Mazzarol, T., Reboud, S., and Tye, M. (2006) "The Outsiders Role in the Strategic Development of the Small Firm: A Study of Mentoring with Small Business Owner-Managers in Australia", *Administrative Sciences Association of Canada (ASAC) Annual Conference 2006*, Banff. 4-7 June.

ASAC 2006
Banff, Alberta

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THE OUTSIDERS ROLE IN THE STRATEGIC DEVELOPMENT OF THE SMALL FIRM: A STUDY OF MENTORING WITH SMALL BUSINESS OWNER-MANAGERS IN AUSTRALIA

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.

Introduction

Small business owners are frequently typified by idiosyncratic approaches to strategy and planning. Small firms 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. The key ones relevant to this study were:

i) How should "outsiders" be used in the planning process?

ii) Should they be generalists or specialists?

iii) How permanent should the relationship be?

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 originally suggested. These are important questions as they provide insight into the nature of how small business owners can expand their operations by engaging third party advisors or specialists. Significant resources are being applied to small business advisory support services but it is not clear whether such services are of value. The study provides evidence to answer most of these questions and offers directions for future research.

In this longitudinal study of 21 small business owners the effects of a management education and mentoring program is examined in order to address many of these questions. At the commencement of the program, the owner-managers were given a comprehensive diagnostic assessment that examined their management behaviour and strategic thinking. This examined 12 areas of management process and practice, mapping their behaviour against international best practice benchmarks. Over a period of approximately 5 months (which was the duration of a pilot education program) the owners were engaged with individual and peer-group mentoring, and were tasked to complete eight action learning tasks, that sought to create a cohesive management system for the company. At the completion of the program the owners were given the same diagnostic assessment and an evaluation of their progress was undertaken. The findings from the study suggest that all owner-managers had become more "strategic" in their orientation and were beginning to make important changes to their business systems, structures and personal management behaviours.

The Role of Mentoring in Business Development

Academic research into managerial behaviour has sought to identify factors likely to contribute to entrepreneurial success. For example, Gartner et al. (1992) identified one of the factors contributing to the likelihood of success of the entrepreneur was the amount of time and the intensity devoted to specific activities including finding mentors. Timmons and Spinelli (2004) had similar findings, recommending that entrepreneurs use mentors, advisors or form quasi-boards to gain valuable counsel and advice from outsiders. As a result of such investigations the concept of mentoring is now increasingly applied to a number of sources of assistance advocated for small business practitioners.

Mentoring is a term used widely today to encompass a range of business advisory or counselling activities and has also been referred to as facilitation by some agencies. While each of these terms has varying degrees of usage and meaning, the essential focus of a business mentoring process is to provide a means through which business problems are investigated and discussed so as to allow a business person to develop strategies to address current and future problems (Gibb, 1984). It has been differentiated from business consulting in terms of the level of ownership of the problem and solution. The role of a mentor is to serve as a reflective counsel or tutor to the business person or entrepreneur, working with them on developmental issues or problems associated with their venture. It is important to distinguish the role of a mentor with that of a consultant. Whilst the consultant provides a contracted service to use their expertise to provide 'magic-bullet' solutions to complex problems, the mentor provides a very different service. The counsellor or mentor, by contrast are engaged in with the business client in a mutual exchange of ideas in which the mentor seeks to guide the thinking of the client to solve their own problems and learn how to think and act in future situations (Johnson, 1992).

Throughout the literature the term "mentor" is used interchangeably with terms such as "coach", "facilitator", "counsellor" and "advisor". In relation to this research, the term "mentor" was selected for a number of reasons, not the least of which was the current trend of Australian funding organisations to require a mentor component to be included in programs receiving government investment. Acknowledging the potential for differences in expectations related to inconsistencies in the connotations of the term (Tye & Gillin 2004;5), this research utilised the term "mentoring program" rather than

emphasising the traditional one-on-one relationship with a mentor. The definition of "mentoring" thus was focussed on the functions which could be achieved through mentoring. The concept of "mentoring" was defined by a number of functions according to both group consensus and individual expectation and encompassed the potential to gain mentoring assistance from a variety of sources, including the mentor assigned by the program and from program peers. The emphasis was therefore directed towards what could be achieved from mentoring rather than the characteristics of an individual mentor. From this process the main function assigned to the program mentors was that of "providing an external perspective". Additional functions included assisting in the application of new learning concepts, tools and techniques introduced during workshops; helping implement the changes required to build a better business case; facilitating peer mentoring.

The relationship between the mentor and their protégé is based on a process of mutual learning and knowledge exchange. The onus is on the protégé to find solutions to problems rather that have the mentor provide them. It is the mentor's responsibility to work with their protégé through issues and guide their learning, suggesting options and assisting with identification of further sources of resource. Mentors are usually able to develop a close and trusting relationship with their clients and can be both professional advisory service providers who undertake mentoring roles, peers who supply support and mutual guidance, and other business people who are viewed as potential role models (Pegg, 1999).

The development and management of a mentoring service is not a simple task. It is important to match the protégé's needs with the capabilities, expertise and experience of the mentor. However, it is equally important to consider socialisation issues. The protégé and mentor must be matched so that an effective mentoring relationship can be established. This relationship aspect cannot be underestimated as there is most often a tacit expectation by the protégé that mentoring includes psycho-social support (Tye & Gillin, 2004). There is also an education process that needs to be applied. Clients need to be instructed on how to get the most from their mentor and mentors need to be instructed on how to best engage with their protégé. Additionally, expectations need to be managed. There is some evidence to suggest cultural differences in the expectations of individuals regarding the role of a mentor and the functions they perform (Tye & Gillin, 2004; 2005). Furthermore, the mentor-protégé relationship raises a number of issues in the legal context. First, there are basic principals of agency and fiduciary duty that need to be managed and monitored, including the management of conflicts of interest. Secondly, there are issues of commercial confidentiality. Finally, there is the issue of professional liability and indemnities between stakeholders. These issues area of importance to the mentor-protégé relationship as they serve as they often serve as a potential barrier, for example, within Australia, bankers can no longer provide advice to small business clients due to concerns over their professional indemnity liabilities.

The application of a mentoring program to assist the development of high growth small firms and innovators requires an appreciation of the role mentoring can play in the process of commercialisation. Entrepreneurs seeking to secure external venture financing for fast growth companies face the challenge of making their firms investment ready. The gap between invention and investment has been likened to a chasm with numerous stages through which the entrepreneur must move (Edwards, 2001). Moving from the inventor's workbench to the point of public listing on the stock market is a journey that few small firms will undertake, with many entrepreneurs either failing to secure venture financing or selecting alternative routes to growth. Venture capital is a multi-stage process with different levels of investment, investor and risk-return profile (Golis, 2002). A key role for a mentoring program is to assist entrepreneurs to chart a course through the investment maze and widen their strategic networks while developing business competencies.

Mentoring has been used successfully in a number of countries to enhance innovation centres and to facilitate the growth of new start up ventures and the development of technology incubators. For example, 90 percent of Swiss incubator, technology and innovation centres are offered counselling or

mentoring services either using in-house or out-sourced services (Thierstein & Wilhelm, 2001). In the United States many former high growth entrepreneurs who have now achieved success are offering their experience to novice and nascent entrepreneurs via a series of non-profit and for-profit mentoring services organisations. A key feature of this experience is the imparting of knowledge via a process of formal and informal education involving the mentor and their protégé (Leonard & Swap, 2000). Using mentoring in conjunction with education of the entrepreneur is a key element in successful regional innovation enhancement programs (Colman, 2002).

Application of Mentoring to Small Firms

Small firms may be defined as those with fewer than 250 employees and annual turnovers below US$50 million (OECD, 2004). Within Australia they can be classified into micro-enterprises (e.g. with fewer than 5 employees), small businesses (e.g. 5 to 20 employees) and medium enterprises (e.g. 20 to 200 employees) (ABS, 2002). Many small business owner-managers lack a reliable and competent business advisory network to assist them in making key decisions. Furthermore, their propensity to seek help and network is frequently limited by a lack of knowledge of the benefits of networking, who to go to for advice, and either a fear of losing valuable commercial information by sharing problems, or a desire to remain independent (Dean, Holmes & Smith, 1997).

Most small business owner-managers seek personalised assistance to problems that are of direct relevance to their company. Further, the needs of a micro-enterprise are substantially different to that of a medium sized company with over 50 employees (Greenbank, 2000). For the majority of small businesses the most common sources of advice in addressing business problems are: 1) the accountant, 2) the bank manager and 3) friends and family (Jay & Schaper, 2003). Despite this lack of accessing business advisory and support networks, there is some evidence that professional support to the owner-manager can be beneficial. For example, research undertaken into Australian small business use of business advisory support services suggests that those firms which used both accountants and non-accountants within their advisory network obtained significantly higher levels of profitability and sales growth than firms that used only accountants (Kent, 2000). However, many small business owner-managers make inadequate use of advisory services.

Mentoring support programs are often best associated with management education or skills development courses (Moran, 1995). Education and training in business management skills can undoubtedly assist the small business owner to improve their performance and make more competent decisions. However, most existing training programs are too highly focused on improving skills and competencies and securing accreditation as the primary outcomes, rather than addressing the needs of the owner-manager. Many also lack flexibility and can be too 'academic' or technical in nature. This is a problem as research undertaken into the learning needs of small business owners in Australia suggests that small business owner-managers are not identical in their learning needs and require a more flexible program targeting both a desire for individual education and direct support from mentoring (Ehrich, Billett, & Hernon-Tinning, 2003).

Background to the Mentoring Program

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 Federal 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 program lasting 5-6 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:

1. *Diagnostic Assessment* – an initial business diagnostic that provides an assessment of the business and how it performs against a set of management standards

2. *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.

3. *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's) 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. As Table 1 illustrates, these companies 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.

Eighty-three 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.

Table 1: Case Study Firms

Case #	Company Type	Years in operation	Size now	Size - 3yrs before	Annual T/O now $	Annual T/O -3yrs before $
1	Garden Nursery	16-20	small	small	1-5m	0.5-1m
2	Retail Pharmacy	20+	small	small	1-5m	1-5m
3	Florist & Nursery	11-15	small	micro	<0.5m	<0.5m
4	Hairdresser	6-10	micro	micro	<0.5m	<0.5m
5	Scaffolding Co	6-10	micro	micro	<0.5m	<0.5m
6	Business phones	11-15	small	small	0.5-1m	0.5-1m
7	Music shop	<5	micro	micro	<0.5m	<0.5m
8	Eco tour Co.	20+	medium	small	0.5-1m	<0.5m
9	Clothing Co	16-20	small	small	0.5-1m	<0.5m
10	Party Hire & Catering Co	<5	micro	micro	<0.5m	<0.5m
11	Liquor Store	16-20	small	micro	1-5m	1-5m
12	Bakery shop	<5	small	small	0.5-1m	<0.5m
13	Retail cooperative	20+	medium	medium	15-20m	15-20m
14	Glass & Aluminium Co.	<5	micro	n/a	<0.5m	n/a
15	Survey Company	20+	small	medium	1-5m	1-5m
16	Organic Farm Co.	20+	micro	micro	<0.5m	<0.5m
17	Hot Water Services retailer	<5	micro	micro	0.5-1m	<0.5m
18	Information Technology Co.	<5	small	micro	0.5-1m	<0.5m

Prior to joining the program all owner-managers were given 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, BMS4581, ISO4360, ISO15504, as well others developed through small business research at the university (Stickley & Winterbottom, 1994; Shea & Gobelli, 1995; Thor, 1996; Haksever, 1996; Karapetrovic, Rajamani & Willborn, 1997). 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 (McAdam & McKeown, 1999; Nwankwo, 2000; McAdam & Kelly, 2002).

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. At the end of the 5 month program a second business diagnostic assessment was conducted to examine progress. Figure 1 illustrates the results of the program.

Figure 1: Case Studies Group Performance

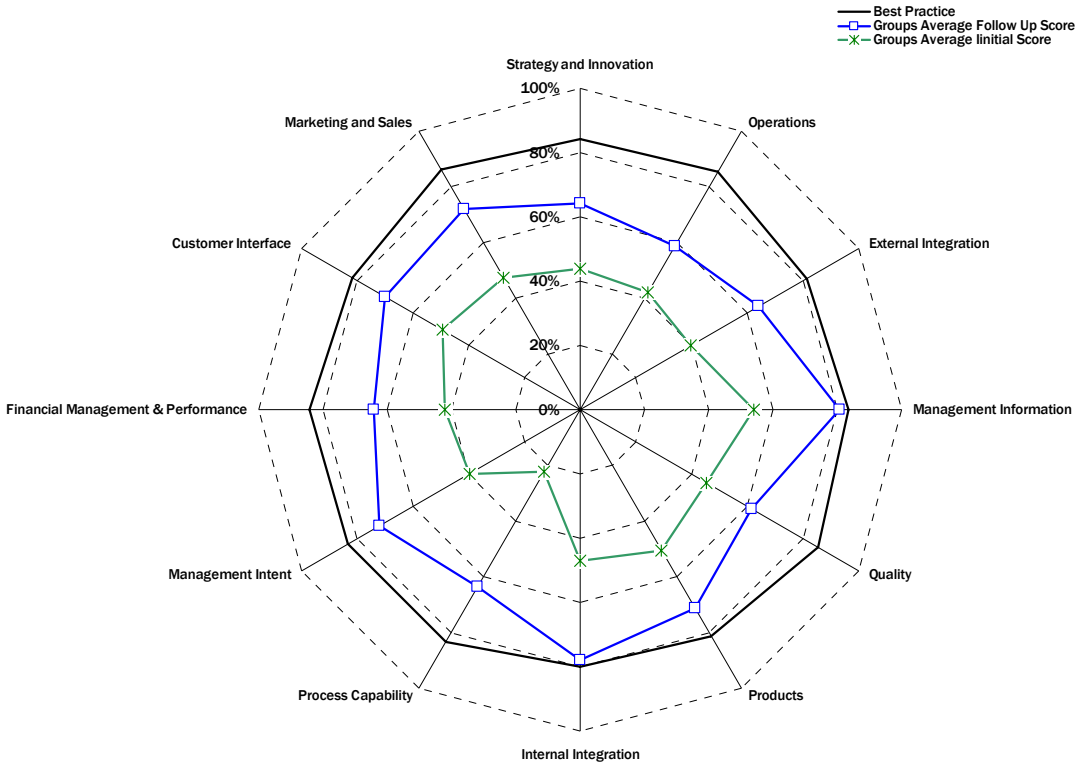

Figure 1 shows the changes that took place within the 18 cases as a group over the 5 months of the program. As illustrated in the "radar" chart there are 12 indicators with the outside circle of each radii representing best practice. The performance of the group at the start of the program can be seen in the "green" inner line, while the "blue" outer line represents their performance by the end. Independent samples *t*-tests of the means scores for these 12 indicators found that all measures were significantly different at the 0.05 level with the exception of "Quality" which was significant at the 0.10 level.

Discussions with these owner-managers in the post course evaluation indicated that 11 new employees had been hired as a result of the program. Furthermore, 7 firms reported a significant increase in sales over the period of the program, 5 experienced having weeded out poor or "dog" customers, 4 had seen significant improvements in their profitability, and 2 had experienced significant reductions in costs. All firms reported a significant improvement in their strategic management focus and sense of direction as a direct result of the program.

Preparation and Implementation of the Mentoring Program

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 SEP were contracted to provide the equivalent of 20 hours per participant over the duration of the program. Two mentors had 8 participants each and the third 6 participants. The allocation was based on a) the location of the businesses – the group of 6 being those at some distance from Albany, and b) size of business – with those employing a number of people grouped together and individual owner-managers (with one exception) forming the third group. The rationale for having 3 mentors was related to the cost of travel in both time and actual cost of journey from Perth to Albany, a one hour flight

or four and a half hour car trip. These costs were fixed regardless of whether a mentor assisted one individual or several participants.

Prior to commencement of the program, the mentors were fully briefed on the structure and content of the SEP and were supplied with materials designed to assist them to fully understand their role. During this initial mentor briefing the objectives were: i) to unite them into a mentor team and ii) to ensure all mentors and participants would be working to the same set of expectations. It was also agreed that the mentors would encourage all participants in their group to meet together in a facilitated round-table peer mentoring session during each subsequent mentor visit. Although not an integral part of the original mentoring framework, it was felt that from emerging research the value of encouraging peer mentoring through a facilitated round-table was important in establishing a legacy to continue beyond the program time-frame (Tye & Gillin, 2004; 2005).

At the first workshop the mentors were introduced to the participant owner-managers who had just received their diagnostic assessments and an introduction to the course materials. Participants were introduced to the mentor team and briefed on the mentor component using a handout entitled "*Working with your Mentor"* as a guide. 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 they needed to take responsibility for their own actions and do much of the work in effecting change in their business.

Each mentor then facilitated a session with their allocated mentor group to discuss and set expectations with regard to how the relationship would be progressed, both as individuals and as a group, and to develop a mentoring plan. Having established arrangements with their groups, the mentors then proceeded to implement the mentoring component. The mentors provided assistance in between the workshops and were tasked to:

1. Assist in applying new learning and concepts, introduced during the workshop and from on-line materials, to the individual business environments

2. Help implement the changes required to build a better business case for the business

3. Assist participants to use some of the tools and techniques introduced during the workshops

4. Provide an "external" perspective

Guidance was to be given through listening and asking pragmatic questions related to problems and issues, planning and implementing change, and building confidence. Mentoring took place over the 5 months period with the mentors providing regular reports on participant progress. At the end of the program a feedback form was provided to each participant to gauge their satisfaction with the mentoring provided and to assist in evaluating the effectiveness of the program. A key area of focus was the relative importance of individual one-to-one mentoring versus peer group mentoring. It was hoped that the program could achieve a reduction in the dependency that many small business owners find they have upon professional mentors or consultants. Frequently this dependency is due to the mentor/consultant seeking to maintain a lucrative client relationship, but also it is due to the owner-manager not being willing to take full responsibility for their management decision making and the comfort of having an expert to turn to.

Participant Feedback on the Mentoring Program

Generally the individual mentoring was well received with the majority of participants agreeing or strongly agreeing that working with their mentor on an individual basis gave them sufficient insight. In the two instances where less satisfaction was indicated, the participants also indicated that they did not feel they had sufficient time with their mentor and that the relationship with their mentor was not very productive. Supporting comments however would indicate that in one of these two incidences the participant had extreme conflict in the business and was looking to the mentor to assist in solving the problems and therefore beyond the mentor brief and in the second, the participant describes the mentor as "grate" (sic) and generally wanted more time with him despite understanding the limitations of the program.

Only one respondent strongly agreed they had more than enough time with their mentor on an individual basis. The majority of supporting comments related to the need for more mentoring time. However, unlike the two respondents expressing lack of satisfaction with the amount of insight gained, those others indicating they felt they had not enough individual mentoring time also indicated they had developed a productive or more than productive relationship with their mentor.

Although sceptical of the value of group mentoring in the initial stages, on completion of the program the participants generally agreed or strongly agreed the peer-group mentoring had benefited them and their business and they felt more time with the group would be of value. All agreed they would like to maintain a relationship with their mentor group after the SEP concluded, with all but two indicating they would very much like to continue.

Of particular interest was the willingness indicated to pay for an additional six month course of facilitated peer- group mentoring by all but one respondent. Additionally, where there had been reluctance to consider the use of local mentors, an outcome of the group mentoring was the recognition that peer round-table facilitation could well be conducted by credentialed business practitioners from the region.

All but two of the respondents indicated the mentoring component of the SEP had met or more than met their expectations. Interestingly, the two exceptions were not the same individuals as those expressing they had gained insufficient insight from the individual mentoring. The reason for falling short of expectation overall could be linked to the fact that both of the respondents indicated they felt they had not had enough time at all with their individual mentor or in group mentoring. Supportive comments would suggest that while these individuals received the same amount of mentoring time as others, they would have preferred flexibility in appointment times and would have preferred the mentor to be more proactive. The question also arose regarding how mentors accounted for their time.

Mentor Feedback on the Mentoring Program

Mentor feedback was obtained through ongoing dialogue with mentors and the program director. As with participants, the major issue for mentors was time allocation. The tight appointment schedule with participants was aimed at minimising travel both to and from Albany and between client businesses. Staying in the region for a number of days was not viable for the mentors given the associated costs and loss of other business.

Whereas the participants felt they needed more time with their mentors, the mentors believed that had there been additional workshops, the time might have been sufficient. The Mentors also felt they had to cover aspects related to the actual development of a business plan rather than working through the content of a plan and its implementation. They noted that few participants took the opportunity to use the

on-line action learning tasks (ALT's) and courseware supplied by the program. As a consequence, mentors felt their time was expended on the business fundamentals at the expense of moving the business forward.

While most cases experienced steady improvements and gained significant benefits from the mentoring, there were some problems. One case involved a disputation between the owner-manager and an employed manager who had been originally included as a participant in the program. The mentor was required to assist in a major dispute resolution over the future strategic direction of the business that eventually resulted in the termination of the manager's employment. This severely strained the mentor-participant relationship as the disputation placed the mentor in the middle and under pressure to take sides in what was a complex situation. Compounding the problem was the fact that the dispute was largely triggered by the program which brought the company's current and future management issues into sharp focus. Other mentors reported owner-managers who would fail to turn up to scheduled appointments or fail to complete tasks that had been agreed to at previous meetings. Despite these problems the mentors valued working together as a team and shared experiences and advice on how to provide best service to their individual participants and groups. Facilitating the peer-group mentoring sessions increased their mentoring capabilities.

Discussion of the Findings

Examinations of the findings from this study suggest that the mentoring program was largely beneficial to the owner-managers who participated. A number of points have been identified from both the feedback received and the observation, giving rise to a number of strategic questions. First, there was an issue of dealing with expectations held by the owner-managers as to what they might expect from the mentors. Despite briefing the participants and providing written information relating to the role of SEP mentors, there remained a tacit interpretation that a mentor is both a business consultant and a personal support resulting in false expectations. This raised the question as to whether the term "mentor" is appropriate as it has been widely used and misused in recent years for a range of business support roles. Second, there seemed to be some confusion among the owner-managers as the role of the mentor. Many participants commented that they wanted the mentors to be more pro-active and more flexible in the time they provided. This suggests that the participants wanted more direction rather than taking the lead themselves. Whether future programs should place more emphasis on educating owner-managers how to use mentors emerges as key question.

With respect to the three research questions originally posed by Robinson and Pearce (1984) the findings suggest that "outsiders" such as mentors can play a key role in the planning process of small businesses. One of the key benefits reported from the program was the enhancement of the strategic focus and systematic planning within the case study firms. However, the findings also suggest that mentors or third-party advisors are likely to experience limits to their usefulness if the owner-manager(s) lack the education and skills to carry out the planning tasks required. For example, one ALT was devoted to strategic business planning and included a comprehensive business plan template with accompanying notes and online support. While some of the owner-managers actively tackled this task, and found the materials useful in structuring their thinking, others were overwhelmed by the task. To complete this ALT required the owner-manager to have addressed most of the other ALT and to have put in place systems to monitor business activities ranging across finance, marketing and human resources. In many cases the mentors were required to tutor the participants in basic business skills, and develop simplistic planning tools to facilitate learning. Mentoring support for owner-managers targeting the firm's planning and strategy may benefit from being coordinated with management education and training in business planning.

Whether or not mentor/advisors to small business should be generalists or specialists is likely to depend on the nature of the business being supported and the level of management education and knowledge of the owner-manager. The three mentors engaged in this program were selected for their general business competency and past experience in mentoring small business clients. In most cases their role was that of a generalist rather than a specialist. It was emphasised to the participants that the mentors were not consultants and should not be tasked to solve specific problems, but to provide general advice and to serve as a reflective counsel. However, in the case of the business that involved the dispute between the owner and the employed manager, the mentor's specialist skills in human resources and conflict resolution proved highly effective. In the case of the retail cooperative, the relatively large size of the company meant that it had highly experienced professional managers in control who had already implemented most the systems required to run the business. These same managers were also well able to undertake the strategic planning tasks. In this case the mentor's specific skills in risk management were used to solve problems. This suggests that where the management team within the business has high levels of experience and professional education, it might require more specialisation and consulting from outsiders. However, where the owner-manager is less experienced or less professionally educated and the business less developed, a more generalist level of support is appropriate.

The level of permanency of the relationship between the owner-manager and the mentor/advisor remains the most problematic question to answer. As noted above, it was an aim of this program to shift the participants from a dependency model to a self-sustaining independent model with respect to their mentoring needs. To this end the program sought to create self-sustaining peer group mentoring teams. The experience from the program was that the participants did not easily adapt to this self-sustaining, peer group mentoring. Many owner-managers sought more time from their mentor at the end of the program and appeared to be seeking a continuation of the relationship. While peer group mentoring was highly valued by almost all participants, their ability to continue running these mentoring sessions without third party intervention appeared tenuous. The peer group mentoring via a 'business round table' model facilitated an environment for sharing and exchanging business information with peers, and was likely responsible for a change in opinion regarding using locally-based mentors in future programs. Initially the use of local mentors was viewed negatively by most participants who appeared to feel that external mentors from the capital city would be less likely to risk leakage of commercially sensitive information, or that they might be superior in their knowledge. In essence the findings suggest that there remains some benefit in having the owner-manager retain a form of ongoing access to third-party business support. This might be facilitated by the creation of peer-group small business round table mentoring teams after the completion of a focused program such as the SEP that combines individual mentoring with a structured management education and skills development course. Locally-based mentors who can facilitate peer group mentoring and management skills development workshops may be a cost effective means of achieving a sustainable model.

Summary and Conclusions

The mentoring program described in this study was generally highly valued by the participants. There was merit in having few mentors and having them work as a team. Peer-group mentoring was valued by both participants and mentors and resulted in largely removing the initial concerns, related to divulging confidential information to fellow business owners, and opened up the opportunity for considering local mentors at some point in the program. This latter outcome is significant as it has the potential to build a legacy component into future initiatives of this kind, and overcomes issues inhibiting the delivery of services into regional centres, stemming from an expressed reluctance to confide in local expertise.

The single most commented on aspect was time. From the perspective of the majority of participants, this translated to wanting greater access to their mentors. Aligned with this was the need for mentors to be accountable for their time allocation for each participant. From the mentors' perspective, it was time expended on business fundamentals which consumed the time better spent more strategically. It was felt that the fundamentals should be covered in training workshops and/or providing a supervised learning centre in which participants could undertake the ALT's in a collegiate environment. This would also go a long way to addressing the reluctance to complete the ALT's due to technical issues.

This study suggests that outsiders such as business mentors can play an effective role in the facilitation of the strategic planning process of small firms. However, such mentor/advisors should be assisted by ensuring that their work is run in conjunction with a management skills development program designed to raise the education level of the small business owners with whom they are working. Such mentor/advisors do not need to be specialists and may be better placed as generalists where the firm is small and its systems less sophisticated and rudimentary. However, as the business becomes larger and more professional the use of specialists may become more appropriate. Finally, the relationship between the small firm and outside mentor/advisors should be viewed as a long-term process, although the type of mentor/advisor engaged by the firm is likely to change over time as the business and its management grow and develop.

Over the long-term the objective should be to encourage small firms to take greater responsibility for their mentoring experiences, including sourcing mentoring assistance. Owner-managers of small firms should understand the meaning of the term "mentor" and what to expect from such a person. They should also take steps to access multiple sources of advice and assistance, creating around the firm a business advisory support network comprising a range of specialists and generalists who can form a virtual management team to assist the firm to grow.

To progress further toward answering the question relating to general vs specialist assistance greater insight into the role of the mentor in sourcing and facilitating introductions to specialist services as required by the protégé would be of interest. This would necessitate the mentor working to ensure a protégé was prepared to make best use of specialist services. Exploration of this aspect could result in a tiered approach to mentoring services from individual generalist through specialist and peer-group facilitation. This could provide a practical alternative when delivery services into small communities.

Future research needs to focus on the interrelationship between entrepreneurial learning, business development and mentoring. There appears to be a nexus between the level of management skills and competencies possessed by the owner-manager, the size and sophistication of their business venture and the use they make of mentoring. A key research question involves whether mentoring or the possession of a strategic network of business advisory support can be found to have a positive correlation with successful business growth. Another key research question is whether there is a positive correlation between the level of management education or competencies of the owner-manager and their ability to get the most from a mentoring relationship. Finally, there are research opportunities in examining the relative benefits of individual versus peer mentoring support to owner-managers.

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