

## CHAPTER 6 DISCUSSION OF FINDINGS

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## 6.1 INTRODUCTION

This chapter discusses the key findings of the study. A discussion is first offered of the findings of the preliminary investigation and then of the relevant knowledge areas as found in the literature. A further discussion is then offered of the findings of the field research with regard to the biographical data of respondents, the education and training of respondents as well as the findings of the propositions and hypotheses.

## 6.2 PRELIMINARY DISCUSSIONS AND INVESTIGATION

The preliminary discussions and investigation revealed the following:

- No generally accepted appointment criteria or monitoring and evaluation criteria for support practitioners exist.
- No specific education and training programmes for support practitioners exist.
- There is general dissatisfaction with the recently established SAQA Business advising qualifications.
- There appears to be general confusion within the industry as to the different support practitioner categories, that is, business advisors, business counsellors, business consultants, business coaches and business mentors. This confusion seems to be in terms of the support practitioner knowledge, skills and competence requirements as well as the outcome expectations of the various practitioner categories.

These preliminary findings obtained from an exploratory literature review and interviews with five industry experts indicated and identified the key knowledge areas for support practitioners and thus also the need for this study. The industry experts (see paragraph 5.2) although not representative of the industry was drawn from key employing organisations within South Africa and are respected within their respected fields of expertise. The unique contribution of this study therefore is also the fact that the knowledge areas for support practitioners are

identified and these knowledge areas in turn can be used to develop standards within the support practitioner industry.

### 6.3 THE KNOWLEDGE AREAS THAT ARE RELEVANT TO ENTREPRENEUR AND SMALL BUSINESS SUPPORT PRACTITIONERS

This study identified three knowledge areas that are relevant to support practitioners:

- Entrepreneurship;
- Business management;
- Practice disciplines.

The emphasis on the collective importance of the above-mentioned knowledge areas is a unique contribution of this study as the available literature seems to be discussing each knowledge area in isolation. This study therefore emphasises that support practitioners need education and training in all three knowledge areas if they are to provide meaningful support to entrepreneurs and small businesses. The main areas of learning for each knowledge area are highlighted in the following sections.

#### 6.3.1 Entrepreneurship Knowledge

This study (see Chapter Two) discussed the following key entrepreneurship learning areas:

- Entrepreneurship orientation and characteristics;
- Understanding the need to grow;
- Venture life cycle stages and challenges;
- Failures and turnarounds.

The importance of each of the above-mentioned issues is recognised in the literature. This study emphasises the importance of support practitioners

possessing knowledge in the above-mentioned learning areas if they are to provide meaningful support. The implication of lack of entrepreneurship knowledge is that support practitioners would not be able to assist clients with such issues as idea and opportunity evaluations as well as being able to identify which life cycle stages ventures find themselves in so that appropriate support can be provided.

### 6.3.2 Business Management Knowledge

This study (see Chapter Two) highlighted the following business management learning areas that are relevant to support practitioners:

- Differences between entrepreneurship and small business;
- Differences between entrepreneurial and managerial mindsets;
- Differences between entrepreneurial and administrative focus.

Knowledge of the business management learning areas is emphasised as important in this study. Support practitioners need to understand the different requirements for entrepreneurial and small business ventures to ensure appropriate interventions.

### 6.3.3 Knowledge of the Practice Disciplines

Chapter Three identified five practice disciplines:

- Business advising;
- Business counselling;
- Business coaching;
- Business consulting;
- Business mentoring.

Each of the practice disciplines is discussed in terms of:

- its definition and nature;

- its role;
- its requirements.

Other learning areas relevant for support practitioners with regard to the practice disciplines are:

- knowledge of models as intervention tools;
- benefits of the practice disciplines;
- similarities and differences between practice disciplines;
- the suitability of each practice discipline for the different venture life cycle stages.

The practice disciplines are distinguished from the practice categories which refer to the labels that practitioners are commonly known by. The practice categories do not necessarily indicate what type of service is rendered or can be expected of that particular practice category. Although similarities exist between the different practice disciplines, it is important for practitioners to know which practice discipline is best suited for a particular situation.

## 6.4 DISCUSSION OF THE FIELD RESEARCH FINDINGS

### 6.4.1 Biographical Data of Respondents

Support practitioners who render services in six of the nine provinces of South Africa participated in the study (see Table 5.1). The fact that no practitioners within the North West Province, Free State and Northern Cape participated in the study may be ascribed to a lack of support service organisations and support practitioners in those provinces.

The majority of respondents were from the Northern Province, Gauteng and Western Cape, which might also be an indication of the increased efforts in those provinces with regard to entrepreneur and small business support.

Noteworthy aspects from the biographical data of respondents as obtained from the study are outlined below:

- Only 22.89% of respondents (see Table 5.2) were 30 years old and younger, which indicates that the majority of the respondents possess some level of work and life experience and this in turn can positively influence their ability to provide meaningful support.
- 55% of respondents indicated that they were either previous owners or directors of businesses (see Table 5.2). This result should be a positive indicator of the ability of support practitioners to provide meaningful support. The questionnaire did not, however, enquire into the nature of the previous business experience and directorships of respondents. It is nevertheless possible that the previous business experience and directorships of respondents as indicated in the study were more limited to being self-employed individuals who rendered professional services to businesses. The results of the industry experience (see Table 5.4) also suggest that respondents lack experience of industries such as construction, retail, wholesale, transportation, mining, consumer services, hospitality and manufacturing, which confirms the suspicion that the nature of services rendered by support practitioners are mostly within the area of professional services. These types of services fall more within the practice disciplines of advising and consulting.
- Table 5.2 shows that some respondents do not to have an adequate level of formal education (3.16% do not have either std 10 or matric and 14.45% have only std10/matric). Although this percentage appears to be small it is still of concern that individuals without formal education are recruited as support practitioners. This finding reinforces the need to develop industry standards.
- The need for industry standards is also reinforced by the finding that 64.47% of the formal qualifications of respondents are business management type qualifications (see Table 5.2) compared to entrepreneurship type (1.31%) and practice discipline type (1.31%).

- The “other” type qualifications (see Table 5.2) that respondents possess with regard to the knowledge areas discussed in this study are entrepreneurship type (22.77%), business management type (31.68%) and practice discipline type (31.68%). This finding suggests that respondents are at least trying to make up for their lack in formal qualifications in the different knowledge areas by attending either short courses or workshops. However, if the number of qualifications of each knowledge area is compared with the number of respondents, it appears that some respondents might lack knowledge in one or all of the different knowledge areas as discussed in this study. This deduction is made taking into account the fact that this was an open-ended question (see item 7, Annexure 1), where some respondents indicated that they possessed more than one “other” type of qualification.

#### 6.4.2 Measuring the Level of Education and Training that Support Practitioners Possess of each of the Knowledge Areas

This section discusses the findings of the study with regard to support practitioners’ possession of relevant education and training qualifications in entrepreneurship, business management and the practice disciplines.

The study proposes that three areas of knowledge are relevant to support practitioners, namely, entrepreneurship knowledge, business management knowledge and knowledge of the practice disciplines (see Chapters Two and Three).

The majority of respondents appear not to have received education or training in entrepreneurship or any of the practice disciplines (see sub section 5.2.2). The majority of the education and training qualifications possessed by respondents are business management type qualifications (see sub section 5.2.2). The number of business management type qualifications (64.47%) held by

respondents as a group, however, appear to be low if compared with the total number of the sample (see sub section 5.2.2). This low number of qualifications in all three the knowledge areas among support practitioners suggest that some respondents might not possess any education or training qualification in one or all of the three knowledge areas. This finding supports the finding of the preliminary discussions and exploratory review that no specific education and training programmes for support practitioners exist.

The education and training qualifications that support practitioners possess suggest the following:

- The entrepreneurship and business management type qualifications that respondents possess are basically the same as the programmes that are aimed at entrepreneurs and small business owners. Although the knowledge that such programmes provide are important for practitioners, it is suggested that practitioners need to receive education and training that will equip them to identify and develop entrepreneurial potential and skills, impart business management knowledge and through the practice disciplines ensure that effective transfer of knowledge takes place.
- The practice discipline qualifications that practitioners possess are mainly in the area of business advising, counselling, coaching and mentoring. These qualifications also appear not to be specifically developed for entrepreneur and small business support practitioners. This deduction is supported by the findings of the study with regard to:
  1. the inability of respondents to assign appropriate roles and tasks to clients (see sub section 5.6.1);
  2. the lack of knowledge of intervention methodologies aimed at determining the nature of problems that companies experience (see sub section 5.6.2);
  3. the limited advice that support practitioners would offer to clients (see sub section 5.6.3).

The type of education and training qualifications that respondents possess seems to support the finding of the initial discussions and exploratory literature review that no specific qualifications exist for entrepreneur and small business support practitioners. This finding highlights the need to develop specific education and training programmes for entrepreneur and small business support practitioners.

## 6.5 PROPOSITION FINDINGS

### 6.5.1 Proposition 1: Support practitioners lack entrepreneurship knowledge.

Entrepreneurship knowledge was measured in terms of knowledge of entrepreneurial considerations and characteristics, knowledge of screening tools and methodologies and knowledge of factors/elements of viability.

#### 6.5.1.1 Knowledge of entrepreneurial considerations

Entrepreneurial considerations have to do with factors that practitioners would take into account when evaluating or determining that an individual has the potential to become an entrepreneur. If the study's results are measured against the available literature on entrepreneurship considerations (Wickham, 2002:54), it would appear that respondents focus more on personal motivation factors when having to evaluate an individual's potential to become an entrepreneur (see sub section 5.4.1). Factors such as industry knowledge, general management skills and human relations skills appear to be ignored. This inability to do a proper assessment of an individual's entrepreneurial potential supports the lack of entrepreneurial knowledge.

The implications of lack of knowledge of entrepreneurial considerations are outlined below:

- Respondents might prematurely and subjectively make decisions about an individual's entrepreneurial potential as they would not have taken into account all relevant factors.

- Potentially successful aspirant entrepreneurs might be put off and discouraged from starting ventures.
- Lack of knowledge may result in support practitioner assessments that encourage and support individuals who show motivation but fall short in the other important factors.
- The lack of focus on all the factors that are essential to determine entrepreneurial potential can contribute to failure rates.

#### 6.5.1.2 Knowledge of entrepreneurial characteristics

The results of this study with regard to knowledge of entrepreneurial characteristics (see Table 5.10) show that respondents lack knowledge of five of the six dominant themes as discussed by Timmons (1999:221). None of the five characteristic themes such as leadership, opportunity obsession, risk tolerance, creativity/adaptation and achievement motivation scored a response rate higher than 30%. This result might either be ascribed to the way respondents interpreted the case study or to the fact that respondents do not consider the five characteristic themes (as mentioned above) as entrepreneurial.

48.19% of the responses with regard to entrepreneurial characteristics were in the “other” category (see Table 5.10). This result also points either to a lack of knowledge of entrepreneurial characteristics or to the fact that respondents consider mostly other types of characteristics when evaluating entrepreneurship characteristics. The “other” characteristics included characteristics mentioned by respondents which could not be coded into the six categories identified by Timmons (1999), such as saving money to start a business, attending a training course or the ability to do financial calculations.

The low number of responses for entrepreneurial characteristics (see Table 5.10) seems to suggest that some respondents were either unable to identify more

than one characteristic or more than one characteristic type. This again points to a possible lack in knowledge.

The implications of lack of knowledge of entrepreneurial characteristics are:

- an inability to assess adequately the potential of an individual to succeed;
- an inability to assess the learning areas of the aspirant entrepreneur;
- an inability to provide adequate support to the entrepreneur;
- wasting time and resources by supporting individuals who might not have the ability to succeed as entrepreneurs;
- not providing adequate support to individuals who might have the potential to succeed as entrepreneurs.

#### 6.5.1.3 Knowledge of screening tools/methodologies

There is consensus in the relevant literature that a good idea does not necessarily result in a viable business opportunity (Timmons, 1999; Wickham, 2001; Hisrich & Peters, 2002). It is therefore essential for support practitioners to have knowledge of how to screen and evaluate business ideas and opportunities.

This study has found (see Table 5.11) that respondents lack knowledge of screening tools/methodologies to evaluate business ideas. The screening tools/methodologies that respondents are applying appear to be biased towards SWOT analyses, problem-solving and feasibility studies. This bias can be ascribed to the nature of the business management type education and training of respondents. Respondents appear therefore to be partially equipped to address business management issues but seem to be lacking knowledge of entrepreneurship intervention tools/methodologies aimed at idea screening and evaluation.

Respondents also appear to be lacking knowledge about tools/methodologies that would assist them with the application of the practice disciplines such as

knowledge of interview techniques, intervention process methodologies and models of intervention. Knowledge of practice discipline tools/methodologies is required to ensure that effective transfer of knowledge takes place.

The implications of lack of knowledge of screening tools/methodologies are outlined below:

- Premature focus on issues such as the entrepreneur and business plan might cause support practitioners to take inappropriate decisions with regard to the viability of a business idea.
- Failure to screen business ideas adequately might result in support practitioners either wasting time on opportunities that have very little chance of succeeding, or support practitioners might disregard opportunities that have the potential to succeed.
- Support practitioners might lack structure in the intervention process.
- Support practitioners might follow unclear and undetermined objectives and outcomes during their intervention.

#### 6.5.1.4 Knowledge of crucial factors/elements of viability

Knowledge of factors/elements of viability enhances the ability of support practitioners to evaluate the viability of a business opportunity. When measured against the Venture Opportunity Criteria (Timmons, 1999:119) the knowledge of support practitioners with regard to factors/elements of viability was again found lacking (see Table 5.12). The categories where respondents showed the greatest weakness were in the areas of personal criteria, management team issues, fatal flaw issues and harvest issues. These results could be an indication that respondents are either not aware of these viability or evaluation criteria or ignore these criteria when they consider viability.

The lack of knowledge with regard to factors/elements of viability is of particular concern as the majority of respondents indicated that funding and business

planning are most often or often the reason for companies seeking their assistance (see Table 5.27). This would mean that respondents would limit their intervention to only those issues for which they are initially approached for assistance without doing proper evaluations of what the problem situation is or what assistance is really needed. This deduction would support the suspicion that business plans are regarded mainly as a means to obtain finance rather than a meaningful guide and indicator of the viability and performance of the business.

The implications of lack of knowledge with regard to factors/elements of viability are outlined below:

- No strategy might be followed in evaluating or screening an opportunity, which can result in an inability to determine whether or not a business idea will translate into a viable opportunity.
- Important issues might be overlooked or ignored, which can negatively affect the future viability of the venture.
- Support practitioners might suffer an inability to assist entrepreneurs in determining whether their intended ventures are of high or low potential and thus worth pursuing.
- Support practitioners might suffer an inability to assist entrepreneurs to respond to environmental changes as they occur.
- Support practitioners might suffer an inability to assist entrepreneurs to identify and analyse gaps that the venture can exploit.

In view of the above discussion the proposition that support practitioners lack entrepreneurship knowledge is supported.

#### 6.5.2 Proposition 2: Support practitioners lack business management knowledge.

This discussion focuses on the respondents' knowledge of different industries and business planning knowledge.

#### 6.5.2.1 Knowledge of different industries

In the reference to the respondents' business experience (see sub section 6.4.1) it was already stated that the majority of respondents have professional industry experience and lack experience in industries such as construction, wholesale, retail and transport.

Although the survey did not enquire into the industries which respondents are servicing, it appears that respondents render professional type services to all the different industries. This deduction is supported by the results shown in Table 5.27 which indicates that respondents deal mostly with companies seeking finance, business planning, cash flow and financial management assistance. The professional services that respondents render to the different industries also appear to be of a generic nature as the results shown in Table 5.27 indicate that respondents have limited experience within the other industries.

The implications of lack of industry knowledge are outlined below:

- The lack of industry experience might prevent respondents from rendering focused and specific support in areas such as product development, marketing, and so on, within a specific industry.
- The lack of industry experience can result in a failure to understand and assist with practical problems that companies within a particular industry experience.
- Advice and assistance of a generic nature might be offered to clients where more industry specific interventions are required.

#### 6.5.2.2 Knowledge of business planning

The results reported in Table 5.13 show that very low response rates were received for business plan elements such as industry analysis, description of

venture, organisation/production planning, and risk management. With regard to the functions of the business plan (Table 5.14), low responses were also received for the categories determining viability and financing tools. These results of responses with regard to business plan elements and business plan functions indicate that respondents might lack business planning skills. This lack in business planning skills is of particular concern as 72.37% of respondents indicated that they deal either most often or often with pre-start ventures and 78.67% of respondents indicated that they deal either most often or often with start-up ventures. The fact that business planning is a crucial factor within both pre-start and start-up ventures and the fact that the results show an apparent weakness in the knowledge of respondents with regard to business planning suggest that respondents do not provide adequate support in this regard to their clients.

The implications of lack of business planning knowledge are:

- an inability to assist the entrepreneur or small business to articulate clearly what the vision and objectives of the venture are;
- an inability to assist the entrepreneur to focus on all essential issues or aspects impacting on the venture such as the products/services, technology, customers, etc.;
- an inability to determine the viability of a venture;
- an inability to assist with the development of business plans that can provide guidance to the entrepreneur in organising his/her planning activities;
- an inability to assist with the compilation of business plans that can attract the required funding for the venture;
- an inability to identify all the risks and opportunities and thus causing the venture to be under-prepared to meet future challenges.

In view of the above discussion the proposition that support practitioners lack business management knowledge is supported.

6.5.3 Proposition 3: Support practitioners lack knowledge of the practice disciplines.

The case studies served to determine the respondents' knowledge of entrepreneurship, business management and the practice disciplines. It is acknowledged that the type of case study could have had an influence on the type of responses received. The focus, however, was to establish whether respondents use any approaches, methodologies or models as described in the literature and whether they are able to motivate why they would prefer to use a certain approach above another.

It was already determined that respondents lack education and training in the practice disciplines. This fact already implies limited knowledge of the practice disciplines. The results (see Table 5.15) further indicate that practitioners might be having a task interaction rather than a personal interaction focus (as discussed in Chapter Three) and would suggest that respondents are more comfortable with the practice discipline approaches such as advising, consulting and mentoring (see Table 5.6). This suggestion is supported by the fact that respondents indicated that they are more commonly known as business advisors (69.87%), business consultants (34.93%) and business mentors (32.53%). These three categories, apart from the functions of referrals and provision of basic advice, require either expert knowledge in a particular field or generalist management knowledge. The results of this study have shown, however, that respondents have limited business management knowledge, which would thus have a negative impact on the respondents' ability to provide adequate support with regard to business advice and business consulting. Respondents also lack industry experience in construction, retail, wholesale, transport mining and hospitality (see Table 5.4) and this suggests that they would not be able to fulfil effectively advising, coaching and mentoring functions within these industries. This result should be of particular concern as most of the small business initiatives in the country at this stage are geared towards the construction, retail and hospitality/tourism industries.

Coaching and counselling focus more on the use of models of intervention, which implies the use of a set structural approaches and greater involvement with the client in the seeking of solutions or alternatives to problems. Counselling has a reactive and problem-solving focus while coaching has a more goal orientated, development and performance focus. The results in Tables 5.15, 5.16 & 5.17 seem to indicate that respondents have a limited focus on counselling and coaching. The results of the findings on the likelihood that respondents would follow a particular approach (see Table 5.18) seem to further support lack of coaching and counselling knowledge as respondents indicated that they would more likely follow the other practice disciplines (advising, consulting and mentoring) when dealing with clients.

The literature (Agar & Witzel, 1997; Simon & Kumar, 2001; Bagshaw & Bagshaw, 2002; Adams, 2003; Gibbons, 2004a) suggests that within all the practice disciplines the ability to focus on personal issues such as developing relationships and imparting knowledge are key skills to have. The survey results show that with all the questions that required responses to indicate the nature of interventions and where respondents had to provide explanations for their answers (see Tables 5.15, 5.16, 5.17 & 5.18), very few responses were received that would suggest that respondents give attention to personal issues, relationships or imparting knowledge. It would also appear from the responses that respondents are not sure which practice discipline is more appropriate than another for a particular situation. Based on this finding it must be assumed that respondents lack knowledge in the different practice disciplines, especially with regard to knowledge on how to impart or transfer knowledge and learning as well as focus on behavioural aspects that can support entrepreneurial and small business learning.

The implications of lack of practice discipline knowledge are:

- an inability to know which practice discipline is better suited for a particular situation (provision of appropriate support);

- the implementation of an incremental interventionist approach with unclear and undetermined outcomes and objectives;
- an inability to assess the development and learning needs of the entrepreneur;
- an inability to determine priority areas of interventions;
- an inability to develop a holistic picture of the challenges and opportunities of the venture;
- an inability to impart and/or transfer knowledge to the entrepreneur and business;
- an inability to attend to internal organisational issues within ventures such as relationships and other human relations issues;
- an inability to provide appropriate support to prevent start-up failures.

In view of the above discussion the proposition that support practitioners lack knowledge of the practice disciplines is supported.

## 6.6 HYPOTHESES FINDINGS

The hypotheses sought to measure:

- the importance that support practitioners attach to different business issues (Ho1 – Ho3);
- the frequency of contact that support practitioners have with different venture types (Ho4 – Ho6);
- the frequency that support practitioners deal with different company problems (Ho7 – Ho9).

The hypotheses also sought to measure whether differences exist among practitioners:

- for the total group (Ho1, Ho4, Ho7);
- between the different practice categories (Ho2, Ho5, Ho8);
- within each of the practice categories (Ho3, Ho6, Ho9).

### 6.6.1 Important Business Issues

The enquiry into how respondents rank different business issues provides an indication of which business issues they are more likely to focus on but, equally importantly, which business issues they are more likely to ignore. The ranking for the total group (see Table 5.21) indicates that the business issues, namely, customers, business plan and products/services, were ranked first, second and third respectively. A surprising result was the low ranking that respondents as a group and respondents within each of the practice categories (except business mentors) assigned to the business issue, funding (see Table 5.21). This result means that it is possible that respondents ignore funding as an important business issue and may not give enough attention to funding related issues when supporting ventures.

The fact that funding as a business issue was ranked so low by respondents appears to conflict with the ranking respondents assigned to pre-start and start-up ventures (that often require funding). Respondents ranked pre-start and start-up ventures as venture types that they have more frequent contact with (see Table 5.24). It appears that respondents pay more attention to other business issues than funding when dealing with pre-start and start-up ventures.

The low ranking that respondents assigned to funding as a business issue also appears to be in conflict with the high ranking that respondents (for the total group and also within each of the practice categories) assigned to funding as a company problem they frequently encounter (see Table 5.24). These results show that although respondents deal more frequently with funding related problems they do not regard funding as an important business issue. This dichotomy in how practitioners view funding as a business issue and their having to deal with funding related problems might negatively impact on the respondents' ability to provide support.

Within the total group significant differences were found in the ranking of the following issues:

- Customers were ranked as significantly more important compared to relationships within the company, funding and competition.
- The category “business plan” is ranked as significantly more important compared to funding and competition.
- Products/services are ranked as significantly more important than competition.

Significant differences in the ranking of the importance of business issues indicate a preference for some business issues above others. It appears that respondents as a group do not regard business issues such as relationships within the company, funding and competition as important business issues.

The fact that significant differences were found within the total group for the business issues, customers and business plan as compared to competition, might be ascribed to respondents’ lack of business knowledge. Respondents, it appears, are not able to realise that there is interconnectedness between all of the different business issues.

The significant differences in the ranking of the business plan compared to funding and competition are difficult to explain as both funding and competition are elements that are contained in the business plan. This result might again indicate that respondents do not really grasp the equal importance of the different business issues to the venture and might as a result only pay limited attention to some business issues (such as funding, competition and relationships within competition) in preference to others (such as customers, business plan and products/services).

Significant differences were found between respondents within the business advisor and business mentor practice categories and their rankings of important

business issues (see Table 5.22). The significant differences within each of these practice categories, however, show similarity with the total group so that it is difficult to arrive at any other meaningful deductions with regard to their ranking of important business issues and the ranking of that for the total group.

No significant differences were found in the rankings of business issues between the different practice categories.

Table 6.1 provides a summary of the findings of the hypotheses with regard to the measurement for significant differences of important business issues.

**Table 6.1 Hypotheses findings: important business issues**

<b>Hypotheses</b>	<b>Findings</b>
Ho1: All business issues are ranked with similar importance by support practitioners (total group).	Reject Ho1. Accept Ha1: All business issues are not ranked with similar importance by all support practitioners (there is a different ranking).
Ho2: There is no difference between the different practice categories and their rating of different business issues.	Accept.
Ho3: There is no difference between respondents within each of the practice categories and their ranking of different business issues.	Reject Ho3 for the business advisor and business mentor practice categories. Accept Ha3: All business issues are not ranked with similar importance by support practitioners within the business advisor and business mentor practice categories. Accept Ho3 for the business counsellor/coach and business consultant practice categories.

## 6.6.2 Contact with Different Venture Types

Table 5.24 shows that respondents ranked their contact with pre-start and start-up ventures higher than their contact with other venture types. Significant differences for the total group were found in the rankings for:

- respondent contact with start-up companies compared to growth companies and mature companies;
- respondent contact with pre-start companies compared to mature companies;
- respondent contact with companies that experience some kind of trouble compared to mature companies.

These results highlight the importance of appropriate education and training programmes for support practitioners especially also in view of the findings of successive South African GEM Reports (Driver *et al.*, 2001; Foxcroft *et al.*, 2002; Orford *et al.*, 2003; Orford *et al.*, 2004):

- high failure rates of start-ups;
- low education levels within the country.

In view of the GEM Reports there appears thus to be a need to ensure that practitioners are able to assist individuals to gain the knowledge and develop the skills they require to build sustainable ventures. The pre-start and start-up venture life cycles are the venture stages that pose difficult challenges to entrepreneurs with regard to such issues as entrepreneurial orientation, opportunity analyses, business planning and obtaining resources. Individuals are required to make critical decisions with regard to themselves, their families and the ventures they hope to develop. Support practitioners must therefore not only be knowledgeable of the different venture life cycle challenges (knowledge of entrepreneurship and business management) but also have knowledge of how to deal with personal and development challenges that individuals face (knowledge of practice disciplines). Support practitioners should be able to provide these

different services themselves or at the very least be able to identify the type of assistance required and then know where to refer individuals to other relevant professionals.

This study found (see sub section 6.5, 6.6 & 6.7) that support practitioners lack knowledge in entrepreneurship, business management and the practice disciplines. It is thus doubtful whether practitioners are able to provide meaningful support to their clients and thus able to assist with reducing start-up failure rates.

No significant differences were found between the practice categories and their ranking of frequency of contact with different venture types.

Significant differences were found within the business advisor and business mentor practice categories (see Table 5.25) in the ranking of frequency of contact with different venture types. Within the business advisor category significant differences were found:

- for respondent contact with pre-start ventures compared to contact with mature companies;
- for respondent contact with start-up ventures compared to contact with mature companies.

Within the business mentor category significant differences were also found:

- for support practitioner contact with pre-start ventures compared to contact with mature companies;
- for support practitioner contact with start-up ventures compared to mature companies.

The fact that business mentors spend significantly more time with pre-start ventures might be a consequence of the lack of industry standards which might lead to confusion or ignorance within the industry of what type of support and

services can be expected of each practice discipline. This result also shows that the labels that practitioners are commonly known by are not an indication of what type of service support practitioners within each of the practice categories actually render or are able to deliver.

Mentors as described in the relevant literature (Dunsby, 1997; Gibbons, 2004b; Gibbons, 2004c; Lyons, 2004) are regarded as experts in their field and it is expected of them to share their experience with protégés. This study has indicated that mentors are more suited to provide support to companies that are in the start-up, growth and mature venture life cycle stages (see Table 3.13). The fact that business mentors within this study spend significantly more time with pre-start ventures suggests that they are either not appropriately utilized or that they might lack the required knowledge to provide assistance to other types of ventures. The lack of industry experience (see Table 5.4) also suggests that respondents might not be equipped to provide a meaningful mentoring service to clients. These results seem to indicate that the business mentor label has been attached to support practitioners for convenience rather than the label being an indication of the knowledge and skills or the type of services that can be expected of the support practitioner.

Table 6.2 provides a summary of the findings of the hypotheses with regard to the frequency of contact of support practitioners with different venture types.

**Table 6.2 Hypotheses findings: frequency of contact with different venture types**

<b>Hypotheses</b>	<b>Findings</b>
Ho4: The frequency of contact with different venture types is the same for all support practitioners.	Reject Ho4. Accept Ha4: The frequency of contact with different venture types is not the same for all support practitioners.
Ho5: The frequency of contact with different venture types is the same between the practice categories.	Accept.
Ho6: The frequency of contact with different venture types is the same for support practitioners within each of the practice categories.	Accept Ho6 for business counsellor/coach and business consultant categories. Reject Ho6 for business advisor and business mentor categories. Accept Ha6: The frequency of contact with different venture types is not the same for the support practitioners within the business advisor and business mentor categories.

### 6.6.3 Dealing with Different Company Problems

Table 5.26 indicates that significant differences were found for the total group in the ranking of support practitioner contact with different company problems. Table 5.28 indicates that significant differences were also found within the business advisor, business consultant and business mentor categories and their ranking of contact with different company problems.

For the total group significant differences were found for the following:

- The mean for respondent contact with funding related problems ranked significantly higher compared to contact with marketing, human resources and product development related problems.
- The mean for respondent contact with business planning related problems ranked significantly higher compared to contact with marketing, human resources and product related problems.

- The mean for respondent contact with cash flow related problems ranked significantly higher compared to contact with product development related problems.
- the mean for respondent contact with financial management related problems ranked significantly higher compared to contact with human resources and product development related problems.
- The mean for respondent contact with marketing related problems ranked significantly higher compared to contact with human resources and product related problems.

Within the business advisor category significant differences were found for the following:

- The mean for respondent contact with funding related problems ranked significantly higher compared to contact with marketing, human resources and product related problems.
- The mean for respondent contact with business planning related problems ranked significantly higher compared to contact with human resources and product development related problems.
- The mean for respondent contact with marketing related problems ranked significantly higher compared to contact with human resource related problems.
- The mean for respondent contact with financial management related problems ranked significantly higher compared to contact with human resources and product development related problems.
- The mean for respondent contact with cash flow related problems ranked significantly higher compared to contact with product development and human resource related problems.

Within the business consultant category significant differences were found for the following:

- The mean for respondent contact with funding related problems ranked significantly higher compared to contact with human resource and product development related problems.

Within the business mentor category significant differences were found for the following:

- The mean for respondent contact with funding related problems ranked significantly higher compared to contact with human resource and product development related problems.
- The mean for respondent contact with business planning related problems ranked significantly higher compared to contact with human resource and product development related problems.
- The mean for respondent contact with cash flow related problems ranked significantly higher compared to contact with human resource and product development related problems.

Table 5.27 shows that there is a similarity between support practitioners for the total group as well as between support practitioners within each of the practice categories and their ranking of funding as a problem they most frequently encounter. The dichotomy between the ranking of funding as a business issue and funding as a company problem most frequently encountered has already been discussed (see sub section 6.8.1).

The type of company problems that practitioners have more frequent contact with such as funding, business planning and cash flows (see Table 5.27) corresponds with the problems that companies experience that are within the pre-start and start-up venture life cycle stages. However, the significant differences that were found in the rankings for funding, business planning and cash flow related problems compared to company problems such as human resources and product

development suggest that respondents render a limited service to their clients. It appears that the type of service and support that respondents render are mostly in the areas of funding and business planning. This deduction further supports the previous statement that support practitioners perform more advising roles than any of the other practice disciplines.

Table 6.3 provides a summary of the findings of the hypotheses with regard to frequency of contact with different company problems.

**Table 6.3 Frequency of contact with different company problems**

<b>Hypotheses</b>	<b>Finding</b>
Ho7: The frequency of contact with different company problems is the same for all support practitioners.	Reject Ho7. Accept Ha7: The frequency of contact with different company problems is the same for all support practitioners.
Ho8: There is no significant difference between the practice categories and the type of problems they are dealing with.	Accept.
Ho9: The frequency with which support practitioners encounter different company problems is the same within each of the practice categories.	Accept Ho9 for the business counsellor/coach category. Reject Ho9 for the business advisor, business consultant and business mentor practice categories. Accept Ha9: The frequency of contact with different company problems is not the same for support practitioners within the business advisor, business consultant and business mentor practice categories.

## 6.7 SUMMARY

This chapter discussed the key findings of the study with regard to the biographical data, education and training of support practitioners as well as the findings with regard to the propositions and hypotheses.