

Bridging the Gap: A Study of Strategic Change and Thinking within Small Firms

By Tim Mazzarol, Sophie Reboud, and Ciro J. Olivares¹

This paper outlines the findings from a longitudinal study of small business owners engaged in a management development program designed to assist them to review their management practices and strategic thinking. Over a period of 5 months these owner-managers were engaged with individual and peer group mentoring as well as the need to undertake a series of action learning tasks designed to enhance the business management systems within their companies. As part of the data collection process pre and post program diagnostic assessments were undertaken, along with mentor reports, owner-manager feedback and video case studies. The findings suggest that this combination of education and mentoring assisted the owner-managers to become more strategic in their orientation and personal management behaviours. The study seeks to answer a series of research questions initially posited by Robinson and Pearce in the mid-1980s but so far not fully addressed within the literature.

Small business owners are frequently typified by idiosyncratic approaches to strategy and planning. Small firms (e.g. those with less than 250 employees and annual sales turnover of below €50 million) (OECD, 2004), are also characterised by a lack of management systems and systematic management. In their landmark review of the literature relating to strategic planning in small firms, Robinson and Pearce (1984) concluded that there were many gaps in our understanding of how small businesses undertook the process of strategic planning. They posed several research questions that future studies should seek to address. Since the publication of the article over 89 papers have cited the work but not all these questions have been fully addressed in the way Robinson and Pearce (1984) originally suggested. This study sought to examine these questions through the experiences of a group of 21 small business owner-managers enrolled in a university management development program. This program provided an opportunity to examine these questions as well as the role education and mentoring might play in shaping the strategic thinking and capacity for change among small business owners.

¹ Dr Tim Mazzarol is an Associate Professor at the Graduate School of Management and Director of the Centre for Entrepreneurial Management and Innovation (CEMI) at the University of Western Australia (UWA).

Dr Sophie Reboud is Professor of Strategy and Management of Innovation, Head of Department of Management and Director, Centre for Business Research (CEREN) at Groupe ESC Dijon Bourgogne, France.

Mr Ciro Olivares is Managing Director of In-Focus Management Solutions Pty Ltd and a research associate with the Centre for Entrepreneurial Management and Innovation (CEMI) at UWA.

Literature Review on Strategic Planning in Small Firms

An examination of the literature published from the mid-1980s dealing with strategy and planning in small firms was undertaken with a view to providing potential answers to the research questions posited by Robinson and Pearce (1984). Each of these questions is examined below with reference to the literature.

1. Is the value of planning contingent on type of firm, stage of development, chain (or franchise) versus independent, financial condition, or other categorical variables?

The literature provided only limited answers to address this question (Naffziger & Kuratko, 1991). However, Covin and Slevin (1989), in a study of 161 small firms, found those with an organic structure, entrepreneurial strategic posture, long-term orientation, premium pricing strategy and good capacity for environmental scanning were likely to perform best. By comparison, firms with a mechanistic structure, conservative strategic posture, short term outlook, cautious financial management, narrow customer base and preference for incremental product refinement performed better in benign environments. Thus a firm's planning behaviour appears to be influenced by its environment and its size and structural characteristics (Risseeuw & Masurel, 1993). Larger firms appear more likely to engage in formal planning (O'Regan & Ghobadjan, 2002). However, it has been found to benefit start up firms, although performance seems to be dependent on the characteristics of the owner-manager, specifically their previous work history and experience in management (Olson & Bokor, 1995). Formal planning mechanisms, such as mission statements, have also not been found to have significant influences upon the performance of small firms (O'Gorman & Doran, 1999). Nevertheless, there remains a strong call within the literature for the application of formal planning and strategy to firms of all sizes in which goals are clarified and operational procedures are developed (Sandberg, Robinson & Pearce, 2001a; 2001b).

2. Can long run and short run value be better determined if longitudinal research is conducted?

There were relatively few longitudinal studies found in the literature review however, Sexton and Van Auken (1985) tracked the performance of 357 small firms over a four year period to examine their strategic planning behaviour. They found the level of formal business planning to be low and dependent on the adoption by the owner-manager of a strategic orientation. However, lower rates of failure were found to be positively correlated with formal planning behaviour. A further longitudinal study was undertaken by Hill (2001) who examined 57 small firms. This found a strong relationship between the firm's sales orientation and customer networks, and the generation of operational decisions that eventually lead to strategic outcomes. The level of sophistication in the strategic planning of small firms was considered to be greater than originally thought. In a further longitudinal study by Gibson and Cassar (2002), planning within small firms was found to be erratic and inconsistent over time with levels of formalisation positively correlated with firm size and the education levels of the owner-manager. It would seem that longitudinal analysis is an effective means of determining the value of planning to small firms, although it is a difficult research design to implement.

3. *What specifically does 'informal' planning mean?*

There was little attention given in the literature directly to this question. Most of the available information focused on the benefits of formal planning. Formal planning is typically associated with the use of written business plans, mission statements and other tangible cues. Such sophisticated planning mechanisms if coupled with an entrepreneurial orientation (e.g. innovative, profit driven, and growth focused), are likely to yield the most favourable outcomes for the small business (Bracker, Keats & Pearson, 1988; Berman, Gordon & Sussman, 1997). However, there is little empirical evidence supporting the relationship between formal planning and small business performance (Rue & Ibrahim, 1998). The need to engage in formal planning seems to be function of size and complexity (O'Regan & Ghobadian, 2002). Informal planning is less easy to define and is likely to take place within the mind of the owner-manager and their strategic orientation, or developed within the context of daily operational management of the business (Bianchi, 2002).

4. *In what specific ways should small firm planning systems work to achieve the appropriate level of informality?*

The evidence associated with the benefits to small firms of operational planning is stronger than for formal strategic planning, although there seems to be a relationship between strategic planning and uncertainty (Shrader, Mulford & Blackburn, 1989). It also seems that the process of planning is of more importance than the possession of written plan, and that strategic planning needs to be associated with an entrepreneurial orientation within the owner-manager (Bracker & Pearson, 1986). While the evidence to show formal planning is linked to enhanced financial performance remains weak, formal planning seems more strongly associated with business growth (Lyles, Baird, Orris & Kuratko, 2001). If planning is to be informal in nature it appears appropriate for it to be linked closely with operational management systems that have the ability to guide the firm's strategic performance against operational targets (Hudson, Smart & Bourne, 2001).

5. *Does the answer vary by firm, location, entrepreneurial characteristics, or other means?*

The impact of various factors on small firm strategy and planning has been found in a variety of studies although the picture is far from coherent with respect to answering this question. There is evidence that the planning challenges facing small firms are just as complex as those facing their larger counterparts, and that planning behaviour is likely to be influenced by the firm's past history of planning, and the owner-manager's level of change readiness (Shuman & Seeger, 1986). The more entrepreneurial the orientation of the firm's owner-manager, the more likely the firm will engage in formal planning (Matthews & Scott, 1995). Entrepreneurial small firms tend to be growth focused, and such firms have been found to follow emergent rather than deliberate strategies, with a more dynamic strategic path that is non-linear in nature (Johnson, 1997; Watts, Cope & Hulme, 1998). The most important element in determining the nature of strategic planning within the small firm is the character of the owner-manager who is the principal architect of change, innovation, resource accumulation and capacity development (Hajimanolis, 2000). In many cases the strategic decision making undertaken by the

owner-manager may not be economically rational in nature (Wiklund, Davidsson & Delmar, 20003). Small business owner-managers who are entrepreneurial are more likely to adopt formal, sophisticated planning behaviour, suggesting that one of the most important determinants of planning is the strategic posture or orientation of the owner-manager (Gibbons & O'Connor, 2005).

6. *How should "outsiders" be used in the planning process?*

The role of outsiders did not appear to be as widely examined within the literature as its relative importance would suggest. The majority of small business owners obtain information from the popular media, and many rely heavily upon family and friends for advice, often placing a low value on the opinions of professionals such as accountants, bankers and lawyers (Smeltzer, Fann & Nikolaisen, 1988; Smeltzer, Van Hook & Hutt, 1991; Bennett & Robson, 1999). This pattern of behaviour is also found among entrepreneurial owner-managers engaged in high levels of innovation, who appear to rely more upon the voice of the customer to guide their decision making than the advice of professionals (Mazzarol & Reboud, 2005). Small business owners are also less inclined to make use of government funded advisory services than other business owners, although most seek advice from an accountant at least for taxation compliance purposes (Jay & Schaper, 2003). Nevertheless, there is evidence that outsider advisors can assist the owner-manager to adapt to environmental change, and to integrate systems within the business to achieve organisational efficiencies (Bracker & Pearson, 1985). Furthermore, when small business owners make use of multiple sources of professional advice (e.g. accountants and marketing agencies) their overall business performance is superior (Kent, 1994). The key for many small business owners is to forge a strategic network that can provide support when required at different stages of the firm's development (Ostgaard & Birley, 1994). Strategic networks can be beneficial to fast growing small firms and can assist in sustaining their long term objectives (Havenes & Senneseth, 2001).

7. *Should they be generalists or specialists?*

Whether outsiders should be generalists or specialists is likely to depend upon the stage of development experienced by the firm, and the nature of its industry (Chaston, 1995). For example, the acquisition of technology by a small firm is a strategic process and typically requires highly specialist advice (Masten, Hartmann & Safari, 1995). Yet the small business counsellor or advisor need not be a technical specialist to provide a valuable function (Gibb, 1984). For many small business owners the most important relationship is with a mentor or coach who can develop a rapport based on trust and active listening, not just the ability to provide specific support in functional management tasks (Chaston & Baker, 1998).

8. *How permanent should the relationship be?*

The permanency of the relationship between a small business owner-manager and an outside advisor is likely to depend upon the type of use to which the advisor is put. For technical specialists the completion of a task usually sees the end of the need by the owner for their services. However, there is evidence that the owner-manager can gain a lot from ongoing mentoring or coaching support that can assist them to make strategic

decisions (Cope & Watts, 2000). Unlike a consultant, who typically fixes a problem by firing a "magic bullet", the mentor/coach engages in a longer term relationship involving mutual education and problem solving (Johnson, 1992).

9. What specific activities should comprise the planning process?

For most small business owner-managers the planning process is focused on addressing operational tasks. The most important areas of focus for small businesses appears to be financial management with short term operational rather than long term strategic applications (Pelham & Clayson, 1988). Small business owner-managers can benefit from the application of strategic planning tools, particularly those that involve competitive benchmarking (Bradley, 1996; McNamee, Greenan & McFerran, 2000). The use of key performance indicators (KPI) to guide performance can be highly beneficial to small fast growing firms, and this can be enhanced by having the owner-manager share such KPI data with employees (Upton, Teal & Felan, 2001). However, small business owners can also benefit from external environmental scanning to assist planning and strategic decision making (Beal, 2000).

10. What is the best planning schedule?

While the operational planning cycle is likely to require fairly short intervals between the assessments of KPI data, the focus for small business owner-managers should be on the longer term rather than short run operational decision making (Schwenk & Schrader, 1993). For conservative small firms operating in relatively benign environments the cycle of planning can be relatively short and operationally focused. For the more entrepreneurial, faster growing small firm, the strategic planning horizon needs to be longer even if the operational cycle is similar (Larsen, Tonge & Ito, 2000).

11. How should responsibility be assigned?

While the owner-manager is the most important point of focus in the planning cycle of a small firm, the role of outsiders in the planning process is valuable. Technical functions might be delegated to outsiders by the owner-manager in order to get specific task completed. However, the owner-manager must retain control of the final process of strategic decision making (Hitt & Tyler, 1991). Entrepreneurial behaviour with its focus on growth and innovation must be integrated with strategic thinking (Hitt, Ireland, Camp & Sexton, 2001). Owner-managers can gain from forming strategic partnerships with third parties such as customers, suppliers and external counsellors or advisors (Mazzarol, 1999).

12. What is the optimal planning time frame?

The literature remains inconclusive over the optimal time frame for planning within a small business. Most planning within small firms is emergent and opportunistic, with an evolutionary, risk adverse approach being common (Anderson & Atkins, 2001). Formal planning linked to annual sales cycles appears to result in positive outcomes for small firms (Ackelsberg & Arlow, 1985). Long range, sophisticated planning appears to be associated with above average performance in sales volume within small firms (Berman, Gordon & Sussman, 1997). However, the optimal duration of the planning cycle may depend upon the stage of development of the firm (Scott & Bruce, 1987).

13. What viable strategy options exist for small firms?

As with their larger counterparts small firms appear to follow similar strategic patterns to those initially identified by Miles and Snow (1978). For example, Gimenez (2000) found small firms could also be segmented into "Analyser", "Prospector", "Defender" and "Reactor" types, with the first two experiencing significantly more growth than the last two. Prospector type strategies are likely to be associated with innovation, although this strategic type is contingent on the personality of the owner-manager (Kikul & Gundry, 2002). Other strategic typologies for small firms have been postulated. For example, Gibcus & Kemp (2003) identified five distinct strategies for small firms, namely: i) cost leadership; ii) innovation; iii) marketing; iv) service and v) process. Four types of firm were also identified: i) service differentiators; ii) innovation-market differentiators; iii) process differentiators, and iv) stuck in the middle. Strategy development within the innovation-marketing differentiators and process differentiators was more formal in nature than for the other types.

Despite such findings the strategy followed by a small firm is largely contingent on the psychological orientation of the owner-manager, with proactive strategies typically selected by entrepreneurial owners, and reactive strategies by more conservative ones (Kotey & Meredith, 1997). Opportunistic or emergent strategies can be followed along with more considered or analytical approaches, as well as reactive or even routine behaviours, yet the combination of opportunism coupled with consideration seems the more effective (Frese, van Geldren & Ombac, 2000). The idiosyncratic nature of small firms makes it unlikely that a generic model of strategy formation can be found. Strategy within the small business is likely to be dependent upon the economic, social and cultural context within which the firm operates (Chan & Foster, 1999). Also important might be the ability of the owner-manager to undertake environmental scanning (Beal, 2000). The selection of strategic options by small businesses, are typically influenced by resource constraints and attempts by the owner-manager to overcome these limitations (Peel & Bridge, 1998). According to Anderson and Atkins (2001) for many small business owners the need to operate in conditions of uncertainty makes many conventional approaches to strategic planning inadequate. They suggest a variety of meta-strategies: i) robust (rigid formal planning); ii) flexibility (adaptive formal planning); iii) butterfly (experimental); and iv) lottery (random option selection), which can be used at different times under different circumstances.

14. What are the specific functional aspects of these options, and how do they differ across types, size, stage of development and other characteristics?

A variety of factors is likely to influence the strategic posture of a small firm in addition to the psychological orientation of the owner-manager. Within technology-based firms there is some evidence that the age of the firm, the novelty of the technology it employs and the owner-manager's past managerial experience and technical skills are likely to be influential (Jones-Evans, 1996). Within family owned businesses strategic options are more likely influenced by the founder owner's desire to allow generational change and the level of trust within the family members (Drozdow & Carroll, 1997). The structure of the business might also play a role in guiding strategy, with mechanistic

structures better suited to hostile environments and organic structures better suited to benign environments (Selvin & Covin, 1997).

15. What are the essential capabilities that a firm must possess to pursue different strategies?

Among the essential capabilities that a small firm must possess in order to pursue different strategies is an appropriate entrepreneurial orientation in its owner-manager, and the necessary management skills to implement strategy. There is a clear role here for management education targeted at the owner-manager (Schamp & Deschoolmeester, 1998). The owner-manager of the small firm also needs to possess a strong market or customer orientation, and a capacity to embrace innovation (Appiah-Adu & Singh, 1998). The ability of the small firm to use marketing planning via the marketing mix to guide strategy and value chain management has been identified as a key to financial success (McLarty, 1998). An entrepreneurial and market orientation is also likely to benefit small firms that seek to engage in international operations (Knight, 2000). Thus the role of the owner-manager is crucial to the success of the small firm following any particular strategy, and the owner-manager must possess a clear strategic vision that is focused on finding and maintaining competitive advantage (Kim & Choi, 2000). However, owner-managers also require a capacity for more routine operational management. For example, in the adoption of new technology (a complex process for any firm) an entrepreneurial style of management has been found to be less beneficial than an administrative style (Gagnon, Sciotte & Posada, 2000). Benchmarking data and quality standards at both the national and international level can play a key role in guiding the owner-manager and helping them set strategy (Stockdale & Standing, 2004). However, such benchmarking or formal quality assurance tools do not by themselves guarantee success (van der Wiele & Brown, 1997; 1998). Strategic planning tools can also play a useful part in this process (Aguilar, Mendoza, Krauth & Schimmel, 1997).

Methodology

The study took place within a small business management skills development and mentoring support program developed by the University of Western Australia under a grant provided by the Australian Commonwealth Government as part of its *Small Business Enterprise Culture Program*. This program provides grants for educational and community groups to develop and deliver programs of management skills development and mentoring support targeted at the owner-managers of small firms. Under this grant the university designed and developed a *Small Business Excellence Program* of which a core element comprised a mentoring support and education program lasting 5 months known as the *Strategic Enterprise Program* (SEP). The SEP is targeted at small business owner-managers operating a small to medium sized enterprise and who seek a more personalised business coaching and mentoring experience to assist them with implementation of change and business strategies. The SEP is designed around three interconnected and mutually supporting elements: i) *Diagnostic Assessment* – an initial business diagnostic that provides an assessment of the business and how it performs against a set of management standards; ii) *Individual Mentoring* – following the completion of the diagnostic assessment and first workshop, participants are matched

with a personal mentor who works with the owner-manager over the course of the program with up to 20 hours contact time, and an additional 4 hours preparation time set aside for the mentor for each participant; iii) *Educational Support* – in addition to the facilitated workshops, online learning support is provided that allows the owner-manager to download information and upload assignments that focus on specific *Action Learning Tasks* (ALT) associated with the strategy being implemented.

The SEP launched in the regional City of Albany, Western Australia in July 2005. Albany is located approximately 409 kilometres south of Perth on the south west coast in the Great Southern Region. This region's economy is focused principally on farming, forestry, fishing and tourism. Participating small business owners were subsidised through the Commonwealth grant, but also paid a course fee. Participants were selected with the assistance of the local Chamber of Commerce, business advisory agencies and the local economic development agencies. The criteria for acceptance into the program was for owner-managers to be established (e.g. not start ups), and to be keen to see their business grow or develop. All participants were required to submit a formal application outlining the nature of their business, something of its trading history, and a written statement as to why they should be included and what they hoped to get from the program. An initial cohort of 22 owner-managers was selected, but one was withdrawn due to concerns over their ability to complete the program. The final 21 participants represented 18 separate firms that covered a cross-section of industries including retailing, services, construction, agribusiness, and tourism. These firms were mostly micro or small businesses with annual turnovers less than AUD\$5 million. Most had been trading for over 10 years with six of the 18 having experienced growth in annual turnover during the previous 3 years. In addition to the owner-managers who engaged in the program, benchmarking data using the diagnostic assessment was collected from a control group of 29 owner-managers located in the Perth metropolitan area.

Within the 21 owner-managers engaged in the Albany group, 83 percent of cases indicated that they felt they were generally fairly active in seeking the assistance of outside persons who might be able to assist them with their business problems. Nevertheless, 94 percent also felt that they could be even more active in seeking business advice. When asked whether they sought business advice from different sources the most common (and most highly valued) were professionals such as accountants. All cases sought such professional advice, with 83 percent seeking advice from other owner-managers, and 78 percent going to business associations (e.g. Chambers of Commerce). Government business advisory agencies were used by only 56 percent of cases, the same proportion as used friends for such advice. Half of the cases sought business advice from family members. Only 17 percent of cases had previously worked with a business mentor before, and only 11 percent had participated in a peer group mentoring program such as a business round table forum.

Diagnostic Benchmarking

At the start of the program all owner-managers completed a diagnostic assessment questionnaire designed to evaluate their approach to management. This questionnaire consisted of 123 items covering 12 areas of management activity and business systems. These items were drawn from established standards such as ISO9001, ISO4360, ISO15504 and BMS4581, as well others developed through small business research at the

university. The benchmarking undertaken in the diagnostic assessment examined these 12 distinct areas of management competencies against international best practice and provided the owner-manager and their mentor with a baseline from which to commence. The purpose for developing this diagnostic tool was to assist businesses, small or large to quickly determine areas of their business which were not performing to expectation, or needed to be improved. Using these tools will enable a business to develop a well constructed management operating system (Fassoula & Rogerson, 2003).

The *ISO 9001 Quality Management Systems Requirements* benchmark is one of the most widely recognised management standards and has been adopted by many small firms (Karapetrovic, Rajamani & Willborn, 1997). The current methodology of Plan-Do-Check-Act (PDCA) used in this standard provided the substance to link all the standards used together. Using the PCDA component of the *AS/NZS 9001* creates a common platform and language that allows a small firm to more effectively meet customer requirements and satisfaction, reduce non-conformity and provide quality products or services (Sohail & Hong, 2003).

The *ISO 4360:199 Risk Management Standard* was selected because it was felt that regardless of size, from a best practice perspective, an effective management system needs to incorporate elements of risk management. Using this risk management standard was also driven by the fact that organisations normally use it to reduce liability while seeking re-insurance yet they rarely understand the potential to use it as part of their daily operational processes. The key areas that were looked at in depth while developing the diagnostic tools in relation to using this standard were: i) communicate and consult; ii) analyse risks; iii) evaluate risks; and iv) monitor and review.

The *ISO 15504-1 Information Technology-Process Assessment* was selected as it contains a *Process Assessment Relationship* containing three interlinked components: i) process assessment; ii) process capability determination and iii) process improvement. These form the basis of an effective management operating system that is important in the implementation of quality management systems (Naveh & Marcus, 2005). It is this standard that defines process improvement methods allowing the evaluation of processes in terms of strength, weaknesses and risks. The other component is process capability. The standard uses this as a tool that enables balance between the pros and cons of changing, redesigning or implementing a new process.

The *BMS AS/NZS 4581:1999 Management System Integration* standards were chosen because they clearly outline the components which are common to all management systems regardless of the type or size of the organisation as many such standards are viewed as only appropriate for large firms (McAdam & McKeown, 1999). This standard also defines the roles and responsibility for management of any organisation, specifically the communication path required, internal and external stakeholders, suppliers, customers, etc. It also clearly defines the process by which management should control the daily operations of the business. The diagnostic tool covered the key elements for running a business successfully, and this standard clearly defined how to manage a business. An added benefit of using this standard was that it allowed for easy linkages to other standards used in the development of the diagnostic tools.

This combination of recognised standards was seen as optimum in terms of validity and acceptance (Stickley & Winterbottom, 1994). The standards used for the

development of the diagnostic tools were carefully studied and specific elements were selected to show a coherent relationship for the development of each section of the questionnaire used in the diagnostic tools. The combination provided a complete solution to improve overall performance of a business (Shea & Gobelli, 1995; Thor, 1996). The tools aimed to operate as a change agent without significant capitalisation in areas such as information technology or a change management expert. A comprehensive approach to diagnostic benchmarking was considered appropriate for small firms (Haksever, 1996). As noted above, the diagnostic assessment tool was also administered to a control group of owner-managers drawn from well established and ostensibly well benchmarked firms such as major food service franchisers and pharmacists. The purpose of this was to provide a base line comparison for the owner-managers engaged in the program. These benchmarks were developed into a set of 12 management performance indicators which are outlined in Table 1.

TABLE 1: Management Performance Benchmarks

INDICATOR	DESCRIPTION
1. Marketing & Sales	Systematic generation of new business & sales tracking
2. Customer Interface	Monitoring customer satisfaction & delight
3. Financial Management & Performance	Monitoring financial performance & gaining control over financial KPI benchmarks
4. Management Intent	Setting a future strategic direction for the business
5. Process Capability	Establishing formal planning & control measures
6. Internal Integration	Matching planning & performance via KPI benchmarks
7. Products	Monitoring product performance & new product/service development
8. Quality	Creation of systematic quality assurance processes
9. Management Information	Obtaining regular data on business trends & KPI
10. External Integration	Building strategic information & support networks
11. Operations	Integrating sales & marketing data with operations
12. Strategy & Innovation	Building a competitive advantage & adding value

Management Education

In addition to the diagnostic assessment, the program involved training workshops through which participating owner-managers were introduced to a management education courseware suite consisting of eight *Action Learning Tasks* (ALT) focusing on: i) strategic planning; ii) marketing & sales management; iii) financial management; iv) HR management; v) business operations; vi) professionalism; vii) technology and viii) industry awareness & the business cycle. Participants were provided with courseware and tasked to work with their individual mentors and within peer group mentoring teams to address these ALT. The inclusion of this management education program was recognition that the effectiveness of many quality assurance systems within small firms has proven disappointing (Shams-ur, 2001). Such quality or performance standards need to be linked to strategic thinking and supported by management skills to ensure they are appropriately embedded (Nwankwo, 2000).

Mentoring Support

In addition to the diagnostic benchmarking and management education the program comprised individual and peer group mentoring support. The term mentor has many uses but is generally associated with a trusted counsellor who provides guidance or advice to a protégé. Within the context of small business the concept of mentoring refers to a process in which an owner-manager is guided through problem solving leading to the formulation of strategies (Gibb, 1984). Rather than provide direct solutions to problems a mentor works with their protégé to mutually exchange ideas and assist the owner-manager to learn how to think and act in future situations (Johnson, 1992). The relationship requires a close, personal relationship based on trust (Pegg, 1999).

Each participant was allocated the equivalent of 20 mentoring hours comprising face-to-face group and individual mentoring, correspondence activity and a travel allocation time. The mentors engaged in the program were contracted by the university from industry and had extensive experience in working with small business clients in similar programs. Three mentors were employed to work with the 21 participants. Two mentors had 8 participants each and the third 6 participants. The allocation was based on the location of the businesses and size of business. Prior to commencement of the program, the mentors were fully briefed on the structure and content of the diagnostic and educational elements of the program. The mentors also worked as a team and aimed to facilitate peer group mentoring among their protégés, which was considered important to establishing a legacy beyond the time frame of the program (Tye & Gillin, 2004; 2005).

Mentors and participating owner-managers were provided with introductory briefings on the role of mentoring as well as a guidebook entitled "*Working with your Mentor*". This document outlined the role and nature of a mentor, what could and should be expected from the mentor, and what obligations the participant had within the relationship. An important issue raised in the guide was the need for the participant to recognise that the mentor was not a consultant and that the participant needed to take responsibility for their own actions and do much of the work in effecting change in their business. A key role of the mentors was to assist the owner-managers to interpret the findings of the diagnostic benchmarking assessment, set strategic goals, address the ALT and develop a process of business planning over the time frame of the program.

Findings

At the end of the 5 month program a second business diagnostic assessment was conducted to examine progress. Figure 1 shows the changes that took place within the participants between the first and second diagnostic assessment. As illustrated in the "radar" chart there are 12 indicators with the outside circle of each radii representing best practice. The performance of the group at the start of the program can be seen in the "green" inner line, while the "blue" outer line represents their performance by the end. Also of interest was the comparison of the diagnostic benchmarking data gathered from the program participants and the same data from the control group. The Perth-based control group of 29 owner-managers is illustrated in Figure 2.

Figure 1: Group Performance of the Owner-Managers - Albany

(N = 21)

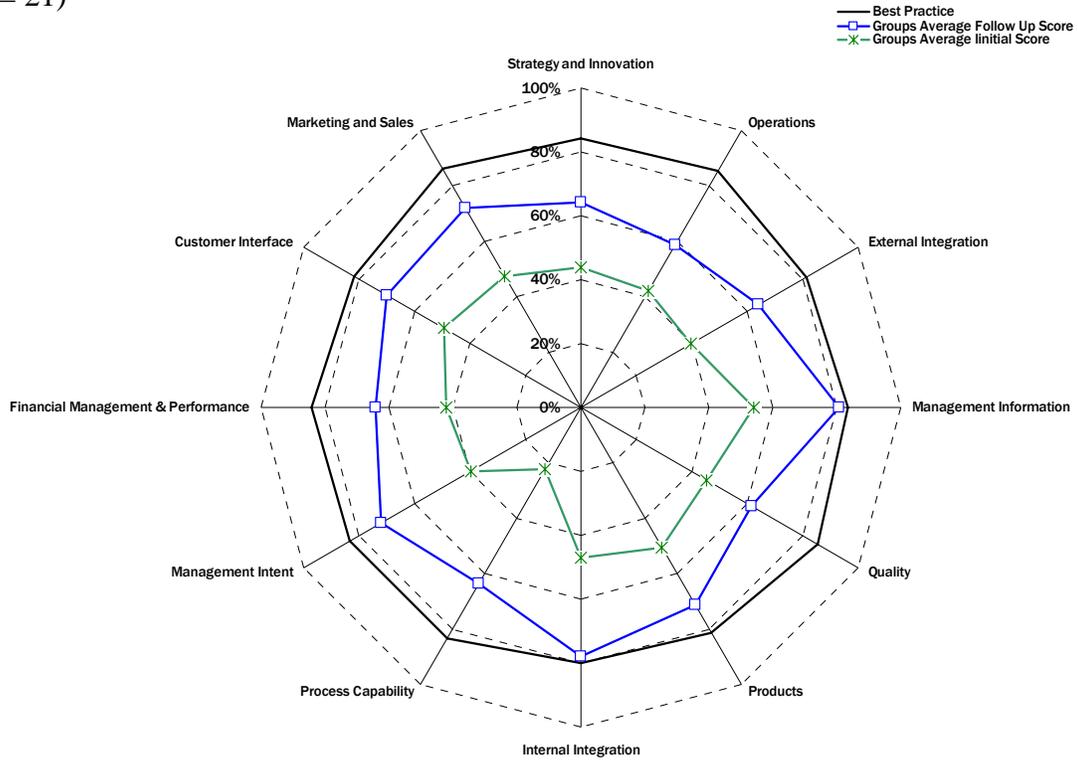
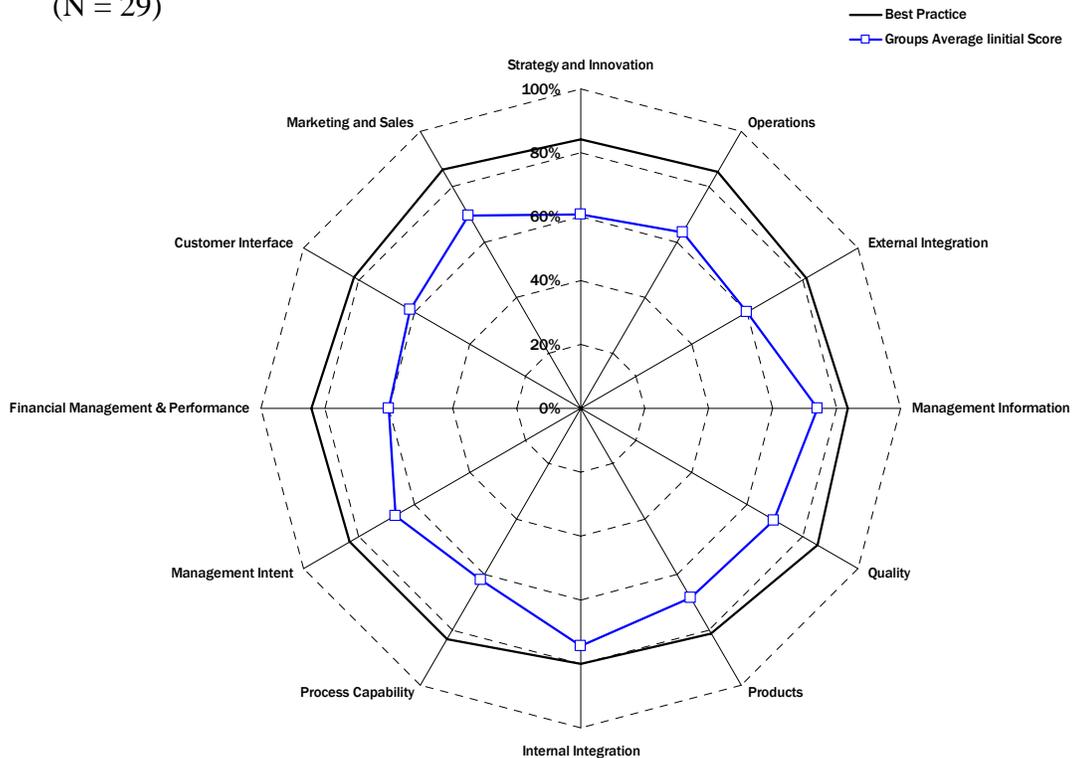


Figure 2: Group Performance of the Owner-Managers - Perth

(N = 29)



As shown in Figure 2 the general performance of the firms drawn from the control group located in Perth was quite good across all 12 managerial indicators. This should not be surprising given that these firms were generally selected as examples of best practice. It was encouraging to see the Albany-based group moving so close to the Perth control group in terms of these indicators over the relatively short period of the program. As can be seen from a comparison of Figures 1 and 2 the biggest changes were found in the areas of "Process Capability", "Management Intent", "Internal Integration". Another area that saw significant change was "Quality".

Post-course evaluations undertaken with the owner-managers indicated that 11 new employees had been hired by the participating firms as a result of the program. Furthermore, 40 percent of the owner-managers reported a significant increase in sales over the period covered by the program, with 30 percent reporting having weeded out poor or "dog" customers, 20 percent having experienced significant improvements in their profitability and 10 percent having experienced significant reductions in costs. All owner-managers reported experiencing a significant improvement in their strategic focus and general sense of direction as a direct result of undertaking the program. Some of the comments attributed to the owner-managers during their final presentations at the conclusion of the program illustrate this impact:

"I've been doing courses on small business management for too many years now, and there are a lot of courses out there, but the way this course was structured has done me a lot of good. As far as my own business, the course has been fairly dramatic in the last four months. I have implemented so many things; I have increased my staff members by two...it has made me look at my whole business structure, organisation, how we conduct business, the way we appear in the general public's eye and how we differentiate ourselves from others." (Male owner-manager, construction firm, over 20 years in business).

"This course has made us do at least two things; first, it has made us go back to basics and to start to fill in the gaps that we have missed, because sometimes when you are trying to run a business you just run along and don't stop to think. Second, it has made us focus on the future and working on the business rather than in it. That has probably been the most significant thing, to step outside our day to day and really think about where we are going." (Female owner-manager, building supplies retailer, over 5 years in business).

"Having this course to point me in the right direction has really been invaluable. Rather than going from day to day I now have a much clearer sense of vision...having a clear path and your ideas set down is a real help. Also, having a better understanding of who my customers are and what they want from me was very important." (Female owner-manager, music retailer, under 5 years in business).

"Strategic management is now part of my role as Managing Director and I am encouraged by the improved understanding of my role and the roles of other managers in the firm, the course is also providing me significant help to structure these aspects that I am increasingly finding are so very important. That old cliché of working on the business is gaining clarity. To work effectively on business new skills are required as the operator's skills working in the business are not applicable although the knowledge from within is useful. My business had progressed with a number of business elements before commencing the course but now has the benefit of being able to improve those elements and fit them in better context. I have also been able to identify and address factors that were not previously evident particularly the relationship with other Directors, roles and review

of strategic direction significantly improving cohesion and effectiveness." (Male owner-manager, professional services firm, over 20 years in business).

As shown in these comments the majority of owner-managers experienced major attitudinal changes during the five months of the program, with significant enhancements of their strategic orientation. Even owner-managers who had been in operation for over 20 years expressed having developed a major shift in thinking with evidence of a more strategic focus. The improvements in the owner-managers' strategic outlook were closely linked to their sense of feeling more in control of the business, which in turn came from the examination of performance benchmarks and the implementation of more operational changes within the firm.

Discussion

The findings offer some insights into the answers initially raised by Robinson and Pearce (1984). With respect to the value of planning within the small firm the findings suggest that formal planning can be of benefit to all firms regardless of industry or stage of development although smaller, less developed firms may find the complexity of planning required is less than for larger firms. With respect to the importance of longitudinal studies it is evident from this study that owner-managers need time to digest new ideas, make changes and develop strategy. Therefore the impact and benefits of planning or mechanisms designed to assist small business planning require longitudinal analysis. Our study took place over a period of only five months and it was apparent at the conclusion of the program that the owner-managers were still working through their planning and strategy issues. In fact, it was their overwhelming view that they wanted to continue the mentoring and peer group interaction, as well as to finish the many tasks that they had only commenced during the preceding months. Hence, long run benefits can only be adequately measured via longitudinal studies.

As noted in the literature review, the definition of informal planning is poorly addressed within the literature. A tentative suggestion is to define informality in planning with the operational management activities undertaken on a daily basis by the owner-manager. Within the small firm the separation of strategic and operational issues is not well defined and all these things meet essentially within the mind of the owner-manager. This study suggests that owner-managers can successfully couple operations and strategy issues. Good benchmarking and systems management are required to ensure that the firm is operating profitably and efficiently. Once the business is set up with appropriate systems, the owner-manager can follow an intuitive and opportunistic or emergent strategy with more confidence than they might have done.

With respect to the influence of a firm's location or entrepreneurial characteristics the study suggests that location probably does not matter, but the education and general orientation of the owner-manager does. The program appears to have demonstrated that enhancing the management skills and knowledge of the owner-manager is likely to have a positive impact on their capacity to adopt and implement more sophisticated planning systems. A common feature across the 21 owner-managers engaged in the program was their ability to change from a largely ad hoc, reactive and short term style of management to a more systematic, proactive style with a longer term strategic vision. This change can be attributed to the process of education, benchmarking and mentoring.

The study also highlights the value of outsiders to small business owners in the setting of strategy and implementation of planning systems. Mentors are typically generalists and for most of the owner-managers a strategic level of counselling was required. However, in some cases the mentors were called upon to provide specialist advice in such areas as risk management and industrial relations. The pattern emerging from these cases was for the owner-managers to need a generalist level of assistance while determining their overall business strategy, but specialist help when particular issues emerged that proved to be significant road blocks. In terms of the permanency of these ties with the outside mentors, it seems that the relationship with any particular outsider need not be permanent, but the owner-manager needs to develop a permanent strategic network upon which they can call for support.

In relation to the specific activities that should comprise the planning process, and the best planning schedule, the study found that while the strategic planning horizon for the majority of owner-managers was around 1-3 years, more frequent schedules were needed. The education program involved the owner-managers setting up daily, weekly and monthly reporting schedules as part of their firm's operational management systems. These linked to KPI measures that led up to annual reviews. Only via an integrated system with both short term and longer term schedules could a cohesive management environment be created. The delegation of responsibility between the small firm and outsiders is likely to depend on whether the task requires a specialist or generalist. In the case of the mentors engaged in our study, their responsibilities and those of their protégé were often a point of friction. Several owner-managers expected too much from the mentor and seemed unwilling or unaware of the need for them to accept responsibility for their own planning. In essence the better performing owner-managers were those who took full responsibility for their own strategic planning and used the mentor as a wise counsellor.

At least three broad strategic options emerged for the 21 firms engaged in the study, namely growth, lifestyle and exit. The growth option requires a clear market opportunity, the ability to apply sufficient resources within the business, good management systems for human and financial control, a clear point of innovation, access to strategic network support, and a means of funding expansion. Relatively few of the firms in the study were focusing on robust growth. Three of the owner-managers had seen their firms grow fairly significantly over the previous three years but most faced the dilemma (common within regional areas of Australia) of limited markets. The option of lifestyle requires a consolidation of the business and the implementation of systems to ease the workload of the owner-manager, allowing them time to extract good profits but without adding extra work or stress. This option is largely about making the business run more efficiently. This strategic option was the most common choice for the owner-managers in the program. For many the key strategic goal was not to seek growth, but more efficiency to work the business more profitably with less stress. In this respect a common feature of these owner-managers was the restructuring of their firm's portfolio of products and customers to weed out low margin activities and "work smarter not harder". The exit strategy option requires the owner-manager to prepare their business for succession transfer or sale. This option usually requires the establishment of systems to improve efficiency and profitability so it is similar to the lifestyle option.

The essential capabilities that a small firm must possess in order to pursue different strategic options are largely centred upon the competencies of the owner-manager. For example, growth firms need visionary leadership, willing to accept risk and with the creative drive to pursue innovation. Lifestyle and exit strategies require the owner to possess management skills and the ability to administer systems.

Conclusions

The pattern emerging from this study suggests that strategy formulation can be enhanced within small firms by providing owner-managers with a package of benchmarking, education and skills development, and mentoring or counselling support. It also illustrates the nexus between operational and strategic planning within small firms due to the concentration of responsibility within the owner-manager. However, the study has several limitations. Only a small number of case studies was examined and all were located in a single regional area of Australia. The owner-managers who participated in the study were also self-selecting and as such may not be entirely representative of the true population of small firms. Future research should involve a larger sample and the process of monitoring the firm's performance should include a longer time frame than was possible with the study.

The study has implications for managers and policy makers. For owner-managers the study highlights the importance of benchmarking business performance and applying quality management systems to improve efficiency and control. However, it also shows the need for owner-managers to develop a strategic vision for their business and to free up their time to allow such strategic thinking to occur. The benefits of seeking external assistance from business counsellors and undertaking management education programs are also shown.

For policy makers the study reinforces the evidence from the literature that the key to unlocking the potential of small firms is to unlock the potential of their owner-managers. Programs targeting small business owners need to be holistic in nature providing performance benchmarking, management education and counselling/mentoring at both the individual and group level. Too often these elements are delivered separately thereby diminishing the overall impact and benefits of them when dealt with together. However, we should leave the final word to one of the owner-managers who participated in the study:

"Just for the fun of an analogy, I think that my company was a complex machine with 3 operators working away within the multi control machine and we were hammering along the road tinkering away modifying the vehicle as we went. We have now built a few driver revive stops to hop out, refuel, sort out where we are going and design a maintenance and improvement program for our management vehicle. We are now actively developing short and long term vision for vehicle enhancement". (Male owner-manager, over 20 years in business).

References

- Ackelsberg, R., & Arlow, R. (1985). "Small Businesses Do Plan and It Pays Off." *Long Range Planning* **18**(5): 61-68.
- Aguilar, R., Mendoza, A, Krauth, J., & Schimmel, A. (1997). "Strategic planning for small and medium-sized enterprises: the COMPASS project." *Production Planning & Control* **8**(5): 509-518.

- Anderson, A. R., & Atkins, M.H. (2001). "Business strategies for entrepreneurial small firms." *Strategic Change* **10**: 311-324.
- Appiah-Adu, K., & Singh, S. (1998). "Customer Orientation and Performance: A Study of SMEs." *Management Decision* **36**(6): 385-394.
- Beal, R. M. (2000). "Competing effectively: Environmental scanning, competitive strategy, and organizational performance in small manufacturing firms." *Journal of Small Business Management* **38**(1): 27-47.
- Bennett, R.J., & Robson, P.J. (1999) "The use of external business advice by SMEs in Britain", *Entrepreneurship & Regional Development* **11**(2): 155-180.
- Berman, J., Gordon, D., & Sussman, G. (1997). "A study to determine the benefits small business firms derive from sophisticated planning versus less sophisticated types of planning." *The Journal of Business and Economic Studies* **3**(3): 1-11.
- Bianchi, C. (2002). "Introducing SD modelling into planning and control systems to manage SMEs' growth: a learning-oriented perspective." *System Dynamics Review* **18**(3): 315-338.
- Bracker, J. S., & Pearson, J.N. (1985). "The Impact of Consultants on Small Firm Strategic Planning." *Journal of Small Business Management* **23**(3): 23-30.
- Bracker, J. S., & Pearson, J.N. (1986). "Planning and Financial Performance of Small, Mature Firms." *Strategic Management Journal* **7**(6): 503-522.
- Bracker, J. S., Keats, B.W., & Pearson, J.N. (1988). "Planning and Financial Performance Among Small Firms in a Growth Industry." *Strategic Management Journal* **9**(6): 591-603.
- Bradley, K. (1996). "Benchmarking Boosts Business." *Charter* **67**(3): 50-51.
- Chan, S.-Y., & Foster, M.J. (1999). "Strategy Formulation in Small Business: The Hong Kong Experience." *International Small Business Journal* **19**(3): 56-71.
- Chaston, I. (1995). "Danish Technological Institute SME sector networking model: implementing broker competencies." *Journal of European Industrial Training* **19**(1): 10-17.
- Chaston, I., & Baker, S. (1998). "Relationship Influencers: Determination of Affect in the Provision of Advisory Services to SME Sector Firms." *Journal of European Industrial Training* **22**(6): 249-256.
- Cope, J., & Watts, G. (2000). "Learning by Doing: An Exploration of Experience, Critical Incidents and Reflection in Entrepreneurial Learning." *International Journal of Entrepreneurial Behaviour & Research* **6**(3): 104-124.
- Covin, J. G., & Slevin, D.P. (1989). "Strategic Management of Small Firms in Hostile and Benign Environments." *Strategic Management Journal* **10**: 75-87.
- Drozdow, N., & Carroll, V.P. (1997). "Tools for Strategy Development in Family Firms." *Sloan Management Review* **39**(1): 75-88.
- Fassoula, E. D., & Rogerson, J.H. (2003). "Management Tools for SMEs." *Total Quality Management* **14**(10): 1114-1119.
- Gagnon, Y. C., Sicotte, H., & Posada, E. (2000). "Impact of SME Manager's Behavior on the Adoption of Technology Entrepreneurship." *Entrepreneurship Theory & Practice* **25**(2): 43-52.
- Gibb, A. (1984). "Developing the Role and Capability of the Small Business Adviser." *Learning and Organisational Development Journal* **5**(2): 19-27.
- Gibbons, P. T., & O'Connor, T. (2005). "Influences on Strategic Planning Processes among Irish SMEs." *Journal of Small Business Management* **43**(2): 170-186.
- Gibson, B., & Cassar, G. (2002). "Planning Behavior Variables in Small Firms." *Journal of Small Business Management* **40**(3): 171-186.
- Gimenez, F. A. (2000). "The Benefits of a Coherent Strategy for Innovation and Corporate Change: A Study Applying Miles and Snow's Model in the Context of Small Firms." *Creativity and Innovation Management* **9**(4): 235-244.

- Hadjimanolis, A. (2000). "A Resource-based View of Innovativeness in Small Firms." *Technology Analysis & Strategic Management* **12**(2): 263-281.
- Haksever, C. (1996). "Total Quality Management in the Small Business Environment." *Business Horizons* **39**(2): 33-40.
- Havenes, P.-A., & Senneseth, K. (2001). "A Panel Study of Firm Growth among SMEs in Networks." *Small Business Economics* **16**(4): 293-302.
- Hill, J. (2001). "A multidimensional study of the key determinants of effective SME marketing activity: Part 1 and Part 2." *International Journal of Entrepreneurial Behaviour & Research* **7**(5): 171-204.
- Hitt, M. A., & Tyler, B.B. (1991). "Strategic Decision Models: Integrating Different Perspectives." *Strategic Management Journal* **12**(5): 327-351.
- Hitt, M., Ireland, R.D., Camp, S.M., & Sexton, D.L. (2001). "Guest editors' introduction to the special issue: Strategic entrepreneurship: Entrepreneurial strategies for wealth creation." *Strategic Management Journal* **22**(6/7): 479-491.
- Hudson, M., Smart, A., & Bourne, M. (2001). "Theory and practice in SME performance measurement systems." *International Journal of Operations & Production Management* **21**(8): 1096-1115.
- Jay, L., & Schaper, M. (2003). "Which advisers do micro-firms use? Some Australian evidence." *Journal of Small Business & Enterprise* **10**(2): 136-143.
- Johnson M.G. (1997) "Entrepreneurial Intentions and Outcomes: a Comparative Causal Mapping Study", *Journal of Management Studies*, **34**(6): 895-920.
- Johnson, D. J. (1992). "Counselling Business Start-Ups and Owner-Managers of Small Firms - Psychological Study: Part 2." *Employee Counselling Today* **4**(1): 18-26.
- Jones-Evans, D. (1996). "Technical entrepreneurship, strategy and experience." *International Small Business Journal* **14**(3): 15-39.
- Karapetrovic, S., Rajamani, D., & Willborn, W. (1997). "ISO 9000 for Small Business: Do it Yourself." *Industrial Management* **39**(3): 24-31.
- Kent, P. (1994). "Management Advisory Services and the Financial Performance of Clients." *International Small Business Journal* **12**(4): 45-58.
- Kim, Y., & Choi, Y. (2000). "Strategic Types and Performances of Small Firms in Korea." *International Small Business Journal* **13**(1): 13-25.
- Knight, G. (2000). "Entrepreneurship and Marketing Strategy: The SME Under Globalization." *Journal of International Marketing* **8**(2): 12-32.
- Kotey, B., & Meredith, G.G. (1997). "Relationships among owner/manager personal values, business strategies, and enterprise performance." *Journal of Small Business Management* **35**(2): 37-64.
- Larsen, P., Tonge, R., & Ito, M. (2000). "Managing the Strategic Planning Process: a comparative analysis between high-growth medium-sized enterprises and the general business population." *Journal of Applied Management Studies* **9**(2): 275-283.
- Lyles, M. A., Baird, I.S., Orris, J.B. & Kuratko, D.F. (1993). "Formalized Planning in Small Business: Increasing Strategic." *Journal of Small Business Management* **31**(2): 38-48.
- Masten, J., Hartmann, G.B., & Safari, A. (1995). "Small Business Strategic Planning and Technology Transfer: The Use of Publicly Supported Technology Assistance Agencies." *Journal of Small Business Management* **33**(3): 26-37.
- Matthews, C. H., & Scott, S.G. (1995). "Uncertainty and planning in small and entrepreneurial firms: An empirical assessment." *Journal of Small Business Management* **33**(4): 34.
- Mazzarol, T. W. (1999). "Partnerships - A key to growth in small business." *Journal of Enterprising Culture* **7**(2): 105-125.
- Mazzarol, T.W., & Reboud, S. (2005) "Strategic Decision Making in Small Innovative Firms – the Perceived Importance of Other Voices", *efmd 35th Entrepreneurship, Innovation and Small Business (EISB) Conference*, Barcelona, Spain. 12-14 September.

- McAdam, R., & McKeown, M. (1999). "Life after ISO 9000: An analysis of the impact of ISO 9000 and total quality management on small businesses in Northern Ireland." *Total Quality Management* **10**(2): 229-241.
- McNamee, P., Greenan, K., & McFerran, B. (2000). "Shifting the Predominant Cultural Paradigm in Small Businesses Through Active Competitive Benchmarking." *Journal of Strategic Marketing* **8**(2): 241-259.
- Miles, R. E., & Snow, C.C. (1978). *Organizational Strategy, Structure and Process*. New York, McGraw-Hill.
- Naffziger, D. W., & Kuratko, D.F. (1991). "An Investigation into the Prevalence of Planning in Small Business." *Journal of Business and Entrepreneurship* **3**(2): 99-110.
- Naveh, E., & Marcus, A. (2005). "Achieving competitive advantage through implementing a replicable management standard: Installing and using ISO 9000." *Journal of Operations Management* **24**(1): 1-26.
- Nwankwo, S. (2000). "Quality Assurance in Small Business Organisations: Myths and Realities." *International Journal of Quality & Reliability Management* **17**(1): 82-87.
- OECD (2004). *SME Statistics: Towards a more systematic statistical measurement of SME behaviour*. Promoting Entrepreneurship and Innovative SMEs in a Global Economy, Istanbul, Turkey 3-5 June, Organization for Economic Co-operation and Development, Paris.
- O'Gorman, C., and Doran, R. (1999). "Mission Statements in Small and Medium Sized Businesses." *Journal of Small Business Management* **37**(4): 59-66.
- Olson, P. D., & Bokor, D.W. (1995). "Strategy Process-Content Interaction: Effects on Growth Performance in Small, Start-Up Firms." *Journal of Small Business Management* **33**(1): 34-43.
- O'Regan, N., & Ghobadian, A. (2002). "Effective strategic planning in small and medium sized firms." *Management Decision* **40**(7): 663-671.
- Ostgaard, T., & Birley, S. (1994). "Personal Networks and Firm Competitive Strategy - A strategic or coincidental match?" *Journal of Business Venturing* **9**(4): 281-306.
- Peel, M. J., & Bridge, J. (1998). "How Planning and Capital Budgeting Improve SME Performance." *Long Range Planning* **31**(6): 848-856.
- Pegg, M. (1999). "The Art of Mentoring." *Industrial and Commercial Training* **31**(4): 136-141.
- Pelham, A., & Clayson, D. (1988). "Receptivity to Strategic Planning Tools in Small Manufacturing Firms." *Journal of Small Business Management* **26**(1): 43-51.
- Risseuw, P., & Masurel, E. (1993). "The Role of Planning in Small Firms: Empirical from a Service Industry." *Small Business Economics* **6**(4): 313-322.
- Robinson, R. B., & Pearce, J.A. (1984). "Research Thrusts in Small Firm, Strategic Planning." *Academy of Management Review* **9**(1): 128-137.
- Rue, L. W., & Ibrahim, N.A. (1998). "The relationship between planning sophistication and performance in small businesses." *Journal of Small Business Management* **36**(4): 24-32.
- Sandberg, W. R., Robinson, R.B., & Pearce, J.A. (2001a). "Why Small Businesses Need a Strategic Plan." *Business and Economic Review* **October-December**: 12-15.
- Sandberg, W. R., Robinson, R.B., & Pearce, J.A. (2001b). "One More Time...Should Small Companies Attempt Strategic Planning?!" *The Entrepreneurial Executive*: 1-3.
- Schamp, T., & Deschoolmeester, D. (1998). "Strategic and Operational Planning Attitudinal Changes and the Survival and Growth of Business Start-Ups Revisited." *International Journal of Entrepreneurial Behaviour & Research* **4**(2): 141-177.
- Schwenk, C. R., & Shrader, C.B. (1993). "Effects of formal strategic planning on financial performance in small firms: A meta-analysis." *Entrepreneurship Theory and Practice* **17**(3): 53-64.
- Scott, M., & Bruce, R. (1987). "Five stages of growth in small business." *Long Range Planning* **20**(3): 45-52.

- Selvin, D., & Covin, J. (1997). "Strategy Formation Patterns, Performance, and the Significance of Context." *Journal of Management* **23**(2): 189-209.
- Sexton, D., and Van Auken, P. (1985). "A Longitudinal Study of Small Business Strategic Planning." *Journal of Small Business Management* **23**(1): 7-16.
- Shams-ur, R. (2001). "A comparative study of TQM practice and organisational performance of SMEs with and without ISO 9000 Certification." *International Journal of Quality & Reliability Management* **18**(1): 35-45.
- Shea, J., & Gobeli, D. (1995). "TQM: The Experiences of Ten Small Businesses." *Business Horizons* **38**(1): 71-77.
- Shrader, C. B., Mulford, C.L., & Blackburn, V.L. (1989). "Strategic and Operational Planning, Uncertainty, and Performance in Small Firms." *Journal of Small Business Management* **27**(4): 45-61.
- Shuman, J. C., & Seeger, J.A. (1986). "The Theory and Practice of Strategic Management in Smaller Rapid Growth Firms." *American Journal of Small Business* **11**(1): 7-18.
- Smeltzer, L. R., Fann, G.L., & Nikolaisen, V.N. (1988). "Environmental Scanning Practices in Small Business." *Journal of Small Business Management* **26**(3): 55-63.
- Smeltzer, L.R., Van Hook, B.L., & Hutt, R.W. (1991) "Analysis of the use of advisors as information sources in venture start ups", *Journal of Small Business Management*, **29**(3):10-20.
- Sohail, M. S., & Hong, B. (2003). "TQM practices and organizational performances of SMEs in Malaysia: Some empirical observations." *Benchmarking: An International Journal* **10**(1): 37-53.
- Stickley, A., & Winterbottom, A. (1994). "The Nature of Quality Assurance and Statistical Methods in BS 5750." *The Statistician* **43**(3): 349-370.
- Stockdale, R., & Standing, C. (2004). "Benefits and barriers of electronic marketplace participation: an SME perspective." *Journal of Enterprise Information Management* **17**(4): 301-311.
- Thor, C. G. (1996). "Let's clear up some confusion about benchmarking." *Journal of Quality & Participation* **19**(4): 1040-9602.
- Tye, M., & Gillin, M. (2004). "The mentor and the entrepreneur – a study in relationships". *Regional Frontiers of Entrepreneurship Research 2004*. Melbourne: Swinburne Press.
- Tye, M., & Gillin, M. (2005). "The mentor and the entrepreneur – a study in attributed values". *Regional Frontiers of Entrepreneurship Research 2005*. Melbourne: Swinburne Press.
- Upton, N., Teal, E., & Felan, J. (2001). "Strategic and business planning practices of fast growth family firms." *Journal of Small Business Management* **39**(1): 60-72.
- van der Wiele, T., & Brown, A. (1997). "ISO 9000 Series Experiences in Small and Medium Sized Enterprises." *Total Quality Management* **8**(2/3): 300-304.
- van der Wiele, T., & Brown, A. (1998). "Venturing Down the TQM Path for SME's." *International Small Business Journal* **16**(2): 50-65.
- Watts, G., Cope, J., & Hulme, M. (1998). "Ansoff's Matrix, pain and gain: Growth strategies and adaptive learning among small food producers." *International Journal of Entrepreneurial Behaviour & Research* **4**(2): 101-111.
- Wiklund, J., Davidsson, P., & Delmar, F. (2003). "What do they think and feel about growth? An expectancy-value approach to small business managers' attitudes toward growth." *Entrepreneurship Theory & Practice* **27**(3): 247-270.