

What's in it for me?

A strategy for engaging small and micro business operators in learning



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Introduction

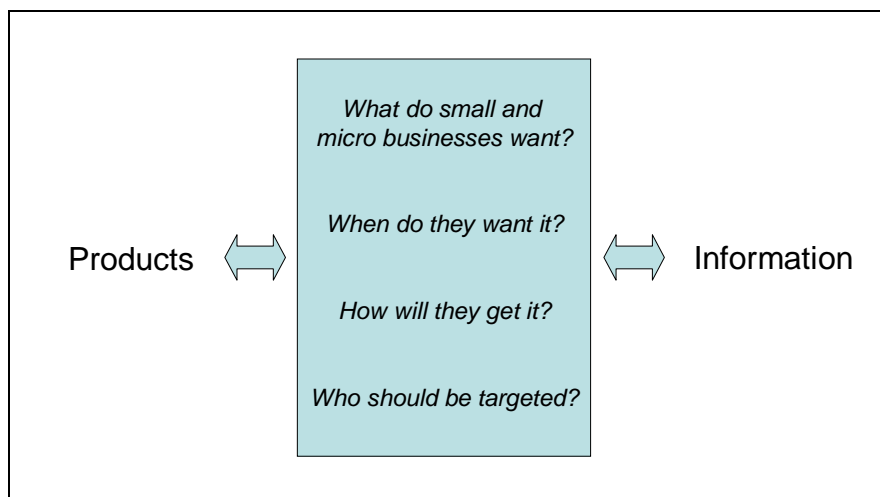
The low level of participation in formal training by small and micro business operators has been well documented. An extremely small proportion of small and micro business operators undertake qualifications in business management and research tells us that those who work in small business seem to find the existing vocational education system less likely to meet their needs and are less likely to expend funds on formal skill development than those who work in larger enterprises¹.

This guide has been developed for Registered Training Organisations and any other organisations that offer learning opportunities for small and micro businesses. The guide provides fresh ways of thinking about what motivates small and micro business operators and sets out a strategy for engaging them in learning activities.

Fresh ways of thinking

The way in which information about learning opportunities is received by small businesses is just as important, or perhaps even more important, than what's on offer. The underlying principle of this strategy is a framework for thinking about how to target the learning needs of small and micro businesses. It centres around two focal points - the products used to deliver learning and development opportunities, and the information given to businesses about learning opportunities on offer.

Figure 1. Framework for engaging small & micro business operators in learning



¹ Billett, S., L. Ehrich and B. Hernon-Tinning (2003) *How small business learning about the goods and services tax – lessons for vocational education and training*, Adelaide: NCVER

Small and micro businesses are incredibly diverse and therefore require not only customised learning opportunities, but also customised mechanisms and messages for getting information to them about those opportunities. This strategy focuses on the information aspect of engaging small and micro business people, outlining ways in which the market can be segmented, providing examples of the kind of messages that might work for different segments, and suggesting mechanisms through which the messages might be disseminated.

Market Segmentation

To assist in developing appropriate engagement mechanisms we need to segment the market. The purpose is not simply to identify target groups, but to find a way to uncover the motivating factors that might prompt small and micro businesses to seek out opportunities to develop management skills. We have identified a number of dimensions on which we can segment the market.

Business type

Business type can be considered across three continuums:

Job (operations/technical focus)	←	→	Business (management focus)
Quality	←	→	Cost
No growth (ie. Maintaining competitive position and/or product range)	←	→	Growing (ie. Increasing market share and/or product range)

This aspect of segmentation is probably of most use in considering the types of skill development that might be of most use to the business. For example, a growing business might be interested in marketing/promotion skills. A business that does not want to grow might be interested in time management skills that assist them in maintaining their work/life balance.

It may be possible to put together skill sets according to these segments.

Motivation for running a business

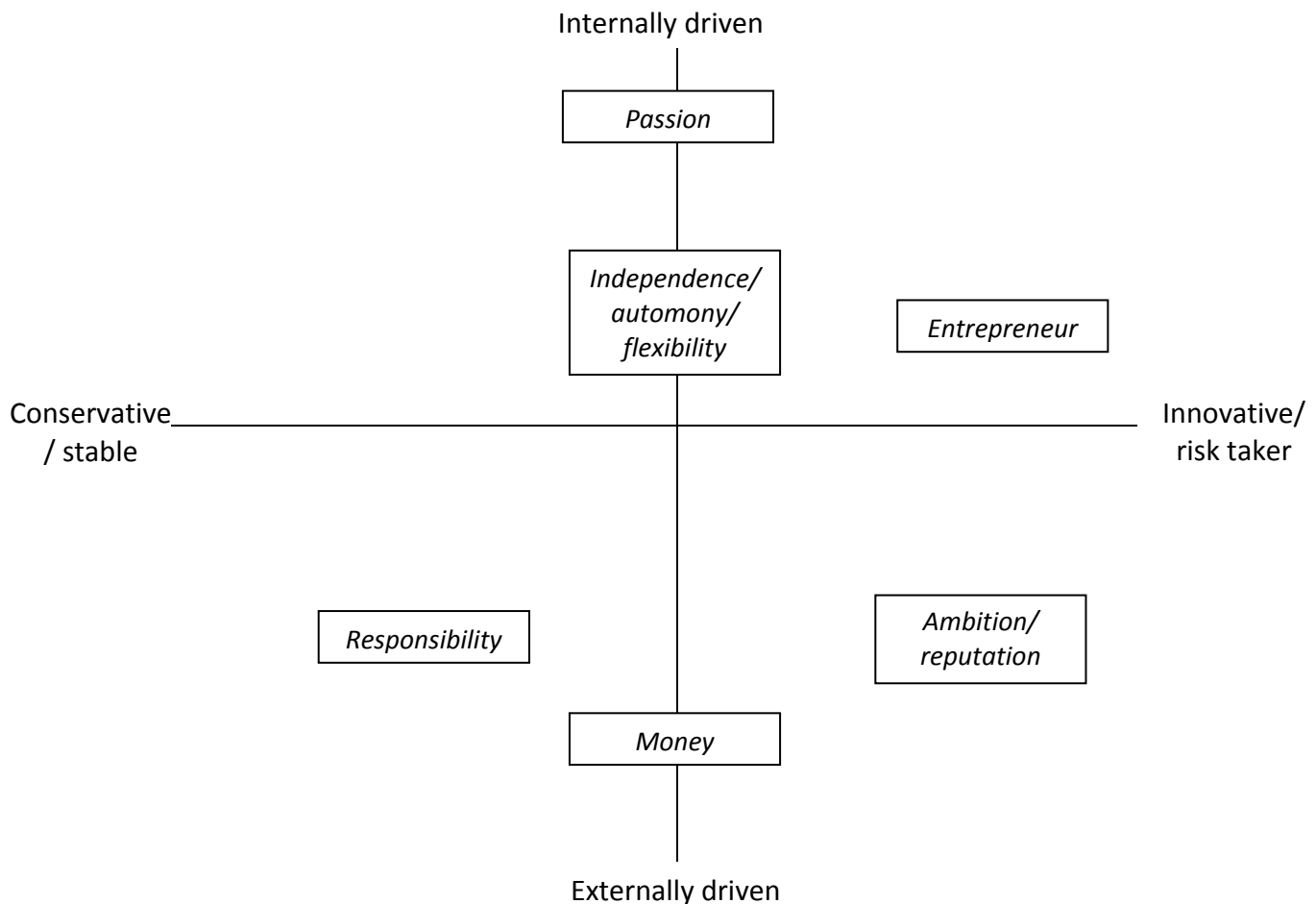
By grouping small business owners and managers according to their main motivation for running a small or micro business, this aspect of segmentation provides insight into the drivers and messages that might capture their attention.

The core motivators are:

- Ambition / reputation – “ I want to be recognised as being the best at what I do”
- Independence / autonomy / flexibility – “I don’t want someone telling me what to do”; “I want to be able to spend time at home with my children”
- Entrepreneurial mindset – “I’ve got a great idea”
- Dependency/Responsibility to others – “I can’t get out without suffering considerable loss”; “Other people are depending on me”
- Money – “I could never earn as much by working for someone else”
- Passion – “I just love doing _____, so that’s what I do every day”

Figure 2 below maps these motivators across two continuums of externally vs. internally driven and conservative/stable vs. innovative/risk taker to provide a means of considering the types of messages that might appeal to each segment.

Figure 2. Segmentation according to business motivators



Motivation for learning

Segmenting small and micro business people by learning motivators can provide a basis for developing customised products, targeting messages and identifying appropriate mechanisms for delivering the message.

Some of the common motivators for learning amongst small & micro business owners and managers are:

- Having a specific problem that needs solving (e.g. cash flow, quality issues, staff management), or perhaps multiple issues to address i.e. just trying to survive
- Changes in the business - moving into a new phase of the life-cycle (e.g. Expanding and taking on staff), or yearly cycle (e.g. surviving the 'off-season')
- Lifestyle issues - Wanting to increase productivity/profit or reduce the amount of time spent working in the business
- Regulation/risk management – meeting requirements for demonstrating specific skills or knowledge in order to meet regulatory requirements, or as a condition for securing business, or reducing risk management costs like insurance.

- Doing a good job/building reputation – wanting to be seen as doing a good job (external motivation), involving issues of quality and profile, or wanting to do a job better because you love what you do (internal motivation).
- New business ideas - seeing what someone else is doing and wanting to do the same or seeing a business opportunity or gap in the market that could be taken advantage of with some extra skills.

Getting the message out

Messages

The segmentation detailed above can be used to develop messages targeted at specific groups within the small and micro business sector. For example:

An innovative/risk taking entrepreneur who has issues to address regarding regulation/risk management, might be encouraged to develop their skills in this area through messages such as “let us help you deal with the mundane stuff so that you can get on with the big ideas”.

An externally driven business owner who is motivated by ambition/reputation who wants to increase their market share, or expand into new product areas might be encouraged by messages like “Want to be bigger and better than the Joneses? We can show you how.”

Mechanisms

As well as getting the message right, the other consideration is finding appropriate mechanisms for connecting with small and micro businesses. Below are some of the channels that can be effective in getting the right message to the right target group.

Promotional materials

Simply mailing promotional materials to businesses tends to be fairly ineffective in gaining attention. A flyer about even the most exciting, innovative, inexpensive, relevant, customised product on offer is still likely to end up in the bin.

Promotional materials need to be ‘delivered’ to small and micro businesses in a much more customised and personalised way, at a time and place that is appropriate to the business. Information about learning opportunities also needs to:

- clearly articulate the benefits of learning to the business
- use language that is relevant to small businesses
- tell the business owner how they might improve their business outcomes, without telling them how to run their business.

IBSA has developed a series of ‘postcards’ incorporating these principles, targeting various segments of the small and micro business sector as identified earlier in this strategy. These postcards are contained in Appendix A. The postcards can be customised with your organisation’s details, and used as a means of capturing the attention of small and micro business people through avenues such as putting them in:

- local cafes and bars
- leisure and sports centres and community halls
- libraries
- bookshops and newsagents
- local council reception areas, and
- giving them to the people/organisations listed below to pass on to small businesses they come into contact with



Put information about learning opportunities in strategic places and in the hands of strategic people.

Financial institutions

Banks and other institutions that lend money to small and micro businesses can provide a connection to these groups. Knowing that business owners have developed, or are developing, skills in business management can provide lending institutions with greater confidence in the business' chances of success. The National Australia Bank has reflected this in their microenterprise loans, which requires small and micro businesses who are applying for a loan to have completed a certain amount of training in small business management.



Build relationships with local bank managers.

Accountants

Almost all of small and micro businesses rely on their accountant for advice on their business, so persuading accountants to be an advocate of acquiring business skills can be a powerful means to get this message across to their clients.



Build relationships with local accountants.

Professional Industry Associations, Clubs, Charities, Franchisee Networks

Professional business and industry associations, Rotary, Chambers of Commerce, women's organisations, professional membership clubs, charities and franchisee networks provide support to businesses in the form of networking events (e.g. business breakfasts), training, mentoring, counselling and business referrals. They provide a wealth of avenues for connecting with small business owners and can act as an intermediary between small and micro businesses and providers of learning opportunities. These

associations often run regular networking functions, which is another great way to connect with business people.



Connect with local associations to spread the message about skill development.

Targeted Media Channels

Most organisations that provide learning opportunities and other assistance to small and micro businesses do not have large budgets to accommodate integrated marketing campaigns across a wide selection of media at one time, so making sure that messages are targeted specifically to small business operators is not just cost-effective, but common sense. The following *targeted* media could be useful in reaching small business owners *only* if the messages are relevant and compelling:

- Business and specialist trade journals
- Lifestyle, women's, sports and leisure magazines
- Business section of newspapers
- Free business listings (online and printed), e.g. True Local, Local Business Guide, Webfind, AussieLocal, Hotfrog etc.

The Internet is increasingly becoming a powerful marketing tool to capture the target market. Search Engine Marketing (SEM) is now a popular tool to enable websites to be listed at the top of search engine listings, for example, Google, through Google Adwords. This type of marketing is easily measurable, in that it can capture the amount of unique users to a site, and other useful pieces of information (e.g. Google Analytics). Once the audience reaches the website, make sure it is easy for them to navigate to collect contact details. Listing web addresses on other relevant websites is another way to reach the target audience.



Select key messages and media carefully.

Trade Shows

Trade shows, particularly for business or training and education, are an excellent way to connect with business people. In Victoria, The State Government through Business Victoria runs the Energise Enterprise Festival every August to help people start, run and build their small business. By either being a host and/or a sponsor, it's another opportunity to reach the target audience.



Find opportunities for face to face contact.

Small business support and advisory services

There are many organisations that have been established to assist small businesses. Each State Government has a department that deals with small business issues. For example, in Victoria, The Department of Innovation, Industry and Regional Development (DIIRD) manage the Business Victoria website and Victorian Business Centres located in metro and regional centres to assist and support small business. There are also many other non-government organisations providing services to small and micro businesses. For example, the network of Business Enterprise Centres provides a range of services to small and micro businesses across Australia.



Build relationships with local business support and advisory services.

Licensing and regulating bodies

Another way to promote messages about small business management skills is through licencing (e.g. the building trade) and regulating bodies, which often build specific skills into mandatory competency requirements to obtain licences and qualifications. Engaging small business owners in training for mandatory skills can provide a good foundation for promoting the value of learning and engaging them in future non-mandatory learning.



Use licensing/regulation requirements as a way of promoting the value of learning.

Benchmarking against other businesses

Conducting a review of a business, especially benchmarking it against the performance and practices of similar successful businesses, can be an extremely powerful mechanism for engaging small and micro business operators in learning. If skill needs can be directly attributed to business needs, as identified through a review, then the business operator is much more likely to see the value in undertaking learning.



Use business review processes to highlight areas in which learning can add value to the business.

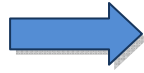
Social and family networks

'Word of mouth' is a form of PR (Public Relations), which can be a very powerful and free marketing tool for truly exceptional, customised and relevant services for small and micro businesses. Clients can become advocates and essentially 'spread the word' about services to friends and colleagues, who more often than not, work and/or run other businesses.

Clubs, social groups and community organisations can also be effective channels for connecting with small and micro business operators, particularly in regional and rural communities.

Spouses/partners and other family members (including children) often play an important role in the running of a small or micro business. For example, many tradespeople who run their own business rely

upon their partner to keep the books. Targeting your message to these family members can be an extremely effective means of not only getting them involved in learning and skill development, but for creating another channel for encouraging the business owner to get involved.



Use social networks to spread the word.

Appendix A

Example 1

Targeted to business motivators - entrepreneurial; passion.

Targeted to learning motivators - new business ideas; doing a good job.



Need assistance in turning those great ideas into something more tangible, but don't know where to start?

There are people who can help you with:

- Learning how to get your idea to market**
- Learning how to deal with all of the 'red tape'**
- Networking opportunities**
- Mentoring support**
- And much more.**

Download a FREE copy of the small business learning reference guide "*Take charge of your business*" at www.ibsa.org.au/xxxxxx

Or contact us to find out more about how we can help you and your small business at:

[organisations can insert their details and logo here]

Example 2

Targeted to business motivators: reputation; money; responsibility.

Targeted to learning motivators: risk management/regulation, changes in business; specific problem.



Need assistance in reducing potential risks to your business, but don't know where to get it?

There are people who can help you with:

- Risk management skills**
- Business planning skills**
- Learning how to deal with 'red tape'**
- Mentoring support**
- And much more.**

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Example 3

Targeted to business motivators: ambition/reputation; money; passion.

Targeted to learning motivators: doing a good job; changes in the business; specific problem; new business ideas.



You know how to run your small business, but sometimes you might ask yourself – can I do an even better job?

There are people who can help you with:

- Keeping up with technology**
- Learning how to expand your market**
- Improving customer service**
- Managing your staff**
- Improving your cash flow**
- Becoming more strategic in your business planning**
- And much more.**

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[organisations can insert their details and logo here]

Example 4

Targeted to business motivators: responsibility; passion; independence/autonomy/flexibility.

Targeted to learning motivators: doing a good job; lifestyle; changes in the business.



You work hard and you know how to run your business, but sometimes you find yourself saying – I don't have a life!

There are people who can help you with:

- Learning how to run your business more efficiently, freeing up time for yourself**
- Developing better time management skills**
- Learning how to better use your staff to manage the workload**
- Mentoring support**
- And much more.**

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Or contact us to find out more about how we can help you and your small business at:

[organisations can insert their details and logo here]

Example 5

Targeted to business motivators: ambition/reputation; responsibility; money

Targeted to learning motivators: new business ideas; doing a good job; changes in business; risk management.



You work hard and you know how to run your business, but sometimes you might ask yourself – could I be missing out on some vital information that might make it better?

There are people who can help you with:

- Learning how to better market yourself**
- Developing a more strategic approach to your business**
- Making better use of technology**
- Networking opportunities**
- Mentoring support**
- And much more.**

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Or contact us to find out more about how we can help you and your small business at:

[organisations can insert their details and logo here]

Example 6

Targeted to business motivators: ambition/reputation; money; entrepreneur.

Targeted to learning motivators: changes in business; lifestyle; new business ideas; specific problem; doing a good job.



Need assistance with a problem in your small business, but don't know where to start?

There are people who can help you with:

- Learning how to deal with all kinds of business problems – staffing, cash flow, marketing, record keeping etc**
- Learning how to better manage your finances**
- Learning how to plan more strategically**
- Networking opportunities**
- Mentoring support**
- And much more.**

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