

# **Information Dissemination Between Government and SMEs: How Can We Improve Communication With The Small Business Community?<sup>1</sup>**

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## **Abstract**

What information do SMEs need or want from government agencies, in what form, and how effective is such communication?

There are three principal information activities governments undertake relating to small business: educating and enforcing observance with laws and regulations; promoting awareness of business advice, support and assistance services; and soliciting input and feedback on its activities. Information dissemination can be driven by needs which are either external or internal to the firm, and be transactional or transformative in its application.

Regulatory requirements and compliance issues are the single most common item of information that most business operators seek from government. SME operators place a large measure of reliance on familiar sources that they personally know and trust, such as their accountant, other businesspeople, industry associations, and friends and family. Small firm managers tend to be ad-hoc users of data, and to draw upon sources which they are already familiar with. Government sources of information are not a priority for them; but when they do access these, they seek both online and face-to-face services. They also desire that government information be timely, relevant, accessible, understandable, accurate, certain and complete. Government information is frequently rated as the most difficult of all sources for SMEs to access.

When developing information strategies to communicate with small firms, government agencies need to recognize that their preference for relying on the web is not always shared by SMEs; that there are often multiple, overlapping arms of government; that their language and presentation of information can be confusing to SMEs; that many business operators suffer from information overload; and that reliance on third parties to disseminate information must be carefully managed. A “what, where, who, how and why” framework is suggested to develop information strategies. An example of information dissemination in one regulatory body, the Australian Competition & Consumer Commission, is provided, and suggestions for further research are outlined.

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## **Debating Points**

- Is information asymmetry a real and substantial problem for SMEs? Does it extend to other aspects of SME operations, apart from dealing with government agencies?
- How can governments go about improving communication with SMEs, given the difficulties and issues identified in this paper? Should governments focus on delivering transactional or transformative information to SMEs? Why?
- Are there meaningful limitations in the use of online services by SMEs, given their reluctance to rely on electronic sources as an information dissemination tool?
- Is there a role for researchers to assist governments in evaluating their information and communication processes with the small business sector? If so, what are the most important issues to investigate, and what would be the most useful investigative tools?

## **Introduction**

Governments do not exist, or operate, in isolation. They are part of the community which they serve, and their various arms are constantly engaged in a process of communicating with that community. The information flow is two-way: it includes both the transmission outwards of issues which governments seek to disseminate, as well as the collection in of ideas, comments, inputs and criticisms from citizens.

Today, there are a wide range of tools through which such communication and information dissemination can take place. These include print mediums (such as newspapers, brochures and posters), broadcast media (television and radio), online (websites and email), face-to-face (business counseling services and industry associations). And these distribution mechanisms continue to expand. Social media, for example, has quickly grown over the last few years to play an increasingly important role in public discourse, and it is highly likely that other, as yet unknown, mediums will emerge in future. At the same time, the breadth of information being conveyed has grown substantially. Governments and citizens, it seems, are becoming spoilt for information choice and how to access it.

However, the small- and medium-sized enterprise (SME) sector has a number of characteristics that often make such information dissemination a challenging process for governments to achieve effectively. There is often an element of asymmetry at work: governments have a large corpus of facts, rules, advice and data which they can provide to small firms, and (usually) a relatively clear concept of what they want to communicate, to whom, and why. On the other hand, owner-managers are already busy people dealing with multiple issues and demands on their time. Information overload is a real and present danger. They are usually the passive recipients of such communications, and often don't know what they need to know, what is available, or who might possess it.

Traditionally the process of communicating with small firms has been a one-way street: governments have made their own assessment of what information or knowledge needs to be transmitted, decided who it is to be targeted at, determined the (apparent) best medium to disseminate this, and occasionally made some attempts to assess the effectiveness of such initiatives. Much of this has occurred in the absence of any established body of knowledge about the information-seeking behaviours or needs of business operators, even though over the last thirty years an emergent body of research-based evidence has begun to examine this topic.

At the same time, the information dissemination environment has changed substantially. In the early 1980s, there were very few formal government initiatives aimed specifically at SMEs; the regulatory environment was less complex; the provision of government-funded free small business advisory centres (known in Australia as Business Enterprise Centres) had not emerged; and on-line technologies had yet to appear.

The information needs of SMEs also continues to garner interest amongst government agencies and some academics. In June 2012, for example, it was the focus of a special one-day SEANZ-supported public policy forum held at the International Council for Small Business annual world conference in Wellington, New Zealand. This event featured speakers from Australia, New Zealand, Malaysia, the USA, Taiwan, Singapore and the UK, and attracted more than eighty attendees. Nor was this the first time the issue had been identified as an important objective within national governments. In the late 1990s, the APEC SME Working Group commissioned a detailed report on the topic (Acuity 1998), and, more recently, work has also begun on developing an objective indicator of access to information amongst SMEs across South-East Asia, a project being undertaken by the Economic Research Institute of ASEAN (Tambunan n.d.). In 2012-2013, the Secretaries Board of the Australian Public Service commissioned an examination into the current state of business interaction with government bodies, and how these might be reconfigured to work more effectively (DesignGov 2013), whilst the Australian government's independent research body on economic issues, the Productivity Commission, has recently examined information and communication activities as part of its enquiry into regulator engagement with small business (Productivity Commission 2013).

There has also been increasing interest by government agencies and regulators in the use of the so-called “nudge” approach, which encourages greater compliance to the law through the use of subtle information management and disclosure (Thaler & Tucker 2013). Originally targeted at the consuming public, such strategies are also now being considered to assist SMEs. However, to achieve this, it is necessary to actually understand how, why and when small businesses seek and use information from governments.

### **Many Different Messages To Send**

What types of information activities do governments seek to communicate to the small firm sector? These can be defined into three principal areas:

The first is *policing and enforcement* of the many different laws and regulatory requirements which governments impose on business. This is often referred to as the “compliance” function within government, and has traditionally been seen as the most obvious and common form of interaction with business. It imposes obligations.

All businesspeople will be familiar with the role of government as a regulator. This role of “police officer” is focused on checking for compliance with existing laws, and is commonly found in regulatory regimes relating to activities such as taxation, employment relations, business-to-consumer dealings, environmental laws, product safety and occupational health and safety. The number and scope of such regulations has continued to grow every decade. Typically, enforcement and other regulatory agencies seek to communicate with businesses in order alert them to their responsibilities – explaining what laws and rules they must comply with.

A second group of activities is focused on the *provision of advice, support and assistance*. Support and help to firms to startup or expand, or to better manage their existing processes and activities, falls into this arm of government. The provision of such services is a much more recent phenomenon than compliance, and can be conceptualized as a pro-active attempt to help.

There are a number of agencies which provide business support and assistance. In Western Australia, for example, the state Small Business Development Corporation provides free counseling and advice to both current and prospective business operators, as well as a mediation service for the settlement of disputes, and assistance with retail leasing issues. There are a range of Business Enterprise Centres which provide direct face-to-face help in business formation, business planning and growth, and federal schemes to encourage businesses to grow and export, amongst others. In each case, the key focus is on raising awareness amongst the target business population, and on encouraging business operators to ultimately take up and use such facilities.

A final function is that of *soliciting input and feedback*. As the emphasis in government has moved to ensuring a dialogue with its citizens (especially in democratic or consensus-based polities), the need to obtain feedback and criticism of its performance and policies has also increased. This in turn helps increase the perceived legitimacy of government behaviours, and build consent among the governed. In a practical sense, input may be sought on a range of issues, including the evaluation of existing programmes, comments on proposed changes to the law currently being considered by government, or feedback on the performance of government agencies and staff.

There are, of course, other ways to conceptualise and categorise information dissemination from government to the small business sector. Blundel (2013) has suggested that there are two fundamental types of information which business seeks from government: knowledge which is required due to *external imposition* (such as knowledge needed to comply with a given law or regulation; the capacity to avoid these is minimal), and knowledge driven by the firm’s *internal needs* (such as its competitive and strategic

goals). Blundel, drawing on the work of North, Baldock and Mole (2013), also argues that some knowledge can be categorised as merely *transactional* (required to simply complete a task), whilst other knowledge can be *transformative* for a firm, and change its fundamental performance.

### **What Do We Already Know About SME Information Seeking?**

Since the 1980s there has been a small but growing body of literature about small business access to information and advisory services. Interestingly, many of these early papers did not emanate from SME researchers, but rather from amongst library management scholars (Hamilton-Pennell 2008); however by the late 1990s and into the new century, a limited number of articles and papers had begun to analyse the issue within various small business journals.

Much of this has been focused on the use of business advisory services, with many research articles examining what sort of advice and assistance services SMEs use, why and for what purpose. Many of these papers examine utilization of government-funded support centres (such as Business Link in the United Kingdom) and private sector services (such as consultants, accountants and business coaches). A much smaller subset of research has examined the information seeking and accessing process *per se*, or the dynamics of government communication and information to the sector (Ren 1999b).

The *Quarterly Survey of Small Business in Britain* (Blundel 2013, Blundel & Gray 2012, Gray 2009) has provided one of the most useful data sets into the issue of business information needs and government. It examines not only what sort of information firms are seeking, but also the ways in which they would like to receive it, and who they actually turn to for advice and information.

The *Quarterly Survey* results indicate that the most common form of information which businesses seek is that relating to government regulations, closely followed by accounting or taxation requirements. This is consistently the case, and clearly surpasses any need for information about marketing-related activities, finance, new product development, human resources issues or other operational or practical matters (Blundel 2013).

Table 1 below shows, over time, the ways in which UK business owners think such advice should be supplied. About two-thirds of respondents report a preference for face-to-face communication channels when accessing information from government. Online communications are seen as important, and (not surprisingly) over time their importance has increased, whereas paper pamphlets and guides have experienced a sustained loss of popularity. Email has fallen to some extent in recent years, which the authors attribute to a possible case of over-use and information overload.

Finally, the study also occasionally asks where or from whom businesses have actually received helpful information during the last year. In the 2013 report on this item, respondents reported that their accountants were seen as the most useful source of information, followed by other businesspeople, customers and suppliers. In contrast,

government-funded advisory services ranked quite lowly (less than 20%), and were less utilized than even friends and family members (Blundel 2013).

**Table 1: Worthwhile Ways To Supply Advice and Information**

	2002	2007	2009	2012	2013
Websites	48%	66%	62%	63%	55%
Face-to-face	63%	64%	71%	59%	69%
Email updates	30%	41%	64%	51%	n.a.
Telephone help lines	33%	35%	25%	31%	42%
Printed paper pamphlets, guidebooks, etc	54%	45%	27%	21%	27%
General media (newspapers, TV, radio, etc)	28%	28%	29%	17%	33%
Sample size (n)	654	526	242	211	1,044

(Sources: Blundel & Gray 2012: Table 4, p.9; Blundel 2013: Chart 6, p.15. “Email updates” were not surveyed in the 2013 results.)

In previous editions of the *Quarterly Survey*, respondents were also asked from time to time to assess how easy or difficult it was to obtain information. Data on this issue was collected in 2002, again in 2007 and finally in 2009. In every time period, information from government was the hardest to obtain. “Government regulations,” for example, consistently ranked as the most difficult to access, with almost 20% of respondents reporting that finding such regulatory information is “difficult or impossible,” whereas information about non-government matters (such as market issues, finances, or technology) evoked less than 10% levels of difficulty (Gray 2009).

Less is known about the situation in Australia or elsewhere, as similar large-scale studies have not taken place on a regular basis. In 2004, the *Sensis Business Index* reported surveyed some 1,800 Australian SMEs on their information needs, and reported that the most common topic sought was advice on taxation. Accountants were the most commonly-accessed information source, and there was a strong preference for obtaining information in face-to-face discussions rather than through other modes (such as online, by telephone, or print media). It also asked respondents to suggest ways in which government information could be improved; the most frequent responses were continually-updated websites and the use of plain English (Sensis 2004). However, no further similar study has been undertaken in Australia since then.

Despite the absence of similar reports to the *Quarterly Survey* in other nations, individual research papers from a number of different countries have identified a number of patterns and trends, many of which are reflected in the UK data.

A common finding is that most information-seeking by small business operators is ad-hoc in nature, and highly opportunistic. Typical of these findings is that of Australian researchers Burke and Jarratt (2004: 126), who note that the information-seeking process in small firms “...does not reflect exhaustive strategic analysis, but rather a personality-

driven, opportunistic or instinctive approach.” Convenience and ease of access are important factors. As Franklin and Goodwin (1983: 11) have observed, business owners “tend to use and consider most important those sources that are convenient and require minimal aggressive effort to employ.” Similar results are reported by Jorosi (2007: 97), who posits that “information source selection is largely determined by accessibility and ease of use.”

The Asia-Pacific Economic Co-operation forum (APEC) SME Working Group has argued that small businesses can be categorised as one of three different types of information users. There are *searchers*, who are actively seeking out particular items of knowledge or data; these are often high-growth entrepreneurial firms, or ones confronted with a specific business problem which needs to be answered. A second group are the *browsers* – so-called because they have an interest in generally being kept up to date with development in their industry, and who are attempting to keep abreast of matters overall, rather than to deal with a particular query. The third cohort are those who are *not interested*; this is the hardest group to reach (Acuity 1998).

What sort of information do business operators seek? Both the *Quarterly Survey* in the UK, and Ren’s (1999a) study of US firms, found that regulatory and legislative matters were amongst the common items of data sought. However, many small businesses are largely unaware of what government does, what service or information it provides, and how to access this (Ren 1999b, Acuity 1998).

Business operators also seek information which fulfills a number of criteria (Acuity 1998). It must be timely (most businesses seek out information on a “just in time” basis, looking for answers and advice only when an immediate problem emerges), relevant to their needs, easily accessible, and capable of being understood by them. In the regulatory context, firms also look for guidance that is accurate, certain and complete; they are rarely interested in generalisations or advice telling them to obtain further advice.

When they do go seeking for knowledge and answers, a recurring behavior is the very common reliance on the business operator’s own informal, trusted sources, rather than on any arm of government (Vaughan 1997). These may typically include one’s own colleagues in the business world, professional advisors (such as an accountant or lawyer), friends and family. This distinction between formal and informal sources comes through consistently in the literature, in many different types of firms (Vaughan 1997). Studies in a variety of countries, including the USA (Ren 1999a), Canada (Vaughan 1997), Australia (Burke & Jarratt 2004), Malaysia (Kassim, Norliya & Buyong 2009), Botswana (Jorosi 2007) and Namibia (Chiwere & Dick 2008) all show a marked tendency by managers opt for informal, credible and personally-known sources ahead of more formal public ones.

Small business owners are also more likely to use those knowledge sources which they are more familiar with, are have experience of, and are comfortable using. This generates a level of so-called “higher self-efficacy” (Ren 1999a) in the search process, and can often become self-reinforcing: once business operators find an information source that

they are comfortable with, they are inclined to use it much more in future. Given a choice, business operators will typically try to utilize an established source unrelated to a particular problem, rather than try to locate the correct source if it is presently unknown to them (Ren 1999b).

As a result, when business people do turn to an outside party for advice, they rarely focus or think of public sector bodies. Instead, they most commonly rely on trusted third parties already known to them. Accountants, for example, have long been identified as the single most common party to which businesses in Australia, the USA and other nations turn to for advice (Jay & Schaper 2003). In contrast, government-sponsored services are amongst the lowest utilized facilities.

The role of online communication as an information dissemination tool has become increasingly important over time. Many arms of government have embraced the internet as the best means of dealing with the communication challenge. Online information is often cheaper and easier to store and disseminate, can be reproduced quickly, and be much more comprehensive than other information tools (Acuity 1998). However, whilst SMEs use this service extensively, they do not rely on it entirely. Indeed, small business managers appear to display quite a bifurcated approach to the use of online versus personal services. On the one hand, the internet and other electronic data services consistently rate as one of the most commonly-used sources of data; however, at the same time operators also show a consistent desire to also have access to personal (human contact) sources as needed (Blundell & Gray 2012).

Information needs and search behaviours can also be moderated by a number of different variables. The life cycle of a business, for example, appears to have an effect on information-seeking activities. There is a strong need for information at the beginning of the business venture, when both regulatory compliance and industry-specific knowledge is required. There is also a need when the business begins a new phase of expansion (such as making the decision to export or trade in a new market), if there is a major disruption to trade, or when the business begins to decline (Acuity 1998, Bleiweis 1997). However, there are far less requirements for additional knowledge during a steady state, business-as-usual phase. Gray (2009) found that growth-oriented firms are more likely to actively seek out information and advice than less entrepreneurial firms, whilst a study of sectoral differences undertaken by Industry Canada (2002) reported that firms in some particular industries (including construction, arts/entertainment, automotive, and legal services) were more active searchers than those in other sectors.

Other variables may also be important. For example, the personal characteristics of business owner-operators may have an impact on information behaviour. Ren's (1999a) work found some correlation between a businessperson's age and their awareness of information availability: older respondents were less likely to be aware of government information than younger persons. Gray (2009) argues that firm size may be linked to information needs, with smaller firms needing less regulatory information than their larger counterparts. Intriguingly, Industry Canada's study (2002) suggests that the level of government might also moderate information searching behaviour. It found that



federal government agencies tended to be seen by SMEs as useful in providing generic information, but not for industry-specific knowledge.

### **Some Issues For Government To Consider**

Given all this, then, it is clear that the seemingly straight-forward concept of “communicating effectively” with SMEs can be much more problematic for government than it might appear at first glance.

The evidence to date suggests that there are indeed still some significant barriers in effective communication and information dissemination from government to the small business sector. As one recent review commissioned by the Australian Public Service Secretaries Board noted, SMEs continue to experience “...difficulty navigating government and finding the right information” (DesignGov 2013: 3). Australian businesses often fail to find the correct information for their needs, or to work their way through the various sources of information available (DesignGov 2013).

The Productivity Commission’s enquiry into regulator engagement with small firms similarly concluded that “...communication can be more responsive to small business needs and capacities” (2013: 2). It recommended that information from government regulators needed to be readily available, reliable, and couched in user-friendly terms. Regulators, it found, “...should place a premium on simplicity, clarity, brevity and accessibility” (Productivity Commission 2013: 9), and websites, in particular, needed to be made as user-friendly as possible.

An example of the different information and communication preferences of SMEs and government can be seen in Table 2 below. This data, which was collected by the Commission in the course of its enquiry, indicates that there continue to be substantive differences between the two communities. For example, regulators consider websites to be one of their most effective means of communication, whereas small firm operators continue to find third party advice more useful and effective information sources.

**Table 2: What Are Effective Communication Modes?**

	Small businesses	Regulators
Regulator website	59%	84%
Help desk	52%	68%
Dedicated liaison officer	48%	39%
Social media	9%	18%
“One-stop” website	39%	27%
On-site visits	34%	27%
Industry groups	75%	80%
Seminars & workshops	54%	76%

(Source: Productivity Commission 2013: 10, 148)

There are also some other issues which government agencies should perhaps consider when framing their approach to information dissemination.

A first issue is the *heterogenous nature of the small business sector*. Small firms vary enormously, in their location, size, management structure, legal ownership, industry sector, physical location, and many other aspects. Indeed, it has sometimes been remarked that SMEs can be more defined by what differentiates them than what they have in common. Because they are so different, and so numerous (there were 2.1 million such enterprises in Australia in 2013), it is very difficult for governments to frame outreach strategies which will reach all such entities. These difficulties are further compounded by the fact that many (if some sectors, most) are not members of an industry association, not all trade online, and many do not perceive themselves primarily as “small businesses.”

A second factor is that *no one medium provide universal access*. Government information can be delivered through a wide variety of sources – newspapers, direct mail, television, email, websites, industry associations, tweets, trade journals: the list goes on. However, no one medium has universal coverage, or is guaranteed of reaching all SMEs. Sadly, there is no “magic bullet” solution.

Moreover, information is often split between *different agencies and departments*; there are frequently multiple public sector bodies involved in the same or similar activities. In a federal system there are also three tiers of government (national, state/territory and local), and each has their own approach and style. It can be difficult to co-ordinate such data, and to make it consistent, presentable and easy for outsiders (businesspeople) to understand. It can also be difficult for the SME owner to understand the many different arms of government and to successfully navigate through all of these. Whilst the creation of portals, such as Australia’s federal Small Business Support Line telephone service, or the business.gov.au website have been a major step forward, not all services are linked to such facilities (DesignGov 2013). The APEC SME Working Group notes that, if well managed, one data source can become a referral point linking the business owner to another piece of potentially useful information – a notion it refers to as “information ecology,” and akin to a mutually-interacting ecosystem (Acuity 1998).

What information is communicated, and how, is also important. Much of the *language and content employed by government* is overly formal and legalistic; it often uses vague terms, or concepts familiar only to the public service. Much purported “advice” is of a very generalized nature, and so carefully parsed or wordsmithed that it cannot be directly translated into tangible action by SMEs (DesignGov 2013). Staff in some agencies are either implicitly or explicitly restricted from providing specific information or direct “how to” advice to business, often in an attempt to avoid responsibility for any subsequent problems or misunderstandings that may occur. In contrast, however, small business operators are typically time-poor individuals seeking open, simple and direct information which can be clearly and easily understood, and subsequently actioned.

The *internal process of information management within government* can also have an impact. As the APEC SME Working Group has noted, how information is managed, stored and regulated within a government agency or department has a bearing on how it is made available publicly (Acuity 1998). For example, agencies with lengthy internal decision-making processes that prevent web teams from updating sites in a timely manner, or which insist on lawyers having the final say over the content of a publication, will often fail to communicate information effectively.

*Reliance on third parties* can also be problematic. As the preceding discussion has shown, much of the literature identifies the role of trusted intermediaries as being important to the overall effectiveness of any communication coming out from government (Acuity 1998, Ren 1999b, DesignGov 2013). However, bodies such as industry groups or accountants will not automatically volunteer to take on such a role. To be effective, there needs to be a positive working relationship between the intermediary and government; government agencies need to make their information easily transmissible; and there should be some tangible benefit for the third party as well (in practice, many governments ask or expect these bodies to provide this service free of any cost).

The use of *online services* is central to most contemporary government agencies. Evidence continues to grow that firm operators do indeed use the web and other forms of online communication, and that its absence would have a marked impact on access to cheap, convenient, easily-accessible information and basic advice (Blundell 2013). Governments like use of the web because it can be a relatively low-cost, effective way to potentially reach many firms: approximately 92% of all trading enterprises have online access (Australian Bureau of Statistics 2013). However, it is not a universal panacea. As the Council of Small Business Organisations of Australia has noted, businesspeople feel that website “information is nearly always difficult to read and understand and certainly not engaging... Assuming that the small business person has time to read and fully understand pages of gobbledygook, is a common mistake made by regulators” (cited in Productivity Commission 2013: 145). Businesses still also want direct personal contact with government when needed (DesignGov 2013, Blundell & Gray 2012). Internet access, then, is a necessary but not sufficient condition for effective dissemination of government information and communication with the SME sector. Governments need to avoid relying on online services as the only necessary solution to their information distribution requirements.

It is also important to remember that *outputs are not input*. There is frequently a tendency within government to measure the success of a communication or information campaign by the amount of material sent out by an agency. Whilst easy to measure, the number of brochures distributed, website visitors or tweets does not automatically guarantee that the desired information has been received, heard or understood by its target audience. If governments want to ensure that an SME-focused communication programme is working, then they will occasionally need to invest in more substantive evaluation within the sector.

The need for *two-way dialogue* remains. Much rhetoric is given to the notion of two-way information and communication, but in practice many government agencies fail to adequately allow for this (Productivity Commission 2013). Small businesses must have the ability to give their own comments and criticisms to government, and feel confident that these will be given serious consideration, even if they are not always acted on.

How can all these factors be taken into account? Government agencies need to ask themselves some questions, and one convenient model is to focus them around the “what, where, why, how and when” concept. To *whom* is your message being sent – is it to all small business owner-operators generically, or should it really be focused on a particular target subset? *What* information do you want to communicate to businesses, and *why* (is the avowed goal to improve compliance with existing laws, or for some other purpose)? *How* are you going to do it - what is the best communication tool (or set of tools) to achieve this outcome? And finally, *when* are you going to evaluate the success (or otherwise) of your communications?

### **An Example: “Outreach” By The Australian Competition Regulator**

Competition law is one field of regulation where the issue of effective communication to the small business sector is becoming increasingly important. More than 180 nations now have a legal framework that covers how businesses can compete with each other, the means by which they may (or may not) exercise their market power against rivals, the grounds that prohibit cartel activity, the criteria by which mergers and acquisitions might be approved, and many other related business practices. Sometimes also known as anti-trust law (in the USA), anti-monopoly law (Russia and China), and trade practices law (UK and Australia), these laws typically cover all trading enterprises, regardless of size, although in some jurisdictions there may be especial exemptions or provisions for small firms.

Understanding and operating within these laws is typically not a problem for large corporations, who will usually have access to specialist legal advisers (both in-house and external) on the topic, internal staff training and policies on the issue, and are frequently exposed to competition-related matters in the course of their day-to-day work.

However, it is a different story for most SME operators, especially those who are new or micro-sized in operations. Existing research shows that most such entities have a very low level of knowledge of competition law in general, how it might affect them, and what they need to do to comply with it (Schaper 2010, Storey 2010).

Competition law in Australia is principally embodied in the federal *Competition and Consumer Act 2010*, which is administered and enforced by a national regulatory agency, the Australian Competition and Consumer Commission. Over the last decade the ACCC has invested considerable internal resources and staffing to its communication and information dissemination work with the small business sector. This so-called “outreach and education” activity has included the provision of SME managers in several state capital cities, backed up by other dedicated staff in Melbourne and Canberra; electronic

and paper publications dedicated to the sector; a specific segment within the ACCC website; regular media statements and trade industry journal articles on small business specific matters; speeches and information sessions; and a dedicated telephone hotline service for SME operators.

In addition to this there are “do-it-yourself” free online training programmes; regular liaison with other federal and state regulators, small business development agencies, and Small Business Commissioners, to ensure information is delivered seamlessly wherever possible; a formal Small Business Consultative Committee and Franchising Consultative Committee with industry association representatives to receive their feedback; and electronic databases (the Small Business Information Network and the Franchising Information Network) which business operators can subscribe to in order to receive periodic email alerts.

Over the last five years there has also been an increased focus on utilizing the services of trusted professional advisers and intermediaries (such as accountants, industry associations, and the national network of free Business Enterprise Centres) to deliver information, and to refer possible SME queries or requests for information to the Commission. An overview of these activities can be found in the regular six-monthly *Small Business In Focus* reports which the Commission publishes every January and July. This activity generates a relatively high level of interaction and communication: in 2013 alone the ACCC received almost 9,000 complaints and queries from small firms.

A recent study conducted by the ACCC into the perceptions, communication and information needs of SME operators has produced results which are strikingly similar to those found in prior studies cited earlier in this paper. Respondents reported that they know something about the agency’s work (and indeed were usually able to provide a general explanation of its role and responsibilities), and would ideally like to know more, but would only actually do so if they needed to, since their time was limited. About a quarter (26%) of businesses indicated that they had at some stage seen an ACCC information publication or communication (ORC International 2012).

SMEs preferred to obtain information about the Act and the ACCC from their own personal networks or existing trusted sources of information and advice, such as their business peers, industry association, professional advisers (lawyer or accountant) or trade journals. Where they do need to move beyond this, they frequently use either the ACCC website or rely on traditional broadcast media. Indeed, the report noted that the “... provision of a good website is for most businesses, of all sizes, types and locations, a prerequisite for communication to them” (ORC International 2012: viii). However, many respondents reported that “government websites” in general were often complex and difficult to effectively navigate. Businesses tended to distrust unsolicited communications from the agency, such as unexpected emails. More than 80% wanted access to a telephone helpline, so that they could speak directly to a Commission employee if needed. Traditionally much of this communication has been one-way from the agency to target SMEs; however, recently the evaluation of outputs has begun in earnest, with the

use of surveys and reader quizzes, amongst other things, to gauge user understanding of the material provided.

Australia is not alone in facing these issues. Similar stakeholder perception surveys undertaken for the Competition Commission of Singapore have also found that businesses in the island-state have a fairly low level of understanding and knowledge of the legislation; they are often unsure about what exactly the competition laws are and what CCS does. Many firms believe that the agency needs to do more to raise the level of business knowledge, especially amongst SMEs (Competition Commission Singapore 2012). Its counterpart in Malaysia has explicitly recognised the information and knowledge gap that SMEs suffer from, and identified improved communication and information flows to the small enterprise community as an organizational priority (Malaysia Competition Commission 2013).

### **An Opportunity For Further Research**

The issue of government-to-business communication is clearly an area in which much more research could profitably be undertaken by scholars. More information is needed about information.

A first useful starting point may be to replicate some of the key studies previously undertaken in other countries on this topic. For example, the UK's Open University *Quarterly Survey of Small Business in Britain* has provided numerous insights into information needs and usage, but with the exception of one survey by Sensis in 2004, nothing similar has been undertaken in Australia. Similarly, an updated version of Ren's (1999a, 1999b) study into information usage may also be helpful. Both of these studies could provide a baseline against which more recent Australian findings could then be compared. It may also be useful to add in additional questions not found in those studies, but which need examining. For example, it would be worth surveying business operators to not only find out what information they want to receive, but also what they *don't* want to receive.

Differences in information needs between firms is another subject worth exploring. Not all small businesses are the same, so we should not expect their information requirements or capabilities to mirror each other. Are particular categories or types of firms more or less likely to seek and use information than others? For example, are micro-firms different to small or medium-sized firms? Do older or more successful firms respond differently? Are there sectoral differences between industries as well? This issue could also potentially be examined through the framework of the business operator. Are the personal characteristics of a small business manager (such as their age, quantum of industry experience, ethnicity, location, gender and/or educational qualifications) likely to have an impact on their information-seeking behavior?

The role of intermediaries could also be better evaluated. How successful are third parties in actually disseminating information? A common point made in many of the studies discussed earlier in this paper is that these intermediaries are often much more trusted by

small businesses than governments. That may be so, but there is still little empirical evidence to show that this translates into improved information communication.

Finally, some qualitative analysis into information-related behaviours may also be helpful. Most research to date on information usage has taken the form of quantitative, survey-based studies. There is a need to see how small firm managers actually deal with information in practice – how they go about collecting it, analysing it and using it. Non-quantitative methodologies, such as in-field observation, may be necessary to collect such data. Several decades ago the pioneering work of Henry Mintzberg showed that similar approaches could yield valuable insights into what businesspeople and leaders actually do, rather than what they say they do. Information seeking and usage is a topic which lends itself to a similar form of analysis.

## **Conclusion**

Effective information and dissemination from government to the small business sector is not always as easy as it might seem. Business operators, like other citizens, live in an age of potential and often actual information overload, where there are multiple claims upon an individual's time and attention, and have only so much absorptive capacity for information (Blundell 2013: 19). It's made worse because small business managers are already busy people, their days filled with the mundane but necessary tasks of selling, managing staff, marketing their firm, meeting existing compliance requirements, and planning for the future. Every time a government body tries to communicate with them, another few precious moments are being stolen away. A piece of information must, in fact, compete with other information for the attention of its intended recipient.

The existing research surveyed in this paper indicates some very clear trends. Regulatory requirements and compliance issues are the single most common item of information that most business operators seek from government. SME operators place a large measure of reliance on familiar sources that they personally know and trust, such as professional advisers (most frequently, their accountant), other businesspeople, their industry associations, and friends and family. Government sources of information are not a priority for them; but when they do in fact seek information from government, they want access to both online and face-to-face sources.

The way in which small business operators seek out information is also noteworthy. They tend to be ad-hoc users of data, and to draw upon sources which they are already familiar with. When communicating with government, business operators also seek information which fulfills a number of criteria: it must be timely, relevant, accessible, understandable, accurate, certain and complete.

Finally, there is some limited evidence which suggests that different stages of the business life cycle will prompt different information needs; there may also be some variation on information-seeking behaviours based on the characteristics of both the firm and its manager.

We live in an information-rich age. There is no shortage of ideas, knowledge, facts and data. Our challenge is not necessarily to keep generating more, but rather to ensure that those who need access to this information can have it, and in a way which best meets their own needs. It is a task no government should resile from.

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