
The Outsiders Role in the Strategic Development of the Small Firm: A Study of Mentoring with Small Business Owner-Managers in Australia

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ABSTRACT:

This study outlines the findings of a longitudinal study of 21 small business owner-managers engaged in a management skills development program involving individual and peer group mentoring lasting five months. Key issues to be addressed were how mentors should be used in the planning process, the need for these mentors to be generalists or specialists, and the permanency of the relationship.

KEY FINDINGS:

- The term "mentor" within a small business context is poorly understood and needs to be fully defined;
- Prior to engagement it is important to clarify the roles and responsibilities of both the mentor and the small business owner-manager so as to manage expectations;
- Outsiders can play an important role in assisting the small business owner-manager with strategic planning, however, small business owner-managers need to be appropriately educated to ensure that they can make best use of the assistance provided;
- Mentoring support programs should be coordinated with education programs to achieve maximum benefit;
- Business mentors can be both generalists and specialists but a combination may be required depending upon the complexity and maturity of the small business;
- Small business owner-managers should not necessarily establish a permanent relationship with any particular mentor or counsellor, but should develop a strategic network of outside advisors to who they can turn for advice when required.

IMPLICATIONS FOR MANAGERS:

- Small business owner-managers should seek assistance and advice from outsiders but should fully understand the meaning of "mentor" and clarify mutual expectations and responsibilities before engagement.
- Small business owner-managers should ensure that they take responsibility for their own self-education and the creation of a strategic network of third-party advisors able to provide both generalist and specialist assistance when required.
- This 'virtual management team' can be used to assist the small business to develop its strategy and is likely to be highly beneficial to its future growth.