Educating Microbusiness Owners: The Crossroads of Passion and Business Competency

Charles H. Matthews, PhD
University of Cincinnati, USA
charles.matthews@uc.edu

Mark T. Schenkel, PhD
Belmont University, USA
mark.schenkel@belmont.edu

Terri Lonier, PhD
DePaul University, USA
tlonier@depaul.edu

Debating Points

1) Do founders of proposed accelerated and potentially scalable new ventures have different education and/or training needs than founders of small or non-scalable ventures? If similar, what works best for both? If different, how does the education and/or training needs vary?

2) Does training and/or education for new or nascent ventures provide an advantage over start-ups which do not seek start-up or operational education and/or training?

3) How do social technologies (e.g., computers, mobile smart phones, the Internet, apps, Twitter, Facebook, LinkedIn and more) impact the need for, availability of, and efficacy of education and training for new venture start-ups versus more mature firms? (Future research not addressed directly in this paper).

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Abstract

This study directly addresses the issue of education, assistance, and training among nascent microbusiness owners. This research is guided by three primary questions: First, what is the prevalence of contact with assistance programs? Second, in the view of the business owners, how helpful are these programs? Third, taking into consideration perception of uncertainty in the environment, formalization of planning, and type of venture (small or SBGV versus accelerated/scalable growth or ASGV ventures), what impact does this contact have on expected revenue and employee growth rates of the venture? Data from the Panel Study of Entrepreneurial Dynamics (PSED I) are used to assesses the primary research questions. Results suggest that there is no difference between SBGV and ASGV start-up ventures when it comes to start-up assistance contact or classes/workshops taken. However, SBGV's with higher revenue growth intentions are statistically more likely to seek assistance than SBGV's with lower revenue growth expectations. With regard to planning, SBGV's that plan are more likely to make contact with assistance programs than those that don't plan. Interestingly, SBGV start-ups that plan are statistically more likely to make contact than ASGV's that plan. In general, start-up assistance contact and perceived value are not significant predictors of revenue or employee growth intentions. However, the type of venture and perception of environmental uncertainty do impact both revenue and employee growth expectations. Implications for future research and practice are discussed. A post-hoc qualitative analysis of 12 microbusiness owners' use of outside assistance programs suggests the preference for peer-to-peer assistance.

Introduction

Nearly 75% of all U.S. business firms have no payroll. Since these firms – primarily self-employed persons or microbusiness owners – account for a modest percentage of business receipts, they are not included in most reports from the Economic Census. These millions of microbusiness owners, however, continue to have a significant impact on local, national, and even international economies, society, and culture. Microbusiness success or failure creates a ripple effect across a broad spectrum of business – from the products and services they can (or cannot) buy to the larger accelerated/scalable

companies they support via subcontracting or strategic alliances. As such, microbusinesses represent an understudied yet key force in the entrepreneurial economy. One of the challenges in studying the important role of microbusiness is discerning precisely what is meant by the term microbusiness. Even a cursory review of the literature reveals that the term microbusiness can be used to describe ventures from five to 20 employees with start-up capital as little as $35,000 to over $1 million, with annual revenues from zero up to several million. In the United States (U.S.), the Association of Enterprise Opportunity (AEO) defines microbusiness as those with less than five employees, including the founder. The European Union (EU) raises the number of employees to 10, while in Australia the number can swell to 20 employees.
Despite various definitions of what constitutes a microbusiness enterprise, there is general agreement that as a group, microenterprise extends a far-reaching influence and it is important to deepen our understanding of how to enhance the chances for microbusiness success. While research has shown that education, training, and other sources of business assistance in business principles and practices form a core component for entrepreneurial activity and achievement (e.g., Leighton & Schaeper, 2003; Wu & Jung, 2008) it is far from complete.

The concept of microbusiness assistance has been examined in the literature across a broad spectrum, ranging from the use of advisors as information sources (Smeltzer, Van Hook & Hutt, 1991) to knowledge and use of assistance (Dennis & Reynolds, 2004). Despite this treatment, questions remain surrounding the availability and use of private and public assistance to microbusiness owners. For example, what is it that propels the

microbusiness owner to seek or ignore knowledge and/or expertise beyond what is initially available?

While largely anecdotal and informal in nature, studies have revealed that the primary impetus for microbusiness owners to launch a new firm is a strong personal interest, particularly in a particular skill or industry. This "passion" driver often outweighs any business experience or competency (or lack thereof), and fuels the early-stage momentum of the enterprise. Overall, research into the efficacy of education, assistance, and training for entrepreneurs in general, and micro entrepreneurs in particular, remains mixed. Some researchers report the effectiveness of such assistance (e.g., Wu & Jung, 2008), while others report a more mixed assessment, even going so far as to suggest that entrepreneurship is not teachable or entrepreneurs are self-reliant therefore rendering the providing of assistance programs a moot point (e.g., Zinger, LeBrasseur, & Zanibbi, 2001). For a microbusiness to demonstrate long-term viability, however, more solid business knowledge is required. It is at this stage that an apparent disconnect occurs between the wide variety of business training or assistance opportunities and the needs of the microbusiness owner. For example, Solomon, et al. (2012) found that managerial and technical assistance have a positive effect on both survival and growth, but these effects depend on the size of the firm, variations in characteristics of the counseling experience, as well as the gender and age of the owner.

This study is designed to address the issue of microbusiness education by investigating the ways in which microbusiness owners discover, assess, and incorporate business training in their firms. The project is guided by three primary questions: First, what is the

prevalence of contact with assistance programs? Second, in the view of the business owners, how helpful are these programs? Third, taking into consideration perception of uncertainty in the environment, formalization of planning, and type of venture (small business venture versus accelerated/scalable venture), what impact does this contact have on expected growth rates of the venture?

Over the last 15 years, a multitude of entrepreneurship education and assistance opportunities have emerged throughout the United States. These range from government-sponsored programs (e.g., SBA, SBDC, SCORE) to university offerings (more than 1,500 universities now host entrepreneurship classes) and industry training (e.g., vendor and supplier workshops and events). Additionally, thousands of books, audio programs, Web sites, and other private training programs are readily available on both a formal and an ad hoc basis. In spite of this plethora of educational opportunities, millions of microbusiness owners consistently eschew business mastery, potentially jeopardizing the long-term viability of their firms.

Literature Review and Key Propositions

The efficacy of education, assistance and training for small and medium enterprises in general and microenterprises in particular remains an elusive aspect of our understanding of the many factors that play a role in the survival and success of nascent ventures. Overall, research in this area is mixed with little evidence of the positive effects of outside intervention increasing the survival and enhancing performance (e.g., Dahlquist & Davidsson, 2000). On the other hand, there is evidenced that outsider assistance

increases survival and improves performance (e.g. Chrisman and McMullan, 2004; Christman and Katrishen, 1994).

Given this mixed history, this study seeks to better understand issues of education, assistance, and training among nascent microbusiness owners. In this context, we consider the prevalence of contact with assistance programs; we explore the perception of how helpful these programs are; and we introduce the nascent microbusiness owner's perception of uncertainty in the environment, formalization of planning, and preference of type of venture (small or SBGV versus accelerated/scalable growth or ASGV start-up ventures), and what if any impact does this contact have on expected revenue and employee growth rates of the venture.

Growth Expectations versus Actual Growth

One of the persistent problems with investigating the relationship between actions and performance in nascent micro ventures is that little measurable performance yet exists. While the relationship between the nascent entrepreneur's early actions and subsequent performance is lagged (MacMillan & Katz, 1992), they do have expectations of firm performance – prospects that are important predictors of actual performance (Chandler & Hanks, 1993). Extant research suggests support for the linkage between intentions and actions in the entrepreneurial context (e.g., Krueger & Carsrud, 1993; Krueger & Brazeal, 1994; Orser, Hogarth, & Wright, 1998; Krueger, Reilly, & Carsrud, 2000). In the present study, we provide important baseline data to inform future data collected on actual firm growth as nascent microenterprises ventures become operational.

In this study, we explore baseline data regarding nascent or emergent micro entrepreneurs' venture growth measured in terms of expectation of revenue growth in terms of anticipated sales in years one and five and expectation of full and part-time employee growth in years one and five. For the current study, we develop a number of hypotheses regarding whether expectations of firm growth are related to individual- and firm-related characteristics including type of venture (accelerated/scalable growth business venture versus small business venture); the entrepreneur's start-up assistance contact; the perception of the value of the assistance; perception of environmental uncertainty; and business plan formalization.

Type of Venture

One of the understudied aspects of nascent entrepreneurship ventures in general and microbusiness enterprises in particular is the underlying distinction between the education, training, and assistance needs of what is considered an "income substitution," "mom and pop," or "lifestyle" type venture and a more dynamic growth-oriented "accelerated/scalable growth" type firm. In this study we build on the Carland, Hoy, Boulton, & Carland (1984) typology in which they develop the nuances of an "accelerated/scalable growth venture" (ASGV) as opposed to a "small business growth venture" (SBGV).[1] We posit that both types of ventures have specific education, assistance and training needs in order to enhance the firm's chances of survival. As such,

[1] A Small Business Growth Venture is described as being independently owned and operated, and not dominant in its field. It provides an opportunity to earn a profit and make a living and although time-consuming, is preferable to working for a large firm. An Accelerated/Scalable Growth Venture, while not necessarily dominant in its field at this time, has profit targets, growth objectives, and innovative strategies designed to lead to market dominance in the future. This venture could be described by one of the following: introducing new goods; new methods of production; opening new markets; or introducing industrial reorganization (Carland, et al., 1984).

while there is little guidance from the extant literature, the type of small business firm -- accelerated/scalable versus small business venture -- needs to be more fully considered in the model that explores the education, assistance, and training needs of nascent micro entrepreneurs. Given the more aggressive growth needs of the ASGV type venture, we hypothesize that

H1: Accelerated/scalable business venture (ASGV) start-ups have a higher prevalence rate than small business venture (SBGV) start-ups for making start-up assistance contact.

However, given the relative equal needs of both ASGV and SBGV ventures to seek education, assistance, and training, we hypothesize that

H2: Accelerated/scalable business venture (ASGV) start-ups and small business venture (SBGV) start-ups are equally likely to make contact with start-up assistance programs as expectations of growth increase.

H3: ASGV and SBGV start-ups that have program assistance contact are more likely to have a business plan than.

Business Planning and Perception of Environmental Uncertainty

After considerable study, the debate on the benefits of business planning in new venture performance continues. Overall, the results are mixed, with some studies reporting a positive planning performance relationship (Aram & Cowen, 1990; Floyd & Wooldridge, 1997; Hopkins & Hopkins, 1997; Miller & Cardinal, 1994; Robinson, Pearce II, Vozikis, & Mescon, 1984) and others suggesting that the planning relationship is more complex (Schwenk & Shrader, 1993). Brinckmann, Grichnik, and Kapsa (2010) suggest that that planning is beneficial, yet contextual factors such as newness of the firms and the cultural environment of firms significantly impact the relationship.

Matthews and Scott (1995) suggest that one of the key variables to consider in this debate is the nascent entrepreneur's perception of environmental uncertainty. While theorists

continue to pursue a more precise definition of exactly what constitutes uncertainty with respect to the business environment, in the current study we continue to adopt Milliken's (1987) conceptual definition of environmental uncertainty as "state uncertainty," or the uncertainty that occurs when the entrepreneur is uncertain about "how components of the environment might be changing [such as] an inability to predict the future behavior of a key competitor…or inability to predict whether Congress will deregulate one's industry" (p. 136). Specifically, we focus on uncertainty with regard to financial issues (e.g., sources of capital) and competitive uncertainty (e.g., attract customers).

H4: ASGV start-up ventures have higher expectations of revenue growth than SBGV startup ventures.

H4a: Nascent microenterprise ventures with greater start-up assistance contact have higher revenue expectations.

H4b: Nascent microenterprise ventures with greater perception of start-up assistance value have higher revenue expectations.

H4c: Nascent microenterprise ventures with greater perception of environmental uncertainty have lower revenue expectations.

H4d: Nascent microenterprise ventures with more formalized planning have lower revenue expectations.

H5a: Nascent microenterprise ventures with greater start-up assistance contact have higher employee growth expectations.

H5b: Nascent microenterprise ventures with greater perception of start-up assistance value have higher employee growth expectations.

H5c: Nascent microenterprise ventures with greater perception of environmental uncertainty have lower employee growth expectations.

H5d: Nascent microenterprise ventures with more formalized planning have higher employee growth expectations.

Methodology

This project reflects findings from two data sources: the Panel Study of Entrepreneurial Dynamics (PSED I), a nationally representative sample of nascent entrepreneurs in the United States; and a series of one-on-one telephone interviews with 12 microbusiness owners who have been in business longer than five years. Both quantitative chi square and regression and qualitative data analysis techniques are utilized.

Measures

Dependent Variable

Growth expectations. Respondents were asked about their sales or revenue expectations in the 12-month follow up telephone survey. Specifically, they were asked (PSED Item R746), "What annual sales or income would you expect for the firm FIVE years after the first full year of sales?" Respondents were also asked (PSED Item R742), "What sales or revenue do you expect in the current financial year/first full year of operation?" Based on these responses, an expected percentage growth rate was then calculated by subtracting the first-year revenue expectation from the fifth-year revenue expectation and then dividing the result by the first-year revenue expectation. The resulting percentage scores were then categorized as follows: 0-5% expected revenue growth; 6-10% expected revenue growth, and 10+ % Expected revenue growth.

Respondents were also asked about their expectations for both full-time and part-time employment growth in in the 12-month follow up telephone survey. Specifically, they were asked (PSED Item Q320) "By the end of the fifth year of operation, about how many full time employees, not counting owners, do you expect to be working for pay at this new business?", and (PSED Item Q318), "By the end of the first full year of

operation, about how many full time employees, not counting owners, do you expect to be working for pay at this new business?" Similarly, respondents were asked, (PSED Item Q321) "By the end of the fifth year of operation, about how many part-time employees do you expect to be working for pay at this new firm?", and (PSED Item Q319), "By the end of the first full year, about how many part-time employees do you expect to be working for pay at this new firm?" As with revenue growth, an expected percentage growth rate was then calculated by subtracting the first-year employment expectation from the fifth-year employment expectation and then dividing the result by the first-year employment expectation for both full- and part-time employment respectively. The resulting percentage scores were then categorized as follows: negative expected full time employee growth; 0% expected full time employee growth; 1-100% expected full time employee growth; and 100% or more expected full time employee growth.

Independent Variables

Venture type. Survey respondents were contacted via phone at the outset of the survey and asked (PSED Item Q322), "Which of the following two statements best describes your preference for the future size of this business: 1) I want the business to be as large as possible, or 2) I want a size I can manage myself or with a few key employees? Respondents answering "I want the business to be as large as possible" were categorized as preferring an accelerated/scalable growth business venture (ASGV) and coded as one (1). Respondents answering "I want a size I can manage myself or with a few key employees" were categorized as small business growth ventures (SBGV) and coded as two (2).

Start-up assistance. Survey respondents were asked (PSED Item Q303), "Many programs to help new businesses get established have been developed. Federal, state, and local governments, universities, and voluntary associations sponsor them. Have you made contact with any such program?" Respondents replied with a "yes" or "no" and were coded as 1 and 2 respectively.

Value of Start-up Assistance. Respondents were also asked (PSED Q313), "Do you think that those starting a new business would find this kind of help somewhat valuable, very valuable, or extremely valuable?" Respondents replied with a "Somewhat valuable" were coded as 1, "Very valuable" as 2, and "Extremely valuable" as 3.

Perception of Environmental Uncertainty. An 11-item measure in the PSED I mail survey using a five point Likert response scale was used to assess the respondent's perception of environmental uncertainty. This scale is focused on state uncertainty referring to the ability of the nascent entrepreneur to understand or to predict the state of the environment due to a lack of information. The survey directions read, "Considering the economic and community context for the new firm, how certain are you that the new business will be able to accomplish each of the following?" The response scale was anchored by very high (5) to very low (1) including a category for "does not apply." The items were reverse scored to be consistent with prior literature on environmental uncertainty.

Matthews and Human, 2004, note that "While the measure was unidimensional in terms of state uncertainty, it was multi-dimensional in terms of the sources of uncertainty." They identified seven *a priori* environmental sectors (customers, suppliers, distributors,

competitors, government, technology, and financial markets) that are used in this analysis.[2]

Business plan preparation. Survey respondents were contacted via phone at the outset of the survey and asked (PSED Item Q111), "A business plan usually outlines the markets to be served, the products or services to be provided, the resources required -- including money -- and the expected growth and profits for a new business. Has a business plan been prepared?" Respondents replied with a "yes" or "no" and were coded as 1 and 2 respectively.

Business plan formalization. Respondents who answered "yes" to having prepared a business plan were also asked (PSED Item Q114): "What is the current form -- unwritten or in your head (1); informally written (2); formally prepared (3); both 1 and 2 (4) something else." Responses to this item were recoded into (1) unwritten/in head (intuitive); (2) informally written; and (3) formally prepared; respondents choosing "both 1 and 2" or "Something else" were discarded from the analysis.

Data Analysis

We followed standard approaches to categorical data analysis and hierarchical multiple linear regression for hypothesis testing (Stevens, 2002). Through a series of Chi square

[2] A principal components factor analysis with Varimax rotation was conducted on the responses to the 11-item measure and three factors were extracted with eigenvalues greater than one (Table 1). A scree plot suggested that all three factors be retained. Four items dealing with obtaining start-up and working capital and help from a bank or venture capitalist loaded on one factor which was termed "Financial Uncertainty." One item each on attracting customers, competing with other firms, complying with federal, state, and local regulations, and keeping pace with technological advances loaded on one factor which was termed "Competitive Uncertainty." One item each dealing with obtaining raw materials, attracting employees, and dealing with distributors loaded on one factor which was termed "Operational Uncertainty." Cronbach's alphas for the subscales were .78, .75, and .55 respectively, with the three factors cumulatively accounting for 60 percent of the variance (Matthews & Human, 2004).

tests, we first examined whether accelerated/scalable business ventures (ASGVs) had higher prevalence rates for contacting start-up assistance programs than small business ventures (SBGVs), both generally and within the context of their respective growth expectations. Next, we examined whether contact with a start-up assistance program was associated with the likelihood of developing a business plan. Utilizing hierarchical multiple linear regression, we then examined whether venture type (i.e., ASGV versus SBGV), start-up assistance program contact, perceptions of start-up program assistance value, perceptions of environmental uncertainty, and business planning formalization predicted the revenue, full time, and part time employment growth expectations.

Results

Table 1 reports means, standard deviations, and zero-order correlations among the variables included in our study. Venture type was significantly related to growth expectations, with reports of preferring accelerated/scalable rather than small business size significantly and positively related to expectations for five year revenue growth ($r = .215$, $p < .01$), full time employment ($r = .144$, $p < .05$), and part time employment growth ($r = .135$, $p < .05$). The univariate analyses reported in table 1 also show that whereas competitive ($r = .278$, $p < .01$) and operational uncertainty ($r = .275$, $p < .01$) is positively associated to five-year revenue growth, competitive uncertainty tended to be associated with less full ($r = -.132$, $p < .05$) and part time ($r = -.115$, $p < .05$) employment growth expectations.

Insert Table 1 about here

Do accelerated/scalable business venture start-ups have a higher prevalence rate than small business venture start-ups for contacting start-up assistance programs? Cross tabulation results presented in Table 2 suggest they do not. As shown in this table, the proportion of start-up assistance program contact among accelerated/scalable business ventures does not differ significantly from that of small business ventures ($\chi^2 = 2.319$, $p > .10$). Thus, no support is suggested for H1.

Insert Table 2 about here

Are ASGV start-ups and SBGV start-ups equally likely to make contact with start-up assistance programs as expectations of growth increase? Cross tabulation results presented in Table 3 suggest they do not. Although these results show that marginally significant variation growth expectations among SBGV start-ups exists ($\chi^2 = 3.629$, $p < .10$), the overall significance test value ($\chi^2 = 1.309$, $p > .10$) suggests the proportion of observed ASGV and SBGV start-ups contacting assistance programs does not differ significantly from what would be expected. Consequently, no support is suggested for H2.

Insert Table 3 about here

Are ASGV and SBGV start-ups that contact assistance programs more likely to have a business plan than those that do not? Cross-tabulation results presented in Table 4 suggest they are in the case of SBGVs but not in the case of ASGVs. Specifically, these

results show that business plan preparation is disproportionately higher among those SBGVs reporting start-up assistance program contact ($\chi 2 = 5.278$, $p < .05$) but not among ASGVs ($\chi 2 = 0.086$, $p < .10$). The variation in business plan preparation in relation to start-up assistance program contact between ASGVs and SBGV start-ups did not achieve statistical significance ($\chi 2 = 3.770$, $p < .10$). Collectively, mixed support is suggested for H3.

Insert Table 4 about here

Do venture type, start-up assistance program contact, greater perception of start-up assistance value, perceived environmental uncertainty, and business plan formalization systematically impact revenue growth expectations? Hierarchical multiple linear regression results presented in Table 5, suggest they do. As shown across all models and in the full model (Model 7) in particular, reports of preferring accelerated/scalable rather than small business size consistently and significantly predict higher expectations for five-year revenue growth ($\beta = -.100$, $p < .01$). Similarly, competitive ($\beta = .094$, $p < .01$) and operational ($\beta = .094$, $p < .01$) uncertainty significantly predict higher expectations for five-year revenue growth. By contrast, financial uncertainty significantly predicts lower expectations for five-year revenue growth ($\beta = -.094$, $p < .01$). Start-up assistance program contact, perceived start-up assistance program value, and business plan formalization do not predict five-year revenue growth expectations. Collectively, these

findings suggest support for H4, mixed support for H4c, and no support for H4a, H4b, and H4d.

Insert Table 5 about here

Do venture type, start-up assistance program contact, greater perception of start-up assistance value, perceived environmental uncertainty, and business plan formalization systematically impact employment growth expectations? Hierarchical multiple linear regression results presented in Tables 6 and 7, suggest they do in part for both full and part time employment respectively. Consistent with results for revenue growth expectations, the results of all models and Model 7 in particular, suggest preferring accelerated/scalable rather than small business size consistently and significantly predicts higher expectations for five-year full ($\beta = -.101$, $p < .01$) and part time ($\beta = -.097$, $p < .01$) employment growth. However, in contrast to five-year revenue growth expectations, competitive uncertainty significantly predicts lower expectations for five-year full ($\beta = -.062$, $p < .05$) and part time ($\beta = -.057$, $p < .10$) employment growth. Start-up assistance program contact, perceived start-up assistance program value, financial uncertainty, operational uncertainty, and business plan formalization fail to predict five-year growth expectations for either full or part time employment. Collectively, these findings suggest support for H4, partial support for H5c, and no support for H5a, H5b, and H5d.

Insert Table 6 about here

Insert Table 7 about here

Post-Hoc Qualitative Interviews

To supplement our quantitative research, 12 one-on-one telephone interviews were conducted with microbusiness owners who have been in business longer than five years. These interviews support our overall findings, and provide insights behind the choices made by nascent entrepreneurs when they are struggling to learn the myriad details of how to launch and successfully manage their new businesses.

Three key findings emerged from our qualitative interviews. First, while most of those interviewed did not avail themselves of formal education, assistance or training, nearly all thought that it was a good idea for new business owners to do so. Some observed that when they started their companies, training offerings were very poor or nonexistent. Yet nearly all expressed their personal commitment to ongoing education as their businesses have matured. They recognize that "the stakes are higher" now that they have an operational business providing ongoing revenue. "I can't afford not to learn," commented one microbusiness owner, a statement echoed by several other participants.

The second finding from our qualitative research centers on issues of timing and access to education, assistance and training programs. Nascent entrepreneurs often do not know what they need to know. They are unaware of what education, assistance or training would be valuable to them and often eschew available options, since they are

overwhelmed at the multiple start-up tasks while at the same time often hesitant to spend funds that may be directed elsewhere. Once they have been in business several years, microbusiness owners seek education and assistance to address more specific issues. As one respondent observed, “I’m so far past the start-up stage now. I’m looking for incremental improvement and development, not a general class on getting a business up and growing.” Others cited the time constraints of devoting a half- or full-day to attend programs, and the new options available via the Internet. “Before I felt I had to go to a course or workshop,” said one microbusiness owner. “There is now so much online, often for free. You may have to work a bit to find it, but I don’t have to block out a whole day.” These comments bring to light important concerns for program sponsors about the moments of intersection with nascent entrepreneurial development. Future study on how best to design programs of value at various stages of business growth is warranted.

The third key finding from our qualitative interview reveals the preference of microbusiness owners to turn to peer professionals for guidance, mentoring and/or coaching in lieu of more formalized education, training or assistance. Established microbusiness owners find the information they receive “not hypothetical,” one observed. “It’s from colleagues who are also slogging away at reality,” she added, noting that “even if they aren’t doing things well, I’m able to learn from their mistakes.” Encounters take place over meals or drinks within the context of casual conversation, or in more structured arenas of professional peer support groups or business networks. The common theme is that the guidance they seek comes in a specialized form, from an authentic source. “I can now appreciate the value of getting advice from smart people,” one long-

time microbusiness owner said. “I want to ask help of people I know and trust,” said another.

Our interviews revealed that microbusiness owners often stumble into starting their companies, and frequently in the nascent stage are too overwhelmed to discern the value of education, assistance or training. Many of those we interviewed survived by their wits, persistence, and personal commitment to self-education and ongoing learning, while many others likely failed along the way. Additional research may provide valuable insights about how to better serve both microbusiness owners as well as accelerated/scalable business owners in the nascent stage.

Discussion, Implications and Significance

This research project builds on the foundation of knowledge about the impact of business competency education, training, and assistance and the long-term ramifications of entrepreneurial success. The project brings together insights from the myriad business education resources that have emerged over the past decade and fresh survey and interview data from microbusiness owners, and integrates it with existing research. The result is a deeper understanding of the impact and value of microbusiness education and the complex and compelling relationship between the search for knowledge prior to, at the point of, and subsequent to the launch decision. Additionally, it offers insights from current microbusiness practitioners about their motivations and needs that can guide the development, refinement, and deployment of future microbusiness education offerings.

Solomon, Tarabishy, & Wohlford, 2012) note that, "adult education has seen increasing numbers in the recent past as well, leading to a rising desire for entrepreneurship education in a real-world environment. They go on to suggest that many entrepreneurs and small business owners seek training programs that are not affiliated with a degree program in order to gain skills and knowledge required for their stage of the business lifecycle—start-up, growth and expansion, or management. In our qualitative post-hoc survey of a small convenience sample of microbusiness owners, one clear finding is the preference for peer-to-peer guidance, mentoring, and/or coaching. Future research is needed that more fully addresses issues surrounding the role of microbusiness assistance in the context of an uncertain business environment. Our findings suggest that issues such as timing and access may provide a clearer insight into this complex relationship.

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Table 1: Means, Standard Deviations and Correlations

	Mean	s.d.	1.	2.	3.	4.	5.	6.	7.	8.	9.
1. Revenue Growth Rate Expectations (Yr 1-5)	25.03	156.28									
2. Full Time Employee Growth Rate Expectations (Yr 1-5)	298.15	1012.68	.005								
3. Part Time Employee Growth Rate Expectations (Yr 1-5)	435.64	3699.87	.057	.639**							
4. Venture type (ASGV=1, SBGV=2)	1.78	0.42	-.215*	-.144**	-.135**						
5. Start-up assistance program contact (Yes=1, No=2)	1.85	0.36	.035	-.058	.020	-.053					
6. Start-up assistance program value (Somewhat=1, Very=2, Extremely=3)	2.36	0.72	.033	-.076	-.242*	-.084	.000				
7. Financial Uncertainty (Low=1, High=5)	2.93	0.98	-.115	-.023	-.054	.031	-.018	-.182			
8. Competitive Uncertainty (Low=1, High=5)	1.87	0.68	.278**	-.132*	-.115*	.108*	.073	-.291**	.261**		
9. Operational Uncertainty (Low=1, High=5)	2.05	0.83	.275**	-.102	-.080	.080	.081	-.140	.241**	.460**	
10. Business plan formalization (Unwritten/in head=1, informal=2, formal=3)	2.20	0.88	.068	.070	.024	-.109*	-.055	-.137	-.046	.010	-.077

[a] Standardized beta regression coefficients are shown.

† $p < .10$; * $p < .05$; ** $p < .01$

Table 2: Venture Type Preference by Start-up Assistance Program Contact Cross Tabulation

	Start-up Assistance Program Contact				
	Yes		No		
Venture Type Preference	**Observed**	**Expected**	**Observed**	**Expected**	**Total**
Small business venture	103 (16.3%)	96.5 (15.3%)	529 (83.7%)	535.5 (84.7%)	632
Accelerated/scalable business venture	21 (11.7%)	27.5 (15.3%)	159 (88.3%)	152.5 (84.7%)	180
Total	124	124	688	688	812
Chi Square Value	2.319				
Approximate Significance	0.128				

$^{\dagger}\ p \leq .10;\ ^{*}\ p \leq .05;\ ^{**}\ p \leq .01;\ ^{***}\ p \leq .001$

Table 3: Venture Type Preference by Revenue Growth Expectations by Start-up Assistance Program Contact Cross Tabulation

	Start-up Assistance Program Contact				
	Yes		No		
Venture Type Preference	**Observed**	**Expected**	**Observed**	**Expected**	**Total**
Small business venture					
0-5% Expected revenue growth	12 (16.7%)	15.2 (21.1%)	60 (83.3%)	56.8 (78.9%)	72
6-10% Expected revenue growth	2 (28.6%)	1.5 (21.4%)	5 (71.4%)	5.5 (78.6%)	7
10+ % Expected revenue growth	6 (37.5%)	3.4 (21.3%)	10 (62.5%)	12.6 (78.8%)	16
	20	20	75	75	95
Chi Square Value	3.629				
Approximate Significance	0.057†				
Accelerated/scalable business venture					
0-5% Expected revenue growth	5 (25.0%)	4.0 (20.0%)	15 (75.0%)	16.0 (80.0%)	20
6-10% Expected revenue growth	0 (0.0%)	0.4 (20.0%)	2 (100.0%)	1.6 (80.0%)	2
10+ % Expected revenue growth	1 (12.5%)	1.6 (20.0%)	7 (87.5%)	6.4 (80.0%)	8
	6	6	24	24	30
	26	26	99	99	125
Chi Square Value	0.667				
Approximate Significance	0.414				
Total					
Chi Square Value	1.309				
Approximate Significance	0.253				

† $p \leq .10$; * $p \leq .05$; ** $p \leq .01$; *** $p \leq .001$

Table 4: Venture Type Preference by Start-up Assistance Program Contact Cross Tabulation by Business Plan Preparation

	Start-up Assistance Program Contact				
	Yes		No		
Venture Type Preference	**Observed**	**Expected**	**Observed**	**Expected**	**Total**
Small business venture					
Business plan prepared	71 (19.3%)	59.8 (16.3%)	296 (80.7%)	307.2 (83.7%)	367
Business plan NOT prepared	32 (12.2%)	42.9 (16.3%)	231 (87.8%)	220.1 (83.7%)	263
	103	103	527	527	630
Chi Square Value	5.278				
Approximate Significance	0.022*				
Accelerated/scalable business venture					
Business plan prepared	14 (11.2%)	14.2 (11.7%)	111 (88.8%)	110.4 (88.3%)	125
Business plan NOT prepared	7 (12.7%)	6.4 (11.6%)	48 (87.3%)	48.6 (88.4%)	55
	21	21	159	159	180
	124	124	686	686	810
Chi Square Value	0.086				
Approximate Significance	0.769				
Total					
Chi Square Value	3.770				
Approximate Significance	0.052†				

† $p \leq .10$; * $p \leq .05$; ** $p \leq .01$; *** $p \leq .001$

Table 5: Results of Multiple Regression Analyses Predicting Year 1-5 Revenue Growth Rate Expectations [a]

Predictor Variable	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Venture type (ASGV=1, SBGV=2)	-.090**	-.089**	-.089**	-.088**	-.099**	-.102**	-.100**
Start up assistance program contact (Yes=1, No=2)		.010	.010	.009	.001	-.002	-.001
Start up assistance program value (Somewhat=1, Very=2, Extremely=3)			-.004	-.006	.002	.002	.003
Financial Uncertainty (Low=1, High=5)				-.049†	-.082**	-.094**	-.094**
Competitive Uncertainty (Low=1, High=5)					.136**	.095**	.094**
Operational Uncertainty (Low=1, High=5)						.103**	.104**
Business plan formalization (Unwritten/in head=1, informal=2, formal=3)							.026
R^2	.008	.008	.008	.011	.028	.036	.037
Adjusted R^2	.007	.007	.006	.007	.024	.032	.031
Δ Adjusted R^2		.000	.001	.001	.017	.008	.001
Model F value	10.183**	5.147**	3.435*	3.334**	7.143**	7.821**	6.829**
Model F value for Δ R^2		.117	.021	3.053†	22.114**	10.927**	.885

[a] Standardized beta regression coefficients are shown.

† *p < .10;* * *p < .05;* ** *p < .01*

Table 6: Results of Multiple Regression Analyses Predicting Year 1-5 Full Time Employee Growth Rate Expectations [a]

Predictor Variable	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Venture type (ASGV=1, SBGV=2)	-.110**	-.111**	-.112**	-.111**	-.105**	-.104**	-.101**
Start up assistance program contact (Yes=1, No=2)		-.040	-.040	-.041	-.036	-.035	-.034
Start up assistance program value (Somewhat=1, Very=2, Extremely=3)			-.026	-.026	-.030	-.031	-.029
Financial Uncertainty (Low=1, High=5)				-.016	.003	.007	.008
Competitive Uncertainty (Low=1, High=5)					-.075**	-.061†	-.062*
Operational Uncertainty (Low=1, High=5)						-.035	-.034
Business plan formalization (Unwritten/in head=1, informal=2, formal=3)							.039
R^2	.012	.014	.014	.015	.020	.021	.022
Adjusted R^2	.011	.012	.012	.011	.016	.016	.017
Δ Adjusted R^2		.001	.000	.001	.005	.000	.001
Model F value	15.270**	8.679**	6.064**	4.624**	5.036**	4.411**	4.057**
Model F value for Δ R^2		2.075	.836	.315	6.602**	1.282	1.913

[a] Standardized beta regression coefficients are shown.

† *p < .10;* * *p < .05;* ** *p < .01*

Table 7: Results of Multiple Regression Analyses Predicting Year 1-5 Part Time Employee Growth Rate Expectations [a]

Predictor Variable	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Venture type (ASGV=1, SBGV=2)	-.105**	-.104**	-.104**	-.104**	-.098**	-.098**	-.097**
Start up assistance program contact (Yes=1, No=2)		.008	.008	.008	.011	.012	.013
Start up assistance program value (Somewhat=1, Very=2, Extremely=3)			-.009	-.010	-.014	-.014	-.013
Financial Uncertainty (Low=1, High=5)				-.024	-.008	-.005	-.005
Competitive Uncertainty (Low=1, High=5)					-.066*	-.056†	-.057†
Operational Uncertainty (Low=1, High=5)						-.024	-.023
Business plan formalization (Unwritten/in head=1, informal=2, formal=3)							.011
R^2	.011	.011	.011	.012	.016	.016	.016
Adjusted R^2	.010	.009	.009	.008	.012	.011	.011
Δ Adjusted R^2		.001	.000	.001	.004	.001	.000
Model F value	13.893**	6.981**	4.684**	3.690**	3.985**	3.416**	2.949**
Model F value for Δ R^2		.079	.100	.711	5.118*	.574	.162

[a] Standardized beta regression coefficients are shown.

† $p < .10$; * $p < .05$; ** $p < .01$