centres.

While the New South Wales Government provided a significant contribution towards operational costs, Business Enterprise Centres were expected to attract an increasing amount of community sponsorship. The expectation was that the community would subsidise 15 percent of the running cost in the initial year of a Business Enterprise Centre, 30 percent in the following year, and 50 percent in subsequent years. In the latter years of the program Government tended, within reason, to match community contributions.

Continued support at the 50 percent level proved more problematic for government as it allowed some Business Enterprise Centres which had the capacity to raise significant community contributions to secure increasing levels of Government financial assistance.

In 1996, it became apparent to Government that while funds had been historically provided to establish and operate Business Enterprise Centres, the role and function of the Centres had expanded, with the provision of business advice becoming only one of a number of services they provided. From 1996 through to 2004 each Business Enterprise Centre was allocated the same amount of funding for the delivery of business advice to intending and start-up businesses, as distinct from contributions to operational costs (Traucki, 1996).
In 2004, with an increasing number of Business Enterprise Centres across the State, it was considered inappropriate to provide funding without establishing stronger accountability for the Centres. It was decided to implement a more formal structure to monitor performance, and the New South Wales Government moved to deliver information services, one-on-one guidance services, and small business skills training through a contract arrangement, supported by a competitive tender process. This model allowed not only Business Enterprise Centres but a range of commercial and not-for-profit organisations to apply for the delivery of the service.

Delivery of the BAS program in 2004-2009 involved 18 organisations being contracted across NSW to deliver information services, workshops and business guidance services. While all of the 2004-2009 Business Advisory Services Program contractors were members of the Business Enterprise Centres peak body, Business Enterprise Centres Australia, many previously-funded Business Enterprise Centres were unsuccessful in the tender process. Some of these ceased to exist; however, the majority survived by winning contracts to deliver a range of programs on behalf of local, State and Australian governments, and through community support and sponsorship (Dresser, 2009).

As discussed earlier, the program was very successful in delivering a large number of information, guidance, and training services in the five years to 2009, with client satisfaction surveys highlighting the high regard users have for the program. However, in 2009 the Department of Industry and Investment, prompted by a review of the Department, and by seeking savings required by the mini budget in 2008, cut $500,000 from the $3.089m Business Advisory Services Program budget (Cullen, 2009).

2.6.2 The 2009-2012 program

Analysis of the $15 million 2004 - 2009 Business Advisory Services Program, with a five year investment of $3 million per year, revealed a highly successful program in meeting small business and regional economic development objectives (Dresser, 2008b). The Department’s approach to the delivery of the
BAS program in 2004-2009 was to contract 18 organisations across New South Wales to deliver information services, workshops and business guidance services.

The 18 contracted BAS program providers covered specific geographic regions of the State, and delivered in excess of 135,000 information services, 20,000 free one-on-one business guidance services, and 500 workshops per year to intending and small business owners in each year of the contracts. This exceeded the measure set in the Department of Trade and Investment’s Results and Services Plan.

An annual Business Advisory Services client satisfaction survey has been undertaken since 2006. Results from the 2007 and 2008 surveys demonstrated high satisfaction with the program, off what has been described by the researchers as a very high base in 2006 (Dresser, 2008b).

The 2009-2012 New South Wales Business Advisory Services Program provided funding to a range of not-for-profit community-based organisations around the State. The funding was to provide advice and training to people starting and operating a small business. It provided information, business skills training opportunities, one-on-one guidance, and networking opportunities for business owners and managers to plan their growth and development. In 2010, fourteen organisations across NSW delivered business information through 39 office locations to assist intending and existing small business owners explore business ideas. Appendix A shows the boundaries of the 2009-2012 Business Advisory Services Program regions.

According to the New South Wales Department of Trade and Investment, the Business Advisory Services Program has been successful in meeting the New South Wales Department of Industry and Investment’s small business and regional economic development objectives as expressed in the Department’s Results and Services Plan. $2.51 million per year has been allocated to the program from 1 October 2009 to 30 June 2012, a reduction of $500,000 over the funding provided in the previous contract period (Cullen, 2009).
There has been strong support for the delivery of business guidance (one-on-one counselling) by both clients and the contracted providers of the service. This is reflected both anecdotally and through client satisfaction surveys conducted in 2006, 2007 and 2008 (Dresser, 2008b). While the Department of Trade and Investment maintains that the BAS program provided greater emphasis on one-to-one small business guidance services with an increased focus on the needs of regional New South Wales, the reduction in funds for the program resulted in a significant reduction in the number of guidance services contractually obliged to be provided across the State, particularly in the metropolitan area (Cullen, 2009).

The cost savings were realised by reducing funding in the metropolitan area, where the total funding allocated was $700,000, a reduction of $500,000 from the previous contract period. The rationale for this reduction was that online education and training allows for a reduction in one-on-one client training contact while maintaining education and training provision, thereby servicing a larger number of clients (Cullen, 2009). Much of the reallocated funding was used for the development of an online education and training portal which provides online information, quizzes, templates, fact sheets, and self-paced training packages (Turner, 2010).

2.6.3 Allocation of funding to centres

A tender process was undertaken for the delivery of the Business Advisory Services Program for the period 1 October 2009 to 30 June 2012.

The NSW Government, through the NSW Department of Industry and Investment in conjunction with the NSW Department of Commerce, called on suitable providers to lodge an application to deliver the Business Advisory Service program for the period.

In 2009-2012, the Business Advisory Services Program geographical regions were varied to mirror those of the new Regional Development Australia boundaries. Regional Development Australia is a Commonwealth and State Government initiative which brings together Area Consultative Committees and State funded Regional Development Boards, to improve co-operation across all
levels of government by better aligning effort and resources. They have been initiated to provide a consistent view on regional issues to both State and Commonwealth Government and to improve on previous fragmented advice (Cullen, 2009).

As a result, the previous twelve regional Business Advisory Service program areas were increased to thirteen. This required some fine tuning of funding allocations. The new allocations have been established using a base funding amount along with population and geography weightings, providing a more equitable distribution of funds across the State (Dresser, 2009). Appendix B shows the funding allocated to each Business Advisory Services Program region and the required outputs from each contracted provider.

While the Department maintains that service delivery improved in the 2009-2012 contract period by requiring more face-to-face consultation with clients, and by emphasising relationship development and networking, this was not reflected in output numbers. Guidance service numbers decreased significantly during the period (Dresser, 2010). To compensate for the reduction in one-on-one guidance services, program contractors were made responsible for promoting the Department's small business online resource and to use the resource as a key element of their work with clients (Cullen, 2009).

2.6.4 Adjunct initiatives

2.6.4.1 The Small Business Toolkit

The Department’s expanded delivery of online information and training has been ostensibly undertaken to address key objectives of the New South Wales State Plan, to reduce costs, and to improve the reach of the Business Advisory Services Program by 20 and 25 percent respectively (Dresser, 2008a). It is tailored to meet the skill development needs of small businesses, to improve their capability, and to provide small business skills training to intending and start-up small business owners. Importantly, these tools were considered necessary to enable business owners to gain the skills they need irrespective of
location, and at a time that does not interfere with the normal operations of their businesses (Dresser, 2008a).

The University of Western Sydney developed the business training tool that aims to allow small businesses to self-assess and develop small business management skills. It has been viewed as a cost-effective way for small business people to gain small-business skills (Cullen, 2009). It provides greater reach for the Department both in terms of servicing the small business sector, and allowing more affordable and more convenient access for small business owners and managers. The training modules include the following subject areas: finance, marketing, legal issues, employment, exporting, business planning and a business start-up checklist. These modules contain approximately 5 to 6 sub-modules, business case studies and chapter quizzes.

2.6.4.2 Mentoring

The New South Wales Department of Industry and Investment Small Business Mentoring program combines voluntary mentoring with training and networking in group collaboration. Client evaluations have revealed that this model is highly valued by participants, and adds significantly to their learning and business outcomes (Quinlan, 2010a). The objective of the program is to improve business development, networking and growth opportunities for small businesses, to improve management skills, to identify and facilitate business growth strategies, and to provide opportunities for small business owners/managers to network and develop strategic alliances.

Research on mentoring has shown that it has a positive influence on mentee performance. For example, it has been found that former mentees had improved career outcomes, job satisfaction, organisational socialization and income across a five-year period (Chao, 1997). However, it is important to note that the greatest benefit from the mentoring relationship appears to come from personal interaction rather than mentoring at a distance. According to Stoke (2001), distance mentoring cannot replace face-to-face interaction completely. Just as it is important that learning is convenient for owner-managers, most
clients feel equally strongly about the importance of the personal touch in communication (Stokes, 2001).

2.6.4.3 Clusters and networks

The theoretical foundations for the development of the network construct are supported by the work of Higgins (2000) and Higgins and Kram (2001). Contributions of their work include broadening the idea of mentoring to include peers and others across or outside the business.

The New South Wales Department of Industry and Investment works with organisations such as industry associations, local councils, and business networks interested in achieving competitive advantage in local or international markets. Business clusters are like-minded groups of businesses and supporting organisations with common business objectives that work collaboratively. Clusters can include businesses with complementary capability or businesses involved in the same supply chain with common suppliers and distributors. They can include related organisations that support these businesses such as industry associations, and knowledge providers such as universities and research institutions (Quinlan, 2010b).

2.6.5 Current research on the Business Advisory Services Program

The Department instituted a number of approaches and systems for monitoring and reporting on results of the Business Advisory Services Program. The contract with each of the third party providers allows for the conduct of a client survey to determine quality of service. A Business Activity Services Client Satisfaction Survey was conducted in 2006, 2007, 2008, and again in 2010.

Each year, the research has sought to determine a range of superficial indicators, such as how clients heard about the Business Advisory Service program, how clients first contacted the provider, if the provider was easy to contact, locate & visit, a rating of the usefulness and presentation of the resources provided, and if clients will use the service again.
Overall, the survey of clients shows a very high level of satisfaction with the program; however, more detailed research concerning the clients’ evaluation of the various program elements remains to be undertaken.

2.6.6 The research relationship

While client satisfaction levels remained high, the question remained as to which aspects of the program were most highly valued by clients. A move away from one-on-one guidance services to the provision of online information and training has been ostensibly based on the belief that information and training are the most valued and beneficial aspects of the Business Advisory Services Program.

2.7 The provision of small business skills training and non-financial assistance

2.7.1 Small business skills training

Despite research into the training needs of small business, gaps in its provision exist (Walker, Redmond, Webster, & Le Clus, 2007). Ehrich and Billett (2004) identify a positive correlation between business size and investment in training, but in general, small business training has received limited attention in the literature (Jones, 2004).

Perry (2001) suggests that small business failure is linked to poor managerial competencies, while Matlay (2004) argues that small business owners have insufficient skills and competencies to analyse market conditions and appropriately allocate resources. Overall, the literature advocates that managerial knowledge and skill development through training is essential to improve the competitiveness and development of small business (Gibb, 1997).

Small business skills training is an important function of the Business Advisory Services Program contractors. Over 500 small business skills training opportunities were provided through the Business Advisory Services Program each year, reaching over 6,000 individuals. These training opportunities were augmented by the Department’s online small business toolkit, which provides online training opportunities. This number of business skills training
opportunities is mandated by the New South Wales Government’s service contract with the business enterprise centres, and is approximately the same as the number of services delivered in previous years. Several business enterprise centres also successfully run full commercial rate training courses, indicating a likely greater demand for subsidised services than is currently catered for.

The Gnyawali and Fogel model highlights entrepreneurial and business skills as a key element in an individual’s ability to enterprise. The research will determine to what extent this service is valued by the users and to what extent the contracted providers of the Business Advisory Services Program value its contribution.

The perceived benefit of information and small business skills training is a focus of this research. A selection of research in the field is outlined in Table 2.1. While much of the research addresses the importance of skills training, there remains more research to be done.

Table 2.1: Selected research in the field of small business skills training

<table>
<thead>
<tr>
<th>Research</th>
<th>Critique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matlay (1999) – Vocational education and training in Britain: a small business perspective</td>
<td>This study involved a survey of 2,000 randomly selected business owners for the West Midlands region of Britain, and found an apparent training paradox in the small business sector. While most highlighted the need for training, very few had undertaken training in the previous 12 months. The research notes that many of the business owners taking part in the study suggested that the available training lacked focus, coherence and continuity. Of interest is the recommendation that economical and customised training solutions be developed that satisfy the specific needs of small business.</td>
</tr>
<tr>
<td>Simpson, Tuck &amp; Bellamy (2004) – Small business success factors: the role of education and training</td>
<td>The objective of this study was to identify the extent to which business owner’s perceptions of success compare with previously identified success factors and to consider the emergence of any previously unidentified success factors. Semi-structured interviews were conducted across 14 service sectors, with small business owners employing between one and</td>
</tr>
<tr>
<td>Research</td>
<td>Critique</td>
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</table>
| Webster, Walker & Brown (2005) – Australian small business participation in training activities | This research investigated the use of online training by small businesses in Australia. A sample of small businesses was surveyed using a mailed questionnaire.  
  The study found that while the internet has improved accessibility of small business training and suggests that it offers some potential as a delivery medium, there was a lack of e-literacy of many small business owners.  
  The study recommends the ongoing provision of training for small business owners, delivered in an accessible way, while promoting the need for training to the small business sector. |
| Barrett (2006) – Small business learning through mentoring: evaluating a project | This study evaluates small business mentoring in regional Australia by focussing in on a small business mentoring project, which ran between October 2002 and June 2003. It uses a structured telephone interview with the project manager and the volunteer mentors, and a mail and telephone survey of the small business owners.  
  The research shows that learning through mentoring can increase self-confidence, while objective outcomes such as increased sales and new jobs are less likely outcomes.  
  A significant finding of the research was that the one-on-one learning occurring through conversations with a trusted and experienced person was identified as the most valuable aspect of the project. This one-on-one contact assisted the small business owners to develop new ideas or apply new things they had learned to their business. The personal contact helped develop self-confidence and the networking was useful in breaking down feelings of isolation that many small business owners experience. |
<p>| Walker, Redmond, Webster &amp; Le Clus (2007) – Small business               | The aim of this study was to investigate the relationship between small business owners, training, time limitations, and the benefit of training. It used qualitative research methods, interviewing 80 |</p>
<table>
<thead>
<tr>
<th>Research</th>
<th>Critique</th>
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<tbody>
<tr>
<td>owners: too busy to train?</td>
<td>small business owners before and after training.</td>
</tr>
<tr>
<td></td>
<td>The study shows that small business owners are interested in training, as long as it is directly applicable to the current situation in their business, and as long as the training sessions are carefully structured in terms of location, time of day, and length.</td>
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<tr>
<td></td>
<td>The research highlights the need for small business skills training to be more specific and delivered in a flexible manner.</td>
</tr>
<tr>
<td>Zhang &amp; Hamilton (2009) – A process model of small business owner-managers’ learning in peer networks</td>
<td>This research investigates how owner-managers of small businesses can learn in peer networks to improve their management skills.</td>
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<td></td>
<td>A peer learning environment was created for 67 owner-managers by providing a one year management training program, and by interviewing participants at entry, mid-way, and following the training.</td>
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<td></td>
<td>The research suggests that the context of entrepreneurial learning reflection could occur by participating in social processes. Reflection can be triggered by both internal (individual) experience and peer (external) experience. Of particular interest is the implication that cognitive and social processes are interrelated mechanisms that supports the function of reflection in experiential learning.</td>
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2.7.2 Non-financial assistance

This aspect of the model is of primary concern for the research. It consists of counselling and support services, entrepreneurial networks, incubator facilities, government procurement programs for small businesses, government support for research and development, tax incentives and exemptions, local and international information networks, and modern transport and communication facilities (Gnyawali & Fogel, 1994).

It is in the area of non-financial assistance that the main focus of the research lies. The Gnyawali and Fogel model shows both financial and non-financial support as being responsible for the final stage of small business creation.
However, it indicates a high probability that the non-financial support is required to move the individual into small business ownership.

It is at this stage, the provision of counselling and guidance services, networking opportunities, reassurance and mentoring, that the Business Advisory Services Program is thought to provide the greatest perceived benefit to the program's end users. A number of prominent researchers have undertaken studies that support the importance of emotional and psychological support during the intending and start-up phase of a small business.

Small business advice is often sought by small business, usually with a specific problem in mind (Ramsden & Bennett, 2005). To provide such a service, the client and the advisor have to exchange a considerable amount of information with each other. Therefore, advice is rarely a standard service like the purchase of a piece of equipment (Riddle, 1986). Clients do not just receive advice, like they might receive information from a website or factsheet, but they play a crucial role in the feedback loop required in problem solving. As a result, the impact of small business advisory services is a joint activity of both the client and supplier. For this process to be successful there is usually a combination of task-interaction, where the client and advisor exchange information on problems to be solved and means to accomplish them, with personal-interaction, where the client's well-being is directly assessed and impacted (Ramsden & Bennett, 2005).

Evaluation of the impact and role of advice is made more complex by this mix of task-interaction and personal-interaction involved in delivery. While task-interaction can be evaluated against the business objectives that the firm sought to achieve when it appointed the external advisor, this is less possible for personal-interaction. Task-interaction values relatively objective components, which for most business advice relate to cost reduction, or increases in profits or turnover. However, there are usually more immediate objectives in view at the time of seeking the advice. Personal-interaction, however, is inherently subjective and cognitive, involving change in the business owner's outlook, or the approach of its managers or other staff
(Ramsden & Bennett, 2005). Tordoir (1995) refers to these as sparring relations as opposed to off-the-shelf standardised products. The effective use of external advisors will usually need to combine both task and personal interactions, since even if one type of interaction is the initial primary focus, the second type will usually also be involved (Ramsden & Bennett, 2005).

As a result of these different components, establishing direct cause-effect relationships between external advice and business performance is usually difficult. Also, many effects may chiefly help a business to maintain performance: maintaining turnover, profitability or costs often requires considerable effort, particularly in highly competitive market conditions. Thus, although advice may have considerable impact, it may be shown in the form of no change, where the alternative would have been decline. This is difficult to detect by statistical methods.

For these reasons, this research has focussed on the perceived benefits of the various aspects of the Business Advisory Services Program. This client centred approach is designed to inform comment concerning the relative importance clients place on the services provided, and the way in which these services impact on them and their businesses.

For example, studies have demonstrated that frequently the main effect of external advice is to reassure managers, or to help define and bring forward projects (Smallbone, 1997). Indeed, Sturdy (1997) suggests that external experts help to overcome uncertainties and insecurities of managers, to reassure, but also support owners and managers in developing their identity and control of the business, supporting their active role as the recipient of advice in using, re-defining or resisting external ideas and proposals. Thus, for example, Wyre, Mason, et al. (2000) see external advice as part of a human learning process of adjustment, alignment, and anticipation that affects the values and strategic beliefs of a business, which only later may influence operational routines and hence affect costs, profits or turnover.
The key part of the external advisory process is, therefore, often one of management learning and change. Schein (1997:207) notes that ‘the client owns the problem and the solution, but the consultant and client jointly own the enquiry process that will reveal what the correct next steps should be’.

A selection of research in the field is outlined in Table 2.2. While much of the research addresses the importance of the client advisor relationship, there remains more research to be done.

Table 2.2: Selected research in the field of non-financial small business services

<table>
<thead>
<tr>
<th>Research</th>
<th>Critique</th>
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<tbody>
<tr>
<td>Wren &amp; Storey (2002) – Evaluating the effect of soft support upon small firm performance.</td>
<td>This study evaluated the impact of advisory supports and networking on business performance of small and medium-sized businesses. Data was collected via a survey, record cards, and follow-up telephone interviews of 1,136 small businesses. The results demonstrate a positive correlation between this type of service and small business performance, using measures of sales turnover, employment, and survival. While the research was able to demonstrate the outcome benefits of small business advisory services, more study is needed into the relationship between training and advice in regard to client satisfaction.</td>
</tr>
<tr>
<td>Bennett &amp; Robson (2003) – Changing use of external business advice and government supports by SMEs in the 1990s</td>
<td>This research addressed two areas associated with the use of business advice by small businesses in Britain. First, if the use of business advice had increased during the 1990s, and second, if government attempts to fill the gaps regarding business advice were being widely used. The research used a large scale survey of 2,028 respondents in 1991 in conjunction with a similar survey of 2,520 respondents in 1998. The findings indicate that during the 1998 survey, use of government funded business advisory services increased from 31 percent to 38 percent of businesses. However, the research was not focussed on which aspects of the advisory and/or training services were most valued by the users.</td>
</tr>
<tr>
<td>Research</td>
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<td>Research</td>
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<td>of supports grow more quickly than those that do not. Of interest are the findings concerning networking, which show that networking opportunities are highly regarded by small business owners, and that growth rates were directly related to the use of emergency and business advice. While this study showed a positive relationship between business advice and growth, it did not address small business skills training and its perceived benefit by small business owners.</td>
</tr>
<tr>
<td>Dyer &amp; Ross (Dyer &amp; Ross, 2007) – Advising the Small Business Client.</td>
<td>The research consisted of semi-structured interviews with five male and five female business advisors, sourced from a number of institutional settings. The aim of the research was to explore the relationship between clients and professional business advisors, with a particular focus on culture, learning styles, and communication preferences. The qualitative research shows that initial difficulties with client/advisor relationships often improve with time. In addition, the research highlights the dynamic nature of the advisory process, demonstrating the benefits of an ongoing relationship. The study points to the need for further research into the area of client/advisor relationships.</td>
</tr>
<tr>
<td>Dyer &amp; Ross (2008) – Seeking advice in a dynamic and complex business environment: impact on the success of small firms</td>
<td>This paper examines the advice-seeking behaviour of individual business owners. A survey of 185 small business owners was undertaken, revealing that advice seeking is positively correlated with the owners’ perception of business performance. The most relevant aspect of this research is the analysis suggesting that information provision is not enough to produce positive business outcomes, but rather advice at a personal level gives small business owners more constructive ideas for developing business strategies. The current research will build upon this finding to determine its relevance in regard to the users of the Business Advisory Services Program.</td>
</tr>
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</table>
2.8 Conclusion

It has been suggested that the key for policy makers is to identify how and when individual small business owners can learn most effectively in order to obtain and apply knowledge to their business (Bessant, et al., 2005) that will allow their business to grow. While the benefits of this type of assistance may be seen as self-evident, the primary focus of program evaluation has been on program delivery rather than on the needs of the small business owner. This means that there is the potential for a mismatch between what is being provided and what is required by the small business owner (Storey, 2002).

Given the range of support available, it seems reasonable to ask how small businesses benefit from such support services. The economic view is that business support is required to address market failure, but so much support is funded on the basis of short-lived initiatives that the evaluation of impact is often based on measures that have little to do with the outcomes (Brooksbank, 2008).

There is an extensive literature on business assistance and its role in improving the performance of small businesses. A large proportion of it is written from the perspective of delivery processes (Evans & Volery, 2001; Smallbone, 1997; Wren & Storey, 2002). There is also a broad range of views on how government can best support small business, including quite costly market intervention strategies, structural and legal framework restructuring, economic stimulus initiatives, and market-led approaches.

The maintenance of the current approach to small business service delivery is favoured by the New South Wales Department of Trade and Investment. The 2009-2012 Business Advisory Services Program has delivered positive outputs for the New South Wales public as measured by both quantitative (quarterly reporting) and qualitative (client satisfaction survey) measures. The delivery of services to intending and small businesses is thought to be cost effective and superior to other forms of intervention (Traucki, 2009). The implementation of the new Small Biz Connect program is evidence of the State Government’s support for this approach.
The literature described above, which guided the research, is informative and provides a number of key results for policy makers at all levels of government. The review established a foundation for the research and identified the gap in the literature that the research informs. This gap is found not in simply establishing a link between advisory and training services and the development and success of small businesses, but includes a need to establish how the advisory service assists small business owners and managers.

2.8.1 The research problem

The research problem, which has emerged from the literature, is:

How can publicly-funded small business services be designed and delivered to effectively meet the needs of small business owners and managers in the creation and development of small business enterprises?

Sub-question 1: Why and to what extent are publicly-funded small business training and advisory services considered invaluable? Are there changes that could be recommended that would enhance the effectiveness of these services?

Sub-question 2: Why and to what extent do individual small business owners use publicly-funded small business training and advisory services?

Sub-question 3a: Why and to what extent do the users of publicly-funded small business training and advisory services value soft services (reassurance, emotional, and psychological support)? Which clients, in terms of education, age, experience in business, geographical location, gender, and business structure identify soft services as being more valuable?

Sub-question 3b: Why and to what extent do the users of publicly-funded small business training and advisory services value hard services (small business information and small business skills training)? Which clients, in terms of education, age, experience in business, geographical location, gender, and business structure identify hard services as being more valuable?
Sub-question 4: Why and to what extent do the business facilitators that deliver publicly-funded small business training and advisory services perceive soft services (reassurance, emotional, and psychological support) and hard services (small business information and small business skills training) as influencing the creation and development of small enterprises?

Sub-question 5a: How do the users of publicly-funded small business training and advisory services regard the service in relation to online services, and why?

Sub-question 5b: How do the users of publicly-funded small business training and advisory services regard the service in relation to other service providers, and why?

Sub-question 6: Which clients, in terms of education, age, experience in business, geographical location, gender, and business structure regard the service as having the greatest impact on their business?

While the majority of these issues are addressed through qualitative analysis, some sub-questions, particularly those involving demographic analysis are addressed more fully through the quantitative phase of the research.

This Chapter has outlined the literature surrounding small business and small business development. It has concentrated on both the theoretical aspects of the topic and the practical issues surrounding the Business Advisory Services Program. The next Chapter outlines the research design and methodology used in the study.
Chapter 3: Methodology
3.1 Introduction

This Chapter outlines the research design and methodology used in the study. It begins with an outline of the research methodology, including the justification for using a mixed qualitative and quantitative research method, followed by the justification for using the six Business Enterprise Centres as the focus for the study, an outline of the stages in the study, and a discussion of the ethical issues to be taken into consideration.

The study, including the survey and qualitative data collection approaches, underwent a minimal risk ethics approval using the Charles Sturt University ethics approval process. The ethics approval document appears in Appendix C. During this process, the questions were reviewed by the Ethics Committee, information sheets and consent forms were approved, and statements were placed on the online survey stating that completion of the survey would be regarded as an indication of consent for the data to be used in the study. The approved introductory letter, informed consent, and semi-structured interviews and focus group questions appear in Appendices D, E, and F.

3.2 Research methodology

3.2.1 Overview

In the first stage of planning for the research and on the basis of the research questions generated, the following key items of information were identified as being necessary in order to answer the questions:

- The perceptions of the providers and users of the service.
- The patterns, consistencies, and inconsistencies of the feelings and attitudes towards the service by the providers and users.
- The demographics of the users.
- The number of users that perceive benefit from the various aspects of the service.

In the second stage of planning, sources of data for answering the research questions were identified. These included:

- Qualitative data from business facilitators working in business enterprise centres across New South Wales.
- Qualitative and quantitative data from the users of the Business Advisory Services Program.
A third stage of planning involved looking at possible ‘trade-offs’ between the information desired and the level of coverage of this information that was possible in the circumstances. Fortunately, in this case, no significant ‘trade-offs’ were necessary.

Qualitative interviews and focus groups were the primary source of data, supported by quantitative data collected by way of a small scale survey. While a considerable number of small business owners responded to the online survey, it is considered secondary in importance to the qualitative aspect of the study. This is because the online survey sought responses to less than two dozen questions using a Likert scale. This mixed approach was employed to triangulate the results of the two phases of the research.

3.2.2 Overall research approach

Triangulation has been described as involving ‘the use of more than one research approach in a single study to gain a broader or more complete understanding of the issues being investigated’ (Veal, 2005:39). An advantage of triangulation is that the strengths of one approach can help overcome the weaknesses of another. Table 3.1 shows the mixed method approach of the study.

Table 3.1: Overall research approach

<table>
<thead>
<tr>
<th>Method</th>
<th>Mixed Method</th>
<th>Quantitative</th>
</tr>
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<tbody>
<tr>
<td>Dominance</td>
<td>QUALITATIVE</td>
<td></td>
</tr>
<tr>
<td>Timing</td>
<td>February/March 2011</td>
<td>May/June 2011</td>
</tr>
<tr>
<td>Sequence</td>
<td>Data collection completed and analysis commenced prior to finalising the survey</td>
<td>Survey design completed following qualitative data collection</td>
</tr>
<tr>
<td>Design</td>
<td>Interviews and focus groups</td>
<td>Online survey</td>
</tr>
<tr>
<td>Number of informants</td>
<td>36 (11 individual interviews and five focus groups with a total of 25 participants)</td>
<td>117</td>
</tr>
</tbody>
</table>

Duffy (1987) identifies four ways in which to triangulate results, namely: analysing data in more than one way, using more than one sampling strategy, using different interviewers, observers and analysts in the one study, and using more than one methodology to gather data. This study uses the last of these, with quantitative approaches built into the research design to provide a broader context than would have been possible with just a limited number of interviews and focus groups.
3.2.3 Justification for using qualitative and quantitative approaches

The main objective of the study was to investigate the perceived benefit of both guidance services and training services delivered by the contracted providers of the Business Advisory Services Program, informing the design of future initiatives. A qualitative approach was needed to explore the influence of these services in more detail. Veal (2005:33) draws attention to qualitative approaches in examining groups, ‘particularly where interaction between group members is of interest’. Qualitative research allows for a deeper understanding of patterns, consistencies, and inconsistencies as they occur in their natural environment, allowing researchers to develop theories, ideas, and hypotheses which may be later tested using quantitative methods (Tidwell, Bell, & Jarratt, 2008).

Qualitative research often relies on interview data. Stromquist (2000:141) notes that:

> Unlike the assumptions made in quantitative research that all opinions have the same value (implicit in the fact that a random sample of individuals is surveyed with the same questionnaire), the qualitative researcher must have some clear criteria for the selection of the interviewees.

A semi-structured, in-depth approach was considered appropriate because it enabled the interviewees to provide factual information, and to express points of view and personal explanations of events, relationships, trends and potential developments. This approach had the advantage of enabling the researcher to understand and explain the informant’s perspective, as expressed in their own words.

Many of the factors and processes identified in the review of the literature were more likely to be explained by qualitative research methodology than by quantitative techniques based on survey questionnaires. For example, issues concerning the feelings of small business owners and the benefits derived from one-on-one mentoring may often require the clarification of statements and the use of follow-up questions, often not practical during quantitative data collection.
Veal (2005:125-126) outlines the key benefits of qualitative research:

- ‘Qualitative methods enable the researcher to understand and explain in detail the personal experiences of individuals.
- Qualitative research focuses on people’s understanding and interpretations rather than seeking external causes or laws for behaviour.
- Qualitative methods allow the researcher to experience research issues from a participant’s perspective.
- Qualitative research reports are usually presented in a narrative form rather than a statistical form, making them generally more interesting and understandable for readers not trained in statistics.
- Qualitative methods are useful in examining personal changes over time.
- Qualitative methods tend to focus on human-interest issues that are meaningful to everyday managers’.

While the qualitative approach formed the dominant methodology for the study, triangulation of the findings was achieved through the quantitative phase of the study.

Various writers on research methods have outlined the advantages in using surveys. Veal (2005:143-144) notes some advantages:

- ‘Surveys provide quantified data for decision making.
- Surveys provide a transparent set of research procedures.
- Quantification can provide relatively complex information in a succinct, easily understood form.
- Longitudinal surveys and annually repeated surveys provide the opportunity to study change over time, using comparable methodology.
• Questionnaires can be an effective means of gathering a wide range of complex information on individuals or organisations on a comparable basis.

Together, these methodologies helped to avoid some of the common disadvantages associated with one or other of the methods.

3.2.4 Proportions of induction and deduction

Figure 3.1 shows a model of description and explanation in qualitative research. When the research begins at A (observation, description, data collection), and moves to B (analysis), and then onto C (explanation), the process is described as inductive because the explanation has been induced from the data. If the research begins at C (explanation), and moves to A (observation, description, data collection) and then B (analysis), it is described as deductive because the process is based on prior knowledge with data collected later to confirm or negate the explanation.

Figure 3.1: Circular model of the research process (induction and deduction) based on Williamson, Barry, & Dorr (1982)

There has been controversy about the proportions of induction and deduction that should occur in qualitative research. Veal (2005:27) notes that in practice data are rarely collected without some explanatory model in mind, meaning that
there is always some element of deduction in any research. At the same time, there is always an element of induction, because it is not possible to develop hypothesis without at least some initial information, however informal or indirectly obtained.

In selecting the mixed method approach a balance between induction and deduction was achieved. However, with the qualitative approach being the dominant one, the research has a higher proportion of inductive than deductive reasoning.

3.2.5 Justification for the use of selected business enterprise centres

As previously discussed, the business enterprise centres contracted to deliver the Business Advisory Services Program offer a number of services to intending and start-up small business operators. These services include one-on-one guidance, training, mentoring, and information services. Each contracted provider employs a number of business facilitators that are responsible for providing the services on offer.

The research question, which has emerged from the small business literature, is: How can publicly-funded small business services be designed and delivered to effectively influence the creation and development of small business enterprises?

The research sought to establish which services provided by the funded New South Wales Business Enterprise Centers are, in the view of the business facilitators and their clients, the most effective in supporting intending and start-up business people to successfully commence and operate a small business. The research question is significant because it focuses on the ongoing need for experienced and qualified individuals and organisations to provide information and guidance to the intending and small business start-up owner.
The following are the main reasons for selecting the Business Enterprise Centres as the focus for the study:

- The research topic arose from the observation over many years of a trend for the New South Wales Government to reduce the number of one-on-one guidance services to intending and start-up business owners. This observation is confirmed by the overall reduction in funding for the service between 2001 and 2012 in both real terms and dollar terms, and the reduction in service requirements under the Business Advisory Services contracts in New South Wales over the same period.

- A number of contracted providers had expressed concern that this constriction in services, and the increase in online information provision, was having a negative impact on the individuals seeking assistance in establishing a small business.

- In 2009-2012, and in the previous contract period 2004-2009, all contracted providers of the New South Wales Business Advisory Service are members of Business Enterprise Centers Australia and operate as Business Enterprise Centers in their region.

- Of the 14 contracted providers, six were chosen for the study. These are Sydney, Hunter, Northern Inland, Southern Inland, Central West, and Far West. These contractors have been identified to provide representation from a range of settings in New South Wales, metropolitan, major regional, regional, and rural.

**3.2.6 Research design**

The following material describes the data collection and data analysis methods used in the study. First, the methods used in collecting the data for the various components of the research are described, including the methods used to select the informants. Second, the methods used to analyse the data are described.
3.3 Qualitative component

3.3.1 Overview

In discussing qualitative research it has been suggested that there are a range of different approaches that fall under the heading ‘qualitative’ (Symon, Cassell, & Dickson, 2000). The qualitative research subject is ‘the person, with her own fears, anxieties, needs and sensitivities’ (Soobrayan, 2003:107). As such, there are no single set of rules or practices that govern the ethics, truth and politics of the research (Soobrayan, 2003). However, Soobrayan (2003) warns against falling into relativism in relation to qualitative research, noting that the qualitative researcher needs to be continually engaged with the ethical, truth and political implications of the research and the writing.

One may assume that qualitative research is defined as research that does not use numbers or statistical procedures; however, defining qualitative research is not as straightforward as it might seem. One definition of qualitative research includes the oral, written, and artistic expression of living experiences described by participants while they are contemplating the phenomenon under study. The descriptions provided are the evidence, the truth for the moment about the phenomenon; they are testimony to personal circumstances (Parse, 2001).

The qualitative component of the study consisted of a number of one hour long interviews with business facilitators that work for the Business Enterprise Centres, a number of one hour long interviews with clients of the Business Enterprise Centres, and a number of focus groups, conducted with clients of the Business Enterprise Centres.

At each of four business enterprise centres (Central West, Southern Inland, Northern Inland, and Hunter) one business facilitator and one client were interviewed, and one focus group was conducted. In Sydney, a business facilitator and a client were interviewed, and in the Far West, two clients were interviewed. In the Far West, the business facilitator was new to the position and had limited experience with the service. He was, therefore, excluded from the research. In both Sydney and the Far West, focus groups were either
unable to be organised or were abandoned due to low numbers. These setbacks did not unduly affect the amount and quality of the data collected.

Qualitative research methods call for different approaches to sampling compared with quantitative methods. Veal (2005) notes that there are no fixed rules regarding the size of a sample in qualitative research. However, when reporting results it is necessary to ‘avoid the trap of claiming, or implying, quantitative representativeness’ (Veal, 2005:209).

3.3.2 Interviews with business facilitators

3.3.2.1 Selection of the participants

The aim of sampling in qualitative research is to select information-rich cases to help the researcher find out as much as possible about the key issues being investigated. The sampling approach taken sought to achieve this by including participants from a selected number of Business Enterprise Centres from across New South Wales.

The individuals selected are the primary business facilitators for each of the business enterprise centres. These individuals work with intending and start-up small business owners, assisting with both training and guidance. Each of the individuals had in excess of 5 years of experience in the provision of small business development guidance and training. They were ideally situated to provide extensive and authoritative comment for the study. The Business Enterprise Centres selected are identified in Table 3.2.

Participants for this research were identified on the basis of their employment as business facilitators with a business enterprise centre in New South Wales. One business facilitator was identified in five business enterprise centers across the State. Each of these individuals was interviewed for approximately 60 minutes. Their views were transcribed and analyzed using NVIVO software.

The six business enterprise centers involved were identified on the basis of their geographic location and demographic characteristics. A diverse range of metropolitan and regional locations were used to ensure that views are
representative of the State. Business enterprise centres in Sydney, Orange, Newcastle, Queanbeyan, Armidale, and Broken Hill were involved (Table 3.2 and Appendix G).

Table 3.2: Business enterprise centres selected for the study

<table>
<thead>
<tr>
<th>Business Advisory Service</th>
<th>Contracted Provider &amp; Primary Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney BAS</td>
<td>Eastern Suburbs Business Enterprise Centre&lt;br&gt;Level 19, 323 Castlereagh Street&lt;br&gt;Sydney NSW 2000</td>
</tr>
<tr>
<td>Hunter BAS</td>
<td>Hunter Business Centre&lt;br&gt;265 King Street&lt;br&gt;Newcastle West NSW 2302</td>
</tr>
<tr>
<td>Central West BAS</td>
<td>Central West Business Enterprise Centre&lt;br&gt;124-128 Summer Street&lt;br&gt;Orange NSW 2800</td>
</tr>
<tr>
<td>Southern Inland BAS</td>
<td>Capital Region Business Enterprise Centre&lt;br&gt;1 Farrer Place&lt;br&gt;Queanbeyan NSW 2620</td>
</tr>
<tr>
<td>Northern Inland BAS</td>
<td>Armidale and District Business Enterprise Centre&lt;br&gt;East Mall, Beardy St&lt;br&gt;Armidale NSW 2350</td>
</tr>
<tr>
<td>Far West BAS</td>
<td>Broken Hill Enterprise Development Centre&lt;br&gt;41-79 Crystal Street&lt;br&gt;Broken Hill NSW 2880</td>
</tr>
</tbody>
</table>

By discussing the research with the Executive Officer of each of the business enterprise centres, meetings were scheduled with senior business facilitators between 3 February and 30 March 2011.

Each of the five research participants had a minimum of five years of experience in providing business guidance and training to the small business sector. Each holds tertiary and/or vocational education qualifications in business administration and/or small business training.

It was considered important for the research that the participants have a depth of experience and qualifications in small business development. The interviews called for participants to express their views on the most appropriate avenues for the development of small business and to also speculate on their clients’ views, attitudes and expectations. For this reason it was essential that each participant have a deal of experience in providing one-on-one guidance and training to individuals and groups in the start-up and intending segment of the small business sector.
Given that many regional business enterprise centres employ only one or two business facilitators it was more appropriate to use a qualitative approach. It was also necessary to limit the selection of participants to those that have sufficient experience in the sector to provide informed comments. While this may result in some bias, the triangulation of the qualitative client interviews and focus groups data with the survey findings is expected to have overcome any potential bias. In these circumstances it is felt that the approach is sufficiently robust.

3.3.2.2 Data collection

An interview protocol was developed to cover the issues that emerged from the review of the literature relating to the research topic. The main issues covered in the interviews corresponded to the factors identified. These factors are reflected in the following issues that correspond closely to the questions included in the protocol:

- The use of business advisors and trainers by the business and the business owner.
- Initial reasons for the use of these advisors and training opportunities.
- The extent to which one-on-one guidance services have impacted on the business owner and the business.
- The extent to which training services have impacted on the business owner and the business.
- The way in which the services have benefited or hindered the business.
- How the services provided by the Business Advisory Services Program compare with other services accessed.
- The use of online information and training.
- The one service provided that is considered the most important service for small business intenders and start-ups, and why.
The extent to which the most beneficial services change over time, perhaps impacted by the stage of the business or the profile of the business owner.

The current and future use of business advisors and training opportunities.

In all but one case the key informant was the Executive Officer of the business enterprise centre, who was also the primary business facilitator and trainer. In the case of the Sydney Business Advisory Service, the interviewee was the key business facilitator for the Eastern Suburbs Business Enterprise Centre. This was necessary as the Executive Officer of the organisation had had little direct client contact during the last five years and it seemed reasonable to conclude that a richer source of information may be found in one of his senior business facilitators.

The Executive Officers were approached by telephone by the researcher, who provided a concise overview of the research project and indicated the type of assistance being sought. The interviews were held in the offices of the organisations involved, and generally lasted for approximately an hour each, some extending a little longer. A semi-structured interview procedure was used, based on the protocols discussed above, but flexible in approach to allow further questions to be asked where responses indicated that follow-up questions might elicit additional information. The interviewees were asked if they were prepared to allow the interviews to be taped and were advised that the recordings were to be used to analyse the information provided. All the interviews were conducted in person at the primary office of the appropriate business enterprise centre.

The development of appropriate interview questions is crucial in obtaining credible data, especially during initial interviews (Kline, 2008). To this end, a series of draft questions was developed on the basis of the interviewer's knowledge of, and experience in, small business development. This draft list included questions about the various services known to be delivered by Business Enterprise Centres and the views of some industry professionals gleaned through several years managing the Business Advisory Service in New
South Wales. This list of questions was discussed with two senior staff of Trade and Investment NSW. As a result of these consultations, a number of changes were made prior to finalising the research questions.

Kline (2008:214) notes that ‘the extent to which researchers’ assumptions form the content of interview questions defines whether questions are open and exploratory or limited in their potential to discover new and possibly unanticipated information’. In this regard, the questions were initially developed to be open and exploratory; however, as the interviews progressed there was a tendency for the researcher to be more focussed in questioning.

This was of initial concern because overly focussing participants’ responses ‘limit their responses and primarily serve to confirm researchers’ assumptions’ (Kline, 2008:214); however, as the researcher has a detailed knowledge of many of the issues involved, and a long history of working in the sector, it was considered reasonable to conclude that some initial data had already been collected and analysed, leaving the way open for more focussed questions based on prior feedback from industry professionals and not on the researcher’s assumptions. As noted by Lincoln and Guba (1985), focussed questions based on data already collected from participants might be used to develop more thickly described concepts, which is the case in this research.

The interviews were recorded on a tape recorder with the consent of the participants. They were then transcribed into separate Word documents. The texts of the transcripts were then loaded into NVivo 8 software. The material was analysed and coded into a number of categories. These categories were further analysed and a range of findings established.

3.3.3 Interview with clients

3.3.3.1 Selection of the participants

Interviewees were selected by the relevant business enterprise centre. This process involved the business enterprise centre identifying those clients that had experienced both a one-on-one guidance service and small business
training opportunities provided through the Business Advisory Services Program.

3.3.3.2 Data collection

The relevant clients were contacted by the business enterprise centre and asked to nominate themselves to be interviewed. Once a list of interested clients had been developed, a random selection of clients from that list was asked to participate. The random selection of willing participants was assured through a blind selection process. An interview protocol was prepared similar to the one prepared for the business facilitator interviews.

3.3.4 Focus groups

3.3.4.1. Selection of participants

As with the client interviews, focus group participants were identified by expression of interest, a process managed by the relevant business enterprise centre under the supervision of the researcher. Potential participants were selected by the relevant business enterprise centre. This process involved the business enterprise centre identifying those clients that had experienced both a one-on-one guidance service and small business training opportunities provided through the Business Advisory Services Program.

The relevant clients were contacted by the business enterprise centre and asked to nominate themselves to be part of the focus group. Once a list of interested clients had been developed, a random selection of clients from that list was asked to participate. The random selection of willing participants was assured through a blind selection process.

3.3.4.2 Data collection and analysis

A one hour session was conducted for each focus group. These sessions were video and audio recorded, transcribed, and analysed using NVIVO software.
3.3.5 Truth

Fundamental to pursuing truth is to start with a question, rely on intellectually sound techniques and methods to answer it, and report the answer, whatever it may be. The question and even the kinds of evidence brought to bear may be shaped by values. But in truthful research, the answers are what they are, regardless of the researcher's point of view.

Bridges (1999) describes five theories of truth: correspondence, coherence, ‘what works’, consensus, and warranted belief. From these five theories, two possibilities have been suggested. A statement can be described as true either on the basis of its alignment to some independent reality, or on the basis of its place in the network of subjective human needs - social, ideological, political, practical and individual (Radford, 2008).

According to Pring (2000), only those making objective claims can argue truth. Those taking Radford’s latter position may ‘speak of the truth of a statement, but this is relative to a particular circumstance, and there may be different truths depending on the circumstance, or there may be no such thing as truth at all, merely a variety of human constructions that exist within a sea of possibilities’ (Radford, 2008:148).

It is on this backdrop that the capacity of qualitative research to discover truth must be analysed. However, this ‘truth’ is not always easily represented in research findings. A number of hurdles need to be cleared before a qualitative research project can be accepted as approaching ‘truth’. While this researcher acknowledges the existence of the universal and objective truths described by Ping (2000), the research relies on the subjective and time limited truth described by Radford (2008).

3.3.6 Reliability and validity

Reliability and validity are generally accepted as playing key roles in the evaluation of rigor in research (Nunnally, 1978); and while quantitative researchers spend considerable time on these concepts, it has been suggested
that they have a somewhat uncertain place in qualitative research (Armstrong, 1997).

While some researchers argue that reliability and validity are grounded in a different paradigm to the qualitative researcher, others have maintained their importance in ensuring the merits and achievements of quality qualitative research (Borman, LeCompte, & Goetz, 1986).

### 3.3.7 Credibility, transferability, dependability and confirmability

Some commentators have proposed to use alternative terms and ways of assessing qualitative research, such as credibility, transferability, dependability and confirmability (Denzin & Lincoln, 1994).

- **Credibility** is defined by Guba and Lincoln (1989) as being parallel to internal validity. It focuses on establishing an alignment between the constructed realities of respondents and those realities represented by the researcher.

- **Transferability** is considered by Crawford et al. (2000) to be parallel to external validity in quantitative research. It is measured on the degree to which salient conditions match.

- **Dependability** is a criterion which is considered by Sinkovics et al. (2008) to be equivalent to reliability, and is concerned with the stability of the results over time.

- **Confirmability** is what objectivity is to quantitative research. Researchers need to demonstrate that the data and analysis are sourced from circumstances outside of the researchers’ own imagination, and are coherent and logically assembled (Ghauri, 2004).

Merton (1949) concluded that good scientific research requires explicit, codified, and public methods to generate and analyse data. The procedures and methods are meant to be public. If the procedures and methods are not clear, others have no way of judging the validity of what will be done. Learning from
applied methods or attempts to arrive at similar results requires transparent processes (King, Keohane, & Verba, 1994).

Lincoln and Guba (1985) emphasize that researchers need to do 3 things to generate compelling findings:

1. Provide sufficient information about participants and settings to allow readers to make judgments about the applicability of findings to their own settings.

2. Use effective data collection and thorough analytic techniques to establish their diligence and persuade readers that their research will have produced credible findings.

3. Demonstrate the consistency of data and findings using techniques such as audits, triangulation procedures, and reflexive journaling.

3.3.8 Rigor

More recently, Rolfe (2006) emphasised procedural rigor as an appropriate standard for judging the quality of qualitative research. Tobin and Begley (2004:390), described rigor as ‘the means by which we show integrity and competence; it is about ethics and politics, regardless of paradigm’.

Fossey et al. (2002:723) stated that ‘criteria for evaluating the quality of qualitative research include criteria concerned with good practice in the conduct of research (methodological rigor) as well as criteria related to the trustworthiness of interpretations made (interpretive rigor)’. Poppenpoel and Myburgh (2005) maintain that the concept of coherence must also be considered when assessing the quality of qualitative research. Coherence means that ‘the entire research project (including the purpose and research question, interview questions, data collection methods, analysis, and presentation of results) utilizes a consistent epistemological perspective’ (Kline, 2008:212). Kline (2008) notes that the combination of trustworthiness, methodological rigor, analytic rigor, and coherence constitute presentational rigor. Presentational rigor means that authors establish that they are competent to use a particular approach. In presenting findings, researchers need to
balance the presentation of the analytic process and the discussion of results (Kline, 2008).

The combination of rigor and the establishment of a researcher’s competence provides support to the perception that the research will have established what Parse (2001) describes as ‘truth for the moment’. This research highlights the need for rigor in the conduct and presentation of qualitative research. It has been conducted with sufficient rigor to deliver a set of findings which approach ‘truth’ in relation to the Business Enterprise Centres in New South Wales, as perceived by the business facilitators and clients interviewed and at the time the interviews were conducted. The research establishes a number of reasonable findings which provides a contribution to current thinking on small business development and which may be built upon in future research projects.

3.3.9 Data analysis

Stromquist (2000:142) points out that ‘interviewing people means assessing their views and capturing the nuances of their statements’. Many of the comments made will not be able to be reduced to a single idea, therefore coding of comments will often be a multi-coding exercise. Nevertheless, as the analysis of data continued, it became easier to accurately code ideas and comments, using both the written word and the memory of the actual interviews.

The software used to assist with the analysis of the data was NVivo, a qualitative analysis tool designed to analyse information from non-numerical data, particularly data dealing with human behaviour. NVivo allows analysis of unstructured data, such as free form survey results, audio/video recordings and text documents. It has applications in a number of broad fields, including business. The software was used to develop themes from the data collected by coding comments to individual or multiple nodes (or topics), before analysing the themes and using the comments in each theme. This information, while of interest in itself, was also used to inform the development of the survey questions.
Quotes were selected based firstly on the themes developed across all interviews and focus groups. Based on the work of Corden and Sainsbury (2006), each quote was identified because of its ability to provide:

- context and evidence;
- explanation and illustration;
- richness and depth to the discussion;
- a variety of ‘voices’, with their own nuances and language;
- confidence in the findings;
- ease of reading; and
- help in conveying the message.

Once coding of ideas was complete, the findings were written up, ensuring sufficient participant quotations so that reviewers and readers would be able to judge the consistency of the data and findings, as suggested by Corden and Sainsbury (2006). Every effort was made to compare and contrast the findings with the current theoretical and research literature as suggested by Kline (2008). In addition, the findings have been described in terms of trustworthiness and other quality standards, followed by a discussion on the implication of the research. It has been argued that ‘qualitative research is not designed to be conclusive; rather, it is a stimulus for ongoing conversation’ (Kline, 2008:216). The quantitative component of the research forms part of that ongoing conversation.

3.4 Quantitative component

3.4.1 Overview

Quantitative research is the investigation of data and its relationship to other data or pieces of information. The objective of quantitative research is to develop and employ statistical models, theories and/or hypotheses in regard to a particular population (Simon, Oczkowski, Morrison, & Jarratt, 2008). Quantitative research is widely used in both the natural sciences and social sciences, from physics and biology to sociology and journalism. It is often a process that evolves over time, where evidence is evaluated, theories and hypotheses refined, technical advances are made, and so on (Garson, 2009).
As outlined in the research design Section, quantitative data was collected via an online survey (Appendix H). The survey, developed in an online research tool called Survey Monkey, was promoted by the New South Wales Department of Industry and Investment, and the majority of Business Enterprise Centres in New South Wales. The survey link was distributed to approximately 3,000 recent clients of the Business Enterprise Centres. While 223 clients began the survey, analysis was undertaken using data from 117 completed surveys. Details of the data cleaning process are described in Chapter five.

In order to get a good response from the widely-distributed survey, the questionnaire was designed to be completed easily in a few minutes. A Likert scale was used for all questions in the survey. As with other branches of science, a rigorous approach needed to be taken to the design and execution of the survey. Achieving an adequate and representative sample was an important issue, because surveys are particularly reliant on the willingness of the informants to take part. The survey questions were short and few in number to maximize the response rate. Following the development of the draft survey, a pilot test of the online survey was conducted. Three small business owners in Orange NSW were asked to complete the online survey. All reported satisfaction with the use of the survey and the data collected from the pilot was determined appropriate for the large scale. No amendments were required.

3.4.2 Population and sample size
In each year of the Business Advisory Services Program, approximately 20,000 one-on-one guidance services are provided to approximately 10,000 intending and start-up business owners, many receiving multiple services. Of these, approximately half also undertake some form of small business skills training delivered through the Business Advisory Services Program.

In 2011, the number of Business Enterprise Centre clients that experienced a guidance service and a training service is estimated to be 5,000. The survey link was received by approximately 3,000 individuals. The distribution to such a large number of individuals was done for a number of reasons, namely:
• To gain the broadest possible picture of the current views of the clients.

• The non-response rate was expected to be quite high, despite a follow-up email four weeks after the initial promotion.

An effective and reliable response was expected because:

• The simple Likert scale model means that valuable information can be obtained with minimal analysis of the data.

• The researcher had a close working relationship with all the Business Enterprise Centres involved and was granted access to their databases for the promotion of the survey.

• The researcher, as an employee of the New South Wales Department of Industry and Investment, was able to secure the support of the Department in promoting the survey. It was felt that this would result in a good response rate.

Despite these factors the response rate was not as high as originally anticipated. As detailed in Section 5.3, 232 individuals commenced the survey, but 43 of these failed to submit.

While higher response rates are often better, there is no acceptable response rate, as such. In fact, more important than response rate is the representativeness of the sample (Deutskens, De Ruyter, Wetzels, & Oosterveld, 2004).

The survey response was considered acceptable because the number of responses was above 100 and because it was a random sample of the population. Another factor influencing the acceptance of the responses is the mixed method approach used. The triangulation of the findings of both the qualitative and quantitative phases of the study reassured the researcher that the survey data was representative of the population. Utilising multiple data collection methods leads to an acceptance of reliability and validity when the
data from the various sources are comparable and consistent (Golafshani, 2003).

### 3.4.3 Administering the survey

A link to the online survey was distributed to the clients of each funded business enterprise centre in New South Wales via email. A covering letter, supported by the logos of Charles Sturt University, the New South Wales Department of Trade and Investment, and the relevant business enterprise centre was included. That letter invited participation in the survey.

After a four week period, a follow-up email was sent to all clients. Response rates were monitored and a closing date, approximately six weeks after the initial promotion, was observed.

### 3.4.4 Key informant

The questionnaire targeted those individuals that experienced the services provided through the Business Advisory Services Program. The informants were intending or current owners and managers of small businesses in New South Wales. These individuals were considered to have knowledge of the information sought, and the information provided by them was considered more reliable than information from the general public or any other cohort.

Survey data collected was subject to the analysis outlined in Figure 3.2.

### 3.4.5 Justification for the use of the analysis techniques

The survey instrument for this phase of the study was an online questionnaire. Five-point Likert-type questions were developed from the literature and the findings of the qualitative phase of the study.

### 3.4.6 Likert scale data

While many researchers consider Likert-scale data to possess only ordinal qualities, leading research studies obtain measures such as means and standard deviations from Likert-scale data (Carifio & Perla, 2007; Norman, 2010).
Sometimes the use of various parametric methods such as factor analysis and analysis of variance is considered flawed because the data may not be normally distributed, or the data are from Likert scales. However, Norman (2010) shows that many studies, dating back to the 1930s consistently show that parametric statistics are robust with respect to violations of these assumptions.

Figure 3.2: Procedure of analysis of quantitative data – developed for this research

<table>
<thead>
<tr>
<th>Data cleansing</th>
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<tbody>
<tr>
<td>Deletion of cases with missing values</td>
<td>Replace missing values</td>
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<tr>
<th>Test for normality</th>
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<tr>
<td>Skewness</td>
<td>Kurtosis</td>
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<tr>
<th>Descriptive analysis</th>
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<tbody>
<tr>
<td>Standard deviation</td>
<td>Mean</td>
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<table>
<thead>
<tr>
<th>Factor analysis</th>
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<tr>
<td>KMO, Bartlett</td>
<td>Reliability</td>
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<table>
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<th>Correlation analysis (ANOVA)</th>
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<td>Levene’s</td>
<td>Tuckey/Games-Howell</td>
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</table>

| Results and discussion |  |

Likert scales are often called summative scales (Hair, Black, Babin, Anderson, & Tatham, 2006). Responses to several Likert questions may be summed, providing that all questions use the same Likert scale and that the scale is a defendable approximation to an interval scale, in which case they may be treated as interval data measuring a latent variable. If the summed responses fulfill these assumptions, parametric statistical tests such as the analysis of variance can be applied (Lubke & Muthén, 2012).
Whether individual Likert items can be considered as interval-level data, or whether they should be considered merely ordered-categorical data is the subject of disagreement. One concern has been that the 'distances' between points on a Likert scale are not equal, for example the 'distance' or 'difference' between a strongly disagree and disagree is not the same as the difference between disagree and neutral (Dawes, 2008). Often the wording of response levels clearly implies symmetry of response levels about a middle category. Further, if the item is accompanied by a visual scale, where equal spacing of response levels is clearly indicated, the argument for treating it as interval-level data is even stronger (Lubke & Muthén, 2012).

The survey instrument for this study used a visual scale that suggested symmetry around a middle category. In addition, analysis was undertaken on summed responses. For these reasons, the use factor analysis and analysis of variance was considered appropriate.

### 3.4.7 Factor analysis

Factor analysis differs from dependence techniques. In factor analysis, all variables are simultaneously considered with no distinction as to dependent or independent variables’ (Hair, et al., 2006:109). While factor analysis still employs the concept of the variate, the variates are formed to maximise their explanation of the entire set of variables, not to predict a dependent variable.

Hair, et al., (2006:117-118) identify two ways of conducting factor analysis, common factor analysis and principal component analysis. The selection of one method over the other is based on two criteria: the objectives of the factor analysis, and the amount of prior knowledge about the variance in the variables (Hair, et al., 2006:117).

‘Principal component analysis is most appropriate when:

- Data reduction is a primary concern, focusing on the minimum number of factors needed to account for the maximum portion of the total variance represented in the original set of variables, and
Prior knowledge suggests that specific and error variance represent a relatively small portion of the total variance’ (Hair, et al., 2006:118).

It is noted that ‘considerable debate remains over which factor model is the more appropriate’ (Hair, et al., 2006:119). However, ‘in most applications, both principal component analysis and common factor analysis arrive at essentially identical results’ (Hair, et al., 2006:119).

In this study, principal component factor analysis is used because data reduction was of primary concern and knowledge of the data suggested that specific and error variance represent a small portion of total variance.

3.4.8 Analysis of variance ANOVA

One-way analysis of variance (ANOVA) using SPSS software was used. The ANOVA procedure requires the assumptions that each of the groups in an independent random sample is from a normal population and that in the population, the variances of the groups are equal (Wickramasekera & Bamberry, 2001). Tests were conducted to ensure that these assumptions were met, including the Levene test for homogeneity of variance (Norusis, 1993).

3.4.9 Data analysis

Likert (1932) introduced a technique for attitude measurement in which an individual is presented with statements that are essentially value judgements. The value judgements may concern the individual's reflections of reality or the individual’s feelings, wants, and desires.

Likert scales are commonly used to measure attitude, providing a range of responses to a given question or statement. Popular applications are in the assessment of customers’ quality perceptions or expectations, and of subjective well-being.

One of the drawbacks with the use of the online survey is that the data collected did not provide information about each informant’s motives or intentions.
However, much of this information was collected during the qualitative phase of the research.

The data collected through the Likert scale survey was analysed as follows:

- A demographic profile was produced for the sample.
- Significant associations between variables were examined.
- Responses to individual variables measuring attitudes were examined.
- The extent to which variables with common Likert response categories formed groupings was examined.
- The study used a simple ordinal methodology for the analysis of the survey data.
- Using analysis of variance (ANOVA), the associations between aspects of the demographic profile and Likert scores were examined.

Analysis of variance is used to determine whether data from two or more groups come from populations with equal means (Hair, et al., 2006). Analysis of variance involves one dependent variable at a time. It allows a researcher to test hypotheses regarding the effect of one or more independent variables on two or more dependent variables (Garson, 2009).

Analysis of variance is used to see the main and interaction effects of categorical variables on dependent interval variables (Hair, et al., 2006). It tests the differences in the vector of means of the multiple interval dependents, for various categories of the independents. A researcher may perform planned comparison or post hoc comparisons to see which values of a factor contribute most to the explanation of the dependents (Garson, 2009).

According to Garson (2009), analysis of variance is extremely sensitive to outliers. Outliers may produce errors and give no indication as to where the error is occurring in the analysis. The way in which outliers have been dealt with is detailed in Chapter five.

The data used for this analysis were selected because they provided a direct insight into the perceptions that clients have of the benefits of the Business
Advisory Services Program. The intention has been to identify the demographics that benefit most from their interaction with the service.

### 3.5 Stages in the study

Data collection for the study was conducted over a period of four months, commencing in February 2011. Figure 3.3 shows the timing of each stage of data collection.

Figure 3.3: Stages in the study

<table>
<thead>
<tr>
<th>Week Commencing</th>
<th>Finalise Protocols</th>
<th>Interviews and Focus Group (Orange)</th>
<th>Interviews and Focus Group (Queanbeyan)</th>
<th>Interviews and Focus Group (Sydney)</th>
<th>Interviews and Focus Group (Newcastle)</th>
<th>Interviews and Focus Group (Armidale)</th>
<th>Interviews and Focus Group (Broken Hill)</th>
<th>Transcription &amp; Analysis</th>
<th>Finalise Survey Design</th>
<th>Commence Online Survey</th>
<th>Follow-up Survey Invitation</th>
<th>Online Survey Closes</th>
<th>Survey Results Analysis</th>
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- Qualitative Phase
- Quantitative Phase

### 3.6 Ethical considerations

Ethical issues were taken into consideration as part of the research design. Issues that were considered include the collection, description, and analysis of the data collected from the interviews and focus groups.
In relation to the interviews and focus groups, written permission was sought from key informants to use the data collected in the thesis. Permission was sought to use a tape recorder to record the interviews, and a tape recorder and video recorder to record the focus groups. The interviews were confidential and undertaken with the consent of the participants.

When informants indicated that they would be providing information ‘off the record’, the tape recorder was turned off. In addition, any sensitive financial information was not recorded. Interview and focus group participants have been referred to on a first name basis only. In relation to the survey, a statement appeared on the online survey indicating that submission of the survey is viewed as the giving of informed consent.

There was minimal risk to the participants and the subject matter was low risk. The identity of participants has been kept confidential and reassurances were provided to ensure the comfort of the participants. Individuals’ names and business names have not been used in the study. Data is securely stored on a password protected personal computer. All data will be destroyed after 5 years.

### 3.7 Review of the methodology

A research method is the specific procedure used to answer a set of research questions. This study used what is called a mixed method, relying on a mixture of both qualitative and quantitative techniques. Qualitative approaches rely more on observation and interpretation, while quantitative methods focus on data collection and analysis. The mixed method approach proved appropriate in answering the research questions. It provided the opportunity of triangulating the findings of the two sub-methods, each one providing support for the other. As the research sought to both understand a phenomenon and seek to describe a phenomenon, the mixed method was well suited to the study.

Data gathered during the qualitative phase of the study is of a high standard. Interviews with business facilitators and clients of business enterprise centres revealed a number of themes which proved valuable in developing the online survey. In addition, the focus groups were valuable in drawing out further
specific themes and clarifying issues in a group setting. The quality of the survey responses was satisfactory, with 117 complete sets of responses used in the analysis. These techniques generated a significant amount of data which were analysed to produce quality information. Nevertheless, the quality and amount of data collected may have been improved using the following techniques:

- A second round of follow-up emails and phone calls to prospective survey informants.
- A shorter survey with more targeted questions.
- The use of a larger number of informants during the qualitative phase of the study. While the number of informants is considered adequate, larger numbers may have resulted in the development of additional themes.

The analytical techniques used are considered appropriate in the circumstances; the use of NVivo for the analysis of the qualitative data provided for the development of a good range of themes, and the ANOVA technique used in the quantitative phase of the study was successful in answering the research questions. However, if the research was to be conducted again the study may benefit from the use of multivariate techniques. In addition, future studies may benefit from the use of case studies and action research, which may provide greater explanation of the benefits of small business advisory services.

3.8 Conclusion

This Chapter has described and justified the design and methodology used in the study. The research design is described as a ‘mixed method’ type, and in this case the predominant approach is qualitative, complemented by quantitative approaches that allow for triangulation of the research. The qualitative aspect involved the collection of primary data from interviews and focus groups. The quantitative approaches involved the use of a simple Likert scale online survey.
This Chapter began with an overview of the reasoning behind the selection of the methodology, including the reasons for choosing the locations and informants. The Chapter provided an outline of the stages in the study, and a discussion of the ethical issues taken into consideration.

The next Chapter outlines the analysis of the data collected in the qualitative phase of the study.
Chapter 4: Analysis of qualitative data
4.1 Introduction

This Chapter presents the findings from phase one of the research. Seven major themes and eight associated themes were identified from the semi-structured interviews and focus groups in phase one. These are detailed and discussed in Section 4.2. The findings from the qualitative phase of the research are summarised in Section 4.3.

4.2 Results of phase one

Qualitative data were obtained in phase one from semi-structured interviews with six Business Enterprise Centre clients, five Business Enterprise Centre business facilitators, and five focus groups, comprising a total of 25 participants.

Seven major themes and eight associated themes were identified from the transcripts, with related Sections in this Chapter identified in brackets:

- Core reasons for using a Business Enterprise Centre (4.2.1)
  - the provision of non-biased advice (4.2.1.1)
  - service cost (4.2.1.2)
  - trust of the service and of the Business Enterprise Centres (4.2.1.3)
- The importance of one-on-one (face to face) guidance (4.2.2)
  - mentoring (4.2.2.1)
- Psychological and emotional support provided by the service (4.2.3)
- The overall impact the service has on business owners and their small businesses (4.2.4)
  - the ability of the service to deter potential business failure (4.2.4.1)
  - the impact the service has on the speed of start-up (4.2.4.2)
- The internet and small business services (4.2.5)
  - Business Enterprise Centres as information filters (4.2.5.1)
- The ways in which the services could be refined (4.2.6)
  - the Business Enterprise Centres’ relationship with other service providers (4.2.6.1)
The themes are discussed individually below, with responses from the interviews and participants of the focus groups used to illustrate the themes, provide context for the findings, and to emphasise the nature of the participants’ responses.

The respondents are identified using the following key:

<table>
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<tr>
<th>Key</th>
<th>Description</th>
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<tr>
<td>BF</td>
<td>Business Facilitator – an employee of a Business Enterprise Centre that provides one-on-one guidance.</td>
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<td>C</td>
<td>Client – a client of a Business Enterprise Centre that has received training and one-on-one guidance services.</td>
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<td>FG</td>
<td>Focus Group – a member of a focus group. All focus group participants are clients of a Business Enterprise Centre and have received training and one-on-one guidance services.</td>
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<td>M</td>
<td>Metropolitan – a participant that received services and operates a small business in greater metropolitan Sydney or Newcastle.</td>
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<td>R</td>
<td>Regional &amp; Rural - a participant that received services and operates a small business in a major regional centre or a rural area.</td>
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<td>1, 2, 3, etc.:</td>
<td>Where more than one individual with the same identifying key is quoted in any theme or associated theme.</td>
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Therefore, a client interviewed in Sydney is referred to as CM, a business facilitator interviewed in a major regional centre will be referred to as BFR, a focus group participant in Newcastle will be referred to as FGM, etc. A second business facilitator interviewed in a major regional centre will be referred to as BFR2, the first as BFR1. These identifiers are placed in brackets after each quote.

**4.2.1 Core reasons for using a business enterprise centre**

**4.2.1.1 Non-biased advice**

Many of the participants in both the interviews and the focus groups voiced the opinion that the Business Enterprise Centres provide less biased advice. A
number of participants drew a distinction between the perceived motivations of the Business Enterprise Centre compared with those of the major banks, accountants, and legal advisors:

Yeah I kind of don’t like the banks. I think they try and do the hard sell and I think it’s only just to benefit them as such. Whereas, yeah I find this is quite independent. (CM)

... a lot of the people, if you go and talk to a solicitor or accountant, the advice is yes you need my service and I’ll make an appointment and so forth. But you feel you’ve been hooked in or then forced into a situation that’s going to cost you big dollars. But you can come here, you get neutral objective advice. (FGR)

The business facilitators were also united in the perception that the Business Enterprise Centres provide less biased advice. Every one of the five business facilitators interviewed commented, with some pride, on this aspect of their service.

They (the clients) see the BEC being a community based non-profit organisation as an honest broker. (BFR1)

Well the most important thing to me is confidentiality and impartiality. (BFM)

Sitting it alongside the sort of conversations that might take place with an accountant or a solicitor, I think it’s this ability to just chat, no time constraint, no pressure, non judgemental, just a sort of guided conversation. (BFR2)

Many participants viewed other service providers with a degree of suspicion, claiming they felt that they were being sold a particular service (in the case of accountants and legal advisors) or product (in the case of the banks) rather than being assisted with their individual concerns.

I had an accountant but he was purely motivated by money at the end of the day. (CM)
The services provided by the business enterprise centres are viewed as being less biased and not tainted by a commercial or political agenda. This aspect of the service was universally acknowledged and highly regarded.

4.2.1.2 Cost

Many of the services provided by the Business Enterprise Centres, particularly those subsidised through government funding, were provided at low cost or at no cost at all to the client. These services include the provision of general small business information, one-on-one guidance services, and many of the small skills training programs.

This aspect of the service was highlighted by a large number of clients and business facilitators as being an important reason for using the service.

*When they first start-up, the attraction, two attractions, the security of a government support, therefore they see why it's free if you like. We find it most things that are free, particularly on the Internet, are there because they’re trying to sell you something.* (BFR1)

The clients were more focussed on this aspect of the service than the business facilitators. While many of the business facilitators noted the no cost or low cost nature of the service, the clients that commented on this aspect of the service were more forceful in their opinions, drawing on personal experience to highlight their feelings. On several occasions clients became quite emotional when discussing financial issues, emphasising the impact this aspect of small business has on many.

*I think the free really cements it with coming here; knowing that you get that support and it’s like not being charged.* (CM)

*I wouldn’t have, it wouldn’t have got this far if I’d had to have paid for it.* (CR1)

... and it didn’t cost anything, being a small business that really, that helped, and I needed to get the information from somewhere. (CR2)
Focus group members also identified the no cost and low cost nature of the service as being a major drawcard. One regional focus group participant, when asked about their motivation, replied:

*It’s free. (FGR)*

*I would find it difficult to pay for it at this stage with our business; we would find it very difficult to pay for any sort of information like this. (FGR2)*

In a following Section, the psychological and emotional support provided by the service is discussed. The importance of cost in relation to the emotional stress involved in small business was highlighted by a number of participants.

*I think from a psychological point of view and from a reassurance point of view, it is a very important service in the sense that you could just walk in and say look I’m just completely busted, I just have no idea what to do. (FGR)*

This aspect of the service is of particular relevance to the research, because while many business enterprise centres operate without government financial assistance, those receiving grants and other contract funds are able to provide services which are subsidised, allowing them to provide inexpensive or no cost services.

Many of the participants noted their inability to access commercial advisory and training services due to financial constraints. Publicly-funded services are viewed as essential by these individuals because the alternative for them is to either not start a business, or gather free information from a variety of other sources including the internet, and family and friends.

4.2.1.3 Trust

The information, guidance, and training provided through the business enterprise centres are trusted by their clients. Many of the participants mentioned trust as a reason for clients visiting and continuing to visit a business enterprise centre.
I think it’s trust. The confidential close meeting is important, they know it’s confidential; we don’t give it to the government departments. (BFR)

It was basically just really helpful because he seemed like really honest and really genuine. (FGR)

This aspect of the service is closely linked to the less biased nature of the service and the ability of the service providers to spend a deal of time on multiple occasions with a client due to the subsidised nature of the services.

Clients and business facilitators alike felt that the trust generated through the relationship between client and business facilitator was strengthened over time, and that this trust was not replicated through relationships with other service providers.

And people sometimes find it really hard to go into establishments where they think that people are going to talk all this jargon to them and they’re not going to be able to understand, like maybe banks or other institutions. (FGR)

Well the commercial organisations are there to make a profit out of the services they provide. The BEC they’re happy for anyone to walk in the door and ask them questions and sit down and have a quite personal interview about what you want to do and how you want to go about it, and you know it’s not going to go any further than that room. (FGR)

4.2.2 The importance of one-on-one (face-to-face) guidance

In recent years, the NSW Government has reduced funding through the Business Advisory Services Program and has reallocated funds to the development and maintenance of a small business website. While the issue of internet services is addressed in a later section, the reallocation of funds has resulted in a reduction in the number of one-on-one guidance services delivered through business enterprise centres across the State, particularly in metropolitan areas.

The research indicates that one-on-one (face-to-face) advisory services are considered invaluable by both the business facilitators and clients. The personal interaction is considered crucial in the development of trust. It provides the
opportunity for the business facilitator to individualise advice, understand the specific needs of the client, interpret difficult or complicated concepts, and provide tailored suggestions.

... they need somebody to sit down and actually go through it with them, face to face. (BFR)

I strongly believe one-on-one advisory is critical as a service. (BFM1)

So a lot of people that we see, sure the information is on the web but they don’t know where to look. And they don’t know how to interpret that information. (BFM2)

Clients considered the one-on-one service as the cornerstone of their experience. The relationship forged through personal contact allowed for issues to be discussed in a very specific manner, individualised to the clients’ particular circumstances. Many clients expressed the relief they experienced after speaking with a business facilitator. These clients had undertaken some personal research, but found that experience quite frustrating.

I do love the one-on-one service. Psychologically, the encouragement that you get, the relief that you are doing the right thing or they can steer you in the right direction or say no, I don’t think you should do that. (CM)

It was the one-on-one facilitation. It was being able to sit down with the one person and to be able to ask all the questions that I had to ask and to have them answered. (CR1)

... you could do market research, but what’s better than speaking to people and having that personal contact. (CR2)

Well there’s a million books there you can buy for example, they’re all trying to flog you a book these days. But it wasn’t what I was after. I was pretty much trying to find someone I could deal with direct and sort of coach me. (CM)

A number of clients identified the problems they experienced with personal research. Many felt that their specific questions were not answered in business books or on business websites, leaving them with feelings they had wasted their
time in gathering general information that was not going to immediately benefit them.

*I think that there’s one thing that will never change in this world and that is sitting down and eyeballing someone and having a chat to them, getting direct communication about or a direct answer for a direct question. (CM)*

*So you need someone who’s going to sit you down and go these are the questions you need to answer, bang, bang, bang, bang. That personal contact is really important. (FGR)*

4.2.2.1 Mentoring

Closely linked to one-on-one advice is mentoring. Many clients noted the important role played by business facilitators in addressing the entire person in a holistic manner, rather than dealing with specific business issues such as financing, marketing, or start-up procedures. They saw the service as providing practical expertise, and expressed confidence in the coaching role adopted by many of the business facilitators.

*So I often think the advice that many of the old hands can give is, can save hundreds, thousands of hours of effort and wasted money. (BFR)*

*I think what comes in here is the mentoring that you get from the BEC and the support, you don’t get that from the Internet really, a one-on-one mentor. And that’s invaluable to me. (CR)*

*I guess it’s their experience as well; a lot of them had a business or have worked within a business. (FGR)*

Clients view the business enterprise as something more than providing information and generic training. This personal approach was mentioned by many participants and is considered extremely important.

*So it’s not just the figures, it’s not just the practicalities of setting something up, it takes into consideration you as a whole person, how you attract business and how that is beyond black and white sort of strategy. (FGR)*
4.2.3 Psychological & emotional support

Business facilitators were eager to voice opinions on the important role their services play in providing emotional and psychological support to clients. They deal with a wide range of clients, and often experience situations where clients are facing financial stress, emotional turmoil, domestic unease, or a lack of confidence.

*The other thing is that they (clients) also use the BEC numerous times, sometimes just to kick the cat when things went wrong, sometimes to celebrate when things went right, and other times just for reassurance.* (BFR)

*The people that don’t utilise support services, be it the BEC, be it their local Chamber of Commerce, be it using professional services, tend to get very frustrated in themselves because they don't have any, they don't have an outlet to be able to share that.* (BFR)

*She came in almost in tears yesterday and I had to give instant advice because she didn't even have an appointment. And that support in that, as I said those first two years of survival, they don’t really know who to go to. The government can’t, I mean they may run a government department but it’s a personal business need.* (BFM)

*I talk about why you would start a business in the first place, what are you trying to achieve? I spend my first part of my BAS consultation on that. And that there is other ways to get what you require that’s not starting your own business. So we look at the psychology of starting a business.* (BFR)

Clients were equally keen to share their experiences of gaining emotional and psychological support from the service. Many clients felt that the personal emotional support provided by the service was the difference between starting and not starting a business.

*Psychologically, the encouragement that you get, the relief that you are doing the right thing or they can steer you in the right direction or say no, I don’t think you should do that.* (CR)

*Very supportive emotionally actually because I really was in a bit of a state, I didn’t know what I was doing.* (CR)
I think because it takes into consideration the holistic, everything, the emotions involved in setting up something new. (FGR)

4.2.4 Overall impact the BEC has on clients

4.2.4.1 Deters business

While the expressed aim of the Business Advisory Services Program is to assist small business development, business facilitators were united in their view that an important aspect of their service was its ability to deter some people from starting some businesses. All business facilitators were able to provide a number of examples in which they had the opportunity to deter someone from starting a business that they considered may have been a failure.

... probably half of the people that we see. (BFR)

I think the measure of the BAS service out there is far greater than just the number of clients that you see. I think in dollar value the number of businesses that are deterred, sorry that we suggest aren’t viable, if you go and look at the economic impact of that on the New South Wales economy, if those businesses went ahead and then went bankrupt. (BFR)

This issue was raised by all business facilitators and provides a potentially interesting avenue for further research in the area, discussed in more detail in Chapter five.

Clients also reflected upon the ability of the service to deter business. Many noted the potential for websites and other providers to promote business start-ups regardless of the risks, whereas the service provided through the business enterprise centres is seen as more realistic in identifying and discussing potential risks.

When people start businesses, like they’ve got to get used to the fact that like it’s a hard road. So I think it’s probably a good thing if they get shut down. (FGR)
If it’s something that’s never going to work, well you can sit down, have an objective talk with someone and take the rose coloured glasses off and then decide whether you’re going to go further with it. (FGR)

4.2.4.2 Speed of start-up

Clients value the service for its ability to speed up the process of researching, preparing, and starting a business. This aspect of the service was linked to both the emotional support provided by the service and the specific information available to the client concerning their own personal situation.

You could be stuck in limbo for a long time. And it would take me so much longer, like it would just be harder, it would be, I just wouldn’t be able to get to where I want to be and would probably take me three years instead of one year. (CR)

For some clients, the impact of the service was far more dramatic. Some clients indicated that they would not have been able to commence the business at all if not for the support of the business enterprise centre.

I personally would have done nothing. I probably would have just stopped a little bit in my tracks. Like I really need support and encouragement to get this going, I've never been in business before. (FGR)

The quantitative phase of this research also highlighted the important role played by the business enterprise centres in encouraging and expediting the commencement of small businesses.

4.2.5 Internet & small business services

As discussed in the previous Section, in 2009-2012 the NSW Government reallocated funding away from face-to-face service delivery through the business enterprise centres and toward the development and maintenance of web-based information and training services.

This research indicates the high regard participants have for the amount of information now available through the internet, while expressing some reservations about the ability of web-based service provision to provide the
same quality of service that is provided by the business enterprise centres through face-to-face contact.

The websites first of all I think have just improved dramatically over the last couple of years; in fact the small biz website at the moment is probably the best it’s ever been. (BFR)

Many people, in fact probably 80% of clients that come to the Business Enterprise Centre have already been onto Google, they’ve already googled a business plan, and then they’ve downloaded one because they know that’s what they’ve got to do, but then they come in and they go OK how do I fill this out, what does this mean. (BFR)

Business websites are well regarded by most participants, particularly with respect to their ability to provide general information; however, intending and start-up small business owners are, in most cases, seeking information and guidance which is specific to their individual situation. Many participants noted that while information was available online, that information often required an explanation or clarification to make the information of specific use.

... they don’t have the ability to put the business plan together just with the information that’s on a website, they need somebody to sit down and actually go through that with them, face to face. (BFR2)

Many clients commented on the importance of human interaction.

I like real people. I much prefer to deal with someone face to face with what I do. There is no way in the world I would understand what they were wanting if I didn’t see them. (FGR1)

Well I’m old school, I like actually to sit down and talk to somebody rather than read sheets of information. (FGR2)

There’s something about interaction for me that’s important. (FGR)

Well I prefer to talk to somebody. The reassurance that you are doing the right thing, I just think it’s invaluable. (CR)
Some clients attempted to identify why the human contact was important to them and to the process.

*I actually think we think that we've got all the answers on the computer and what we don't have on the computer is we don't have creative input.* (CR)

*They (business websites) were good with the, like how to register an ABN and the ABCs but for the more customised advice I guess, they didn't have that.* (FGR1)

Many participants found the internet and individual business websites confusing, and in some cases overwhelming. The amount of information was heralded as a positive on the one hand and denounced as frustrating on the other.

*I find the Internet incredibly overwhelming.* (CR)

*You could read for days on end and by the end of it you've got to start again and read it over because it's just so confusing.* (CM)

*And there's always too much information.* (FGR1)

*Yeah, and you go all over the place and it's a big time waster.* (FGR2)

*When I have a look at the Internet myself, I think that there's too much information just floating around.* (FGR)

In the next Section the importance of the business enterprise centre in filtering information for clients is addressed. Many of the clients felt that while websites provide a large amount of information, they do not necessarily provide a way of synthesising that information. This provides a certain degree of frustration and confusion.

*When you go on a business planning website or whatever, it's hard to know what's the important bits and what's the things that you can probably not worry about yet.* (FGR)
It (the internet) is really about your own capacity or the capacity of the group around you to actually filter that information to pin down where you go looking. (FGR)

4.2.5.1 The service as an information filter

The services delivered by the business enterprise centres provide information, but also provide a means by which that information can be explained and conceptualised, allowing it to be used in a specific context.

Business facilitators described the common event of clients coming into meetings with pages of questions about items they had found in books and on websites, and forms they thought they might need to lodge with a government agency. Business facilitators highlighted the important role they play in cutting through much of the confusion which exists in the intending and start-up phase of a business.

We try and help them, turn it back to their language so they understand what they may need to do, but in plain English. (BFM)

Having someone explain it or explain where to go, identifying the problem in a nutshell, then they go great, that’s fantastic, now we can move forward. (BFR)

They know they have a problem, they just don’t know how to express it. So not knowing what they don’t know is I think the biggest issue. (BFR1)

We just have to clarify, sometimes confirm what they thought, but often clarify what is important to them and what isn’t. (BFR2)

Clients also identified this aspect of the service as important.

We also felt we had some sort of direction, so we may have come in with 20 questions and they could say to us well ten of those really aren’t relevant at this point, concentrate on these ten that are the most important. (FGR)

4.2.6 Refining the program

The majority of participants were eager to see more people take advantage of the services provided through the business enterprise centres, and were quite
sure that financial institutions and the government should be providing more incentive for individuals to be involved.

*I think that lending institutions should actually provide the incentive.* (BFR)

What I would personally like to see is a lending institution turn around and say *if you have a business support service ... then we’re able to offer you half a percent off or a quarter of a percent off your business loan.* (BFR)

*If you look at the example of the NAB loan that we have, I mean that’s an unsecured loan. So the way they reduce their risk is that they ensure that everyone that goes through this loan process goes through three to four workshops with us, and they have me going through their business plan, plus I mentor them for 12 months.* (BFR1)

*Maybe somehow if you can get like a small business loan that’s a couple of percent cheaper than what you would do if you were taking out a personal loan or overdraft or something.* (FG2)

Many participants felt that part of the government’s role is to entice people to go to a business enterprise centre as part of their business planning process.

*Look I think that there are things that government can do because there are government costs in running a business, business name registration, etcetera.* (BFR2)

*... alternatively done through tax breaks so it’s only it’s not actually costing them revenue.* (FGR)

Several participants were concerned about the broader skill level of the business facilitators, not with regard to their business skills, but rather in regard to their ability to identify psychological, emotional, and mental issues, and their capacity to refer individuals to the appropriate professional. These participants raised issues such as financial and domestic stress that may require business facilitators to have a broader skill base.

*... and I’d have the business advisors also trained in counselling or life coaching or anything like that to understand that it’s not just about business.*
Because these people are going in with their husband or their wives and it’s about communication as well and communicating with other people. (CR)

4.2.6.1 Relationship with other providers

Rather than see the service as being in competition with other service providers, both business facilitators and clients view the service as complementary to the services provided by accountants, solicitors, and financial institutions. On several occasions, it was revealed by clients that they had engaged a business coach as well as attended the business enterprise centre, and that they didn’t perceive these services as being in competition with each other. For the majority of business facilitators and clients the service is foundational. Other services are accessed and most adequately utilised through an initial series of meetings with the business enterprise centre.

The BAS service provided by Business Enterprise Centres, is almost a partnership with other providers anyway because what we tend to do is as the business is growing and as the business is building, when they’re at that point when they need to see that accountant or their solicitor or they need that business coaching, that we are then referring them to other providers that are out there in the market place. (BFR)

Luckily we have those services before they see an accountant, before they sign a lease on a shop in particular, those who find us are very happy people. (BFM)

This is an overview service where they can then learn how to communicate with some of those others. (BFR)

I had already been to a solicitor but the Business Enterprise Centre took it further to all the facets of the business plan, everything, the marketing, all of that sort of thing, which of course the solicitor and the accountant didn’t tell me. (CR)
4.3 Summary of findings from phase one

4.3.1 General findings

The qualitative phase of the research uncovered a number of themes. Participants noted the core reasons for the use of the business enterprise centres; the provision of non-biased advice, low cost, and the trust developed between themselves and the business facilitators. They linked the development of trust to the relationship that developed through the one-on-one and face-to-face interaction.

Participants emphasised the important role the psychological and emotional support had on the clients’ businesses and on the clients personally. Participants felt that the service impacted on the speed of business start-up and were equally enthusiastic about the ability of the service to deter prospective businesses that were not as robust as others.

The internet, while praised as an important tool for searching for general information, was described by the majority of the participants as frustrating and confusing due to the unfiltered nature of the information, and due to the clients’ own limited capacity to synthesise the information. Participants felt that both governments and financial institutions could do more to entice individuals to use the services offered by providing loan rate reductions or tax breaks for those taking advantage of advisory and training initiatives.

While information is critical to the start-up business person, the ability to gain information in a manner which can be easily understood and easily used was identified as problematic. The filtering and synthesising of information through less biased one-on-one advisory and mentoring services is seen as invaluable, and sets the publicly-funded small business advisory and training service apart.

The research shows that the business enterprise centres provide a more easily digestible form of information that is less biased and low cost. This is due, in part, to the community-based not-for-profit nature of the organisations and the low cost associated with a publicly-funded program.
4.3.2 Findings in relation to the theoretical model

The findings provide depth to the Gnyawali and Fogel (Gnyawali & Fogel, 1994) model. While supporting the model’s overall design, the qualitative phase of the research provides further insight into what types of non-financial assistance is beneficial, and the ways in which non-financial assistance impacts on new venture creation. This includes non-biased, low cost, and trustworthy advice, one-on-one personal contact, psychological and emotional support, and information filtering. Advisory and other support services are seen by many participants as invaluable in their final steps towards small business creation.

The qualitative phase of the research also indicates that non-financial services, such as advisory and support services, operate to deter unsustainable small business. Business facilitators and clients viewed the service as a reality check for prospective business people, and noted the important role these services play in explaining the sometimes harsh reality of business to otherwise unsuspecting intending small business owners. They also recognise value in the ability of the service to drive the start-up process.

4.4 Conclusion

This Chapter has presented the findings and analysis of the qualitative phase of the research. It detailed the results of both the interviews and focus groups, highlighting the themes that emerged from the process. The Chapter provided an analysis of the general findings of the qualitative phase of the study and of the findings in regard to the theoretical model.

The following Chapter presents the findings and analysis of the quantitative phase of the research. It provides a descriptive analysis of the informants, a factor analysis of the data, and analysis of variance for each of the variables in each factor. The Chapter provides an analysis of the general quantitative findings and of the findings in regard to the theoretical model.
Chapter 5: Analysis of quantitative data
5.1 Introduction

This Chapter details the analysis and findings of the quantitative phase of the research. Quantitative research is the investigation of data and its relationship to other data or pieces of information. The objective of quantitative research is to develop and employ statistical models, theories and/or hypotheses in relation to a particular population (Simon, et al., 2008).

5.2 Data cleansing

While 232 individuals commenced the survey, 43 of these failed to submit the survey (i.e. no data was provided). A further 72 failed to complete more than 30% of the total number of questions in the survey. In the remaining 117 cases, the survey was fully completed or completed with the exception of a small number of questions.

Data cleansing was undertaken in three stages. Firstly, those cases in which the participant failed to submit the survey were eliminated. Identifying these participants was not possible, and no data was provided. Secondly, cases in which the participant had failed to complete at least 30% of the survey were eliminated. While no firm guidelines exist on the necessary level of exclusion’ (Hair, et al., 2006:55), the response rate received to the survey meant that elimination could occur without significantly impacting on the quality of the research. In addition, analysis of the eliminated cases, as detailed in Section 5.7.2, showed that they were consistent with the rest of the cases, indicating that their elimination would not influence the analysis. T-test analysis of variables before and after case elimination revealed insignificant variation in the results.

Finally, cases in which only a small number of questions were unanswered were subject to missing value replacement using imputation. While there are ‘numerous imputation methods available’ (Hair, et al., 2006:70), this study achieved imputation through the automated option available in SPSS. This occurred in 12 cases with a total of 27 missing values. The small number of missing values was considered low risk (Hair, et al., 2006), while at the same
time ensuring sufficient case numbers to undertake factor and correlation analysis.

5.3 Test for normality

This research used two quantitative research methods: factor analysis and analysis of variance. Of these two, analysis of variance, in particular, is optimised with normally distributed variables. The study produced 24 variables and 117 cases (observations). The identifier for each variable (based on the survey question numbers) is detailed in Table 5.1.

A normality test was conducted on each of the metric variables. Using PASW statistical software, standard deviations, skewness, kurtosis, and standard errors were calculated. Using these figures, $z$-scores were calculated for each variable using the following formulas:

\[
Z_{\text{skew}} = \frac{\text{Skew}}{SE_{\text{skew}}} \quad Z_{\text{kurtosis}} = \frac{\text{Kurtosis}}{SE_{\text{kurtosis}}}
\]

Tabachnick and Fiedell (1996) suggest $z$-score criterion for rejection of variables on the basis of non-normality. For small sample sizes of around 100, as is the case with this study, they suggest rejection at an absolute value of 1.96. A table detailing the results of the test for normality conducted on the raw data appears in Appendix I. A number of variables did not meet an acceptable level of normality.

According to Garson (2009), analysis of variance is extremely sensitive to outliers. Outliers may produce errors and give no indication as to where the error is occurring in the analysis. As outliers are one potential cause of non-normality, it was decided to investigate the possibility of removing outliers from the data. Hair et al. (2006) note that outliers may be removed in cases where the outlier is considered truly aberrant. On this basis it was decided to remove aberrant outliers. This was achieved through univariate detection. Each variable was examined individually, with those individual data points falling outside the outer ranges of the distribution being eliminated from the data.
Table 5.1: Variables produced from the survey

<table>
<thead>
<tr>
<th>Classification Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.1 Business structure</td>
</tr>
<tr>
<td>11.2 Number of years in business</td>
</tr>
<tr>
<td>12.1 Gender of owner</td>
</tr>
<tr>
<td>12.2 Age of owner</td>
</tr>
<tr>
<td>12.3 Location of business (metropolitan, regional, rural)</td>
</tr>
<tr>
<td>12.4 Highest level of education</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Perception Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.1 I got emotional support from the business enterprise centre</td>
</tr>
<tr>
<td>5.1.2 I was able to access resources I previously couldn’t</td>
</tr>
<tr>
<td>5.1.3 They helped me network</td>
</tr>
<tr>
<td>5.1.4 I wouldn’t have started a business without them</td>
</tr>
<tr>
<td>5.1.5 I got most information I needed for my business off the internet</td>
</tr>
<tr>
<td>6.1.1 The business enterprise centre provides impartial advice</td>
</tr>
<tr>
<td>6.1.2 The business enterprise centre is the best first stop for starting a business</td>
</tr>
<tr>
<td>6.1.3 I trust advice more when it is provided by a real person</td>
</tr>
<tr>
<td>7.1.1 The service provided by the business enterprise centre allowed me to start or grow my business with more confidence</td>
</tr>
<tr>
<td>7.1.2 The business enterprise centre took some stress out of my decision making</td>
</tr>
<tr>
<td>7.1.3 If the business enterprise centre didn’t exist it would have taken me longer to start my business</td>
</tr>
<tr>
<td>7.1.4 The success of my business can, in part, be attributed to the business enterprise centre</td>
</tr>
<tr>
<td>7.1.5 My business would have been a success without the business enterprise centre</td>
</tr>
<tr>
<td>8.1.1 The service provided emotional support for my decisions</td>
</tr>
<tr>
<td>8.1.2 I could have easily just downloaded the information from a website</td>
</tr>
<tr>
<td>8.1.3 Someone to speak to is important when starting or expanding a business</td>
</tr>
<tr>
<td>8.1.4 I would have been lost if I had to work through the information myself</td>
</tr>
<tr>
<td>8.1.5 It would have been just as good to speak to someone on the phone</td>
</tr>
</tbody>
</table>

While more inclusive approaches were taken into consideration, a decision needed to be made about the most appropriate way of managing the outliers. Hair, et al. (2006:74) suggest that removal of outliers improves the quality of the analysis, but limits the generalisability of the findings. Due to the triangulation of the findings with qualitative techniques, it was decided to proceed with the removal of outliers. This provided a larger number of normally distributed variables for analysis.
The removal of values was required in 36 instances, which is considered low, and which allows for an imputation process to replace the missing values (Hair, et al., 2006). Once again, an outlier analysis was conducted to ensure no additional aberrant outliers existed, and none were detected.

Once it had been determined that no further truly aberrant outliers were present, a second test for normality was conducted on each of the metric variables. Appendix J details the results of those tests. The variables identified in Table 5.2 were determined non-normal and took no further part in the study:

Table 5.2: Non-normally distributed variables eliminated from the analysis

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.1</td>
<td>I got emotional support from the business enterprise centre</td>
</tr>
<tr>
<td>6.1.2</td>
<td>The business enterprise centre is the best first stop for starting a business</td>
</tr>
<tr>
<td>7.1.2</td>
<td>The business enterprise centre took some stress out of my decision making</td>
</tr>
<tr>
<td>7.1.3</td>
<td>If the business enterprise centre didn’t exist it would have taken me longer to start my business</td>
</tr>
<tr>
<td>7.1.5</td>
<td>My business would have been a success without the business enterprise centre</td>
</tr>
<tr>
<td>8.1.5</td>
<td>It would have been just as good to speak to someone on the phone</td>
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</tbody>
</table>

The 12 variables identified in Table 5.3 were considered normally distributed and were used in the analysis:

Table 5.3: Normally distributed variables used in the analysis

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.2</td>
<td>I was able to access resources I previously couldn’t</td>
</tr>
<tr>
<td>5.1.3</td>
<td>They helped me network</td>
</tr>
<tr>
<td>5.1.4</td>
<td>I wouldn’t have started a business without them</td>
</tr>
<tr>
<td>5.1.5</td>
<td>I got most information I needed for my business off the internet</td>
</tr>
<tr>
<td>6.1.1</td>
<td>The business enterprise centre provides impartial advice</td>
</tr>
<tr>
<td>6.1.3</td>
<td>I trust advice more when it is provided by a real person</td>
</tr>
<tr>
<td>7.1.1</td>
<td>The service provided by the business enterprise centre allowed me to start or grow my business with more confidence</td>
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<tr>
<td>7.1.4</td>
<td>The success of my business can, in part, be attributed to the business enterprise centre</td>
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<tr>
<td>8.1.1</td>
<td>The service provided emotional support for my decisions</td>
</tr>
<tr>
<td>8.1.2</td>
<td>I could have easily just downloaded the information from a website</td>
</tr>
<tr>
<td>8.1.3</td>
<td>Someone to speak to is important when starting or expanding a business</td>
</tr>
<tr>
<td>8.1.4</td>
<td>I would have been lost if I had to work through the information myself</td>
</tr>
</tbody>
</table>

5.4 Descriptive analysis - demographic profile of participants

This Section provides an overview of the demographics of the survey participants.
5.4.1 Business structure

Figure 5.1 shows the response count and population range for business structure. The majority (63.25%, confidence interval of 95%, ±8.74, and range for the true population proportion 54.51% to 71.99%) of participants owned or intend to own a sole trader business. Companies and Trusts accounted for 26.5% (confidence interval of 95%, ±8, and range for the true population proportion 18.5% to 34.5%) of business structure, while the remaining 10.25% (confidence interval of 95%, ±5.5, and range for the true population proportion 4.75% to 15.75%) of participants were intending or current owners in a Partnership.

5.4.2 Number of years in business

Figure 5.2 shows the response count and population range for years in business. Unsurprisingly, the majority of participants (59.83%, confidence interval of 95%, ±8.88, and range for the true population proportion 50.95% to 68.71%) were new to business. The BAS program targets intending and start-up business people and it was therefore expected that most clients fall into this category. A smaller percentage of participants (26.5%, confidence interval of 95%, ±8, and range for the true population proportion 18.5% to 34.5%) had been in business for three to 10 years, while 13.67% (confidence interval of 95%, ±6.22, and range for the true population proportion 7.45% to 19.89%) of participants had been in business for more than 10 years.
5.4.3 Gender

Figure 5.3 shows the response count and population range for gender. Close to two thirds of the participants in the survey were female (63.25%, confidence interval of 95%, ±8.74, and range for the true population proportion 54.51% to 71.99%). Males made up the remaining 36.75% (confidence interval of 95%, ±8.74, and range for the true population proportion 28.01% to 45.49%) of respondents.

This demographic confirms many of the comments made during the qualitative phase of the study. Business facilitators and business enterprise centre managers noted the disproportionate number of females making use of the service.
5.4.4 Age

Figure 5.4 shows the response count and population range for age. The largest age group in the study is those aged 50-59 years of age (32.7%) followed by those aged 40-49 years of age (27.6%) and those aged 30-39 years of age (20.9%). No respondents identified themselves as being less than 20 years of age. Those 20-29 years of age accounted for 6.6% (confidence interval of 95%, ±4.5, and range for the true population proportion 2.1% to 11.1%) of respondents. Those 30-39 years of age made up 20.9% (confidence interval of 95%, ±7.2, and range for the true population proportion 13.7% to 28.1%) of respondents. Those 40-49 years of age made up 27.6% (confidence interval of 95%, ±7.9, and range for the true population proportion 19.1% to 35.5%). Those 50-59 years of age made up 32.7% (confidence interval of 95%, ±8.3, and range for the true population proportion 24.4% to 41%) of respondents. Those 60-69 years of age made up 9.4% (confidence interval of 95%, ±5.2, and range for the true population proportion 4.2% to 14.6%) of respondents. Those 70 years of age and older made up 3.4% (confidence interval of 95%, ±3.2, and range for the true population proportion .2% to 6.6%) of respondents.

This demographic was expected due to the client ages reported by the business enterprise centres. Many business enterprise centre clients are older when they first contemplate small business or have been in business for some time prior to seeking business enterprise centre services.
5.4.5 Location

Figure 5.5 shows the response count and population range for location. The survey attracted good responses from across New South Wales. Responses were in reasonably equal numbers from metropolitan areas (37.6%, confidence interval of 95%, ±8.78, and range for the true population proportion 28.82% to 46.38%), regional and rural areas (32.47%, confidence interval of 95%, ±8.48, and range for the true population proportion 23.99% to 40.95%), and large regional centres (29.93%, confidence interval of 95%, ±8.3, and range for the true population proportion 21.63% to 38.23%).

5.4.6 Education

Figure 5.6 shows the response count and population range for education. The education level of the participants is diverse. While a significant percentage hold a masters degree (9.4%, confidence interval of 95%, ±5.29, and range for the true population proportion 4.11% to 14.69%) or higher (2.6%, confidence interval of 95%, ±2.88, and range for the true population proportion 0% to 5.76%), the majority hold a high school (17.08%, confidence interval of 95%, ±6.82, and range for the true population proportion 10.26% to 23.9%) or TAFE qualification (39.31%, confidence interval of 95%, ±8.85, and range for the true population proportion 30.46% to 48.16%). The remaining participants (31.61%, confidence interval of 95%, ±8.42, and range for the true population proportion 23.19% to 40.03%) hold a university degree.
5.5 Descriptive analysis - responses to survey items

This Section provides a descriptive analysis of the metric variables. Table 5.4 provides minimum and maximum responses, mean, and standard deviation for each of the metric variables.

Participants strongly agreed with the proposition that the business enterprise centre improved their access to resources (5.1.2). While not directly linked to government funding, the ability of the business enterprise centres to provide low cost access to a wide range of small business resources is, in part, due to government resourcing of the specific service elements provided through programs such as the Business Advisory Services Program. This aspect of the service was strongly recognised by respondents.

The ability of the service to assist with networking was also highly rated (5.1.3). Many of the services provided involve interaction with other small business people, including training sessions or group advisory sessions. The business enterprise centres also conduct regular networking sessions which all clients are invited to attend.

While participants did not support the notion that they would not have started a business if not for the business enterprise centre (5.1.4), there was strong support for the proposition that the business enterprise centres provided the support required to start or expand the business more rapidly (7.1.1).
addition, participants tended to agree with the proposition that the services provided by the business enterprise centre contributed in some way to the success of their business (7.1.4).

Table 5.4: Descriptive statistics of the metric variables

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.2</td>
<td>117</td>
<td>3.00</td>
<td>5.00</td>
<td>4.2368</td>
<td>.67342</td>
</tr>
<tr>
<td>5.1.3</td>
<td>117</td>
<td>3.00</td>
<td>5.00</td>
<td>4.1497</td>
<td>.73367</td>
</tr>
<tr>
<td>5.1.4</td>
<td>117</td>
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<td>4.00</td>
<td>2.3907</td>
<td>.93539</td>
</tr>
<tr>
<td>5.1.5</td>
<td>117</td>
<td>1.00</td>
<td>4.00</td>
<td>2.5841</td>
<td>.90394</td>
</tr>
<tr>
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<td>5.00</td>
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<tr>
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<td>5.00</td>
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<td>.68825</td>
</tr>
<tr>
<td>7.1.1</td>
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<td>5.00</td>
<td>4.2292</td>
<td>.67747</td>
</tr>
<tr>
<td>7.1.4</td>
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<td>5.00</td>
<td>3.6899</td>
<td>.89024</td>
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<td>5.00</td>
<td>3.7535</td>
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<td>3.00</td>
<td>5.00</td>
<td>4.1086</td>
<td>.66850</td>
</tr>
</tbody>
</table>

Participants generally agreed with the proposition that impartial advice is provided through the business enterprise centres (6.1.1), and that the service provided emotional support during the start-up or expansion of their businesses (8.1.1).
In relation to information provision, participants were less likely to agree with the proposition that the information provided by the business enterprise centre could have just as easily been downloaded from the internet (8.1.2), or indeed that the majority of the information they gathered for their business came from the internet (5.1.5). This result is consistent with the participants’ feelings that they trust advice more when it is provided by a real person (6.1.3), that someone to speak to is important when starting or expanding a business (8.1.3), and that they would have been lost if they had to work through the information themselves (8.1.4).

5.6 Summary of the descriptive analysis

Participants in the survey came from a wide cross-section of the community, with a range of ages, education levels, business structures, and genders represented. Participants also represented metropolitan, rural, and regional businesses, and had a broad range of experiences in business.

The findings of the quantitative survey are broadly consistent with the data collected through the qualitative phase of the study. A number of themes were revealed from the responses. Firstly, access to resources and networking opportunities are highly valued. Secondly, the services provided by the business enterprise centres impact positively on the speed of start-up or expansion of a small business, and the service contributes in some way to the overall success of a small business. Thirdly, the service is seen as impartial and providing emotional support. Finally, personal interaction is a preferred method of receiving small business information and guidance, with information trusted more when provided by a real person. Internet services are less well regarded.

In the next Section the data is subjected to factor analysis to determine if the metric variables can be categorised into a smaller number of factors, and thereby develop themes to further investigate the findings in the correlation analysis.
5.7 Factor analysis

The purpose of factor analysis is to discover patterns in the relationship among variables. In particular, it seeks to discover if the observed variables can be explained largely or entirely in terms of a much smaller number of variables called factors (Garson, 2009). Factor analysis is often referred to as a ‘data reduction’ technique because the method is sometimes used to extract a few underlying components (or factors) from a large initial set of observed variables (Lawler, 2009).

There are several different types of factor analysis, with the most common being principal components analysis, which is preferred for purposes of data reduction, and which is used in this analysis. ‘It is a factor model in which the factors are based on the total variance’ (Hair, et al., 2006:102).

Many statistical methods are used to study the relation between independent and dependent variables. Factor analysis is different in that it is used to study the patterns of relationship among many dependent variables, with the goal of discovering something about the nature of the independent variables that affect them, even though those independent variables were not measured directly. The inferred independent variables are called factors (Hair, et al., 2006).

Factor analysis generates a table in which the rows are the observed raw indicator variables and the columns are the factors which explain as much of the variance in these variables as possible. The cells in this table are factor loadings, and the meaning of the factors must be induced from seeing which variables are most heavily loaded on which factors (Garson, 2009).

This analysis used 12 variables (5.1.1 to 8.1.5). These have all been rated on a scale of 1 to 5 by all participants, with 1 being the least positive response and 5 being the most positive response.

The literature indicates the requirements for factor analysis: the number of cases should be at least 100, and there should be at least 5 cases per variable (Hair, et al., 2006:112). The ratio of cases to variables is 9.75:1, which falls
within the acceptable range. In addition, the 117 cases provide an acceptable number of cases to analyse the correlation between variables (Al Rubaie, 2002).

5.7.1 Appropriateness of factor analysis and the significance of the correlation

To further ensure the appropriateness of factor analysis, a Kaiser-Meyer-Olkin (KMO) measure was taken. High values (between .0 and 1) indicate factor analysis is appropriate. In this case the KMO measure was .848 indicating that factor analysis is appropriate for the sample.

To determine the overall significance of the correlation, a Bartlett test was undertaken. The Bartlett test shows the measure of sampling adequacy. The measure of sampling adequacy is generally considered adequate in the significance range below .5 (Hair, et al., 2006:144). In this case the Bartlett’s test showed a significance of .000 indicating sampling adequacy (Table 5.5).

Table 5.5: Results of the KMO and Bartlett’s test

<table>
<thead>
<tr>
<th>KMO and Bartlett’s Test</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</td>
<td>.848</td>
</tr>
<tr>
<td>Bartlett’s Test of Sphericity</td>
<td></td>
</tr>
<tr>
<td>Approx. Chi-Square</td>
<td>470.258</td>
</tr>
<tr>
<td>df</td>
<td>66</td>
</tr>
<tr>
<td>Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

5.7.2 Internal consistency, key informants, and sample bias

To determine the internal consistency of the data, a reliability test was conducted. The test measures the ‘consistency among the variables in a summated scale’ (Hair, et al., 2006:137). There are a number of different approaches to computing internal consistency reliability. ‘Cronbach’s alpha is the most commonly accepted formula for assessing the internal consistency of a multi-item measurement scale’ (Hair, et al., 2006:137). The test is a diagnostic measure of the reliability coefficient that assesses the consistency of the entire scale. The test provides a score ranging from 0-1, with ‘values of .6 deemed the lower limit of acceptability’ (Hair, et al., 2006:102).
A Cronbach’s alpha test was conducted on the data. The results of the alpha test showed a score of .658, indicating acceptable internal consistency reliability.

As discussed in Section 3.4.4, the key informants for the study were current or intending owners and managers of small businesses in New South Wales that had experienced the services of a business enterprise centre during the past 2 years. In this respect, they met Houston’s (1974) qualifications of key informants. Their status provided them with more complete and specialised knowledge than the general public, and they were able to share the researcher’s interest in the topic. In addition, the informants had similar access to information and occupied similar roles in their businesses, ensuring representativeness and standardisation of the data (Seidler, 1974).

In Section 5.2 it was noted that 72 informants failed to complete more than 30% of the total number of questions in the survey, and that these data were eliminated from the study. Online surveys have been criticised for possible non-response bias. That is, those who respond to the survey respond differently from those who do not. It is important to determine that there is no difference between respondents and non-respondents before the results can be generalised to the population. Researchers have proposed several methods to overcome this response bias (Armstrong & Overton, 1977). The most obvious is to keep the non-responses to a minimum and obtain a large sample. Attempts were made to achieve this as much as possible.

Another method is to compare the data collected with the incomplete data (Armstrong & Overton, 1977). The informants in the survey were classified as either respondents or non-respondents. A t-test was conducted for each of the variables for each group. A t-test is used to determine ‘the statistical significance of the difference between two sample means’ (Hair, et al., 2006:387). Table 5.6 shows the results of the T-test. There was no significant difference between the two groups, with all significance levels greater than .05, indicating that the sample is reasonably representative of the population.
Table 5.6 T-test of respondent and non-respondent informants

<table>
<thead>
<tr>
<th>Paired samples correlations of respondent and non-respondent informants</th>
<th>Correlation</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMEAN(q0009_0003_1_1) &amp; Through the BEC I am able to access resources I previously couldn't or previously didn't know about</td>
<td>-.254</td>
<td>.057</td>
</tr>
<tr>
<td>SMEAN(q0009_0005_1_1) &amp; The BEC has helped me network</td>
<td>-.151</td>
<td>.267</td>
</tr>
<tr>
<td>SMEAN(q0009_0006_1_1) &amp; I wouldn't have started a business if not for the BEC</td>
<td>.084</td>
<td>.540</td>
</tr>
<tr>
<td>SMEAN(q0009_0007_1_1) &amp; I got most of the information I needed for my business off the internet</td>
<td>-.008</td>
<td>.954</td>
</tr>
<tr>
<td>SMEAN(q0012_0002_1_1) &amp; The BEC provides impartial advice</td>
<td>-.001</td>
<td>.995</td>
</tr>
<tr>
<td>SMEAN(q0012_0006_1_1) &amp; I trust advice more when it is provided by a real person rather than via the internet</td>
<td>.141</td>
<td>.286</td>
</tr>
<tr>
<td>SMEAN(q0013_0001_1_1) &amp; The BEC service allowed me to start or grow my business with more confidence</td>
<td>.262</td>
<td>.060</td>
</tr>
<tr>
<td>SMEAN(q0013_0004_1_1) &amp; Someone to speak to is important when starting or expanding a business</td>
<td>.088</td>
<td>.529</td>
</tr>
<tr>
<td>SMEAN(q0014_0002_1_1) &amp; The service provided emotional support for my decisions</td>
<td>-.080</td>
<td>.571</td>
</tr>
<tr>
<td>SMEAN(q0014_0003_1_1) &amp; I could have easily just downloaded the information from a website</td>
<td>.052</td>
<td>.715</td>
</tr>
<tr>
<td>SMEAN(q0014_0004_1_1) &amp; Someone to speak to is important when starting or expanding a business</td>
<td>-.032</td>
<td>.822</td>
</tr>
<tr>
<td>SMEAN(q0014_0005_1_1) &amp; I would have been a little lost if I had to work through the information myself</td>
<td>-.239</td>
<td>.085</td>
</tr>
</tbody>
</table>

5.7.3 Component identification

The analysis undertaken is defined as R-type factor analysis. It analyses between variable, as opposed to Q-type analysis which analyses between respondents (Hair, et al., 2006). All the variables are metric and provide a scale of perceptions appropriate for factor analysis.

Factor analysis is based on the initial assessment of the inter-correlations between the variables, which are then transformed through estimation of a factor model to obtain a factor matrix containing factor loadings for each variable on each derived factor (Hair, et al., 2006:144). The loadings are then interpreted to identify the underlying structure of the variables, in this case the perceptions of the small business advisory and training services.

The aim of this analysis is to determine if the 12 variables can be grouped into a small number of factors. The initial correlation matrix provides a starting point for the analysis. The correlation matrix for the 12 variables can be found in Appendix K.

In determining the number of factors to be extracted from the data, it was decided to use the latent root criterion of retaining factors with eigenvalues
greater than 1.0. With factor analysis each variable contributes a value of 1 to the total eigenvalue. ‘Thus, only the factors having latent roots or eigenvalues greater than 1 are considered significant; all factors with latent roots less than 1 are considered insignificant and are disregarded’ (Hair, et al., 2006:120). Figure 5.7 shows the Scree plot for component analysis. Three factors are identified in the 1+ range.

Figure 5.7: Scree plot for factor analysis

The initial component matrix identified three components; however, before proceeding to factor analysis, the communalities were identified to determine variables with such low communalities that they should be eliminated from the analysis. Communality refers to the total amount of variance a variable shares with all other variables included in the analysis (Hair, et al., 2006:102). Small communalities show that a substantial portion of a variable’s variance is not accounted for by the factors. It is generally accepted that levels of communality under .5 should be eliminated from the analysis.
The significance of the factor analysis can be seen in Table 5.7. The combined total of the 3 components identified accounts for 59.499% of the variance, representing a moderate proportion of the variance across the variables.

Table 5.7: Total variance explained

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total % of Variance</td>
<td>Cumulative %</td>
<td>Total % of Variance</td>
</tr>
<tr>
<td>1</td>
<td>4.777</td>
<td>39.806</td>
<td>4.777</td>
</tr>
<tr>
<td>2</td>
<td>1.354</td>
<td>11.280</td>
<td>1.354</td>
</tr>
<tr>
<td>3</td>
<td>1.010</td>
<td>8.413</td>
<td>1.010</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis

A VARIMAX-Rotated component analysis factor matrix was developed (see Table 5.8). This process was applied to improve the interpretation of the correlations.

Table 5.8: Rotated component matrix

<table>
<thead>
<tr>
<th>Survey Question/Variable</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>q8.1.3 Someone to speak to is important when starting or expanding a business</td>
<td>.887</td>
</tr>
<tr>
<td>q8.1.4 I would have been lost if I had to work through the information myself</td>
<td>.707</td>
</tr>
<tr>
<td>q8.1.1 The service provided emotional support for my decisions</td>
<td>.636</td>
</tr>
<tr>
<td>q6.1.1 The business enterprise centre provides impartial advice</td>
<td>.594</td>
</tr>
<tr>
<td>q6.1.3 I trust advice more when it is provided by a real person</td>
<td>.566</td>
</tr>
<tr>
<td>q5.1.4 I wouldn’t have started a business without them</td>
<td>.741</td>
</tr>
<tr>
<td>q7.1.4 The success of my business can, in part, be attributed to the business enterprise centre</td>
<td>.726</td>
</tr>
<tr>
<td>q7.1.1 The service provided by the business enterprise centre allowed me to start or grow my business with more confidence</td>
<td>.594</td>
</tr>
<tr>
<td>q5.1.2 I was able to access resources I previously couldn’t</td>
<td>.561</td>
</tr>
<tr>
<td>q5.1.3 They helped me network</td>
<td>.561</td>
</tr>
<tr>
<td>q5.1.5 I got most information I needed for my business off the internet</td>
<td>-.858</td>
</tr>
<tr>
<td>q8.1.2 I could have easily just downloaded the information from the internet</td>
<td>-.623</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Note: Rotation converged in 5 iterations.
When the factor solution had been calculated, the following names were assigned to illustrate the significance of the factors. In this analysis three factors were identified:

- Factor 1: Emotional support
- Factor 2: Impact on business
- Factor 3: Online services

### 5.7.4 Factor 1: Emotional support

This factor showed the strongest correlation (39.806). The factor concerns the emotional and psychological support that is provided through the Business Advisory Services Program. The issue of trust, uncovered during the qualitative phase of the study, once again features strongly in the quantitative phase. Speaking face to face with a business advisor correlates strongly with feelings of trust, emotional support, impartial advice, and clear direction.

### 5.7.5 Factor 2: Impact on business

This factor shows a strong correlation (11.280). The factor concerns the impact the services of the business enterprise centres have had on small business start-up. The factor shows the correlation between networking, availability of resources, the speed of start-up, and the actual establishment of a new enterprise.

### 5.7.6 Factor 3: Online services

This factor shows a strong correlation (8.413). The factor concerns online business information provision. As explained in greater detail in Section 5.9.3, this factor has a low overall rating (m=2.4656, sd=.74970), indicating that the proposition that individuals favour online services is not supported. The factor, therefore, indicates a strong correlation between those finding it difficult to gather information from the internet and those that actually retrieved little information from online services and information provision.
5.7.7 Interpretation

Factor analysis provided some additional insight into the data. It provided significant support for the findings of both the qualitative and descriptive aspects of the study.

Firstly, data gathered during the qualitative phase of the study indicated that both business facilitators and clients valued speaking face to face with a business advisor. In addition, it was felt that this personal contact improved trust in the advisory relationship, leading to feelings of emotional support, an impression that impartial advice was being provided, and that clear direction was being revealed. This factor supports those findings.

Secondly, the correlation between networking, availability of resources, and the establishment of a new enterprise, while unsurprising, confirms the findings of the qualitative phase of the study. Many of those participating in the interviews and focus groups indicated that the business enterprise centres offer a readily available suite of resources and contacts that have made the establishment of their businesses much easier and much quicker than it might otherwise have been.

Thirdly, the correlation between those finding it difficult to gather information from the internet, and those that actually retrieved little information from online services and information provision, is not surprising. However, the very low rating for these propositions indicates the high proportion of business enterprise centre clients that prefer to gather information on their business from other sources.

Access to resources and information, viewed as more readily available through a business enterprise centre than via the internet, along with a general correlation between face-to-face services and feelings of emotional and psychological support, triangulates well with the findings of phase one.
5.8 Correlation analysis - ANOVA

In the previous Section, factor analysis was used to group the variables into three factors; emotional support, impact on business, and online services. In this Section, analysis of variance is used to determine if there are statistical differences between the demographic groups and the three factors and between the demographic groups and the individual questions in each factor.

Analysis of variance is used to determine the effects of categorical variables on dependent interval variables (Hair, et al., 2006). A researcher may perform planned comparison or post hoc comparisons to see which values of a factor contribute most to the explanation of the dependents (Garson, 2009).

5.8.1 Emotional support

In this Section, the Emotional Support factor is examined in greater detail. Firstly, the combined factor ‘Emotional Support’ is examined against the demographics and then each of the individual questions within the factor are examined against the demographics.

The Levene statistic for the factor ‘Emotional Support’ (.266) indicated that the assumption of homogeneity had not been violated.

The ANOVA for the factor Emotional Support appears in Table 5.9.

Table 5.9: ANOVA – emotional support

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Structure</td>
<td>.795</td>
<td>2</td>
<td>.397</td>
<td>1.518</td>
<td>.224</td>
</tr>
<tr>
<td>Years in Business</td>
<td>1.915</td>
<td>2</td>
<td>.958</td>
<td>3.800</td>
<td>.025</td>
</tr>
<tr>
<td>Gender</td>
<td>.722</td>
<td>1</td>
<td>.722</td>
<td>2.777</td>
<td>.098</td>
</tr>
<tr>
<td>Age</td>
<td>.369</td>
<td>2</td>
<td>.184</td>
<td>.695</td>
<td>.501</td>
</tr>
<tr>
<td>Location</td>
<td>1.576</td>
<td>2</td>
<td>.788</td>
<td>3.091</td>
<td>.049</td>
</tr>
<tr>
<td>Education</td>
<td>1.164</td>
<td>3</td>
<td>.388</td>
<td>1.487</td>
<td>.222</td>
</tr>
</tbody>
</table>

The emotional support factor revealed a significant variation across years in business (F=3.800, p=.025<.05). A Tuckey HSD post hoc test revealed that
those in business for 0-2 years (m=4.1958, sd=.52625) were significantly more likely to report feelings of emotional support from the service than those in business for 3-10 years (m=4.0202, sd=.45966). In turn, those in business for 3-10 years were significantly more likely to feel emotional support than those in business for 11 years or more (m=3.8404, sd=.47224).

The emotional support factor also revealed a significant variation across location (F=3.091, p=.049<.05). A Tuckey HSD post hoc test revealed that those in metropolitan areas (m=4.2168, sd=.51703) were significantly more likely to report feelings of emotional support from the service than those in large regional centres (m=4.0750, sd=.56389). In turn, those in large regional centres were significantly more likely to feel emotional support than those in small regional or rural locations (m=3.9516, sd=.44161). The following sub-Sections provide details of each of the questions in the emotional support factor in relation to each of the demographic categories.

5.8.1.1 Emotional support in relation to business structure

Business structure was investigated to establish whether clients in various business structures gain a different degree of emotional support from the services provided by the business enterprise centres. The Levene's test results for the variables included in the emotional support factor for business structure appear in Table 5.10.

Table 5.10: Levene’s test – emotional support/business structure

<table>
<thead>
<tr>
<th>Test of Homogeneity of Variances – Emotional Support/Business Structure</th>
<th>Levene Statistic</th>
<th>df 1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1.1 The business enterprise centre provides impartial advice</td>
<td>1.318</td>
<td>2</td>
<td>114</td>
<td>.272</td>
</tr>
<tr>
<td>6.1.3 I trust advice more when it is provided by a real person</td>
<td>.527</td>
<td>2</td>
<td>114</td>
<td>.592</td>
</tr>
<tr>
<td>8.1.1 The service provided emotional support for my decisions</td>
<td>.974</td>
<td>2</td>
<td>114</td>
<td>.381</td>
</tr>
<tr>
<td>8.1.3 Someone to speak to is important when starting or expanding a business</td>
<td>1.684</td>
<td>2</td>
<td>114</td>
<td>.190</td>
</tr>
<tr>
<td>8.1.4 I would have been lost if I had to work through the information myself</td>
<td>1.131</td>
<td>2</td>
<td>114</td>
<td>.326</td>
</tr>
</tbody>
</table>
In relation to all questions in this factor there was no violation to the assumption of homogeneity.

The ANOVA results appear in Table 5.11.

Table 5.11: ANOVA – emotional support/business structure

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1.1 Between Groups</td>
<td>.172</td>
<td>2</td>
<td>.086</td>
<td>.162</td>
<td>.851</td>
</tr>
<tr>
<td>6.1.3 Between Groups</td>
<td>.506</td>
<td>2</td>
<td>.253</td>
<td>.530</td>
<td>.590</td>
</tr>
<tr>
<td>8.1.1 Between Groups</td>
<td>.686</td>
<td>2</td>
<td>.343</td>
<td>.483</td>
<td>.618</td>
</tr>
<tr>
<td>8.1.3 Between Groups</td>
<td>.699</td>
<td>2</td>
<td>.350</td>
<td>1.163</td>
<td>.316</td>
</tr>
<tr>
<td>8.1.4 Between Groups</td>
<td>3.812</td>
<td>2</td>
<td>1.906</td>
<td>4.524</td>
<td>.013</td>
</tr>
</tbody>
</table>

Question 8.1.4 (I would have been lost if I had to work through the information myself) revealed a significant variation across business structures (F=4.524, p=.013<.05). A Tuckey HSD post hoc test revealed that both sole traders (m=4.190, sd=.66534) and partnerships (m=4.3924, sd=.68646) are significantly more likely to feel lost if they had to work through small business development information without the assistance of the business enterprise centre. Companies, in comparison, were not as supportive of the suggestion (m=3.8479, sd=.60146).

5.8.1.2 Emotional support in relation to number of years in business

As the Business Advisory Services Program’s primary aim was to assist intending and start-up businesses, the researcher suspected that this group may benefit more than existing business clients and that existing business clients may benefit from being referred into one of the Department’s more advanced programs. The level of the information provided and the qualifications and experience required of staff are at an introductory level. It was therefore felt that the service provided may be somewhat pedestrian for more seasoned business people.

The Levene’s test results for the variables included in the emotional support factor for number of years in business appear in Table 5.12.
Table 5.12: Levene’s test – emotional support/years in business

<table>
<thead>
<tr>
<th>Question</th>
<th>Levene Statistic</th>
<th>df1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1.1 The business enterprise centre provides impartial advice</td>
<td>.756</td>
<td>2</td>
<td>114</td>
<td>.472</td>
</tr>
<tr>
<td>6.1.3 I trust advice more when it is provided by a real person</td>
<td>.664</td>
<td>2</td>
<td>114</td>
<td>.517</td>
</tr>
<tr>
<td>8.1.1 The service provided emotional support for my decisions</td>
<td>1.009</td>
<td>2</td>
<td>114</td>
<td>.368</td>
</tr>
<tr>
<td>8.1.3 Someone to speak to is important when starting or expanding a business</td>
<td>.172</td>
<td>2</td>
<td>114</td>
<td>.842</td>
</tr>
<tr>
<td>8.1.4 I would have been lost if I had to work through the information myself</td>
<td>2.350</td>
<td>2</td>
<td>114</td>
<td>.100</td>
</tr>
</tbody>
</table>

In relation to all questions in this factor there was no violation to the assumption of homogeneity.

The ANOVA results for the variables included in the emotional support factor for number of years in business appear in Table 5.13.

Table 5.13: ANOVA – emotional support/years in business

<table>
<thead>
<tr>
<th>Question</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1.1 Between Groups</td>
<td>1.772</td>
<td>2</td>
<td>.886</td>
<td>1.707</td>
<td>.186</td>
</tr>
<tr>
<td>6.1.3 Between Groups</td>
<td>.860</td>
<td>2</td>
<td>.430</td>
<td>.906</td>
<td>.407</td>
</tr>
<tr>
<td>8.1.1 Between Groups</td>
<td>3.746</td>
<td>2</td>
<td>1.873</td>
<td>2.739</td>
<td>.069</td>
</tr>
<tr>
<td>8.1.3 Between Groups</td>
<td>1.003</td>
<td>2</td>
<td>.501</td>
<td>1.683</td>
<td>.190</td>
</tr>
<tr>
<td>8.1.4 Between Groups</td>
<td>4.966</td>
<td>2</td>
<td>2.483</td>
<td>6.039</td>
<td>.003</td>
</tr>
</tbody>
</table>

Question 8.1.4 (I would have been lost if I had to work through the information myself) revealed a significant variation when considering number of years in business (F=6.039, p=.003<.05). A Tuckey HSD post hoc test revealed that both those involved in business for 0-2 years (m=4.2252, sd=.68174) and those involved in business for between 3-10 years (m=4.1081, sd=.55971) are significantly more likely to feel lost if they had to work through small business development information without the assistance of the business enterprise centre. Those involved in business for 11 years or more, in comparison, were not as supportive of the suggestion (m=3.6068 sd=.60869).

This finding shows the importance role the services play in interpreting the large amount of information available for those relatively inexperienced in business. It
indicates that the service is more valuable in terms of filtering and clarifying information for those that are less familiar with business terminology and practices.

5.8.1.3 Emotional support in relation to gender

The Levene’s test results for the variables included in the emotional support factor for gender appear in Table 5.14.

Table 5.14: Levene’s test – emotional support/gender

<table>
<thead>
<tr>
<th>Test of Homogeneity of Variances – Emotional Support/Gender</th>
<th>Levene Statistic</th>
<th>df1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1.1 The business enterprise centre provides impartial advice</td>
<td>.941</td>
<td>1</td>
<td>115</td>
<td>.334</td>
</tr>
<tr>
<td>6.1.3 I trust advice more when it is provided by a real person</td>
<td>6.239</td>
<td>1</td>
<td>115</td>
<td>.014</td>
</tr>
<tr>
<td>8.1.1 The service provided emotional support for my decisions</td>
<td>2.864</td>
<td>1</td>
<td>115</td>
<td>.093</td>
</tr>
<tr>
<td>8.1.3 Someone to speak to is important when starting or expanding a business</td>
<td>1.350</td>
<td>1</td>
<td>115</td>
<td>.248</td>
</tr>
<tr>
<td>8.1.4 I would have been lost if I had to work through the information myself</td>
<td>2.131</td>
<td>1</td>
<td>115</td>
<td>.147</td>
</tr>
</tbody>
</table>

In relation to question 6.1.3 (I trust advice more when it is provided by a real person), the Levene’s test indicated a violation of homogeneity (.014); however, post hoc analysis was not carried out because there are only two options in the category ‘gender’. In relation to all other questions in this factor there was no violation to the assumption of homogeneity.

The ANOVA results for the variables included in the emotional support factor for gender appear in Table 5.15.

Table 5.15: ANOVA – emotional support/gender

<table>
<thead>
<tr>
<th>ANOVA – Emotional Support/Gender</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1.1 Between Groups</td>
<td>.032</td>
<td>1</td>
<td>.032</td>
<td>.061</td>
<td>.806</td>
</tr>
<tr>
<td>6.1.3 Between Groups</td>
<td>1.548</td>
<td>1</td>
<td>1.548</td>
<td>3.334</td>
<td>.070</td>
</tr>
<tr>
<td>8.1.1 Between Groups</td>
<td>.153</td>
<td>1</td>
<td>.153</td>
<td>.216</td>
<td>.643</td>
</tr>
<tr>
<td>8.1.3 Between Groups</td>
<td>.626</td>
<td>1</td>
<td>.626</td>
<td>2.095</td>
<td>.150</td>
</tr>
<tr>
<td>8.1.4 Between Groups</td>
<td>2.703</td>
<td>1</td>
<td>2.703</td>
<td>6.325</td>
<td>.013</td>
</tr>
</tbody>
</table>
Question 8.1.4 (I would have been lost if I had to work through the information myself) revealed a significant variation across gender (F=6.325, p= .013<.05). An inspection of the data revealed that women (m=4.2202, sd=.66789) are significantly more likely to feel lost if they had to work through small business development information without the assistance of the business enterprise centre. Men, in comparison, were not as supportive of the suggestion (m=3.9017 sd=.62613).

5.8.1.4 Emotional support in relation to age

The Levene’s test results for the variables included in the emotional support factor for age appear in Table 5.16.

Table 5.16: Levene’s test – emotional support/age

<table>
<thead>
<tr>
<th>Question</th>
<th>Levene Statistic</th>
<th>df1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1.1 The business enterprise centre provides impartial advice</td>
<td>.985</td>
<td>2</td>
<td>114</td>
<td>.377</td>
</tr>
<tr>
<td>6.1.3 I trust advice more when it is provided by a real person</td>
<td>.503</td>
<td>2</td>
<td>114</td>
<td>.606</td>
</tr>
<tr>
<td>8.1.1 The service provided emotional support for my decisions</td>
<td>4.332</td>
<td>2</td>
<td>114</td>
<td>.015</td>
</tr>
<tr>
<td>8.1.3 Someone to speak to is important when starting or expanding a business</td>
<td>1.139</td>
<td>2</td>
<td>114</td>
<td>.324</td>
</tr>
<tr>
<td>8.1.4 I would have been lost if I had to work through the information myself</td>
<td>1.248</td>
<td>2</td>
<td>114</td>
<td>.291</td>
</tr>
</tbody>
</table>

In relation to question 8.1.1 (The service provided emotional support for my decisions), the Levene’s test indicated a violation of homogeneity (.015). In relation to all other questions in this factor there was no violation to the assumption of homogeneity.

The ANOVA results for the variables included in the emotional support factor for age appear in Table 5.17.
Table 5.17: ANOVA – emotional support/age

<table>
<thead>
<tr>
<th>ANOVA – Emotional Support/Age</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1.1 Between Groups</td>
<td>1.864</td>
<td>2</td>
<td>.932</td>
<td>1.799</td>
<td>.170</td>
</tr>
<tr>
<td>6.1.3 Between Groups</td>
<td>.839</td>
<td>2</td>
<td>.419</td>
<td>.884</td>
<td>.416</td>
</tr>
<tr>
<td>8.1.1 Between Groups</td>
<td>.588</td>
<td>2</td>
<td>.294</td>
<td>.413</td>
<td>.663</td>
</tr>
<tr>
<td>8.1.3 Between Groups</td>
<td>.079</td>
<td>2</td>
<td>.040</td>
<td>.130</td>
<td>.878</td>
</tr>
<tr>
<td>8.1.4 Between Groups</td>
<td>.478</td>
<td>2</td>
<td>.239</td>
<td>.530</td>
<td>.590</td>
</tr>
</tbody>
</table>

The ANOVA established that there was no significant variation between age groups in relation to any of the questions in the emotional support factor.

5.8.1.5 Emotional support in relation to geographical location

The Levene’s test results for the variables included in the emotional support factor for geographical location appear in Table 5.18.

Table 5.18: Levene’s test – emotional support/geographical location

<table>
<thead>
<tr>
<th>Test of Homogeneity of Variances – Emotional Support/Geographical Location</th>
<th>Levene Statistic</th>
<th>df1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1.1 The business enterprise centre provides impartial advice</td>
<td>.238</td>
<td>2</td>
<td>114</td>
<td>.789</td>
</tr>
<tr>
<td>6.1.3 I trust advice more when it is provided by a real person</td>
<td>.860</td>
<td>2</td>
<td>114</td>
<td>.426</td>
</tr>
<tr>
<td>8.1.1 The service provided emotional support for my decisions</td>
<td>.163</td>
<td>2</td>
<td>114</td>
<td>.850</td>
</tr>
<tr>
<td>8.1.3 Someone to speak to is important when starting or expanding a business</td>
<td>.515</td>
<td>2</td>
<td>114</td>
<td>.599</td>
</tr>
<tr>
<td>8.1.4 I would have been lost if I had to work through the information myself</td>
<td>.704</td>
<td>2</td>
<td>114</td>
<td>.497</td>
</tr>
</tbody>
</table>

In relation to all questions in this factor there was no violation to the assumption of homogeneity.

The ANOVA results for the variables included in the emotional support factor for geographical location appear in Table 5.19.
Table 5.19: ANOVA – emotional support/geographical location

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>2.078</td>
<td>2</td>
<td>1.039</td>
<td>2.013</td>
</tr>
<tr>
<td>Between Groups</td>
<td>1.464</td>
<td>2</td>
<td>.732</td>
<td>1.560</td>
</tr>
<tr>
<td>Between Groups</td>
<td>.364</td>
<td>2</td>
<td>.182</td>
<td>.255</td>
</tr>
<tr>
<td>Between Groups</td>
<td>1.566</td>
<td>2</td>
<td>.783</td>
<td>2.671</td>
</tr>
<tr>
<td>Between Groups</td>
<td>4.358</td>
<td>2</td>
<td>2.179</td>
<td>5.232</td>
</tr>
</tbody>
</table>

Question 8.1.4 (I would have been lost if I had to work through the information myself) revealed a significant variation across geographical locations (F=5.232, p= .007 < .05). A Tuckey HSD post hoc test revealed that those in metropolitan areas (m=4.3204, sd=.58224) are significantly more likely to feel lost if they had to work through small business development information without the assistance of the business enterprise centre. Those in both large regional centres (m=3.9177, sd=.74539) and those in small regional and rural areas (m=3.9438, sd=.65684), in comparison, were not as supportive of the suggestion. This perhaps indicates a growing sense of isolation among metropolitan business owners, and metropolitan residents in general. It may also reflect closer community ties in regional areas of the State.

5.8.1.6 Emotional support in relation to education

The Levene’s test results for the variables included in the emotional support factor for education appear in Table 5.20.

Table 5.20: Levene’s test – emotional support/education

<table>
<thead>
<tr>
<th>Test of Homogeneity of Variances – Emotional Support/Education</th>
<th>Levene Statistic</th>
<th>df1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1.1 The business enterprise centre provides impartial advice</td>
<td>4.365</td>
<td>3</td>
<td>113</td>
<td>.006</td>
</tr>
<tr>
<td>6.1.3 I trust advice more when it is provided by a real person</td>
<td>1.652</td>
<td>3</td>
<td>113</td>
<td>.182</td>
</tr>
<tr>
<td>8.1.1 The service provided emotional support for my decisions</td>
<td>.988</td>
<td>3</td>
<td>113</td>
<td>.401</td>
</tr>
<tr>
<td>8.1.3 Someone to speak to is important when starting or expanding a business</td>
<td>1.660</td>
<td>3</td>
<td>113</td>
<td>.180</td>
</tr>
<tr>
<td>8.1.4 I would have been lost if I had to work through the information myself</td>
<td>.063</td>
<td>3</td>
<td>113</td>
<td>.979</td>
</tr>
</tbody>
</table>
In relation to question 6.1.1 (The business enterprise centre provides impartial advice), the Levene’s test indicated a violation of homogeneity (.006). In relation to all other questions in this factor there was no violation to the assumption of homogeneity.

The ANOVA results for the variables included in the emotional support factor for education appear in Table 5.21.

Table 5.21: ANOVA – emotional support/education

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1.1 Between Groups</td>
<td>.258</td>
<td>3</td>
<td>.086</td>
<td>.160</td>
</tr>
<tr>
<td>6.1.3 Between Groups</td>
<td>3.192</td>
<td>3</td>
<td>1.064</td>
<td>2.323</td>
</tr>
<tr>
<td>8.1.1 Between Groups</td>
<td>3.328</td>
<td>3</td>
<td>1.109</td>
<td>1.600</td>
</tr>
<tr>
<td>8.1.3 Between Groups</td>
<td>.345</td>
<td>3</td>
<td>.115</td>
<td>.376</td>
</tr>
<tr>
<td>8.1.4 Between Groups</td>
<td>1.331</td>
<td>3</td>
<td>.444</td>
<td>.993</td>
</tr>
</tbody>
</table>

The ANOVA established that there was no significant variation between education levels in relation to any of the questions in the emotional support factor.

5.8.2 Impact on business

In this Section the Impact on Business factor is examined in greater detail. Firstly the combined factor ‘Impact on Business’ is examined against the demographics and then each of the individual questions within the factor is examined against the demographics.

The Levene statistic for the factor ‘Impact on Business’ (.381) indicated that the assumption of homogeneity had not been violated.

The ANOVA for the factor Impact on Business appears in Table 5.22.
The impact on business factor revealed a significant variation across business structure (F=3.536, p=.032<.05). A Tuckey HSD post hoc test revealed that those in sole trader businesses (m=3.8084, sd=.57045) and those in partnerships (m=3.9125, sd=.40080) were significantly more likely to report that the service had a positive impact on their business than those in a company structure (m=3.5416, sd=.51483).

The impact on business factor also revealed a significant variation across years in business (F=7.216, p=.001<.05). A Tuckey HSD post hoc test revealed that those in business for 0-2 years (m=3.8927, sd=.57655) were significantly more likely to report that the service had a positive effect on their business than either those in business for 3-10 years (m=3.5269, sd=.39599) or those in business of 11 years or more (m=3.5024, sd=.50748).

The following sub-Sections provide details of each of the questions in the impact on business factor in relation to each of the demographics.

5.8.2.1 Impact in relation to business structure

The Levene’s test results for the variables included in the impact factor for business structure appear in Table 5.23.
Table 5.2: Levene’s test – impact on business/business structure

<table>
<thead>
<tr>
<th>Test of Homogeneity of Variances – Impact on Business/Business Structure</th>
<th>Levene Statistic</th>
<th>df1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.2 I was able to access resources I previously couldn’t</td>
<td>1.826</td>
<td>2</td>
<td>114</td>
<td>.166</td>
</tr>
<tr>
<td>5.1.3 They helped me network</td>
<td>1.367</td>
<td>2</td>
<td>114</td>
<td>.259</td>
</tr>
<tr>
<td>5.1.4 I wouldn’t have started a business without them</td>
<td>1.431</td>
<td>2</td>
<td>114</td>
<td>.243</td>
</tr>
<tr>
<td>7.1.1 The service provided by the business enterprise centre allowed me to start or grow my business with more confidence</td>
<td>1.124</td>
<td>2</td>
<td>114</td>
<td>.329</td>
</tr>
<tr>
<td>7.1.4 The success of my business can, in part, be attributed to the business enterprise centre</td>
<td>2.811</td>
<td>2</td>
<td>114</td>
<td>.064</td>
</tr>
</tbody>
</table>

In relation to all questions in this factor there was no violation to the assumption of homogeneity.

The ANOVA results for the variables included in the impact on business factor for business structure appear in Table 5.24.

Table 5.24: ANOVA – impact on business/business structure

<table>
<thead>
<tr>
<th>ANOVA – Impact on Business/Business Structure</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.2 Between Groups</td>
<td>2.151</td>
<td>2</td>
<td>1.076</td>
<td>2.431</td>
<td>.093</td>
</tr>
<tr>
<td>5.1.3 Between Groups</td>
<td>.057</td>
<td>2</td>
<td>.029</td>
<td>.052</td>
<td>.949</td>
</tr>
<tr>
<td>5.1.4 Between Groups</td>
<td>6.086</td>
<td>2</td>
<td>3.043</td>
<td>3.636</td>
<td>.029</td>
</tr>
<tr>
<td>7.1.1 Between Groups</td>
<td>2.829</td>
<td>2</td>
<td>1.415</td>
<td>3.199</td>
<td>.044</td>
</tr>
<tr>
<td>7.1.4 Between Groups</td>
<td>1.825</td>
<td>2</td>
<td>.912</td>
<td>1.154</td>
<td>.319</td>
</tr>
</tbody>
</table>

Question 5.1.4 (I wouldn’t have started a business without them) revealed a significant variation across business structure (F=3.636, p=.029<.05). A Tuckey HSD post hoc test revealed that both those considering or already involved in a sole trader business (m=2.4937, sd=96120) and those in partnerships (m=2.7500, sd=.62158) were significantly more likely to feel that they wouldn’t have started a business without assistance from the business enterprise centre. Those in companies (m=2.0614, sd=.89786), in comparison, were not as supportive of the suggestion. With an overall mean of just 2.3907 (sd=.93539) the proposition was not strongly supported by respondents.

Question 7.1.1 (The service provided by the business enterprise centre allowed me to start or grow my business with more confidence) revealed a less
pronounced variation across business structure (F=3.199, p= .044 <.05). A Tuckey HSD post hoc test revealed that both those considering or already involved in a sole trader business (m=4.3151, sd=.66272) and those in partnerships (m=4.4106, sd=.67281) were significantly more likely to feel that the business enterprise centre allowed them to start or grow their business with more confidence. Those in companies (m=3.9952, sd=.66699), in comparison, were not as supportive of the suggestion. With an overall mean of 4.2292 (sd=.67747) the proposition was strongly supported by respondents.

5.8.2.2 Impact in relation to number of years in business

The Levene’s test results for the variables included in the impact factor for number of years in business appear in Table 5.25.

Table 5.25: Levene’s test – impact on business/years in business

<table>
<thead>
<tr>
<th>Test of Homogeneity of Variances – Impact on Business/Years in Business</th>
<th>Levene Statistic</th>
<th>df1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.2 I was able to access resources I previously couldn’t</td>
<td>1.771</td>
<td>2</td>
<td>114</td>
<td>.175</td>
</tr>
<tr>
<td>5.1.3 They helped me network</td>
<td>1.449</td>
<td>2</td>
<td>114</td>
<td>.239</td>
</tr>
<tr>
<td>5.1.4 I wouldn’t have started a business without them</td>
<td>.669</td>
<td>2</td>
<td>114</td>
<td>.514</td>
</tr>
<tr>
<td>7.1.1 The service provided by the business enterprise centre allowed me to start or grow my business with more confidence</td>
<td>8.175</td>
<td>2</td>
<td>114</td>
<td>.000</td>
</tr>
<tr>
<td>7.1.4 The success of my business can, in part, be attributed to the business enterprise centre</td>
<td>.410</td>
<td>2</td>
<td>114</td>
<td>.665</td>
</tr>
</tbody>
</table>

In relation to question 7.1.1 (The service provided by the business enterprise centre allowed me to start or grow my business with more confidence), the Levene’s test indicated a violation of homogeneity. For the post hoc test the Games-Howell test was used.

The ANOVA results for the variables included in the impact on business factor for years in business appear in Table 5.26.
Table 5.2: ANOVA – impact on business/years in business

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.2 Between Groups</td>
<td>1.474</td>
<td>2</td>
<td>.737</td>
<td>1.644</td>
</tr>
<tr>
<td>5.1.3 Between Groups</td>
<td>6.34</td>
<td>2</td>
<td>.317</td>
<td>.584</td>
</tr>
<tr>
<td>5.1.4 Between Groups</td>
<td>7.222</td>
<td>2</td>
<td>3.611</td>
<td>4.367</td>
</tr>
<tr>
<td>7.1.1 Between Groups</td>
<td>5.159</td>
<td>2</td>
<td>2.580</td>
<td>6.116</td>
</tr>
<tr>
<td>7.1.4 Between Groups</td>
<td>10.738</td>
<td>2</td>
<td>5.369</td>
<td>7.538</td>
</tr>
</tbody>
</table>

Question 5.1.4 (I wouldn’t have started a business without them) revealed a significant variation across number of years in business (F=4.367, p=.015 < .05). A Tuckey HSD post hoc test revealed that those involved in business for 0-2 years (m=2.5919, sd=.91654) were significantly more likely to feel that they wouldn’t have started a business without assistance from the business enterprise centre than those in partnerships (m=2.0360, sd=.85194) and those in companies (m=2.23907, sd=.98828). With an overall mean of just 2.3907 (sd=.93539) the proposition was not strongly supported by any group of respondents.

Question 7.1.1 (The service provided by the business enterprise centre allowed me to start or grow my business with more confidence) revealed a less pronounced variation across number of years in business (F=6.116, p=.003<.05). A Games-Howell post hoc test revealed that those involved in business for 0-2 years (m=4.3941, sd=.70217) were significantly more likely to feel that the business enterprise centre allowed them to start or grow their business with more confidence than those in business for 3-10 years (m=4.0704, sd=.80516) or those in business for 11 or more years (m=3.8359, sd=.66545).

Question 7.1.4 (The success of my business can, in part, be attributed to the business enterprise centre) revealed a very significant variation across number of years in business (F=7.538, p=.001 <.05). A Tuckey HSD post hoc test revealed that those in business for 0-2 years (m=3.9420, sd=.85235) and are significantly more likely to feel that the success of their business can, in part, be attributed to the business enterprise centre than those in business for 3-10 years (m=3.3040, sd=.80407) those in business for 11 or more years (m=3.3750, sd=.88506).
5.8.2.3 Impact in relation to gender

The Levene’s test results for the variables included in the impact factor for gender appear in Table 5.27.

Table 5.27: Levene’s test – impact on business/gender

<table>
<thead>
<tr>
<th>Test of Homogeneity of Variances – Impact on Business/Gender</th>
<th>Levene Statistic</th>
<th>df1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.2 I was able to access resources I previously couldn’t</td>
<td>.664</td>
<td>1</td>
<td>115</td>
<td>.417</td>
</tr>
<tr>
<td>5.1.3 They helped me network</td>
<td>.414</td>
<td>1</td>
<td>115</td>
<td>.521</td>
</tr>
<tr>
<td>5.1.4 I wouldn’t have started a business without them</td>
<td>.349</td>
<td>1</td>
<td>115</td>
<td>.556</td>
</tr>
<tr>
<td>7.1.1 The service provided by the business enterprise centre allowed me to start or grow my business with more confidence</td>
<td>.794</td>
<td>1</td>
<td>115</td>
<td>.375</td>
</tr>
<tr>
<td>7.1.4 The success of my business can, in part, be attributed to the business enterprise centre</td>
<td>.326</td>
<td>1</td>
<td>115</td>
<td>.569</td>
</tr>
</tbody>
</table>

In relation to all questions in this factor there was no violation to the assumption of homogeneity.

The ANOVA results for the variables included in the impact on business factor for gender appear in Table 5.28.

Table 5.28: ANOVA – impact on business/gender

<table>
<thead>
<tr>
<th>ANOVA – Impact on Business/Gender</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.2 Between Groups</td>
<td>.751</td>
<td>1</td>
<td>.751</td>
<td>1.667</td>
<td>.199</td>
</tr>
<tr>
<td>5.1.3 Between Groups</td>
<td>.048</td>
<td>1</td>
<td>.048</td>
<td>.089</td>
<td>.766</td>
</tr>
<tr>
<td>5.1.4 Between Groups</td>
<td>.240</td>
<td>1</td>
<td>.240</td>
<td>.273</td>
<td>.602</td>
</tr>
<tr>
<td>7.1.1 Between Groups</td>
<td>.455</td>
<td>1</td>
<td>.455</td>
<td>.992</td>
<td>.321</td>
</tr>
<tr>
<td>7.1.4 Between Groups</td>
<td>.002</td>
<td>1</td>
<td>.002</td>
<td>.002</td>
<td>.964</td>
</tr>
</tbody>
</table>

The ANOVA established that there was no significant variation between genders in relation to any of the questions in the impact on business factor.

5.8.2.4 Impact in relation to age

The Levene’s test results for the variables included in the impact factor for age appear in Table 5.29.
In relation to all questions in this factor there was no violation to the assumption of homogeneity.

The ANOVA results for the variables included in the impact on business factor for age appear in Table 5.30.

Table 5.30: ANOVA – impact on business/age

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.2</td>
<td>Between Groups</td>
<td>.201</td>
<td>2</td>
<td>.101</td>
<td>.219</td>
</tr>
<tr>
<td>5.1.3</td>
<td>Between Groups</td>
<td>1.147</td>
<td>2</td>
<td>.573</td>
<td>1.066</td>
</tr>
<tr>
<td>5.1.4</td>
<td>Between Groups</td>
<td>3.324</td>
<td>2</td>
<td>1.662</td>
<td>1.930</td>
</tr>
<tr>
<td>7.1.1</td>
<td>Between Groups</td>
<td>.962</td>
<td>2</td>
<td>.481</td>
<td>1.049</td>
</tr>
<tr>
<td>7.1.4</td>
<td>Between Groups</td>
<td>4.973</td>
<td>2</td>
<td>2.487</td>
<td>3.260</td>
</tr>
</tbody>
</table>

Question 7.1.4 (The success of my business can, in part, be attributed to the business enterprise centre) revealed a variation across ages (F=3.260, p= .042 <.05). A Tuckey HSD post hoc test revealed that those 20-29 years of age (m=4.3223, sd=.84047) were significantly more likely to feel that the success of their business can, in part, be attributed to the business enterprise centre than those in those 30-49 years of age (m=3.6523, sd=.92274) or those 50 years of age and older (m=3.5847, sd=.80633).

5.8.2.5 Impact in relation to geographical location

The Levene’s test results for the variables included in the impact factor for geographical location appear in Table 5.31.
In relation to all questions in this factor there was no violation to the assumption of homogeneity.

The ANOVA results for the variables included in the impact on business factor for geographical location appear in Table 5.32.

The ANOVA established that there was no significant variation between locations in relation to any of the questions in the impact on business factor.

5.8.2.6 Impact in relation to education

The Levene’s test results for the variables included in the impact factor for education appear in Table 5.33.
Table 5.3: Levene’s test – impact on business/education

<table>
<thead>
<tr>
<th>Test of Homogeneity of Variances – Impact on Business/Education</th>
<th>Levene Statistic</th>
<th>df1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.2 I was able to access resources I previously couldn’t</td>
<td>.386</td>
<td>3</td>
<td>113</td>
<td>.764</td>
</tr>
<tr>
<td>5.1.3 They helped me network</td>
<td>.274</td>
<td>3</td>
<td>113</td>
<td>.844</td>
</tr>
<tr>
<td>5.1.4 I wouldn’t have started a business without them</td>
<td>2.334</td>
<td>3</td>
<td>113</td>
<td>.078</td>
</tr>
<tr>
<td>7.1.1 The service provided by the business enterprise centre allowed me to start or grow my business with more confidence</td>
<td>.273</td>
<td>3</td>
<td>113</td>
<td>.845</td>
</tr>
<tr>
<td>7.1.4 The success of my business can, in part, be attributed to the business enterprise centre</td>
<td>.100</td>
<td>3</td>
<td>113</td>
<td>.960</td>
</tr>
</tbody>
</table>

In relation to all questions in this factor there was no violation to the assumption of homogeneity.

The ANOVA results for the variables included in the impact on business factor for education appear in Table 5.34.

Table 5.34: Levene’s test – impact on business/education

<table>
<thead>
<tr>
<th>ANOVA – Impact on Business/Education</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.2 Between Groups</td>
<td>4.474</td>
<td>3</td>
<td>1.491</td>
<td>3.502</td>
<td>.018</td>
</tr>
<tr>
<td>5.1.3 Between Groups</td>
<td>2.212</td>
<td>3</td>
<td>.737</td>
<td>1.383</td>
<td>.252</td>
</tr>
<tr>
<td>5.1.4 Between Groups</td>
<td>2.136</td>
<td>3</td>
<td>.712</td>
<td>.810</td>
<td>.491</td>
</tr>
<tr>
<td>7.1.1 Between Groups</td>
<td>2.374</td>
<td>3</td>
<td>.791</td>
<td>1.758</td>
<td>.159</td>
</tr>
<tr>
<td>7.1.4 Between Groups</td>
<td>1.799</td>
<td>3</td>
<td>.600</td>
<td>.752</td>
<td>.524</td>
</tr>
</tbody>
</table>

Question 5.1.2 (I was able to access resources I previously couldn’t) revealed a significant variation between education levels (F=3.502, p=.018<.05). A Tuckey HSD post hoc test revealed that those with high school (m=4.2500, sd=.57735) and diploma/TAFE (m=4.4178, sd=.63832) qualifications felt more strongly that they were able to access resources they previously couldn’t than those with a bachelor degree (m=4.1765, sd=.67288) and those with a masters degree or higher (m=3.8465, sd=.71257).

5.8.3 Online Services

In this Section the Online Services factor is examined in greater detail. Firstly, the combined factor ‘Online Services’ is examined against the demographics
and then each of the individual questions within the factor is examined against the demographics.

The Levene statistic for the factor ‘Online Services’ (.870) indicated that the assumption of homogeneity had not been violated.

The ANOVA for the factor Online Services appears in Table 5.35.

Table 5.35: ANOVA – online services

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Structure</td>
<td>1.029</td>
<td>2</td>
<td>.514</td>
<td>.914</td>
<td>.404</td>
</tr>
<tr>
<td>Years in Business</td>
<td>.516</td>
<td>2</td>
<td>.258</td>
<td>.455</td>
<td>.636</td>
</tr>
<tr>
<td>Gender</td>
<td>.490</td>
<td>1</td>
<td>.490</td>
<td>.871</td>
<td>.353</td>
</tr>
<tr>
<td>Age</td>
<td>3.407</td>
<td>2</td>
<td>1.704</td>
<td>3.143</td>
<td>.047</td>
</tr>
<tr>
<td>Location</td>
<td>.698</td>
<td>2</td>
<td>.349</td>
<td>.617</td>
<td>.541</td>
</tr>
<tr>
<td>Education</td>
<td>1.056</td>
<td>3</td>
<td>.352</td>
<td>.620</td>
<td>.603</td>
</tr>
</tbody>
</table>

The online services factor revealed a significant variation across age (F=3.143, p=.047<.05). A Tuckey HSD post hoc test revealed that those aged 20-29 years (m=2.2262, sd=.73244) and those aged 50 years and older (m=2.3006, sd=.59731) were significantly less likely to gather business information or find business information easy to download from the internet than those aged 30-49 years (m=2.6252, sd=.82069). However, with a low overall rating (m=2.4656, sd=.74970) the proposition that individuals favour online services is not supported.

The following sub-Sections provide details of each of the questions in the impact on business factor in relation to each of the demographics.

5.8.3.1 Online services in relation to business structure

The Levene’s test results for the variables included in the online services factor for business structure appear in Table 5.36.
Table 5.3: Levene’s test – online services/business structure

<table>
<thead>
<tr>
<th>Test of Homogeneity of Variances – Online Services/Business Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Levene Statistic</td>
</tr>
<tr>
<td>5.1.5</td>
</tr>
<tr>
<td>8.1.2</td>
</tr>
</tbody>
</table>

In relation to all questions in this factor there was no violation to the assumption of homogeneity.

The ANOVA results for the variables included in the online services factor for business structure appear in Table 5.37.

Table 5.37: ANOVA – online services/business structure

<table>
<thead>
<tr>
<th>ANOVA - Online Services/Business Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sum of Squares</td>
</tr>
<tr>
<td>5.1.5 Between Groups</td>
</tr>
<tr>
<td>8.1.2 Between Groups</td>
</tr>
</tbody>
</table>

The ANOVA established that there was no significant variation between business structures in relation to any of the questions in the online services factor.

5.8.3.2 Online services in relation to number of years in business

The Levene’s test results for the variables included in the online services factor for number of years in business appear in Table 5.38.

Table 5.38: Levene’s test – online services/years in business

<table>
<thead>
<tr>
<th>Test of Homogeneity of Variances – Online Services/Years in Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Levene Statistic</td>
</tr>
<tr>
<td>5.1.5</td>
</tr>
<tr>
<td>8.1.2</td>
</tr>
</tbody>
</table>

In relation to all questions in this factor there was no violation to the assumption of homogeneity.
The ANOVA results for the variables included in the online services factor for years in business appear in Table 5.39.

Table 5.39: ANOVA – online services/years in business

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.5 Between Groups</td>
<td>3.631</td>
<td>2</td>
<td>1.816</td>
<td>2.271</td>
<td>.108</td>
</tr>
<tr>
<td>8.1.2 Between Groups</td>
<td>.780</td>
<td>2</td>
<td>.390</td>
<td>.536</td>
<td>.586</td>
</tr>
</tbody>
</table>

The ANOVA established that there was no significant variation between years in business in relation to any of the questions in the online services factor.

5.8.3.3 Online services in relation to gender

The Levene’s test results for the variables included in the online services factor for gender appear in Table 5.40.

Table 5.40: Levene’s test – online services/gender

<table>
<thead>
<tr>
<th></th>
<th>Levene Statistic</th>
<th>df1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.5 I got most information I needed for my business off the internet</td>
<td>.440</td>
<td>1</td>
<td>115</td>
<td>.508</td>
</tr>
<tr>
<td>8.1.2 I could have easily just downloaded the information from a website</td>
<td>.742</td>
<td>1</td>
<td>115</td>
<td>.391</td>
</tr>
</tbody>
</table>

In relation to all questions in this factor there was no violation to the assumption of homogeneity.

The ANOVA results for the variables included in the online services factor for gender appear in Table 5.41.

Table 5.41: ANOVA – online services/gender

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.5 Between Groups</td>
<td>.030</td>
<td>1</td>
<td>.030</td>
<td>.036</td>
<td>.850</td>
</tr>
<tr>
<td>8.1.2 Between Groups</td>
<td>1.507</td>
<td>1</td>
<td>1.507</td>
<td>2.109</td>
<td>.149</td>
</tr>
</tbody>
</table>

The ANOVA established that there was no significant variation between genders in relation to any of the questions in the online services factor.
5.8.3.4 Online services in relation to age

The Levene’s test results for the variables included in the online services factor for age appear in Table 5.42.

Table 5.42: Levene’s test – online services/age

<table>
<thead>
<tr>
<th>Test of Homogeneity of Variances – Online Services/Age</th>
<th>Levene Statistic</th>
<th>df1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.5 I got most information I needed for my business off the internet</td>
<td>.620</td>
<td>2</td>
<td>114</td>
<td>.540</td>
</tr>
<tr>
<td>8.1.2 I could have easily just downloaded the information from a website</td>
<td>3.748</td>
<td>2</td>
<td>114</td>
<td>.027</td>
</tr>
</tbody>
</table>

In relation to question 8.1.2 (I could have easily just downloaded the information from a website), the Levene’s test indicated a violation of the assumption of homogeneity. However, the ANOVA established that there was no significant variation between age in relation to 8.1.2, therefore it was not necessary to run the Games-Howell test.

The ANOVA results for the variables included in the online services factor for age appear in Table 5.43.

Table 5.43: ANOVA – online services/age

<table>
<thead>
<tr>
<th>ANOVA – Online Services/Age</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.5 Between Groups</td>
<td>7.504</td>
<td>2</td>
<td>3.752</td>
<td>4.901</td>
<td>.009</td>
</tr>
<tr>
<td>8.1.2 Between Groups</td>
<td>1.089</td>
<td>2</td>
<td>.544</td>
<td>.752</td>
<td>.474</td>
</tr>
</tbody>
</table>

Question 5.1.5 (I got most information I needed for my business off the internet) revealed a significant variation across age (F=4.901, p=.009<.05). A Tuckey HSD post hoc test revealed that those aged 50 years and over (m=2.3126, sd=.80779) are considerably less likely to get information for their business off the internet than those aged 30-49 years (m=2.8226, sd=.89670). Surprisingly, those aged 20-29 years of age (m=2.3258, sd=1.00863) were less likely than those aged 30-49 years of age to get information for their business off the internet.
5.8.3.5 Online services in relation to geographical location

The Levene’s test results for the variables included in the online services factor for geographical location appear in Table 5.44.

Table 5.44: Levene’s test – online services/location

<table>
<thead>
<tr>
<th>Test of Homogeneity of Variances – Online Services/Location</th>
<th>Levene Statistic</th>
<th>df1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.5 I got most information I needed for my business off the internet</td>
<td>1.626</td>
<td>2</td>
<td>114</td>
<td>.201</td>
</tr>
<tr>
<td>8.1.2 I could have easily just downloaded the information from a website</td>
<td>.044</td>
<td>2</td>
<td>114</td>
<td>.957</td>
</tr>
</tbody>
</table>

In relation to all questions in this factor there was no violation to the assumption of homogeneity.

The ANOVA results for the variables included in the online services factor for geographical location appear in Table 5.45.

Table 5.45: ANOVA – online services/location

<table>
<thead>
<tr>
<th>ANOVA – Online Services/Location</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.5 Between Groups</td>
<td>1.081</td>
<td>2</td>
<td>.541</td>
<td>.658</td>
<td>.520</td>
</tr>
<tr>
<td>8.1.2 Between Groups</td>
<td>.561</td>
<td>2</td>
<td>.281</td>
<td>.385</td>
<td>.681</td>
</tr>
</tbody>
</table>

The ANOVA established that there was no significant variation between locations in relation to any of the questions in the online services factor.

5.8.3.6 Online services in relation to education

The Levene’s test results for the variables included in the online services factor for education appear in Table 5.46.

Table 5.46: Levene’s test – online services/education

<table>
<thead>
<tr>
<th>Test of Homogeneity of Variances – Online Services/Education</th>
<th>Levene Statistic</th>
<th>df1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.5 I got most information I needed for my business off the internet</td>
<td>.045</td>
<td>3</td>
<td>113</td>
<td>.987</td>
</tr>
<tr>
<td>8.1.2 I could have easily just downloaded the information from a website</td>
<td>1.178</td>
<td>3</td>
<td>113</td>
<td>.321</td>
</tr>
</tbody>
</table>
In relation to all questions in this factor there was no violation to the assumption of homogeneity.

The ANOVA results for the variables included in the online services factor for education appear in Table 5.47.

<table>
<thead>
<tr>
<th>ANOVA – Online Services/Education</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.5 Between Groups</td>
<td>3.627</td>
<td>3</td>
<td>1.209</td>
<td>1.499</td>
<td>.219</td>
</tr>
<tr>
<td>8.1.2 Between Groups</td>
<td>1.271</td>
<td>3</td>
<td>.424</td>
<td>.581</td>
<td>.629</td>
</tr>
</tbody>
</table>

The ANOVA established that there was no significant variation between education levels in relation to any of the questions in the online services factor.

### 5.8.4 Summary of ANOVA results

Those new to business, those in metropolitan areas, the young, and women, are significantly more likely to gain emotional support from their experiences with a business enterprise centre. This is of particular significance in relation to the ability of the business enterprise centre to filter information and present that information in a clear and useable way. It also suggests that emotional and psychological support, sometimes expressed as ‘soft’ support, plays a significantly more important role in the business advisory relationship than might be expected.

The reported impact on business is significantly more pronounced for clients that operate as sole traders or partnerships, those new to business, those with lower levels of education, and those that are young. The most significant impact for these individuals is access to information and resources leading to a speedier start-up and a more successful business. The number of people reporting that their business would not have been started without the assistance of a business enterprise centre is of interest, particularly in light of the qualitative study that suggests deterring high risk businesses is a benefit of the Business Advisory Services Program. In tandem, these outcomes suggest that those businesses started as a result of engagement with a business enterprise
centre are stronger and have a greater chance of success than those that were not.

The findings concerning online services suggest that while online information plays an important role for many people contemplating small business ownership, that the information collected does not fulfil the necessary standard, and that further information is required. This is particularly true for younger people that are new to business and older people.

The results indicate that start-up business clients are more likely to perceive staff members of the contracted providers of the Business Advisory Services Program to be knowledgeable about small business, more likely to find the information provided as being useful, and made a greater impact on their business.

From a program management perspective, the results indicate that services may deliver better perceived outcomes by targeting the more vulnerable sectors of the small business market.

5.9 Summary of findings from phase two

5.9.1 General findings

Three factors were uncovered through factor analysis: emotional support, impact on business, and online services.

The ANOVA demonstrates that the services considered most valuable to clients are those that provide emotional support during the start-up and expansion phase of their businesses. In contrast to online services, one-on-one guidance services are considered invaluable, particularly in terms of their ability to filter information and provide psychological support.

The quantitative phase of the study supports the findings of the qualitative phase of the study. The ANOVA demonstrates that those most likely to benefit from the services of the business enterprise centres are the young, those new
to business, those operating as sole traders or partnerships, women, and those with lower levels of education.

5.9.2 Findings in relation to the theoretical model

The findings provide support for the Gnyawali and Fogel (Gnyawali & Fogel, 1994) model. For those benefiting most from the emotional support provided by the service, there is some suggestion in the research that the non-financial assistance provided through initiatives such as the Business Advisory Services Program sits alongside entrepreneurial and business skills to give clients the ability to enterprise. Indeed, the research suggests that services such as face-to-face guidance, mentoring, encouragement, and playing the part of sounding board, provide a more important role in a person’s ability to enterprise than depicted in the Gnyawali & Fogel (1994) model. This is discussed in greater detail in Section 6.5.

5.10 Conclusion

This Chapter has presented the findings and analysis of the quantitative phase of the research. It detailed the results of the online survey, highlighting the themes that have emerged from the process. The Chapter provided an analysis of the general findings of the quantitative phase of the study and of the findings in regard to the theoretical model.

In the following and final Chapter the thesis provides a conclusion to the study. It discusses the results of the study in relation to the research questions. It discusses the implications of the research for theory, practice, and industry. The Chapter carefully describes the limitations of the study and provides suggestions about future research in the field.
Chapter 6: Conclusion and implications
6.1 Introduction

This final Chapter provides a conclusion to the study. It discusses the results of the study in relation to the research questions. It discusses the implications of the research for theory, practice, and industry. The Chapter carefully describes the limitations of the study and provides suggestions about future research in the field.

The purpose of this research has been to investigate the benefits of publicly-funded small business advisory and training services, and to identify where the services provided fit into the broader small business services sector. The research has used as its focus the delivery of the NSW Government’s Business Advisory Services Program through a number of Business Enterprise Centres across the State.

6.2 Conclusions on the key research questions

6.2.1 The value of publicly-funded small business training and advisory services

Sub-question 1: Why and to what extent are publicly-funded small business training and advisory services considered invaluable? Are there changes that could be recommended that would enhance the effectiveness of these services?

The research shows that publicly-funded small business advisory services play a number of important roles in the overall small business development model developed by Gnyawali and Fogel (1994). Of considerable importance, particularly to the young, start-up, and sole trader/partnership business owners, is the emotional support provided by the relationship with the business facilitator. This relationship is developed through personal contact, with the one-on-one interaction working to develop trust between the facilitator and the client. In this respect, the study confirms the findings of Barrett (2006), that suggest that one-on-one learning occurring through conversations with a trusted and experienced person is the most valuable part of the advisory process. This aspect of the Business Advisory Services Program was considered invaluable by a large proportion of the business facilitators and end-users of the service.
6.2.2 The use of publicly-funded small business training and advisory services

Sub-question 2: Why and to what extent do individual small business owners use publicly-funded small business training and advisory services?

The research shows that many intending and start-up small business owners use the services provided by publicly-funded providers as a base for their overall information gathering and business start-up activities.

While a relatively small number of business owners use the services provided through publicly-funded initiatives, those that do appear to use a range of services rather than relying on one or only a few. The business facilitators indicate that the service itself may be responsible for some of this diversity, with the services being credited with promoting a range of other service providers and programs to clients where needed.

While a significant proportion of clients use the services on a short term basis, many clients use them on a longer term basis, visiting a business facilitator on a regular basis for weeks or even months during business start-up or during times of significant stress or change in business conditions. These clients report that this mentoring relationship is invaluable to them in maintaining focus and providing them with clarification of issues and options.

6.2.3 The value in ‘soft’ services

Sub-question 3a: Why and to what extent do the users of publicly-funded small business training and advisory services value soft services (reassurance, emotional, and psychological support)? Which clients, in terms of education, age, experience in business, geographical location, gender, and business structure identify soft services as being more valuable?

The research strongly suggests that emotional and psychological supports are a key component of the service provided through publicly-funded business advisory services. While clients mentioned the value of training services, even these were discussed in terms of the emotional support provided by the business enterprise centres. There was little evidence to show that clients used the services purely for training purposes, devoid of psychological and/or
emotional support. This aspect of the study confirms the work of Ramsden and Bennett (2005), which indicates that the widest effects of external advice, particularly from publicly-funded sources, are intangible, such as reassurance or reducing uncertainty.

Those clients that receive the greatest benefit from soft services are those new to business, those in sole trader and partnership businesses, and metropolitan and female business owners. While these factors played a role in determining the impact of soft services, there was no significant variation between age groups or education. It appears that despite lower levels of education and younger age amongst the informants, the real drivers of emotional dependence may stem from feelings of isolation and vulnerability.

6.2.4 The value in ‘hard’ services

Sub-question 3b: Why and to what extent do the users of publicly-funded small business training and advisory services value hard services (small business information and small business skills training)? Which clients, in terms of education, age, experience in business, geographical location, gender, and business structure identify hard services as being more valuable?

Training services are viewed by clients as an essential aspect of the Business Advisory Services Program; however, they view these services as a stepping stone to more in-depth discussions about their business with a business facilitator. It was noted by a number of clients that small business training is available from a number of sources, including community colleges, colleges of technical and further education, private training organisations, and the internet. However, these services were considered generic and lacking information and guidance specifically tailored to the clients’ individual needs. This finding supports the work of Walker, Redmond, Webster, and Le Clus (2007), that highlighted the need for small business skills training to be more specific, and delivered in a flexible manner.

Those clients that receive the greatest benefit from hard services are those in company structures, those in the younger age categories, those with lower levels of education, and those new to business. The impact on business is felt
most strongly by these groups as they benefit most from more formal training services and detailed instruction on subjects such as financial management, marketing, and staff management.

6.2.5 Opinion of business facilitators in regard to soft and hard services

Sub-question 4: Why and to what extent do the business facilitators that deliver publicly-funded small business training and advisory services perceive soft services (reassurance, emotional, and psychological support) and hard services (small business information and small business skills training) influencing the creation and development of small enterprises?

Business facilitators note the value in training services is due to their broad nature, indicating that they use these services as a client filtering system. Clients that require only an introductory session on a particular topic are able to access that through their service, while providing those with more complex needs the option of accessing further guidance and counselling through the one-on–one services. In this regard training services are viewed as valuable by both the clients and the business facilitators.

6.2.6 The internet

Sub-question 5a: How do the users of publicly-funded small business training and advisory services regard the service in relation to online services, and why?

While the internet is valued as an important tool for gathering information, it is broadly recognised as a generalist tool that has the potential to create confusion and a sense of bewilderment. Essentially, the internet is viewed by clients and business facilitators as a tool rather than a service, the real service being in the personal interaction clients are able to experience with a trained and experienced business facilitator. This aspect of the study supports the work of Dyer and Ross (2008), which suggests that information provision is not good enough to produce positive business outcomes, but rather advice at a personal level gives small business owners more constructive ideas for developing business strategies.

Of interest is the significant level of disinterest older informants expressed regarding the use of internet services, while at the same time older informants
were less likely to benefit from hard or soft services. This raises interesting questions concerning the way in which government services can access this part of the small business sector.

6.2.7 Other providers

Sub-question 5b: How do the users of publicly-funded small business training and advisory services regard the service in relation to other service providers, and why?

Clients viewed publicly-funded services as non-biased, low cost, and trustworthy. Other providers, such as banks and commercial advisors, were viewed with greater suspicion, with many clients noting their belief that these providers try to up-sell their services or steer clients towards their own products. The cost of private advisory services was considered high by many clients, and some clients noted that this meant that consultation times were limited. Other clients found the cost of private providers prohibitive and were unable to access these services.

6.2.8 Which clients benefit the most

Sub-question 6: Which clients, in terms of education, age, experience in business, geographical location, gender, and business structure regard the service as having the greatest impact on their likelihood to start a small business?

The research indicates that young people, those inexperienced in business, and those in sole trader and partnership businesses benefit most from the services on offer. Figure 6.1 shows the demographic profiles benefiting the most; those in the smaller circle (A) benefit the most, particularly in terms of emotional support and impact on their business, while those in circles B & C show reducing levels of benefit.
6.2.9 Service design and delivery

The majority of participants were unable to fault the quality of the service; however, some participants were able to make suggestions for improvements to the design and delivery of the services.

Publicly-funded small business advisory and training services are viewed as a valuable resource, but a resource which is underutilised by the majority of the intending and start-up small business community. Much of the data gathered, particularly through the qualitative phase of the research, points to the lack of incentive as a major hurdle to training and advisory use. This is viewed as unfortunate by the current users and providers of the service because of the perceived value inherent in the service. Therefore, many of the suggestions concerning program design and delivery focus on the incentives to attract participation in the service.

In this regard, two major avenues were highlighted by participants. The first of these suggest the use of the taxation system, providing tax incentives to encourage greater use of the service. This approach is based on the view that the service provides a gatekeeper function, discouraging people from starting a business that has a higher chance of failure, and also a support function,
meaning that those that receive guidance and training own and operate a more successful business. This approach would see business tax breaks available for small business owners for a period of time following completion of approved training, guidance, and mentoring. As noted in Section 6.7, this type of initiative may provide an opportunity for further research in the field.

The second major suggestion in this regard involves the provision, by financial institutions, of reduced rate business loans for customers following completion of approved training, guidance, and mentoring. This approach is based on the view that default rates on loans may be reduced by the training and guidance received by the owners of the businesses involved. Again noted in Section 6.7, this style of initiative may provide future researchers with opportunities.

Participants were quick to note the interrelated nature of the services provided by a range of service providers. This prompted many to identify coordination of these services as a key for program design. Rather than funding being provided to a variety of providers, participants suggested a more central funding model in which key organisations delivered a range of training, guidance, mentoring, financing, and specific populations programs so that end users are not dealing with a number of service providers. Participants want the service to be client centred rather than program centred.

The data strongly suggests that clients would welcome the expansion of the one-on-one aspect of the service. The ability of business facilitators to engage with clients on a personal basis appears to go some way in developing trust and creating a client-focussed service.

6.3 Limitations

The research was confined to the users of the NSW Department of Trade and Investment’s Business Advisory Services Program 2009-2012, delivered by contracted providers. All of those providers are not-for-profit community-based member organisations of Business Enterprise Centres Australia and operate as Business Enterprise Centres in New South Wales. As such, the research does not provide a comparative study of those individuals that did not use the
service, including those individuals that used one or more alternative service providers.

The research does not provide an analysis of the long-term benefits of publicly-funded services on the health of the businesses influenced by the service. The impact on business is limited to the subjective comments made, and feelings expressed, by the research participants. In most cases these participants had become users of the service in the recent past, within the past 2 years.

The research methods used reflect the limited number of business facilitators available and the need to triangulate the findings of the qualitative phase of the study with quantitative data from the online survey. This makes the study quite person centred, opening up the possibility of biased data. Allowance has been made for this possibility, in part, by the triangulation of data.

6.4 Contribution to practice

Government initiatives in the area of small business are varied, and target a number of groups within the business sector. Examples include government programs that provide payroll tax incentives for larger organisations to employ staff and programs specifically designed to stimulate Indigenous business. The Business Advisory Services Program was designed to assist intending and start-up business owners start and grow their businesses. To this extent this research shows that the program has been very successful, but that it could be improved in the following ways.

The research suggests that there is a need to provide greater incentive for intending and start-up business people to use the services of a business advisor, whether that advisor is a government funded not-for-profit organisation or another small business advisor. These businesses, particularly the target clients identified in this research, benefit significantly from the use of publicly-funded services. Providing financial incentives through the taxation system, or stimulating the use of services through business loan incentives, would have the effect of increasing the proportion of individuals seeking out services, improving their chances of business success and contributing to an overall
reduction in business failures. Another option might be a Higher Education Contribution Scheme (HECS) style deferred payment system, with fees repaid through the taxation system once the business is earning a certain level of income/profit.

Of considerable interest is the increasing use of internet servicing by government. This study highlights the usefulness of the internet as a general information gathering tool, while at the same time being viewed as a less than adequate replacement to traditional face to face guidance. This is demonstrated in a number of ways. Firstly, the internet can be overwhelming and confusing for some people. Others find the information to be too general in nature. This research suggests that many people, after accessing small business information on the internet, prefer to have that information synthesised and interpreted by a business advisor. By filtering information in this way, research participants indicated that they were able to come away from the process with information that is digestible and useful for their particular situation.

Perhaps more importantly for policy makers is the need to more explicitly define the service, its target market, and its outcomes. The current expressed outcomes are to support intending and start-up small business people to start and grow a small business.

However, there remain questions surrounding the intention of government involvement in small business training and advisory services. While small business services may provide emotional support and impact on the speed of start-ups, what impact do these services have on job creation and innovation?

In the specific case of the Business Advisory Services Program in New South Wales, the research provides significant support for the continued and expanded use of similar initiatives in achieving a number of aims: providing basic introductory small business training; providing guidance/counselling services to intending and start-up business owners; longer term mentoring of clients; small business assessment/evaluation; links to financial institutions; and a gateway to other government initiatives and concessions.
Of importance for government is the use of the internet for the provision of information and training. As discussed in Section 6.2.6, while the use of websites for the provision of general information is welcomed by the end users of publicly-funded training and advisory services, these forms of service are viewed as introductory tools rather than supplementary or replacement services.

This research contributes to a continuing refinement of the Business Advisory Services Program and similar publicly-funded initiatives. It contributes to the information available to government about the best methods for supporting small businesses in the intending and start-up phases of the business lifecycle, showing that government funding of small business advisory services continues to be relevant and important to the growth of a vibrant small business sector. The research also provides government with further information to ensure public money is used in the most efficient and effective way in servicing the small business sector.

The research contributes to the theoretical framework evolving in the discipline of small business development. The research provides support for, and builds upon, the work of Gnyawali and Fogel.

6.5 Contribution to theory

The findings contribute to the theory by confirming and extending the concepts developed by Gnyawali and Fogel (1994). While supporting the model's overall design, the research provides further insight into what types of non-financial assistance is beneficial, and the ways in which non-financial assistance impacts on new venture creation: non-biased, low cost, and trustworthy advice; one-on-one personal contact; psychological and emotional support; and information filtering. Advisory and other support services are seen by many participants as invaluable in their final steps towards small business creation. This research, as described in Figure 6.2, suggests that many aspects of non-financial support are better delivered at an earlier stage of venture creation than suggested by Gnyawali and Fogel.
The research indicates that guidance services build upon the general nature of training services, and are also supported by more detailed mentoring services. Many of the participants in the qualitative phase of the study highlighted the importance of this in relation to their own ability to start a business, and a significant percentage of survey respondents noted the importance of these services in providing both the ability and likelihood of them starting a business. It is important to note here that ‘ability’ in this context does not refer only to knowledge transfer through a structured training program; rather, participants also linked their ability to start a business to the emotional and psychological support provided through the personal interaction they experienced with a business facilitator.

As highlighted in Figure 6.2, the research shows that the general availability of guidance and counselling services at a reasonable cost appears to impact on the socio-economic factors that may prevent some people from considering small business. This was highlighted in both the qualitative and quantitative phases of the study, with many participants expressing the view that they would have been unable to start a business without the availability of a low cost publicly-funded service.

6.6 Relevance for industry

A key contribution of the study for industry is that it provides strong support for the continued involvement of government in the provision of small business advisory services and highlights the ways in which these services are most valued by the small business sector in particular and the community in general.

Industry is able to gain from this study a deeper awareness of the value placed upon emotional and psychological supports in relation to small business development. This aspect of the study has been very strongly supported in both the qualitative and quantitative phases of the research.

The findings with regard to online information and service provision will also be instructive for industry. While an apparently increasing number of services are being provided online, this study highlights the sometimes negative reception
these services receive from the target market. These finding have perhaps wider implications for online content and signal a potential shift in what may be considered conventional wisdom on the issue of online delivery. The study suggests that more targeted information and training needs to be provided. Government funding to assist industry bodies, business enterprise centres, and possibly private providers to improve the delivery of their online services may be considered.

Continued, and potentially increased, government funding for small business advisory and training services has wider implications for industry associations, business enterprise centres, and business chambers. Developing and sustaining robust organisations through which government can provide services will be central to industry. Their ability to access funding, use funding in an effective and efficient manner, and adequately report on the outcome of their efforts will be a key challenge.

Figure 6.2: Findings in relation to the theoretical model
6.7 Recommendations for future research

The level of detail emerging from the study suggests a number of possible avenues for future research. The issues uncovered by the findings may lead future researchers towards the study of business outcomes, government policy, financial institution practice, and the impact publicly-funded services may have on default rates, among other topics.

The qualitative phase of the research indicated that non-financial services, such as advisory and support services, operate to deter unsustainable small business. Business facilitators and clients viewed the service as a reality check for intending business people, and noted the important role these services play in explaining the sometimes harsh reality of business to otherwise unsuspecting intending small business owners. They also recognise value in the ability of the service to drive the start-up process.

The financial benefit of deterring individuals from commencing a small business which has a low chance of success has not been studied to any significant degree. This aspect of the service is viewed by many, particularly the business facilitators, as an extremely important part of the overall service. It is important for the individuals concerned due to the savings they realise both financially and in other ways, and important for the economy in general, where loan defaults and bankruptcies are potentially reduced. It is in this area, concerning the impact the service has on deterring less than ideal business start-ups that a range of future research could be undertaken.

As discussed above, this research has not been undertaken longitudinally. Similar studies to this one in future years would provide useful longitudinal data these issues. The study could also be extended to other locations such as other states. Another area of potential research lies in the area of comparative study over a number of years, for example research into those businesses using and those not using publicly-funded small business advisory and training services.

The findings in relation to the increased need for emotional support among metropolitan small business owners and managers are of interest and raise the
possibility of future research in this area. The extent to which metropolitan clients feel emotional isolation compared to their regional counterparts, and the reasons for this isolation are issues that could be investigated.

There is an apparent paradox in the observation that while users of publicly-funded services regard the service highly, publicly-funded services are often perceived by the small business sector as offering advice of questionable value and relevance. While word-of-mouth is a strong influencer, it does not necessarily outweigh strongly engrained perceptions. In addition, governments have budgetary constraints that limit the provision of publicly-funded services. This may also impact on a government’s interest in providing greater incentives, discouraging the government from seeking a greater uptake of the services.

Yet another area of potential research identified through this study is incentive initiatives that have been recommended by both business facilitators and clients. These include taxation incentives (provided by government) and business loan rate reductions (provided by financial institutions) for those undertaking small business training and those receiving advisory services. Research into the role played by advisory services in reducing the risk of business failure and the associated ability of government and financial institutions to provide these incentives, would provide preliminary data indicating the possibility of proceeding with investigations into the potential for such policies.

6.8 Conclusion

This research provides support for the continued government funding of small business advisory and training services in New South Wales and, potentially, for across Australia. The services provide not only a means by which those least able to access information can do so, but provides a support mechanism for those least able to access professional and social support for their endeavours.

Publicly-funded small business advisory and training initiatives have been shown to provide an invaluable service to many intending and start-up small business owners, particularly the young, the inexperienced, and those in sole
trader and partnership businesses. The most valued aspect of these services is the emotional and psychological support provided through the trust relationship developed by one-on-one guidance and counselling services. These services assist end users gain the ability and confidence to venture into business, and the specific information required to grow their particular businesses with greater speed. Government intervention through the provision of publicly-funded small business advisory and training services is supported by this research. It remains an effective means of promoting small business development and the many benefits emanating from the realisation of that goal.
Appendices
Appendix A - Map of Business Advisory Services boundaries
Appendix B - Business Advisory Services contracts - funding allocations and output requirements

BAS program 2009-2012

Funding Allocation Per Contract Region

<table>
<thead>
<tr>
<th>BAS Region</th>
<th>2004-2009 Payments</th>
<th>Base Funding</th>
<th>Region Population</th>
<th>Population Weighting</th>
<th>Geography Weighting</th>
<th>Minimum Guidance Services</th>
<th>Minimum Training Services</th>
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Greater Sydney BAS                        | $1,200,000.00      | $700,000.00  |                    |                       |                     | 4000                     | 120                      | $700,000.00          |
|                                          | $1,200,000.00      | $700,000.00  |                    |                       |                     | 4000                     | 120                      | $700,000.00          |

$2,970,727.27 $1,740,000.00 $2,510,000.00
Appendix C - Ethics approval

20th December 2010

Mr Gregory Dresser
11B Byng St
Orange
NSW 2800

Dear Mr Dresser,

The School of Business Ethics Committee has approved your proposal “Publicly funded small business training and advisory services: their contribution in a multifaceted support environment” for a twelve month period from 20th December 2010.

The protocol number issued with respect to this project is 209/2010/14 Please be sure to quote this number when responding to any request made by the Committee.

Please note that the Committee requires that all consent forms and information sheets are to be printed on School of Business letterhead. Students should liaise with their Supervisor to arrange to have these documents printed.

You must notify the Committee immediately should your research differ in any way from that proposed.

You are also required to complete a Progress Report form, which can be downloaded from www.csu.edu.au/research/forms/ehre_annrep.doc, and return it on completion of your research project or by 20th December 2011 if your research has not been completed by that date.

The Committee wishes you well in your research and please do not hesitate to contact Dr Pamela Mathews on extension 32575 or email pmathews@csu.edu.au if you have any enquiries.

Yours sincerely

Dr Pamela Mathews
School of Business
Ethics Committee
Direct Telephone: (02) 6933 2575
Email: pmathews@csu.edu.au
Appendix D - Introductory letter

INFORMATION STATEMENT

Researcher  Gregory Dresser (Student)  0413 591 942
Supervisor Associate Professor Geoff Bambery  02 9233 8244

Research Title
Publicly-funded small business training and advisory services: their contribution in a multi-faceted support environment.

Purpose of the Research
The research aims to better understand the contribution made to small business development in the State by the NSW Business Advisory Services (BAS) program. The research will use interviews, focus groups, and a large-scale survey.

The Researcher
Mr Gregory Dresser BA (MCAE), Dip Ed (UTS), MBA (CSU) is a third year student undertaking a professional doctorate in business at Charles Sturt University. Mr Dresser is the Manager of Small Business Programs with the NSW Department of Industry & Investment and the Manager of the NSW Business Advisory Services (BAS) program.

Mr Dresser’s supervisor is Associate Professor Geoff Bambery BA DipPublicAdmin DipTeach PhD.

Charles Sturt University
Charles Sturt University’s mission is to provide distinctive educational programs for the professions, which prepare students for work and citizenship.

The University aims to conduct strategic and applied research that is nationally and internationally recognised, lead in the quality provision of flexible learning and teaching, and enhance its communities, which include rural and regional Australia, Indigenous Australians, the professions, industries and students for whom we provide research and education, and national and international institutions, scholars and researchers with whom our staff and students are linked.

The Participants
Participants in the research will be asked to submit to a one-hour interview and/or one-hour focus group to discuss their experiences with the services provided through the Business Advisory Services (BAS) program.

Potential Risks
While it is not anticipated that participants will be exposed to any risk, it is possible for some participants to experience emotional stress from discussions concerning their business experiences.

Data Collection, Storage, and Use
Data will be collected via audiovisual recording. The data collected will be transcribed into a Word document and used in a software program designed to analyse data and present the findings graphically. No individual will be identified in the analysis or in the findings. All recordings and transcriptions will be kept by the researcher for a period of five years, during which time they will be locked in a secure facility. At the end of the 5-year period, all recordings and transcriptions will be destroyed. The final thesis, based in part on the data collected from the participants, will be published and made publicly available by Charles Sturt University.

Withdrawal
There is no obligation to participate in the research, and those participating can withdraw from the research at any time. If a participant wishes to withdraw at any time, all data concerning the participant will be immediately destroyed.

www.csu.edu.au
The Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) Provider Number is 0000F (NSW) and 19471V (VIC) for Charles Sturt University
The School of Business’s Ethics Committee has approved this project. If you have any complaints or reservations about the ethical conduct of this project, you may contact the Committee through the Executive Officer:

Dr Pamela Mathews  
School of Business  
Charles Sturt University  
Locked Bag 588  
Wagga Wagga NSW 2678  
Tel: (02) 6933 2575  
Fax: (02) 6933 2790

Any issues you raise will be treated in confidence and investigated fully and you will be informed of the outcome.
Appendix E - Informed consent

CONSENT FORM

Research Title
Publicly-funded small business training and advisory services: their contribution in a multi-faced support environment.

I, ____________________________________________, consent to taking part in the above-mentioned research.

I acknowledge that:

- The purpose of the research has been explained to me and I have read and understood the information sheet given to me.
- I have been given the opportunity to ask questions about the research and received satisfactory answers.
- I understand that interviews and focus groups will be audio-visual recorded.
- I understand that only first names will be used during focus groups and that I will not be required to discuss any particular small business, either my own or that of any other participant.
- I understand that any information or personal details gathered in the course of this research about me are confidential and that neither my name nor any other identifying information will be used or published without my written permission.
- I understand that I am free to withdraw my participation in the research at any time, and that if I do I will not be subjected to any penalty or discriminatory treatment, and that any information I have provided up until that time will be immediately destroyed.

NOTE: The School of Business Ethics Committee has approved this project. If you have any complaints or reservations about the ethical conduct of this project, you may contact the Committee through the Executive Officer:

Dr Pamela Matthes
School of Business
Charles Sturt University
Locked Bag 598
Wagga Wagga NSW 2678
Tel: (02) 6633 2575
Fax: (02) 6633 2780

Any issues you raise will be treated in confidence and investigated fully and you will be informed of the outcome.

Signed: ___________________________ Date: ____/____/____
Appendix F - Semi-structured interview & focus group questions

Interview & Focus Group Protocol & Questions

Research Title
Publicly-funded small business training and advisory services: their contribution in a multi-faceted support environment.

The protocols that follow include open-ended interview and focus group questions and a number of subject areas to keep in mind. If these areas are not addressed by the open-ended responses, even after general probes are used, some of the suggested questions may be used.

The purpose of probes in interviews is to enable the person being interviewed to be as informative as possible in their responses. They are neutral prompts that encourage additional information, but do not suggest specific answers. Some examples of probes are "how is that?" or "in what ways?" and so on.

The protocols below include some follow-up questions that might be helpful for obtaining further information when probes do not result in covering the areas. Since follow-up questions should touch on whatever the interviewee has already said, there is no best way of phrasing them. These are only suggestions:

- Start each interview with a statement ensuring confidentiality.
- Each interview and each focus group should be interviewed for approximately one hour.
- Focus Group size: 6 - 8 people.
- Ask general, open-ended questions.
- Commence interviews by asking the participant to introduce themselves and provide a brief history of their experiences, their business, and their current situation.
- Use 2 or 3 open-ended questions to get the interviews and focus groups started.
I. Business Facilitator Interview

Open-ended questions

1. Given the range of small business support services available, what do you consider to be the real strengths of, and the contributions made by, the Business Advisory Services Program and other publicly-funded training and advisory services?

2. Why do you think individuals come along to use the service, instead of say another advisory service, a bank, an accountant, etc.?

3. Are you able to explain what emotional or psychological support the service provides, and perhaps how clients value this aspect of the service?

4. What type of client finds this aspect of the service most beneficial?

5. Are you able to explain what training the program provides, and perhaps how clients value this aspect of the service?

6. What type of client finds this aspect of the service most beneficial?

7. Can you describe the outcome of your service? (i.e. do most clients start or expand a small business, do some close, not start, or sell a business?)

8. What role does the service play in these decisions?

9. How could Government deliver the service in a better way?

Specific areas for follow-up questions

Strengths of the service
- Are you able to give an example of how the service has assisted a client?
- How do you view online training and advice for your clients?
- What do one-on-one publicly-funded support services provide that electronic or online services do not, if anything?
- Why is the training provided by the BAS different from, say, TAFE training?
- As an experienced small business professional, what would be the impact (on individuals and on the small business sector) if more training services were to be delivered online?

Other services
- What are the benefits of the other service providers, such as the banks, solicitors, etc.?
- Are you able to detail the additional benefits a client might get from the BAS service?
- How important are these additional benefits to the client?

Types of client
- What demographic is mainly attracted to the service provided by the BAS?
- Are you able to identify which ‘type’ of client appreciates the support services rather than the training services? (i.e. education level, experience, age, etc.)
- What do you think these clients would do if the BAS service was not provided?

Outcome of the service
- Can you explain how the service best helps the majority of clients?
- Is the greatest benefit to the Government and the community the starting of small businesses or is it something else?

Better service delivery
- Are there changes that could be made that would improve service delivery?
- Are there changes that could be made that would increase the number of people benefiting from the service?
- Are there changes that could be made that would focus the program more specifically on it’s most beneficial aspects?

Final Question
Is there anything else you would like to add?
II. Client Interview

Open-ended questions

1. What were your main reasons for obtaining services from the Business Advisory Service, as opposed to getting that service from an accountant, solicitor, bank, or other service provider?

2. Are you able to explain what emotional or psychological support the BAS service provides, and perhaps how valuable you think this aspect of the service is?

4. Why do you think this type of service is valuable?

5. Are you able to explain what training the program provides, and perhaps how valuable this aspect of the service is?

6. Why do you think this type of service is valuable?

7. Can you describe the outcome of the service you received? (i.e. did you start or expand a small business, did you close a business, decide not to start a business, or perhaps sell a business?)

8. What role does the service play in these decisions?

9. Can you outline what other sources of training and advice you’ve accessed? (e.g. friends, industry associations, accountants, banks, etc.).

10. Why did you access these other services and how do they compare (in regard to the type of service provided) with the BAS service?

11. How could Government deliver the service in a better way?

12. What do you think the Government is trying to achieve by providing the BAS service?

13. How do you think you would access training and guidance if the BAS service didn’t exist?

14. Which advice, from all sources, has been most valuable and why?

Specific areas for follow-up questions

Strengths of the service

- Are you able to give an example of how the service has assisted you?
- How do you view online training and advice? Have you used this type of service?
- What do one-on-one publicly-funded support services provide that electronic or online services do not, if anything?
- Is the training provided by the BAS different from, say, TAFE training or the training provided by some other provider?
- What would be the impact on individuals if more training services were to be delivered online rather than face-to-face? Would you use online services?

Other services

- What are the benefits of the other service providers, such as the banks, solicitors, etc.?
- Are you able to detail the additional benefits you received from the BAS service?
- How important have these additional benefits been to you? Could you get these benefits somewhere else?

Outcome of the service

- Can you explain how the service has been of most help to you?
- Is the greatest benefit to the Government and the community the starting of small businesses or is it something else?

Better service delivery

- Are there changes that could be made that would improve service delivery?
- Are there changes that could be made that would increase the number of people benefiting from the service?
- Are there changes that could be made that would focus the program more specifically on your needs?

Final Question

Is there anything else you would like to add?
III. Focus Group

Open-ended questions

1. What were your main reasons for obtaining services from the Business Advisory Service, as opposed to getting that service from an accountant, solicitor, bank, or other service provider?

2. Are you able to explain what emotional or psychological support the BAS service provides, and perhaps how valuable you think this aspect of the service is?

4. Why do you think this type of service is valuable?

5. Are you able to explain what training the program provides, and perhaps how valuable this aspect of the service is?

6. Why do you think this type of service is valuable?

7. Can you describe the outcome of the service you received? (i.e. did you start or expand a small business, did you close a business, decide not to start a business, or perhaps sell a business?)

8. What role does the service play in these decisions?

9. Can you outline what other sources of training and advice you’ve accessed? (e.g. friends, industry associations, accountants, banks, etc.).

10. Why did you access these other services and how do they compare (in regard to the type of service provided) with the BAS service?

11. How could Government deliver the service in a better way?

12. What do you think the Government is trying to achieve by providing the BAS service?

13. How do you think you would access training and guidance if the BAS service didn’t exist?

14. Which advice, from all sources, has been most valuable and why?

Specific areas for follow-up questions

Strengths of the service

- Are you able to give an example of how the service has assisted you?
- How do you view online training and advice? Have you used this type of service?
- What do one-on-one publicly-funded support services provide that electronic or online services do not, if anything?
- Is the training provided by the BAS different from, say, TAFE training or the training provided by some other provider?
- What would be the impact on individuals if more training services were to be delivered online rather than face-to-face? Would you use online services?

Other services

- What are the benefits of the other service providers, such as the banks, solicitors, etc.?
- Are you able to detail the additional benefits you received from the BAS service?
- How important have these additional benefits been to you? Could you get these benefits somewhere else?

Outcome of the service

- Can you explain how the service has been of most help to you?
- Is the greatest benefit to the Government and the community the starting of small businesses or is it something else?

Better service delivery

- Are there changes that could be made that would improve service delivery?
- Are there changes that could be made that would increase the number of people benefiting from the service?
- Are there changes that could be made that would focus the program more specifically on your needs?

Final Question

Is there anything else you would like to add?
Appendix G - Map of business enterprise centres selected for the study
## Appendix H - Survey

### BEC BAS Research

**1. Welcome**

Charles Sturt University, in conjunction with a number of Business Enterprise Centres across New South Wales, is conducting research and would appreciate your views.

Your views are important but will remain confidential. Your answers will be added to those of approximately 500 others and reported in summary format only. Information of a personal nature or information about an individual business will not be identified in the research analysis or findings.

The survey should take less than 5 minutes to complete. Your time and your contribution is highly valued and appreciated.
1. During the last two (2) years, have you receive assistance from a Business Enterprise Centre in New South Wales?

- [ ] Yes
- [ ] No
3. Introductory Information

1. Following the service(s) you received from the BEC, did you start or continue to operate a small business?

☐ Yes
☐ No
BEC BAS Research

4. Introductory Information

1. At the time of seeking assistance from the BEC, were you:
   - Thinking of starting a small business
   - An owner of a small business
   - A past owner of a small business

2. Did you receive training (in a classroom or group situation), counselling and advice (in a one-on-one situation), both, or neither?
   - Training
   - Counselling/Advice
   - Both
   - Neither

3. Which of the following best describes your reasons for seeking assistance from the Business Enterprise Centre:
   - Interested in starting a small business
   - Needed help with an existing small business
   - Wanted training in small business skills
   - Other

4. What other service providers did you consider? (please select all relevant responses)
   - Accountant
   - Lawyer
   - Bank
   - Business Coach
   - Family & Friends
   - TAFE
   - Universities
   - Other community training organisations
   - None
### BEC BAS Research

#### 5. What other service providers do you now use? (please select all relevant responses)

- Accountant
- Lawyer
- Bank
- Business Coach
- Family & Friends
- TAFE
- Universities
- Other community training organisations
- None

#### 6. How beneficial was the service you received from:

<table>
<thead>
<tr>
<th>Service Provider</th>
<th>It had a negative impact</th>
<th>Not at all beneficial</th>
<th>Somewhat beneficial</th>
<th>Beneficial</th>
<th>Very beneficial</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>The BEC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accountant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lawyer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Coach</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family &amp; Friends</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TAFE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Universities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other community training organisations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 1. Please rate the following statements

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I got emotional support for the business enterprise centre</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
</tr>
<tr>
<td>I was able to access resources I previously couldn't</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>They helped me network</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I wouldn't have started a business without them</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I got most of the information I needed for my business off the internet</td>
<td>☐</td>
<td>☒</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

### 2. Which BEC service do you consider the most valuable (please choose only one)?
- [ ] Small business skills training
- [ ] General small business information
- [ ] One-on-one guidance and counselling
- [ ] Networking opportunities

### 3. Which of the following aspect of the BEC services do you consider the most beneficial (please choose only one)?

- [ ] Learning business skills (finance, marketing, planning, etc.)
- [ ] Having someone to bounce ideas off and get confirmation that I'm on the right track
## 6. Trust and Use of the BEC

### 1. Please rate the following statements

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The business enterprise centre provides impartial advice</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>The business enterprise centre is the best first step for starting a business</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I trust advice more when it is provided by a real person</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
### 7. The Outcome of Your BEC Experience

**1. Please rate the following statements**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The service provided by the business enterprise centre allowed me to start or grow my business with more confidence</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>The business enterprise centre took some stress out of my decision making</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>If the business enterprise centre didn’t exist it would have taken me longer to start my business</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>The success of my business can, in part, be attributed to the business enterprise centre</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>My business would have been a success without the business enterprise centre</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
## 8. Advice & Counselling Services

### 1. Please rate the following statements

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The service provided emotional support for my decisions</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I could have easily just downloaded the information from a website</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Someone to speak to is important when starting or expanding a business</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I would have been lost if I had to work through the information myself</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>It would have been just as good to speak to someone on the phone</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
### 9. If You Have Not Used a BEC Service

#### 1. What sources of advice have you consulted?

- [ ] Friends
- [ ] Industry groups
- [ ] Bank
- [ ] Solicitor
- [ ] Owners of similar businesses
- [ ] Training organisations
- [ ] None
- [ ] Other

Other (please specify):

#### 2. Please give your reasons for not seeking advice from a Business Enterprise Centre?

- [ ] Have never heard of them
- [ ] Have no confidence in their advice
- [ ] Never got around to it
- [ ] Was advised not to bother
- [ ] Too expensive
- [ ] Could not find the time
1. If you received advice from a BEC and then decided not to start a business, what factors most influenced that decision?

<table>
<thead>
<tr>
<th>Factors</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Not Applicable - I Own a Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>I decided not to start a business because of other reasons</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
</tr>
<tr>
<td>Other sources of information put a positive spin - the BEC was realistic</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
</tr>
<tr>
<td>The BEC made me aware of the difficulties in operating a small business</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
</tr>
<tr>
<td>The BEC showed me that I wasn't going to make as much money as I thought</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
</tr>
</tbody>
</table>
### BEC BAS Research

#### 11. About Your Business

**1. Business structure**
- [ ] Sole trader
- [ ] Partnership
- [ ] Company or Trust

**2. Number of years in business**
- [ ] 0 - 2 years
- [ ] 3 - 10 years
- [ ] 11 or more

**3. Is the business a franchise?**
- [ ] Yes
- [ ] No

**4. The business can be best be categorised as (multiple categories can be selected):**
- [ ] Agriculture, forestry, and fishing
- [ ] Mining
- [ ] Manufacturing
- [ ] Electricity, gas, water and waste services
- [ ] Construction
- [ ] Wholesale trade
- [ ] Retail trade
- [ ] Accommodation and food services
- [ ] Transport, postal and warehousing
- [ ] Information media and telecommunications
- [ ] Financial and insurance services
- [ ] Rental, hiring and real estate services
- [ ] Professional, scientific and technical services
- [ ] Administrative and support services
- [ ] Public administration and safety
- [ ] Education and training
- [ ] Health care and social assistance
- [ ] Arts and recreation services
- [ ] Other services
## 12. Demographic Information

### 1. Gender
- Male
- Female

### 2. Age
- Under 20 years
- 20 - 29 years
- 30 - 39 years
- 40 - 49 years
- 50 - 59 years
- 60 - 69 years
- Over 70 years

### 3. Where do you live:
- A metropolitan area in NSW (Sydney, Newcastle, Wollongong)
- A large regional centre in NSW (e.g. Orange, Lismore, Albury, etc.)
- A smaller regional or rural area in NSW

### 4. Highest education level achieved
- High school
- Diploma/TAFE studies
- Bachelor degree from a university
- Masters degree from a university or higher
Thank you for completing the survey. Please note that submission of this survey will be viewed as your informed consent to have the data used for research purposes. No individual or individual business will be identified in the research analysis or findings.
Appendix I - Test of normality based on z-scores - raw data

<table>
<thead>
<tr>
<th>Question</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Skewness</th>
<th>Standard Error (Skewness)</th>
<th>Z Score (Skewness)</th>
<th>Kurtosis</th>
<th>Standard Error (Kurtosis)</th>
<th>Z Score (Kurtosis)</th>
<th>Acceptable Value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.1</td>
<td>3.82</td>
<td>0.88</td>
<td>-0.63</td>
<td>0.22</td>
<td>-2.80</td>
<td>0.23</td>
<td>0.44</td>
<td>0.53</td>
<td>1.96</td>
<td>X</td>
</tr>
<tr>
<td>5.1.2</td>
<td>4.16</td>
<td>0.82</td>
<td>-1.17</td>
<td>0.22</td>
<td>-5.22</td>
<td>2.40</td>
<td>0.44</td>
<td>5.41</td>
<td>1.96</td>
<td>X</td>
</tr>
<tr>
<td>5.1.3</td>
<td>3.97</td>
<td>1.02</td>
<td>-1.03</td>
<td>0.22</td>
<td>-4.62</td>
<td>0.83</td>
<td>0.44</td>
<td>1.86</td>
<td>1.96</td>
<td>X</td>
</tr>
<tr>
<td>5.1.4</td>
<td>2.72</td>
<td>1.28</td>
<td>0.30</td>
<td>0.22</td>
<td>1.35</td>
<td>-0.84</td>
<td>0.44</td>
<td>-1.88</td>
<td>1.96</td>
<td>Acceptable</td>
</tr>
<tr>
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