

CHAPTER 7 CONCLUSIONS AND RECOMMENDATIONS

Chapter Outline

7.1 Introduction

7.2 Key findings of the study

7.3 Conclusions drawn from
the findings

7.4 Implications of
conclusions

7.5 Contribution of this study

7.6 Recommendations

7.7 Limitations of the study

7.8 Suggestions for further
research

7.9 Summary

7.1 INTRODUCTION

The main findings of the conclusions are presented.

This study was concerned with:

- an investigation into the nature of entrepreneur and small business support;
- the determination of the knowledge requirements for entrepreneur and small business support practitioners; and
- an investigation into the knowledge that support practitioners possess.

The following research questions were investigated:

- What is the nature of the entrepreneur and small business support environment?
- What are the knowledge requirements for entrepreneur and small business practitioners?
- Do support practitioners possess the required knowledge requirements to provide meaningful support to entrepreneurs and small businesses?

The study also focused on the following investigative questions:

- Do support practitioners possess knowledge of entrepreneurship?
- Do support practitioners possess knowledge of business management?
- Do support practitioners have knowledge of the practice disciplines?
- Are there any differences between practitioners within the different practice categories and the type of problems and type of companies they are dealing with as well as their attitude with regard to important business issues?

The approach followed in the study is outlined below:

- Preliminary discussions were held with industry experts attached to different employing organisations and an exploratory literature review was undertaken. The preliminary discussions and exploratory literature review

revealed that there is a dearth of industry standards as well as education and training programmes with regard to entrepreneur and small business support practitioners.

- The literature review focused on the entrepreneurial and small business learning requirements as well as the different practice disciplines. The purpose of the literature review was to identify the learning aspects within each of the three knowledge areas.
- Field research was undertaken by means of a questionnaire that was administered to a sample of support practitioners attached to different employing organisations. The purpose of the field research was to establish whether support practitioners possess the required knowledge criteria, that is, entrepreneurial knowledge, business management knowledge and knowledge of the different practice disciplines.

This chapter further presents the key findings of the study, conclusions based on the findings, implications of the conclusions, benefits of the study as well as recommendations.

7.2 KEY FINDINGS OF THE STUDY

- No generally accepted standards for the education and training, recruitment and performance management of support practitioners exist in South Africa.
- This study identified three knowledge areas relevant to support practitioners namely, entrepreneurship, business management and the practice disciplines, and has identified some major learning aspects within each of the different knowledge areas. Table 7.1 indicates the major learning aspects within each of the knowledge areas for support practitioners to provide meaningful support to entrepreneurs and small businesses.

Table 7.1 Major aspects of learning of each knowledge area for support practitioners

Knowledge area	Major learning aspects
Entrepreneurship	<ul style="list-style-type: none"> • Entrepreneurial considerations • Differences between entrepreneurial and small business ventures • Idea and opportunity evaluation • Venture life cycle stages and their challenges
Business management	<ul style="list-style-type: none"> • Elements of the business plan • Functions of the business plan • Business planning
<p>Practice disciplines</p> <p>1. Business advising</p> <p>2. Business counselling</p> <p>3. Business coaching</p> <p>4. Business consulting</p> <p>5. Business mentoring</p>	<ul style="list-style-type: none"> • Referrals • Information sharing • Entrepreneurship • Business management • How to give advice • Entrepreneurship • Business management • Problem identification • Problem evaluation • How to provide counselling • Entrepreneurship • Business management • Goal setting • Intervention methodologies • How to coach • Entrepreneurship • Business management • Expert knowledge of business issues such as product development, marketing, business re-engineering, etc. • How to consult • Entrepreneurship • Business management • Knowledge of operating a business within one or more industries • How to mentor

- The study found that respondents might lack knowledge in all of the three knowledge areas. The possible major knowledge gaps that practitioners might experience who participated in this study are shown in Table 7.2

Table 7.2 Major learning gaps of support practitioners

Knowledge areas	Learning gaps
Entrepreneurship	<ul style="list-style-type: none"> • Idea testing • Opportunity evaluation • Differences between entrepreneurial and small business ventures
Business management	<ul style="list-style-type: none"> • Business plan elements • Function of the business plan • Business planning • All functions of business
Practice disciplines	<ul style="list-style-type: none"> • Purpose of each practice discipline • How to execute each practice discipline • When to apply each practice discipline • Intervention methodologies

- No specific education or training qualifications exist that are aimed at support practitioners. The present qualifications that support practitioners complete are mostly generic and are aimed at entrepreneurs and small business owners.
- Support practitioners appear to possess mostly business management education qualifications and very few support practitioners received formal education in entrepreneurship and any of the practice disciplines.
- The study found that support practitioners are recruited from various education and work experience backgrounds.
- The majority of support practitioners appear to have a professional background such as accountancy or engineering.

- Support practitioners are known by different practice category labels (business advisor, business counsellor, business coach, business consultant, business mentor). The most common practice category label that respondents to this study are known by is business advisor.
- Support practitioners who indicated that they are more commonly known as business mentors appear to be lacking industry experience.
- Support practitioners seem to be working mainly with pre-start and start-up ventures as well as companies experiencing some kind of trouble. Support practitioners appear to have less contact with growth companies. These findings seem to concur with the Antonites and Watson (2004) study that found that “entrepreneur mentors” in South Africa deal more with start-up and survivalist businesses. This issue is further discussed in the next section.
- The companies that experience some kind of trouble that are assisted by support practitioners appear to be those that are stuck in either the pre-start or start-up venture life cycle stages.
- Support practitioners appear not to follow structured intervention methodologies and models when providing assistance to clients.
- Support practitioners are more likely to follow an advising approach when assisting clients than any of the other practice disciplines.
- Support practitioners seem to view business issues such as customers, business plan and marketing as significantly more important than funding.
- The most frequent type of assistance that support practitioners provide appears to be concerned with obtaining funding and business planning. This finding also appears to agree with the Antonites and Watson (2004) study that found that “entrepreneur mentors” provided services mainly in respect of business plans and financial management.

7.3 CONCLUSIONS DRAWN FROM THE FINDINGS

The main conclusions associated with the findings are the following:

- The findings of the study concur with the Pretorius, Nieman and Van Vuuren (2005) Integrated Model for Entrepreneurial Education. This model highlights the role of the facilitator in entrepreneurship education. The entrepreneur and small business support practitioner is in actual fact a facilitator who is responsible for the one-on-one education of their clients. “If the facilitator can impact on the participant in such a way that the attitudes and behaviours are modified, the programme will most probably lead to more start-ups” (Pretorius, *et al.*, 2005:423).
- The exploratory interviews revealed that industry standards were lacking. Due to the lack of industry standards no clear criteria exist as to what knowledge support practitioners should have to be able to provide meaningful support to entrepreneurs and small businesses. The lack of industry standards might also result in the lack of recruitment criteria as well as a lack of monitoring and evaluation criteria for support practitioners. Industry standards will ensure that tacit as well as learned knowledge, skills and competencies of practitioners are considered to determine their ability and suitability to provide the required support.
- The exploratory interviews revealed that specific education and training programmes for support practitioners are lacking. The exploratory findings seem to be supported by the respondents’ suggested lack of knowledge in all of the three knowledge areas which can possibly be ascribed to the generic education and training programmes that respondents are exposed to. Another explanation for this finding can be that the collective importance of all three knowledge areas has not yet been recognised within education and training programmes that are aimed at support practitioners. A lack of knowledge in one or all of the knowledge areas can have an influence on the nature and manner of support provision.
- The respondents’ suggested lack of knowledge in all three knowledge areas can possibly also be ascribed to the lack of orientation and development programmes for support practitioners within the industry.

- The practice category label that support practitioners are known by do not give an indication of either the type of services that can be expected from them or their ability to provide support. The fact that clients may not know what type of service to expect from different categories of support practitioners may lead to frustrations with regard to unfulfilled or unrealistic expectations of service delivery.
- It appears that support practitioners render mainly advisory type services for business planning purposes. This deduction is confirmed by the type of ventures that support practitioners most frequently deal with and the fact that the majority of support practitioners indicated that they have professional industry experience. The focus on business planning and advisory issues appears to confirm that practitioners might ignore entrepreneurial and/or practice discipline issues when rendering support. The consideration of entrepreneurial issues ensures that idea, opportunity and entrepreneur screening and evaluation are performed which in turn contributes to the rendering of appropriate services. The consideration of the practice disciplines ensure that appropriate interventions for a particular need in accordance with a particular venture life cycle stage is provided.
- The objective of the services that support practitioners render to clients appears to be mainly to assist clients to obtain funding. Business issues such as product development and human resources seem not to be a major focus. This finding suggests that support practitioners that participated in the study are not often approached for product development and human resource services. It is also possible that small businesses might seek such assistance from other professionals and organisations. A further explanation for this finding can also be ascribed to the fact that respondents might have only indicated the initial request for assistance in the questionnaire as they would have to take into account issues such as product development and human resources when they investigate the reason(s) for seeking funding or completing business

- planning tasks. This type of approach corresponds with an advisory approach and further suggests that practitioners perform less of the other practice discipline functions in providing support.
- The study found that support practitioners who are known as business mentors might lack industry experience. It would then appear that the type of service that business mentors render are limited to advice on business planning issues and providing assistance to obtain funding. The literature (Dunsby, 1997; Garvey & Alred, 2000; Gibbons, 2004a) suggests that mentors should have experience within the industries they operate. It appears that at least with regard to practitioners who participated in this study, industry experience is lacking. It is however unclear to what extent the lack of industry experience influence the ability of the practitioners to provide assistance to their clients as this enquiry was not a focus within this study. It appears that practitioners might be performing a mainly advisory role (as found in this study) but are labelled as mentors and this labelling of advisory services as mentoring seems to contradict the literature requirements for mentoring.
 - This study identified counselling and coaching knowledge and skills as important to provide assistance to pre-start and start-up ventures. This is due to the guidance and development that is needed by the different entrepreneurship and business management sectors within these two venture life cycle stages. The study suggests that support practitioners lack knowledge of counselling and coaching and thus it is doubtful whether they are able to provide adequate support to their clients as their interventions would most probably lack structure and issues such as goal setting and personal development might be overlooked or ignored. It might also be possible that respondents have possibly miss-interpreted the question regarding methodologies and structures and thus did not indicate the intervention methodologies they are following. A further explanation points to possible education and training needs of practitioners.

- The fact that respondents within all practice categories indicated a very low frequency of contact with growth companies (see Table 5.24) seems to suggest that industry does not have much success in assisting and developing ventures to progress beyond the start-up venture life cycle stage. Another explanation for this finding might be that growth companies might be seeking assistance from other support organisations or professionals such as banks, attorneys, private consultants and accountants.
- A major weakness within the industry that can be deduced from the findings is the need for education and training programmes that are specifically aimed at support practitioners. Although it is acknowledged that support practitioners might possess certain innate knowledge, skills and competencies, the findings do suggest that the lack of specific education and training programmes aimed at support practitioners can have an influence on their perceived lack of knowledge, skills and competencies of the three knowledge areas discussed in this study.

7.4 IMPLICATIONS OF CONCLUSIONS

The main implications that are derived from the conclusions are the following:

- The lack of generally agreed knowledge criteria for support practitioners will result in education and training institutions continuing to offer generic type programmes to support practitioners. It is suggested that such education and training programmes will continue to focus on the three knowledge areas, entrepreneurship, business management and the practice disciplines in isolation of each other. It is suggested that education and training programmes which do not recognise the collective importance of the three knowledge areas will not add much value to the learning and preparation of practitioners to provide meaningful support. It is suggested that education and training programmes that deals collectively with the three knowledge areas will place emphasis on the

“how to” and “who with” in terms of entrepreneurial learning (Gibb, 2002:253). It is further suggested that knowledge criteria for support practitioners should have the same requirements as pointed out by Gibb (2002: 253) with regard to entrepreneurial learning, which is the organisation of knowledge around personal and organisation developmental processes as well as the appropriate integration of knowledge.

- Industry standards will ensure that the emphasis is placed on the knowledge requirements of support practitioners rather than the practice category label they are commonly known by. It is suggested that the determination of industry standards will contribute to the professional and career development of support practitioners. Standards will also ensure that minimum criteria of service delivery are set.
- Recruitment criteria will continue to be lacking within the industry and result in each employing organisation continuing to develop its own criteria. Although it can always be expected of each employing organisation to develop its own recruitment criteria, the determination of standards will at least ensure that there is some conformity within the industry.
- The monitoring and evaluation of support practitioners would continue to be lacking within the industry which will result in the success of interventions being not properly assessed.
- Relevant orientation and development programmes for support practitioners will continue to be lacking.
- Clients would not be able to determine what type of services they can expect from different support practitioners which may result in unfulfilled expectations. A specific approach with regard to practice category labelling can lead to specialization and differentiation between practitioners. It is however debatable whether such specialization and differentiation between practitioners will contribute to more effective services to entrepreneurs and small businesses. Specialization and

- differentiation between different categories of practitioners might however contribute to targeted education and training programmes for support practitioners.
- Education and training programmes need to incorporate knowledge of intervention strategies and intervention models to enable support practitioners to do proper evaluations of business ideas, business opportunities and entrepreneurial orientation. Such strategies and intervention models will ensure that the prospect of providing appropriate assistance is enhanced and that support practitioners are able to facilitate learning from a variety of approaches (Gibb, 2002:254).
 - Education and training programmes need to incorporate the imparting of knowledge of all the practice disciplines to enable support practitioners to identify and evaluate the learning requirements of their clients and also be able to know which methodologies and interventions will be best suited for a particular problem situation. It is suggested that appropriate education and training programmes will develop and equip support practitioners to fulfil the role of “teacher”. A key role of the “teacher” is to develop the students’ ability to give wider meaning to their experiences and allow exploration of personal “theories” that underpin their behaviour and understanding of certain situations (Gibb, 2002:254). Intervention strategies for pre-start and start-up companies need to be developed to ensure that support practitioners provide relevant and focused assistance to clients within these two venture life cycle stages. Such strategies could also ensure that companies do not get stuck in the pre-start and start-up venture life cycle stages.
 - Support practitioner interventions need to be monitored and evaluated to ensure effectiveness and efficiency in service delivery.
 - Support practitioners need to be competent in all three knowledge areas so that they are always able to identify the type of assistance that is required and be able either to provide such assistance themselves or know where the required assistance can be obtained. The major benefits

of addressing the knowledge areas of practitioners are shown in Table 7.3. The elements/factors mentioned in Tables 3.11 and 3.14 should also be taken into account when determining the areas of learning of practitioners.

Table 7.3 Knowledge areas of practitioners and benefits of addressing these knowledge areas

Support practitioner knowledge areas	Benefits of addressing the knowledge areas
Entrepreneurship knowledge: <ul style="list-style-type: none"> • entrepreneurial characteristics • screening tools/methodologies for business ideas • evaluation of business opportunities 	<ul style="list-style-type: none"> • ability to recognise, develop and support entrepreneurial behaviours • ability to properly screen business ideas for potential opportunities • ability to screen and evaluate business opportunities
Business management knowledge: <ul style="list-style-type: none"> • business plan elements • business plan functions 	<ul style="list-style-type: none"> • ability to provide expert support in the business planning process
Practice discipline knowledge: <ul style="list-style-type: none"> • knowledge on how to impart learning • knowledge on building relationships • knowledge on intervention models • advising skills • consulting skills • counselling skills • coaching skills • mentoring skills 	<ul style="list-style-type: none"> • ability to encourage and support entrepreneurial and small business learning on a personal and institutional level • ability to pay attention to both task and behaviour issues • ability to provide organised and structured support • ability to assist with problem solving e.g. turnarounds and decline phases • ability to focus on performance and development issues

7.5 CONTRIBUTIONS OF THE STUDY

This study makes the following contributions to the entrepreneur and small business support practitioner industry:

- The knowledge requirements for practitioners are identified and discussed which could form the basis for setting standards within the industry.
- The weaknesses identified could assist with the improvement of education and training programmes for support practitioners as well as the improvement of entrepreneur and small business support interventions in general.
- A model of the support practitioner problem environment (Figure 4.2) was developed which indicates the cause and effect relationships of the different elements within this environment. This model can be used for further research such as the study of the different cause and effect relationships suggested in the model. This model also highlights the need to focus on the knowledge requirements of support practitioners.
- The benefits of each practice discipline to entrepreneurs and small businesses are identified and categorised (see Table 3.11). The table assists in addressing the perceived confusion that exists within the industry as to the purpose and contribution of each practice discipline.
- The similarities and differences between the practice disciplines are presented in Table 3.12. This information also assists with addressing the perceived confusion that exists within the industry. It suggests that certain overlaps but also distinct differences exist between the different practice disciplines.
- The suitability of the different practice disciplines for each venture life cycle stage was discussed (sub-section 3.10 and Table 3.13). This information can be used by support practitioners as an intervention tool. It suggests that knowing which practice discipline is more appropriate for a specific venture life cycle stage will ensure the provision of more relevant and meaningful support.

- The study presents an indication of the entrepreneurial, business management and practice discipline knowledge that is required by support practitioners (see Table 3.14). The data contained in Table 3.14 can be used to compile industry standards for both recruitment and performance management purposes. It suggests that support practitioners require a specific knowledge set which can be used as an indicator to determine the practitioner's ability to provide the required support.
- The implications indicate the consequences of addressing the various issues that are raised in the conclusions.
- The study also presents the benefits that can be attained if the learning areas of support practitioners are addressed (see Table 6.1). It suggests that there are definite benefits for the industry in general in addressing the different learning needs of practitioners and that this will ensure more meaningful support.

7.6 RECOMMENDATIONS

This study makes especially three recommendations:

1. The first recommendation is that the three SAQA Business Advising qualifications be reviewed. The motivation for the establishment of these qualifications can be understood in the light of the drive in the country to upgrade skills and to give recognition for learning based on experience. However, these qualifications should have a much stronger focus on the knowledge criteria as identified in this study if the purpose of these qualifications is to equip individuals to provide meaningful support to entrepreneurs and small businesses.
2. The second recommendation of this study is mainly that attention be given to formulate standards for the entrepreneur and support practitioner industry. The potential benefits of formulating industry standards can thus be summarised as follows:

- Industry standards could lead to the development of appropriate education and training programmes for practitioners.
 - Industry standards could lead to objective measures for measuring learning and development needs of practitioners.
 - Industry standards could lead to objective measures for determining the competencies and performance of practitioners.
 - Industry standards could provide employing organisations with guidelines for the employment of practitioners.
 - Industry standards could ensure that the services and focus of practitioners within the different practice categories (Advisors, Counsellors, Coaches, Consultants and Mentors) are clarified, which should give those who seek assistance a better idea of what type of service to expect from a particular practice category practitioner.
3. The third recommendation is that all three knowledge areas namely, entrepreneurship, business management and practice disciplines should collectively form part of education and training programmes aimed at support practitioners.

7.7 LIMITATIONS OF THE STUDY

This study was aimed at firstly determining the knowledge requirements of entrepreneur and small business support practitioners. This was done through a literature review. The study, however, did not measure scientifically to what extent the knowledge areas discussed in this study as well as the underlying learning criteria of each knowledge area equip support practitioners to provide meaningful support.

The focus of the literature review was guided by the transcendental model which depicts the nature of the support practitioner environment (see Figure 4.2). The

starting point for developing the transcendental model (Figure 4.2) was the goal “developing sustainable ventures and reducing start-up failure rates”. This goal was derived from successive SA GEM reports. It is however possible that if another goal was used as the starting point for developing the model that the nature of the support practitioner environment as depicted in Figure 4.2 might show some differences. This is however an issue that could be the subject for further research.

The study did not measure the effectiveness of support practitioners who do comply with the knowledge criteria, as that would require involving the clients of practitioners as well as critically analyze for example reports, written advice and/or business plans produced by support practitioners for their clients. Such a research project should be undertaken in future.

The study did not enquire into the types of industries that the clients of support practitioners belong to. Such information would have allowed for correlations to be drawn between the industry experience of the practitioners and the industry types they most frequently deal with.

The study did not distinguish between the terms “company” and “venture”. This could possibly have caused term confusion with the interpretation of questions.

The study did not discuss the macro level issues which might have an influence on the support environment (such as policies, structures, institutions, globalisation, etc.) in detail. This lack of discussion might give the impression that macro level issues are not important knowledge requirements for support practitioners. The value of macro level issues to the knowledge base of practitioners can be a focus of further research.

This study used as its point of departure the argument of Stewart and Hamlin (1992) that knowledge forms the foundation for skill and competence

development and thus the study concentrated on measuring whether practitioners possess the required knowledge criteria. It is assumed that practitioners who possess the required knowledge criteria would at least possess the foundation for further skills and competency development in order to provide meaningful support.

The conceptual framework makes certain assumptions with regard to cause and effect relationships which affect the environment within which the support practitioners function. These are also not measured in this study and can be undertaken in future research.

A limitation (especially with regard to reliability) that might have had an influence on the findings is the fact that the findings are based on a convenience and not a random sample due the failure to obtain name lists from employing organisations. The limitation with regard to reliability should however be minimal as the researcher did not have any control over who would participate although the researcher could only forward questionnaires to employing organisations that were willing to participate.

7.8 SUGGESTIONS FOR FURTHER RESEARCH

Based on this study, the following aspects can be considered for further research:

- The stratified research model (Figure 4.3) suggests that practices and events on the actual level lead to the intended and unintended outcomes on the empirical level. This leads to especially two specific research questions:
 1. This study tested only whether practitioners had the knowledge as suggested by the literature. A further research question, however, still remains: Are practitioners who possess all three areas of

learning, namely, entrepreneurship, business management and knowledge of the practice disciplines, more able to provide meaningful support than those who lack knowledge in these areas?

2. To what extent do practitioners who possess the knowledge criteria exhibit skills and competencies in the provision of support?

- Research into the cause and effect relationships of the support practitioner problem environment model (Figure 4.2) can be undertaken.
- Research can also be undertaken to establish whether the nature of the support practitioner environment will differ if a different goal is used as the starting point for developing the model.
- Research into whether knowledge of macro level issues such as globalisation, policies and structures contribute to support practitioners providing meaningful assistance to entrepreneurs and small businesses in South Africa can be undertaken.
- Research aimed at investigating to what extent differentiation between practice category labels will benefit service delivery (if at all) can be undertaken.
- Employing organisations can undertake in house research and evaluate their support practitioners' actual client interventions to determine the competency levels of practitioners with regard to the three knowledge areas identified and discussed in this study.
- Further research can be undertaken to measure the extent to which the knowledge areas, entrepreneurship, business management and the practice disciplines as well as the underlying learning criteria within each knowledge area equip support practitioners to provide meaningful support.

7.9 SUMMARY

The provision of meaningful support to entrepreneurs and small businesses appears to be an imperative for the reduction of start-up failures and the promotion and growth of sustainable ventures. This imperative focuses the attention on the abilities of practitioners to provide entrepreneur and small business support. This focus of attention is especially critical as one-on-one entrepreneur and small business support is developing into a fast growing industry. The growth in the support practitioner industry in turn gives rise to the need for industry standards to ensure that practitioners possess the required knowledge competencies and also ensure that entrepreneurs and small businesses are provided with meaningful support.

It is hoped that this study will contribute to the determination of such standards that can lead to equipping practitioners with the relevant knowledge that will enable them to contribute meaningfully to the objective of reducing start-up failure rates as well as enabling practitioners to promote and develop sustainable ventures.