

## Gender and ethnicity in business consulting assistance: public policy implications.

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### **Abstract:**

**Purpose** – The purpose of this paper is to investigate the types of business consulting services most needed by small business owners and entrepreneurs and to examine the role that gender and ethnicity plays in the demand for specialized assistance.

**Design/methodology/approach** – A survey was administered to small business owners and entrepreneurs to rate their interest in specialized consulting services. The consulting assistance was divided into strategic, operating and administrative categories based on the framework of Chrisman and Leslie.

**Findings** – Overall, the type of consulting with the highest interest was in the area of operations assistance, followed by strategic assistance and administrative assistance. Although few differences were found between male and female respondents, there were significant differences in the needs of minority women.

**Research limitations/implications** – This study demonstrates the need for further research on minority female small business owners and entrepreneurs. In particular, it suggests further investigation of services that could be made available to them.

**Social implications** – The results indicate that programs designed to assist minority women might have the greatest potential impact. Specialized attention may be necessary to assist this demographic segment, particularly since prior research indicates that minorities often start with greater resource limitations. Public policies should continue to encourage progress by helping establish a new generation of minority entrepreneurs.

**Originality/value** – The findings from this study provided current evidence of the specialized needs of minority entrepreneurs. It is important to distinguish the needs of entrepreneurs in today's marketplace, in order to develop the most effective and impactful small business assistance programs.

**Keywords:** Consulting services | Entrepreneurialism | Entrepreneurship | Ethnic minorities | Ethnicity | Gender | Public policy | small businesses | small to medium sized businesses

## **Article:**

### 1. Introduction and purpose

Prior research suggests that outside assistance as well as strategic planning can usually have a positive effect on the performance of new businesses (Chrisman, 1989). The degree of effect depends on what types of problems the consultants or service providers are asked to address. Additionally, the particular situation facing small entrepreneurial businesses affects their planning and assistance needs.

The major purpose of the study was to investigate the perceived need for business consulting services among entrepreneurs. In particular the study focusses on women entrepreneurs and small medium enterprise (SME) owners, with special attention to the role of ethnicity. Prior research (Chrisman and Leslie, 1989; Chrisman et al., 1990) suggests that, although SMEs may benefit greatly from strategic consulting services, such as market and financial analysis or business planning, most SME owners perceive operating or administrative services to be of the highest potential value. Therefore, the first objective of this study was to test the premise that operating or administrative services would be rated most highly, relative to strategic services. Chrisman et al. (1990) found that male and female Small Business Development Center (SBDC) clients rated the services provided similarly. This finding led to an untested hypothesis that there was no difference in the perception of assistance needs by men and women. Accordingly, the second objective of this study was to test the hypothesis that there is no difference between male and female SME owners and entrepreneurs in the rating of interest in consulting services. Because research has also shown that women entrepreneurs have had difficulty in obtaining financing (Coleman, 2002), and that this is an area which women business owners consider most problematic (Hisrich and Brush, 1984), a third objective of our research was to assess the perception of need for assistance in obtaining capital. Based on prior research, we believed that women would exhibit a higher level of interest in this form of assistance compared to men. Prior research (Bowser, 1981; Bowen and Hisrich, 1986; Hisrich and O'Brien, 1981) suggests a differential need for consulting assistance between minority and non-minority SME owners and entrepreneurs. Therefore, a fourth, but primary, objective of the study was to test this hypothesis. Specifically, we predicted that minority women respondents would perceive a higher need for assistance and, therefore, rate the potential offerings higher than non-minority women. In particular, given the problems reported by minority entrepreneurs in obtaining financing, we hypothesized that minority women respondents would rate the interest in this service significantly higher than non-minority women.

Our study also offers public policy implications for women and minority-owned business owners based on our findings. There has been a perceived need for new studies to investigate the business practices of minority small business owners (Mazzarol et al., 2009; Runyan et al., 2006), and a better understanding of their needs can offer important practical implications for policy makers and service providers. Various programs such as SBDCs and the Small Business Institute® program have been in existence for over three decades and were created as a response to the need for greater capacity-building activities for entrepreneurs and small business owners. These capacity-building programs were designed to respond to the social, economic and commercial needs of those engaged in small business development and expansions.

Entrepreneurship has long been considered a powerful source of economic growth and innovation in the USA. According to the Small Business Administration (SBA) Office of Advocacy, more than 99 percent of all current employers are classified as small businesses, and these types of businesses employ over half of the private-sector workforce. The Office of Advocacy also suggests that much of the new job growth needed to help our economy recover from the recent recession will come from the small business sector (Small Business Administration Office of Advocacy, 2010). As such, the federal government has a vested interest in promoting business ownership and business expansion activities as a primary form of economic development.

Sriram et al. (2007) suggest that entrepreneurial opportunities are critically important within the minority community as a means of overcoming economic stagnation. Policies which encourage capacity building can play a substantial role in community growth and concurrently support economic development to integrate mutual public capacity and business expansion activities. Thus, there needs to be a push to better coordinate local, state and federal small business assistance programs in order to best support those invested in business development. Research shows that a better understanding of critical needs and common business problems allows these types of programs to offer more effective assistance that can have a direct impact on small business success (Wu and Young, 2002).

## 2. Background

### 2.1 Women and minority business owners

A recent report from the Kauffman Foundation (Fairlie, 2010) found the number of people reporting entrepreneurial activity to be the highest in the prior 14 years. The largest increases included older Americans and African-Americans, whose participation increased from 0.22 percent in 2008 to 0.27 percent in 2009, the highest level over those years. The report also found that men are more likely to start businesses each month than women, with the average rate of entrepreneurial activity for men being 0.36 percent compared to 0.23 percent for women. However, the Kauffman Index for women also increased slightly, from 0.24 to 0.25 percent (Fairlie, 2010). The US Department of Commerce's Minority Business Development Agency report entitled *State of Minority Business Enterprises: An Overview of the 2002 Survey of Business Owners* (2006) is an analysis of data from 1997 and 2002 which provides insight to the status of minority-owned businesses relative to all firms in the USA. Between 1997 and 2002, minority-owned companies (MBEs) increased in number, annual gross receipts and paid employees at a rate faster than non-minority firms. In 2002, MBEs represented almost 18 percent (4.1 million) of classifiable firms, grossed 8 percent of all annual gross receipts (\$668 billion) and employed 9 percent of all paid employees (4.7 million). By providing a better understanding of women and minority business ownership, our current study provides useful insights into what consulting and support services are perceived as needed by these business owners. Their contribution to jobs creation, hope and economic opportunities is undeniable.

However, specifically concerning female small business owners, little attention was neither paid to nor known about them before the Diana Project funded by the Kauffman Foundation (Brush et al., 2004). More attention has been paid to women entrepreneurs due to their rise in numbers and influence. From 1997 to 2004, the 6.7 million privately held majority women-owned businesses in the USA accounted for \$1.19 trillion in sales and employed 9.8 million people. Additionally, the growth rate of women-owned businesses is impressive. Employment in women-owned businesses in 2003 increased by 39 percent compared to 12 percent of all businesses nationally, and revenues in women-owned businesses rose by 46 percent compared to 34 percent among all privately held businesses in the USA (National Women's Business Council, 2004). At the time of that report, women were full or part-owners of 9.1 million businesses overall and primary owners of 5.4 million. The ever-growing population of women business owners has risen steadily over the past 40 years at a rate of two to three times that of the number of new businesses formed (Collins-Dodd et al., 2004). Thus, the entrance of women into business ownership, both large and small, continues to increase as more women become entrepreneurial (Perry, 2002). In 1982, women owned 23 percent of firms in the USA, or 2.6 million firms (O'Hare and Larson, 1991). This percentage increased to 30 percent by 1987, or 4.1 million women-owned businesses (O'Hare and Larson, 1991). A 2009 study by the Center for Women's Business Research (2009) *The Economic Impact of Women-Owned Businesses in the United States*, reported that women-owned businesses create or maintain 23 million US jobs and add nearly \$3 trillion to our

economy. In all, the total labor force working directly for a woman-owned firm is about 8 percent. Categories of women-owned businesses with the highest revenues are professional, scientific, and technical services; retail, wholesale, and business services; communication, media; and administrative, support, and waste remediation (Pordeli et al., 2009).

A report from the SBA, released in May 2010, looks at the factors important in determining growth in the number of entrepreneurs as well as the entrepreneurial share of employment based on gender (Gurley-Calvez et al., 2010). It shows that the growth in self-employment from 2000 to 2006 was much lower on average mainly because there was an increase in the growth of wage-and-salary jobs during the same period. Growth in the share of self-employment averaged 3.7 percent. The growth rate for women was higher than for men. Growth in self-employment during that period was on average 12.2 percent for men compared to 13.9 percent for females, with an overall mean of 12.4 percent. Growth in self-employment shares for women rise more in regions of the country with larger concentrations of construction jobs, while higher self-employment shares for men are in regions with larger shares of manufacturing, finance and service jobs (Gurley-Calvez et al., 2010). In summary, that report found that determinants of growth in the self-employment share differ between women and men, but there were not significant differences for the growth in the number of self-employed. This suggests that overall men and women respond in somewhat similar ways to these determinants (Gurley-Calvez et al., 2010). Robb and Coleman (2009) reported that women are more highly represented in retail and service businesses. The Kauffman Foundation survey on new firms (2010) showed 19 percent of women started retail businesses as compared to 12 percent of men; and 11.1 percent of women started service businesses vs 8.5 percent of men. This difference has an effect on the types of capital that female owners have been able to secure, confirming results of Anna et al. (1999), Du Rietz and Henrekson (2000), Kalleberg and Leicht (1991) and Loscocco et al. (1991) of the predominance of women in the retail and service sector.

## 2.2 Need for support and technical assistance by entrepreneurs and SMEs: business survival rates and women entrepreneurs

Clearly, SME and entrepreneurial firms are important to many national economies, but many do not succeed. One study found that 55 percent of smaller firms in the USA fail within five years of their start-ups and that 81 percent fail within ten years (Dodge and Robbins, 1992). Other studies paint an equally bleak picture; less than half of all ventures survive a six-year time frame (Audretsch, 1991) and only 25 percent of all new ventures survive seven years or longer (Ronstadt, 1986). Empirical research shows that women-owned firms are typically smaller than

those owned by men (Riding and Swift, 1990; Robb, 2000). The owners of these firms are also typically younger in age and the firms are newer as well (Robb, 2000).

From a policy standpoint, an important question concerns with whom owners of SMEs and aspiring entrepreneurs can consult in times of risk and uncertainty, since they are not privy to the same types of support mechanisms that are available to large firm managers and organizational members. Larger organizations have formal systems and structures that provide members with social support (e.g. human resource staff members or supervisors) and the organizational framework lends itself to a pool of support sources (e.g. mentors or co-workers) that can serve as a less formal support system. Devoid of supervisor, co-worker and peer support, entrepreneurs typically do not have this a priori support network available to them. Thus, the entrepreneur would appear to need support systems to mitigate the risk inherent in entrepreneurial activities. Crucial forms of assistance needed are often in the form of outside technical services, consulting advice or business information. This informational support is critical to the SME or entrepreneur in the decision-making process because informed business decisions require foresight and preparation.

### 2.3 Reasons for business failure

A number of prior studies have examined the reasons for failure among start-up businesses. Some of the reasons identified include poor managerial skills, inadequate planning and inappropriate financial resources (Van Auken and Horton, 1994). Therefore, a major question is the benefit that entrepreneurial, start-up and SME businesses can expect to obtain from outside business consulting assistance. Prior research has attempted to answer this by focussing primarily on identifying the major problems facing smaller businesses. Typically, those studies looked at issues such as the reasons for failure among smaller business, and perceptions of managers as to which are the most important problems facing these businesses (Chrisman and Leslie, 1989; Kalleberg and Leicht, 1991). For example, Chrisman and Leslie (1989) divided the types of outside consulting assistance into three categories: strategic (e.g. developing a business plan, strategic and financial planning), administrative (e.g. finance, accounting, personnel) and operating (e.g. marketing, production, inventory control). They report that smaller businesses believe they need the most assistance with administrative and operating areas, citing some of the most frequent small business challenges such as accounting, finance and marketing. Other studies have examined which types of assistance outside consultants can most effectively provide. For the most part, these studies conclude that owners and managers of smaller businesses find that outsider assistance provides the greatest help in the administrative and operating areas (Chrisman and Leslie, 1989).

## 2.4 Potential benefits of technical or consulting assistance

However, other prior research suggests that strategic issues may be at the root of many small business failures. For example, Chrisman and Leslie (1989) looked at established small businesses, as opposed to start-ups, that were clients of a SBDC and found that small businesses most benefited from administrative and operating assistance. Those results also suggest that outside assistance may be the most useful when it includes comprehensive attention to strategic, administrative and operating problems. When looking specifically at pre-venture entrepreneurs, strategic assistance appears to be clearly perceived as more valuable than administrative and operating assistance. One study examined what types of consulting assistance the SBDC provided most effectively to pre-venture clients (Chrisman et al., 1990). The results suggest that an aspiring business owner may benefit the most from an SBDC in receiving market and financial analyses of their proposed business venture and developing a strategic plan.

## 2.5 Role of formal or informal networks for women and minority entrepreneurs

Aspiring entrepreneurs often assemble business contacts and create support and social networks as they begin their business ventures. Formal networks include local, state and federal agencies, as well as bankers, lawyers and accountants. Informal networks include the entrepreneur's family, friends, groups to which the entrepreneur may belong and prior employers (Birley, 1985). Women often build a support system through networking by integrating their multiple roles within their organizations, as well as the multiple dimensions of their lives. Networks such as strategic alliances are utilized by these women to manage their businesses, create ideas, access resources and develop social support (Brush et al., 1999). In earlier research, women were found to have smaller networks, though the process of creating networks was similar to that of men (Aldrich, 1989). Due to the influence on entrepreneurial activity that the smaller size and composition of women's networks has, the social support women receive has been cited as being less than what men receive for their ventures (Allen, 2000). Thus, the networks themselves may be one cause for the gender difference in likely entrepreneurial activity. As a result, many organizations have attempted to create support systems for women. Examples include the National Association of Women Business Owners (NAWBO), a well-known group for women that strives to empower female entrepreneurs (NAWBO, 2010), and the National Association for Female Executives (NAFE), which assists women entrepreneurs in all phases of business, especially networking (NAFE, 2010).

## 2.6 Use and importance of assistance available to female and minority entrepreneurs

Past research illustrates limited, yet significant differences between male and female entrepreneurs. These include differences in educational background and experience (Carsrud et al., 1986; Chaganti, 1986; Cromi, 1987; Gomolka, 1977; O'Hare and Larson, 1991; Masters and Meier, 1988; Neider, 1987; Scott, 1986; Stevenson, 1986), difficulties in overcoming feelings of segregation (Brush et al., 1999), differences in type of business started (O'Hare and Larson, 1991); and problems in acquiring sufficient start-up funds to begin a business (Pellegrino and Reece, 1982). While some studies have been conducted on the characteristics of male vs female and minority vs non-minority entrepreneurs, little research has attempted to directly compare the unique problems of female and minority entrepreneurs and the types of outside assistance they feel they need. Indeed, few studies have attempted to directly compare the problems encountered by male and female entrepreneurs and the assistance received for such problems, or the value of such assistance (Chrisman et al., 1990).

## 2.7 Barriers and issues affecting women entrepreneurs

While the number of women beginning businesses each year is growing, those expanding their businesses are not keeping up with such growth. Such businesses are generally small to begin with and do not change (O'Hare and Larson, 1991). In a study of female entrepreneurs' entry, survivorship and reentry into self-employment between the years of 1969 and 1984, it was discovered that approximately two-thirds of the women that enter into entrepreneurial ventures leave after about three years (Dolinsky et al., 1993).

Other research indicates that female entrepreneurs do not require more or different assistance methods than do males, except in obtaining financing (Brophy, 1989; Buttner and Rosen, 1988; Scott, 1986). In fact, obtaining financing was the area women considered most problematic in a 1984 study, due to the fact that few had experience with finance (Hisrich and Brush, 1984). Negative gender-based perceptions toward female entrepreneurs can best be illustrated through the eyes of lending institutions. In a study of such negative perceptions, loan officers viewed women as lacking in the expertise of entrepreneurship, which included readiness for change, endurance, leadership and autonomy (Buttner and Rosen, 1988). When women obtain the necessary financing, they then have choices concerning how to branch out on their own entrepreneurial pursuits (Barnett, 1995). In Joyner and Walker's (1999) study on gender-based

public policy programs, such programs have greatly reduced overt discrimination against women entrepreneurs.

## 2.8 Barriers and issues affecting minority entrepreneurs

Past research has argued that the growth of African-American-owned small businesses can serve as a strong barometer for the overall progress made by minority groups (Feldman et al., 1991; Thompson, 1999). In addition, numerous GEM reports highlight the importance of involving minorities in the entrepreneurial process in order to accelerate the overall pace of entrepreneurial activity within an economy (Reynolds et al., 2001). However, while increased minority involvement may be promoted, studies have indicated that minorities tend to be less optimistic overall in their expectations of business success (Carter, 2000), and are often more likely to fail when starting a new venture (Boden and Nucci, 2000; Carter et al., 1997; Robb, 2000).

As suggested by Smith-Hunter and Boyd (2004), while women generally have a more difficult time starting a business than men, African-American women are often the most disadvantaged when it comes to entrepreneurship. One limitation to the success of African-American business owners is they often operate in a racially segregated environment where they are highly dependent on minority customers for survival (Sriram et al., 2007). Similarly, African-American entrepreneurs are located in urban areas that are plagued by serious financial constraints and socio-economic concerns. The inability to penetrate the more traditional markets often forces African-Americans to be involved in micro enterprises in industries with high failure rates (Sriram et al., 2007).

## 3. Methodology

Based in part on the work of Chrisman et al. (Chrisman, 1989; Chrisman and Leslie, 1989), a list of potential consulting or technical assistance services which could be made available to entrepreneurial or SME firms was developed. Since prior research had differentiated the forms of assistance into strategic, operating and administrative service, that categorization was utilized. The resulting list of 22 potential services is shown below. They are divided among four strategic, 11 operating and seven administrative services.

List of possible consulting services provided:

Strategic:

financial planning and management;

developing a business plan for operations;

identifying and suggesting alternative sources of capital; and

strategic planning and forecasting.

Operating:

advertising and promotion;

marketing research;

computer applications – training;

market study – target marketing;

contract bidding;

customer relations;

pricing;

cost management or reduction;

export/import;

inventory control; and

purchasing – help in choosing suppliers.

Administrative:

identification of special government programs (special programs, grants, set asides);

business legal issues;

help in dealing with tax authorities;

accounting – bookkeeping – record keeping;

insurance;

time management – scheduling; and

personnel management – staffing – training.

A mail survey questionnaire was developed, in which small business owners were asked to rate their interest in various consulting or assistance services which could be made available to the business, based on the list above, using a five-point, rating scale ranging from 1 (not interested) to 5 (extremely interested). In addition, the survey asked questions about size of firm, industry, time in business, position in the firm and form of business ownership.

The sample for the study was drawn from mailing lists provided by the offices of the SBA, the Offices of Economic Development and directories of minority-owned and woman-owned businesses compiled by the city and county governments of a major metropolitan area. To ensure that the survey would include an adequate proportion of women and minority-owned firms, the initial sample frame was augmented by lists obtained from a number of women and minority business associations. Using this method, an initial target sampling list was developed consisting of 1958 entrepreneurs or SMEs.

Questionnaires were then distributed to the entire sample list by mail. A cover letter soliciting participation and outlining the objectives of the study was attached to the questionnaire along with a return envelope to facilitate the response. Non-respondents were sent a second round questionnaire approximately one month after the initial mailing. Using this method, a total of 349 SME owners or entrepreneurs responded to the survey of which 332 (17 percent response) were considered usable responses.

#### 4. Results

Of the total sample of 332, information was provided on gender and ethnicity for 328 businesses. A total of 179 (54.6 percent) of the businesses were owned by men while 149 (45.4 percent) were owned by women and a total of 197 (60.1 percent) were found to be minority owned. Among women-owned businesses in the sample, 59 (39.6 percent of female subsample) were minority owned and 90 (60.4 percent) were not minority owned. Responding companies were found to be in a wide range of industries, including professional services, construction, manufacturing, consumer services, wholesale trade and retailing. Most of the respondents were owners and many considered themselves both owner of the firm and manager. In all, 85 percent of the respondents devoted their full time to the company. The sole proprietorship was the

majority form of ownership, followed by corporations. Almost half of the firms had been in business six years or less, but over one-third had been operating for more than ten years. Most of the responding companies were small, with over one-half reporting between one and three employees and only about 10 percent having more than 25 employees. Sales volume was more widely dispersed. Roughly one-quarter of the companies had annual sales volume at each of these levels: <\$50,000, between \$50,000 and \$250,000, between \$250,000 and \$1,000,000 and over \$1,000,000 per year.

The first objective of the study was to assess the relative interest in the 22 strategic, operating and administrative services which could be made available to SME owners and entrepreneurs. Table I shows the list of these services ranked by the mean importance rating of the overall sample of 332 respondents based on the five-point scale utilized. Overall, the five highest rated services were advertising and promotion (mean score=2.94), marketing research (2.76), computer applications and training (2.75), market study or target marketing (2.74) and financial planning and management (2.74). The first four of these are labeled as operating consulting services, while the fifth is a strategic consulting service. Services which would help in locating special government programs (2.64) ranked sixth overall. Notably, assistance in identifying or securing alternative sources of capital (2.60) ranked seventh overall. These results verify the premise of objective one, which stated that operating services would be seen as having the highest potential value or benefit overall.

The goal of objective two was to compare the ratings between men and women SME owners and entrepreneurs, with the hypothesis that the differences would be limited. Table II shows the comparisons of the 179 male and 149 female respondents, with mean scores for each group and the associated statistical differences. As hypothesized, there are very few differences. In fact, only one service (purchasing – supplier choice, which was ranked least important overall) was significantly different at the 0.05 level. This result is less than what would be expected by chance. Thus, these results are supportive of the hypothesis of objective two and suggest that, overall, male and female entrepreneurs have similar assistance needs.

The aim of objective three was to compare the interest of SME owners and entrepreneurs in obtaining assistance in identifying and locating sources of capital. Based on prior research, we hypothesized that women respondents would place a significantly higher value on this service. Also as shown in Table III, the differences between men and women on this item were not significant and this hypothesis was not supported. This would imply that female SME owners and entrepreneurs do not see a greater need for this form of assistance than do their male counterparts.

The final, but principal, objective was to compare the ratings of minority female respondents to those of non-minority females. Of the total sample of 149 women, 59 were members of ethnic minorities. The responses of these 59 respondents were compared to those of the remaining 90 female business owners. The findings are shown in Table III. Overall, the results show that minority women perceive a higher demand for many of the services studied. Seven items showed statistically higher mean scores ( $p \leq 0.05$ ), with two others marginally significant ( $p \leq 0.10$ ). As hypothesized, help in identifying alternative sources of capital was rated significantly higher among minority women. Also rated significantly higher were financial planning and management business planning, contract bidding, help in dealing with tax authorities, accounting and customer relations. However, there was no difference in perceived need for help in identifying special government programs, such as grants or set aside programs.

## 5. Conclusions and implications

For the entire sample, the services rated as highest interest tend to be operating services: advertising and promotion (2.94), marketing research (2.76), computer applications (2.75) and market study (2.74). These were followed by financial planning and management (2.66), special government programs (2.64), business planning (2.60) and locating sources of capital (2.60), all of which were classified as strategic, but for the exception of special government programs, an administrative service.

The results overall showed almost no difference between male and female SME owners and entrepreneurs in their relative interest in outside consulting services. By contrast, minority women showed significantly higher levels of interest in acquiring assistance with business planning, financial planning, source of capital, contract bidding, taxes, accounting and customer service issues. These seven areas all rate significantly higher in interest at the  $p \leq 0.05$  level and two more are significant at  $p \leq 0.10$ . The lack of significant differences between men and women is consistent with prior research (Chrisman et al., 1990). The significant differences between minority and non-minority women suggest that, by and large, programs designed to assist women in business might have the greatest potential impact among minority women, who show significantly higher interest in receiving assistance on a broad range of consulting activities. For minority women-owned businesses, the study shows that the six consulting service offerings that are most important to be made available are advertising and promotion (3.20), financial planning and management assistance (3.00), target marketing (2.95), marketing research (2.93), business plan for operations (2.92) and assistance with searching for alternative sources of capital (2.92).

As suggested by Fairlie and Robb (2008), much is still unknown about why some minority groups are more successful in their entrepreneurial endeavors than others. Although our study does not answer that question directly, it does provide insight into the types of assistance these aspiring business owners seek. While we need to continually encourage minorities to consider entrepreneurial ventures, limited career advancement in the corporate world may be encouraging some in that direction and, thus, making business ownership a more attractive and viable opportunity (Basu and Altinay, 2002; Sriram et al., 2007).

### 5.1 Policy implications

There are strong policy implications that can be derived from these results. Several government initiatives presently exist to assist women and minority entrepreneurship. For instance, educational sessions with loan officers provide support to women in assessing their business' credit (Harris, 2003). Although numerous consulting and assistance programs meant to increase the number of female business owners are cited in academic journals, there appears to be little research done on what impact these initiatives have on female entrepreneurs (Dolinsky et al., 1993). This study has determined the potential impact that such assistance programs can have with women entrepreneurs. It highlights the support mechanisms necessary for women entrepreneurs to be successful.

The policy implications for assisting female entrepreneurs have historically been economic and social improvement (Mick, 2001). Both private and government initiatives, such as management training, consulting services and the encouragement of networking through the formation of business alliances, can enhance the prospects for women who are less educated to enter into entrepreneurship by lessening financial and human capital restrictions (Dolinsky et al., 1993). Such training programs, however, cannot substitute for the experience that women entrepreneurs gain for themselves in overcoming the typical obstacles to business ownership (Joyner and Walker, 1999). However, public policy programs can be of immense aid in their progress toward obtaining financing and other aspects of managing their own ventures (Burr and Strickland, 1992). Future studies should focus on identifying best practices, successful leadership styles, comparisons to other developed markets and reward systems, both financial and non-financial, that will further the success of these businesses.

In addition to assistance programs, entrepreneurship education can play an important role in helping prepare minorities for future success. Research shows that many young adults, particularly aged 25-34, are interested in venture creation and individuals with post-secondary academic experience are more likely to act in an entrepreneurial manner (Minniti et al., 2006). Educational programs cannot only help minorities recognize entrepreneurship as a viable career choice at an earlier age, but also provide them with a better understanding of venture creation and sustainability. If prospective entrepreneurs are given a better skill set as young adults then perhaps future help from small business assistance programs can be more targeted and have even greater impact.

Table I Relative importance rating of possible consulting services

Rank	Consulting service	Service category	Mean score
1	Advertising and promotion	Operating	2.94
2	Marketing research	Operating	2.76
3	Computer applications – training	Operating	2.75
4	Market study – target marketing	Operating	2.74
5	Financial planning and management	Strategic	2.66
6	Special government programs	Administrative	2.64
7	Business plan for operations	Strategic	2.60
8	Alternative sources of capital	Strategic	2.60
9	Contract bidding	Operating	2.49
10	Strategic planning and forecasting	Strategic	2.44
11	Business legal issues	Administrative	2.34
12	Dealing with tax authorities	Administrative	2.31
13	Accounting – bookkeeping	Administrative	2.31
14	Customer relations	Operating	2.25
15	Insurance	Administrative	2.17
16	Time management – scheduling	Administrative	2.12
17	Pricing	Operating	2.08
18	Cost management or reduction	Operating	2.05
19	Personnel management – staffing	Administrative	2.04
20	Export/import	Operating	1.80
21	Inventory control	Operating	1.64
22	Purchasing – choosing suppliers	Operating	1.62
	Sample size	332	

Table II Relative importance rating of possible consulting services: men vs women

Rank	Consulting service	Mean score, men	Mean score, women
1	Advertising and promotion	2.94	2.99
2	Marketing research	2.78	2.74
3	Computer applications – training	2.66	2.87
4	Market study – target marketing	2.78	2.68
5	Financial planning and management	2.70	2.62
6	Special government programs	2.65	2.62
7	Business plan for operations	2.63	2.56
8	Alternative sources of capital	2.71	2.44
9	Contract bidding	2.56	2.40
10	Strategic planning and forecasting	2.49	2.37
11	Business legal issues	2.35	2.32
12	Dealing with tax authorities	2.43	2.15*
13	Accounting – bookkeeping	2.32	2.29
14	Customer relations	2.27	2.23
15	Insurance	2.12	2.23
16	Time management – scheduling	2.08	2.17
17	Pricing	2.16	1.97
18	Cost management or reduction	2.16	1.93
19	Personnel management – staffing	2.05	2.02
20	Export/import	1.82	1.77
21	Inventory control	1.65	1.62
22	Purchasing – choosing suppliers	1.74	1.48**
	Sample size	184	149

Notes: \* $p \leq 0.10$ ; \*\* $p \leq 0.05$ ; \*\*\* $p \leq 0.01$

Table III Relative importance rating of consulting services: minority women vs non-minority women

Rank	Consulting service	Mean score, minority women	Mean score, non-minority women
1	Advertising and promotion	3.20	2.86
2	Marketing research	2.93	2.61
3	Computer applications – training	2.73	2.97
4	Market study – target marketing	2.95	2.50*
5	Financial planning and management	3.00	2.37**
6	Special government programs	2.68	2.59
7	Business plan for operations	2.92	2.33**
8	Alternative sources of capital	2.92	2.13***
9	Contract bidding	2.88	2.09***
10	Strategic planning and forecasting	2.61	2.21
11	Business legal issues	2.31	2.33
12	Dealing with tax authorities	2.49	1.93**
13	Accounting – bookkeeping	2.61	2.08**
14	Customer relations	2.56	2.01**
15	Insurance	2.49	2.06*
16	Time management – scheduling	2.22	2.14
17	Pricing	2.08	1.89
18	Cost management or reduction	2.16	1.93
19	Personnel management – staffing	2.17	1.92
20	Export/import	1.95	1.66
21	Inventory control	1.66	1.59
22	Purchasing – choosing suppliers	1.64	1.37
	Sample size	59	90

Notes: \* $p \leq 0.10$ ; \*\* $p \leq 0.05$ ; \*\*\* $p \leq 0.01$

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