

2005

Developing a framework of training for the older small business owner : final report

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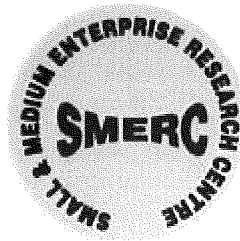
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Developing a framework of training for the older small business owner

Final Report

September 2005



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Edith Cowan University

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ACKNOWLEDGEMENTS

This research was conducted by the Small and Medium Enterprise Research Centre (SMERC) at Edith Cowan University in collaboration with B JL Connecting Communities as the result of an ECU-Industry Collaborative Grant.

We acknowledge the participation of the following people as the key contributors in the completion of this project.

Ms Desiree Walsh General Manager B JL Connecting Communities

Ms Louise Giolitto Operations Manager B JL Connecting Communities

Mr Colin Kerr Chief Executive Officer Bridging the Gap

Mr Brett Dorney Manager Industry Liaison and Initiatives WA Department of Education
and Training

Ms Anna Wildy Research Assistant

The Business Enterprise Centre Network

All the business owners who took time out to participate in the study. Their input was vital to this report.

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EXECUTIVE SUMMARY

This study was conducted as a result of the critical issue of the ageing population and the implications this will have on the workforce. An employment option for older workers is to become self-employed and to start their own small businesses, rather than to continue working in mainstream employment, which becomes increasingly difficult as employees age. The option of self-employment may be a viable option for older people as uncertainty of employment tenure in mainstream employment continues to increase over time and is a way to utilise work skills and competencies that have been acquired over years of work experience.

The results show that self-employment is not necessarily a first choice for many older people, as the perceived high level of risk associated with starting a business is a significant barrier. For those that do start their own business, which is an increasing trend, the age of the new business owner has an influence on the type of business information and related training they require in order to operate their businesses successfully. The study was conducted in the first quarter of 2005 and employed both quantitative and qualitative methodologies. 270 small business owners participated in the quantitative part of the study and an additional 15 older small business owners were interviewed in order to gain more in-depth insights into the issues facing older small business owners.

Reason for Starting in Business

For most small business owners, whether they are old or young, the main reasons for wanting to start their own business was to be their own boss and to have control over how the business operated. Attaining financial security was the next most important reason for starting one's own business. There were a few significant differences observed between younger and older small business owners other than older owners' inability to find suitable employment elsewhere, a traditional push motivation. In regard to gender and start-up motivation, older women had the lowest mean score on wanting to be their own boss. In addition, comparing younger women to younger men, the women were much more likely to state as the reasons they started their own businesses as flexible hours, wanting to work from home and the need to balance work and family. This indicates that women are still doing the double shift of having to cope with family and work. Self-employment for women, with all its associated difficulties, is seen as preferable to working for larger organisations and may well also say

as much about the inflexibility of employers towards working women who have family responsibilities, as it does the desires of the women to become self employed.

Business Skills

Most business owners rated themselves highly on all items relating to operational competencies at start-up and these skills increased significantly over time. Respondents rated themselves currently as competent to very competent on all operational business skills, however many had no formal training in these competencies at start-up, possibly indicating that they believe operating a small business is an innate rather than an acquired skill. In addition even though the respondents rated themselves as competent many stated they require further training on all items to varying degrees. It may well be the case that what the respondents perceive as competent may in reality not be a high level of skill. However this is speculation and cannot be substantiated. With such high levels of perceived business competence it is amazing that any businesses fail or that so many are only turning over less than \$100,000.

Training Budget, Training Needs and Method of Training Delivery

For most small business owners training represented a very small proportion of their annual budget, with almost half (49%) of all respondents budgeting less than \$500 per year for training. There were also businesses with larger turnovers still budgeting less than \$1000 on training per year. There are some contradictory results here as respondents are stating that they require further training in numerous areas but do not have a line item for training. This may infer that training is very much just-in-time, in that it occurs as a reactive measure rather than a proactive measure and is seen as a cost and not an investment.

The top 5 areas of training required for the older small business owner were computer packages, internet/web use, electronic-commerce, marketing/advertising & promotion, and accounting/book-keeping skills. For the younger small business owners, the top 5 areas of training required were planning, accounting/book-keeping, electronic commerce, marketing/advertising and budgeting. In terms of method of delivery, there were no significant differences reported between older and younger business owners. The most popular methods of training were on-the-job training and workshops/seminars. The least

popular method was training by CD or internet (online), indicating that business owners prefer a level of human interaction.

RECOMMENDATIONS

Training and improving their business competences is clearly not seen as very important to many small business owners, which is compounded by their own high evaluation of their personal business skills. Older business owners are even less likely to value formal training as they rely on previous work and life experience. However many state that there are operational business skills that they need more competencies in. The type of training most business owners appear to require is reactive just-in-time training to solve problems. There is also a lack of personal responsibility on the part of the business owner to find and access training appropriate to their needs. These contradictory messages present a real challenge to training providers. The concept of lifelong learning is not something that appears to be important to some business owners.

- There is a need to change the mindset of small business owners about the value of training and skills development in relation to better business operations. Some business owners appear to have an ‘if it ain’t broke don’t fix it’ mentality, which prevents them from seeing that with better skills they could operate their businesses more efficiently and effectively. This is based on the numerous comments made about the difficulty of operating a small business that many of the participants voiced.
- In order to develop training that is relevant and applicable to small business owners training providers need to understand the audience better. Small business is not a scaled down version of big business so current services products and programs need to be tailored to suit the needs of small business. A key issue for most small business owners is time, they are time poor so training has to suit their availability.
- Different cohorts need different types of training and skills development. Older owners state they need less general management training and more specific ICT related training and the reverse is true of younger owners. In addition some older small business owners did not necessarily voluntarily choose self-employment and arrived at it through forced circumstances. Historically this cohort is the least likely to succeed and they are less

likely to have generic business skills. This is also a cohort that is likely to increase over time as the population ages. It would be advisable to be designing skills programs for this cohort, in particular older women as they are the most vulnerable group.

- Current services, products and programs that are available need to be better marketed to small business owners. There are currently perceptions that training is not easily accessible, not conducted by trainers who understand the real needs of small business and that it is costly. None of these may in fact be true, however it is the perception. Regional areas are particularly critical of access issues.
- Small business owners expressed a preference for training that is either on-the-job or workshop based, indicating that they are less interested in gaining a formal qualification; rather they simply want to acquire a specific skill or competency. This may mean offering one off modules rather than having to complete a series of modules or units that articulate towards a formal qualification.
- The least preferred delivery method was on-line or self paced CD interface. Given that this method is likely to increase over time, thought needs to be put into making this a more attractive option for small business owners, who are known to be time poor. Different types of training delivery need to be considered for the different audiences and no one type will suit all.
- New delivery methods need also to be considered such as podcasting and vodcasting. Podcasting is a technology that enables an audio event to be captured and fed into a web site and disseminated to listeners via any portable digital audio device or computer. Vodcasting is identical to podcasting, but enables video to be downloaded. These new technologies may not suit older business owners but may appeal to younger owners.

BACKGROUND

The ageing of the Australian population is guaranteed. As stated by the Federal Treasurer Peter Costello (25/02/2004) few older Australians have access to sufficient retirement funds, thus placing a substantial burden on the economy. Very few Australians over 50 years of age have adequate financial reserves if they select the option of early retirement¹. Approximately 33 percent of Australians between the ages of 50 and 64 rely on some form of social security payment and 46 percent do not have paid employment^{1,2,3}. Labour force participation rates for Australians 50 to 64 year olds is less than 50 percent, lower than the OECD average⁴.

Given the high proportion of the population in this age bracket and their lack of participation in the labour force, be it voluntary or forced, the Australian economy is facing significant financial and social challenges^{1,5,6,7,8,9}. In order to ease the financial burden on the economy and the social implications of reducing inactivity by the escalating proportion of this age sector, maximum workforce participation is essential. However secure full-time jobs that last until the statutory retirement age have dwindled, therefore flexible forms of work have become more important and are increasingly promoted as a promising solution to the problem of economic inactivity in later life⁸.

Increasing the participation rate of older persons in the labour force makes clear economic sense, despite the lack of actual mainstream jobs. As a consequence one employment option is to encourage self-employment or small business ownership^{5,9,10,11,12,13,14}. Older people are responsible for 20 percent more start ups now than 10 years ago and now account for 15 percent of all business starts ups^{9,13}. Self-employment and small business ownership already exists amongst older people in most OECD countries^{12,13,14,15}. In addition the proportion of people over 50 who start a small business is increasing and it is known that older people are more likely to succeed in small business^{7,13,16}. However little is known regarding what is needed to encourage and support those who may not have considered self-employment. Neither has policy or strategy been formulated that will promote sustainability and potential growth of business ownership for this age cohort.

Older business owners compared to younger business owners appear to be comparatively successful because many do not have fixed financial commitments, such as child care and home mortgages, and they can potentially invest more money in a business^{9,13,15}. On the other hand what is not known is whether they are more risk adverse, given that they have

potentially more to loose and may not have acquired the necessary skills to operate a successful small business. Logically older people would have been in the workforce for several decades, however the changing nature of work over the last 20 years has meant that some workers, but not all, have had the opportunity to learn new skills and competencies. Others have been disadvantaged by the dynamic nature of business and the advancements in information and communication technologies (ICT).

For any business to survive, the owners need a broad set of abilities, competences and skills, which are crucial to the prosperity and continued existence of their businesses. Encouraging the development of the skills of the workforce has emerged as a major priority for government policy as active labour market interventions have been implemented in response to concerns related to competitiveness and lifelong learning^{17,18,19,20}. However policy at national, state and institutional levels is focused on younger people and competencies and generic employability skills, and not continual learning and up-skilling over a lifetime. In the majority of cases regarding the older age cohort, they are not taken into consideration and neither are the owners of businesses included as training priorities^{21,22}.

What is known however is that training is vital to the small business sector and although much of what happens tends to be of a practical nature, within the confines of the business it is regarded as an important component both for competitive success and business strategy. In addition small businesses irrespective of size, service provided or product produced, are increasingly using technology to enhance the way they do things^{20,23,24,25,26}. Small business owners and their employees need skills to work with the new technologies and adapt to the ongoing changes in technology to remain competitive in the enterprise economy^{20,23,24,25,26}. For older small business owners these skills may not be well developed and more importantly the recognition of the need to participate in training may not be obvious, even though the chances of business survival are higher for those businesses whose owners have participated in training.

Despite the known reluctance of small business owners to attend training courses, several factors have been identified that would increase the chances of getting a small business owner to enrol in development courses^{27,28,29,30}.

They include:

- content, as the training needed to be practical and in a relevant area eg: recruitment;
- cost, as most small businesses cannot afford high priced training;
- interaction with role models who have previously been involved in programs;
- business sector specific where training was relevant to each sector;
- and cross sector training where there is different business representation with similar needs and problems³⁰.

It is hypothesised that providing generic training for owners of small businesses will be applicable in some instances, as there are some commonalities of requirements irrespective of the age of the business owner, but also that older business owners, with their life and work experiences and backgrounds will have some different requirements as well. This will be both on the training and development requirements and the method of delivery or facilitation.

Older people may not necessarily have the skill set required to become self-employed as they are thought to be less able to cope with workplace changes³¹ and this has implications for the training needs of this group. The OECD has identified a number of principles for population ageing reforms including the need to ensure that training opportunities are available for older workers⁴. This is acknowledged in the National Strategy for an Ageing Australia (1999), in the statement "The Commonwealth Government's main priority in relation to lifelong learning is to ensure that Australians have the skills and flexibility needed to meet the challenges of continuing technological and structural change and to compete effectively in a globalised economic environment".

In response to reviewed literature the specific objectives of the study were to:

- identify the current participation levels of all small business owners in training;
- develop a profile of older small business owners
- measure the level of management skills of older small business owners at 2 points in time, that being when they started their business and currently.
- Ascertain if older owners have similar growth aspirations to younger owners.

Older in this instance is taken to be aged 50 and over.

METHODOLOGY

Sample

The quantitative sample of business owners of all ages was derived through the West Australian Business Enterprise Centre (BEC's) network and involved both metropolitan and regional respondents. The BEC network provides business assistance and advice to people wishing to start up in their own business and the BEC managers keep electronic records of each person who they consult with. The network sees on average 115,000 people per year of all ages, not all of which go on to actually start a business. Anecdotally the BEC's managers report that many of the people who seek advice are older people inquiring about starting a business as an alternative to mainstream employment or because they have already left their previous place of employment either voluntarily or not.

In addition 15 in-depth interviews were conducted with older respondents who indicated on the questionnaire that they were willing to participate in a follow-up interview. The results of the interviews are presented after the quantitative results.

The Questionnaire

The questionnaire was designed to examine the following topics:

- background information regarding the business,
- background information regarding the business owner including reason for becoming self-employed in the first instance,
- level of competence in operational business skills at time of start-up and currently,
- training participation
- preferred method of training delivery

Data collection

A self-administered survey was developed by the research team in consultation with the industry partners, small business operators and small business training providers. The survey was distributed to 1950 small business owners from four purposefully selected areas in metropolitan and regional Western Australia. A total of 270 completed surveys were returned representing a response rate of 14%. In addition there were a total of 255 surveys returned to sender indicating that the business was no longer at the address to which it had been sent or

the business was no longer operating. Using existing databases is always problematic, especially when databases were not initially derived for the purpose for the later data collection. Excluding the returns to sender, the final response rate was 16%.

Whereas this is not a particularly high response rate, it is consistent with many surveys of small business owners. Small business owners are notoriously difficult to survey, such is the nature of their business operations and the issue of being time poor is a consistent theme for most small business owners. The number of responses were however sufficient to be able to conduct appropriate statistical analysis and interpretation.

RESULTS

Notes on interpretation of results

1. Where the results are shown in terms of mean ratings, the ratings are based on a six point scale with anchors of 'not effective' to 'very effective' or 'not competent' to 'very competent', where the rating of 6 represents the most positive rating, 'very effective' or 'very competent'. This means the higher the rating, the more positive the result. Mean ratings of 4 or higher indicate 'positive' results and ratings of 3 or lower indicate 'negative' results eg 'not effective' or 'not competent'.

2. Where significant differences are noted, the statistical test that has been performed was the *t*-test. The Independent-Samples T Test procedure compares means for two groups of cases and determines whether the two group means are statistically different, that is, whether the difference is a 'real' difference and therefore present in the total population, not just the sample. The statistical analysis package used was SPSS V 13 for Windows.

SECTION 1 Demographics

This section gives demographic information about the business owner and their business. Throughout all sections from here on in, tables and figures will show the total sample and any significant differences between the 2 age cohorts, that is small business owners under 50 and over 50 years of age. Also, when relevant, gender is used as an additional variable.

Business Owner Characteristics

Age and Gender total sample

The majority of respondents (62%) were over the age of 40 and just over half (53%) were male. This is comparable with the latest Australian Bureau of Statistics³² figures on small business (Catalogue 8127.0) on the age distribution but not on the gender distribution, which the ABS state as 68% male and 32% female. It should be noted that the ABS categorises age brackets into 3 brackets, whereas this study collected continuous data and therefore can produce finer results. The difference on gender ratio may be explained by the fact that the database was derived from business owners who had previously received a training voucher

from a Business Enterprise Centre, and previous studies^{33,34} show that women used the vouchers to a much greater extent than men.

Table 1: *Age*

Age range	Current study	ABS
< 30 yrs	8%	10%
31-40 yrs	30%	
41-50 yrs	32%	59%
> 51 yrs	30%	31%
Total	100%	100%

Business categories

The sample was fairly representative of small business overall, however there was a high proportion of retail and a lower than average construction and service types of businesses.

Table 2: *Percentages of industry category representation*

ANZSIC category	%	Examples
Retail trade	23	Furniture, Florist, Fruit & Vegetable Shop
Property and Business Services	19	consultancy, solicitor, financial planning, bookkeeping
Accommodation cafes & restaurant	9	bed & breakfast, café, hotel
Personal and other services	8	animal boarding, hairdressing, portrait studio
Cultural and Recreational Services	6	DJ, sports coach
Education	6	children's music program, professional tuition
Manufacturing	6	Tent manufacturers, steel fabrication
Construction	6	Builders, plumbers
Transport & storage	4	Removalist, taxi driver
Health & community service	4	Podiatrist, speech therapist
All other categories (4)	9	
Total	100%	

Business Operation Location

Of the 270 business respondents, 52% operated their business from home. More females (57%) than males (47%) operated their business from home, which is different to the ABS data which states that 66% of businesses operated from home are operated by men. The differences here may be explained by the higher proportion of women who participated in this study overall.

Time in Business

Approximately half of the total sample had owned their business for five years or less and the average age of the owner when they started their business was 35 years old. When comparing older to younger small business owners, older owners had been business owners for an average of 3.7 years and spent an average of 42 hours a week working in or on the business. This is compared to younger business owners (under 50 yrs of age) who have been in business, on average, for 8.7 years and work around 47 hours per week in or on their business.

Education level attained

The respondents were relatively well qualified, with over 60% of the total sample indicating that they held a diploma or university degree. Less than 20% of the sample had only completed Year 10. There was no unexplainable difference with regard to age other than a slightly higher percentage of older owners having diplomas compared with younger owners, however that and the higher number of year 10 exits and lower year 12 exits would be a function of better educational opportunities over time, as well as educational policy changes.

Table 3 *Highest level of education attained*

	total	<50	>50
Completed Year 10	17	16	21
Completed Year 12	14	16	9
Apprenticeship	7	7	6
Diploma	26	24	29
University Degree	36	37	35
	100%		

Business qualifications prior to start-up

The most common form of business qualification prior to starting up their business was a TAFE business qualification (24%), followed by a university business qualification (16%). There was some overlap between qualifications with around 40% of those holding university qualifications also holding TAFE qualifications. There is an age difference here with older people more likely to go to university rather than TAFE for a business qualification with the reverse for people under 50. However what is more pertinent is that a third (33%) had no

formal business qualification prior to start-up. This may well be because people do not realise the operational difficulties of running a small businesses and therefore think they can either learn the skills in situ, or they think they already possess the required competencies. As will be seen in Section 2 the reality is quite different. This is an area that needs attention and is also an opportunity for training providers to promote the importance of gaining base competencies and skills relevant to small business operation.

Table 4: *Comparison of business qualifications and age cohorts*

	Total	<50	>50
TAFE business qualification	24	27	20
University business qualification	16	15	19
Private trainer provider (RTO) business qualification	14	14	14
Private business colleague business qualification	7	7	6
AIM business qualification	6	6	6
No stated business qualification	33	31	35
Total	100%	100%	100%

Business Characteristics

Time spent working in or on the business

On average, total respondents spent approximately 45 hours a week working in or on their business. Although 45 hours was the average, the actual range varied from 15 hours to 105 hours per week. Older owners spent slightly less time, (42 hours per week) in or on their business, which indicates that owning a small business is a time consuming operation and age is not a significant factor.

Staffing

The table below indicates the level of full-time and part-time staff employed by the respondents. Just over a quarter had no full time or part time staff at all, making them non employing or sole traders. Of the respondents employing between 1-5 staff the majority here was either 1 person (31%) or 2 people (16%). Very few of these businesses got over the micro business level, that is employing more than 5 staff. Older owners were even less likely to employ anyone, either full time or part time. These figures correlate with annual turn over (see Table 7) in that older owners have lower turnovers therefore it could be extrapolated that they need less staff.

Table 5a: *Total staffing levels*

	Full time %	Part time %
No employees	27	59
1-5 employees	62	34
6-20 employees	11	7
>20 employees	1	0

Table 5b: *> 50 staffing levels*

	Full time %	Part time %
No employees	33	57
1-5 employees	57	38
6-20 employees	9	5
>20 employees	1	0

Expansion Plans

Not surprisingly, the expansion plans for most business owners (74%) was to increase their profitability. Around 63% of respondents indicated that they would be trying to expand their business by developing new markets while 56% intended to expand by increasing productivity. There was little difference between the age cohorts on this question.

Annual turnover

Around a third of all respondents reported an annual turnover of less than \$50,000. The remaining businesses were fairly evenly spread over the various categories of turnover with 20% reporting an annual turnover in excess of \$500,000 per year. There were some age cohort differences here, with older owners having much smaller turnovers compared to younger owners. 60% of older owners had turnovers of less than \$100,000 whereas only 44% of younger owners had that turnover. Interestingly there was the same percentage (20%) that had turnovers in excess of \$500,000.

Table 6: *Annual turnover*

	Total sample %	<50 %	>50 %
<\$50,000	29	27	33
\$50,001 – \$100,000	20	17	27
\$100,001 - \$200,000	13	15	6
\$200,001 - \$500,000	18	21	13
>\$500,001	20	20	20

SECTION 2 Reasons for Starting their own Business

The most common reasons for starting one's own business were "to be my own boss" and "wanted the ability to control how the business operated." The least popular reasons were due to retrenchment and redundancy. These are common to most previous research however it should be noted that it is often a number of motivations that result in a person starting a business and it is not normally a dichotomous one, especially for women^{35,36}.

Taking the total sample, the reasons for starting a business did not greatly differ between the younger and older respondents. Only one significant difference was observed, which was that older owners had a much higher mean score on the inability to find suitable employment elsewhere compared to their younger counterparts.

Table 7a: Reason for starting in business by age cohorts - total sample

	< 50 yrs n=182	> 50yrs n=79
	Mean	Mean
I wanted to be my own boss	5.10	4.73
I wanted the ability to control how the business is operated	5.02	4.85
I wanted to attain financial security	4.62	4.57
I wanted more flexible hours	4.13	4.03
I discovered a business opportunity/gap in the market	3.88	4.16
I wanted to make lots of money	3.59	3.21
I wanted to balance work and home life	3.71	3.43
I wanted to work from home	3.71	3.43
A lack of opportunities for advancement in last place of employment	2.53	2.62
An inability to find suitable employment elsewhere	1.92	2.72**
I was retrenched	1.57	2.03
I received a redundancy package	1.33	1.68

** Significant difference observed at the 0.05 level.

T-tests were also conducted comparing age within a single gender and also comparing gender within a single age cohort. There is clearly an issue for both older men and older women in regard to the inability to find suitable mainstream employment, thus self employment becomes a 'forced' or 'pushed' option. People who choose self employment as a last resort have been referred to as reluctant entrepreneurs^{37,38}. Further older women are much less inclined than either older men or younger men to state they started their businesses because

they wanted to be their own boss. This was a point that was also made in the in-depth interviews.

Table 7b: Reason for starting in business by age cohorts – Men only

	< 50 yrs n=88 Mean	>50yrs n=48 Mean
I wanted to be my own boss	5.08	5.02
I wanted the ability to control how the business is operated	5.02	5.06
I wanted to attain financial security	4.79	4.72
I wanted more flexible hours	3.68	3.96
I discovered a business opportunity/gap in the market	3.89	4.09
I wanted to make lots of money	3.84	3.31
I wanted to balance work and home life	3.28	3.29
I wanted to work from home	3.02	3.29
A lack of opportunities for advancement in last place of employment	3.10	2.80
An inability to find suitable employment elsewhere	1.76	2.51**
I was retrenched	1.63	2.05
I received a redundancy package	1.30	1.77

** Significant difference observed at the 0.05 level.

Table 7c: Reason for starting in business by age cohorts– Women only

	< 50 yrs n=94 Mean	>50yrs n=31 Mean
I wanted to be my own boss	5.12	4.27**
I wanted the ability to control how the business is operated	5.01	4.50
I wanted to attain financial security	4.45	4.31
I wanted more flexible hours	4.54	4.13
I discovered a business opportunity/gap in the market	3.88	4.27
I wanted to make lots of money	3.35	3.04
I wanted to balance work and home life	4.10	3.66
I wanted to work from home	3.74	3.45
A lack of opportunities for advancement in last place of employment	2.01	2.32
An inability to find suitable employment elsewhere	2.07	3.08**
I was retrenched	1.53	2.00
I received a redundancy package	1.35	1.52

** Significant difference observed at the 0.05 level.

The most differences were between younger males and females and whereas younger business owners were not the primary focus of this study, the results are worth noting, in particular as general information about younger business women as a discrete business cohort. The statistically significant differences stated by younger women compared to younger men as the reasons they started their own businesses, flexible hours, wanting to work from home and the need to balance work and family clearly indicate that women are still doing the double shift of having to cope with family and work. Self employment for women, with all its associated difficulties, is seen as a preferable to working for larger organisations and may well also say as much about the inflexibility of employers towards working women who have family responsibilities, as it does the desires of the women to become self employed.

Table 7d: *Reason for starting in business by age cohort under 50 only*

	Male n=88 Mean	Female n=94 Mean
I wanted to be my own boss	5.08	5.12
I wanted the ability to control how the business is operated	5.02	5.01
I wanted to attain financial security	4.79	4.45
I wanted more flexible hours	3.68	4.54**
I discovered a business opportunity/gap in the market	3.87	3.88
I wanted to make lots of money	3.84	3.35
I wanted to balance work and home life	3.28	4.10**
I wanted to work from home	3.02	3.74**
A lack of opportunities for advancement in last place of employment	3.10	2.01**
An inability to find suitable employment elsewhere	1.76	2.07
I was retrenched	1.63	1.53
I received a redundancy package	1.30	1.35

** Significant difference observed at the 0.05 level.

Table 7e: Reason for starting in business by age cohort over 50 only

	Male n=48 Mean	Female n=31 Mean
I wanted to be my own boss	5.02	4.27**
I wanted the ability to control how the business is operated	5.06	4.59
I wanted to attain financial security	4.72	4.31
I wanted more flexible hours	3.96	4.13
I discovered a business opportunity/gap in the market	4.09	4.27
I wanted to make lots of money	3.31	3.04
I wanted to balance work and home life	3.29	3.66
I wanted to work from home	3.15	3.45
A lack of opportunities for advancement in last place of employment	2.80	2.32
An inability to find suitable employment elsewhere	2.51	3.08
I was retrenched	2.05	2.00
I received a redundancy package	1.77	1.52

** Significant difference observed at the 0.05 level.

SECTION 3 Initial and current competencies

This section reports on the initial, current and required business competencies of the respondents. It also documents previous training they had completed and what area they still felt they needed additional skills training in.

Competency Before Started Business

The questions regarding the level of skills competency pre start-up were asked both as a scale of 1 – 6 and a subsidiary yes no question as to whether the respondent had received formal training. Formal training in this instance is regarded as having some sort of accreditation or qualification of gained competence from an authorised source, such TAFE, a university, a private training provider, a private business college or AIM.

The highest level of competence stated by all respondents were in the areas of customer service skills and people management skills. These skills were also those that they were more likely to have had formal training in, with around 35% of respondents reporting training in these areas. The area in which most respondents felt less competent was in the area of electronic commerce skills, not surprisingly, this also was the subject of the least formal training.

Whereas there was little age or gender difference on the amount of formal training prior to start-up, there were significant differences on assumed competencies between the age cohorts and gender. Older owners rated their skills significantly higher than the younger age cohort on the issues of managing people, budgeting and credit control. Younger owners were significantly higher on their computer skills. With the exception of budgeting both groups had had the same amount of formal training in these competencies. Women rated themselves significantly higher on both customer service and managing people and had a much higher rate of formal training in customer service. Women also rated themselves significantly higher on computer and internet skills. These may reflect the type of work that women did before becoming self-employed, for example women are more likely to have been in administrative or management positions as opposed to manual occupations.

What is interesting about both the mean scores and amount of pre-start training is that respondents rated themselves highly on most skills, yet had had relatively little formal training in those areas. This may again indicate that perhaps owners of small businesses believe that operating a business is an innate rather than an acquired skill. This may or may not be correct, however if some of the open ended comments are anything to go by, these same respondents found operating a small business extremely difficult, possibly indicating that if they had acquired more operational skills before starting, they may have not found the task so arduous. In addition there is a staggering low percentage of respondents who had formal budgeting and credit control skills, which are a vital part of any business operation. It may well be, judging by their stated over average scores in these two competences, that they had acquired these skills in an informal vicarious way, the difficulty of that however is not knowing if they have acquired the correct skills.

Table 8a *Skills competency and amount of formal training before starting business: total sample*

	Mean	% having formal training
Customer service skills	4.81	33
Management of people skills	4.12	35
Sales skills	3.68	24
Budgeting skills	3.67	20
Credit/debt control skills	3.61	15
Computer packages skills	3.48	29
Inventory management skills	3.43	11
Internet/Web use skills	3.42	20
Marketing/advertising and promotion skills	3.23	23
Staffing skills	3.21	15
Business planning skills	3.19	24
Accounting/book keeping skills	3.14	30
Electronic commerce skills	2.45	8

Mean derived from 6 point scale (1 = not competent 6 = very competent)

Table 8b *Skills competency and amount of formal training before starting business by age*

	Mean		Formal training %	
	<50	>50	<50	>50
Customer service skills	4.85	4.71	33	31
Management of people skills	4.01	4.38**	35	35
Sales skills	3.65	3.75	24	25
Budgeting skills	3.51	4.04**	18	25
Credit/debt control skills	3.48	3.92**	15	15
Computer packages skills	3.62	3.12**	28	28
Inventory management skills	3.38	3.59	13	6
Internet/Web use skills	3.54	3.11	21	17
Marketing/advertising and promotion skills	3.22	3.24	24	21
Staffing skills	3.09	3.50	15	15
Business planning skills	3.07	3.46	22	28
Accounting/book keeping skills	3.05	3.38	29	32
Electronic commerce skills	2.49	2.35	9	5

** Significant difference observed at the 0.05 level.

Table 8c *Skills competency and amount of formal training before starting business by gender*

	mean		Formal training%	
	Women	Men	Women	Men
Customer service skills	5.06	4.59**	37	28
Management of people skills	4.29	3.97**	36	34
Sales skills	3.66	3.69	21	27
Budgeting skills	3.71	3.62	18	22
Credit/debt control skills	3.60	3.61	13	16
Computer packages skills	3.70	3.27**	32	25
Inventory management skills	3.47	3.41	12	10
Internet/Web use skills	3.69	3.19**	24	16
Marketing/advertising and promotion skills	3.29	3.18	28	19
Staffing skills	3.21	3.21	18	13
Business planning skills	3.11	3.25	28	20
Accounting/book keeping skills	3.16	3.13	35	25
Electronic commerce skills	2.40	2.40	9	6

** Significant difference observed at the 0.05 level.

Current competency

Respondents were asked to assess their current competencies on the same items and whether they believed they currently needed any training in these areas. In terms of current skills, respondents still felt most competent in the areas of customer service skills and people management skills. Similarly, they felt least competent in the area of electronic commerce skills, which is similar to their initial competencies. Respondents also reported improvement on all items with few age or gender differences, other than women still reporting higher customer service skills.

Table 9a *Current skills competency and training required total sample*

	Mean	% requiring training
Customer service skills	5.33	20
Management of people skills	4.85	24
Sales skills	4.59	30
Budgeting skills	4.42	35
Credit/debt control skills	4.43	28
Computer packages skills	4.36	42
Inventory management skills	4.24	21
Internet/Web use skills	4.49	37
Marketing/advertising and promotion skills	4.40	40
Staffing skills	4.21	26
Business planning skills	4.31	41
Accounting/book keeping skills	4.41	40
Electronic commerce skills	3.41	40

Mean derived from 6 point scale (1= not competent 6 = very competent)

Table 9b *Current skills competency and training required by age*

	mean		% requiring training	
	<50	>50	<50	>50
Customer service skills	5.31	5.38	21	17
Management of people skills	4.77	5.04**	28	15
Sales skills	4.56	4.68	34	22
Budgeting skills	4.38	4.55	40	22
Credit/debt control skills	4.41	4.48	32	19
Computer packages skills	4.43	4.22	40	46
Inventory management skills	4.22	4.30	22	17
Internet/Web use skills	4.52	4.41	37	38
Marketing/advertising and promotion skills	4.42	4.36	42	37
Staffing skills	4.16	4.35	31	16
Business planning skills	4.28	4.39	45	30
Accounting/book keeping skills	4.37	4.53	43	31
Electronic commerce skills	3.46	3.30	41	40

** Significant difference observed at the 0.05 level.

Table 9c *Current skills competency and training required by gender*

	mean		% requiring training	
	Women	Men	Women	Men
Customer service skills	5.52	5.16**	21	18
Management of people skills	4.95	4.73	22	26
Sales skills	4.56	4.62	32	29
Budgeting skills	4.42	4.43	39	32
Credit/debt control skills	4.43	4.53	27	29
Computer packages skills	4.48	4.26	41	42
Inventory management skills	4.17	4.31	22	20
Internet/Web use skills	4.59	4.40	37	37
Marketing/advertising and promotion skills	4.47	4.34	48	34
Staffing skills	4.23	4.20	31	22
Business planning skills	4.24	4.38	41	41
Accounting/book keeping skills	4.51	4.43	41	39
Electronic commerce skills	3.25	3.56	44	37

** Significant difference observed at the 0.05 level.

Comparison of skills before start-up and currently

As table 8 shows, business owners had greatly increased their level of skills after starting their businesses, the differences between 'before' and 'current' skills levels are all statistically significant at the highest level (0.001). As all items were significant gender and age cohort comparisons did not show any subsequent differences.

This is an extraordinary result in that all items had increased significantly and that all respondents rated themselves as competent on all measures and very competent on some. What is also interesting is that even though the respondents are rating themselves as competent many state they require further training on all items to varying degrees. It may well be the case that what the respondents perceive as competent may in reality not be a high level of skill. However this is speculation and cannot be substantiated. Given this result it is astonishing that any businesses fail or that so many are only turning over less than \$100,000.

Table 10 *Current skills competency and training required total sample*

	Before	current
Customer service skills	4.81	5.34**
Management of people skills	4.12	4.84**
Sales skills	3.68	4.60**
Budgeting skills	3.66	4.41**
Credit/debt control skills	3.61	4.42**
Computer packages skills	3.46	4.38**
Inventory management skills	3.45	4.24**
Internet/Web use skills	3.42	4.51**
Marketing/advertising and promotion skills	3.24	4.40**
Staffing skills	3.21	4.22**
Business planning skills	3.19	4.30**
Accounting/book keeping skills	3.14	4.41**
Electronic commerce skills	2.46	3.44**

** Significant difference observed at the 0.01 level.

SECTION 4 Training needs

As stated in the previous section, even though most respondents rated themselves as competent to very competent on all items, they also stated they required further training in all items. In this section issues relating to the specific types of training needed are reported as well as the preferred delivery method and how much the businesses budgeted for training each year. The section starts with budgets as training is unlikely to happen if there are no financial resources allocated.

Training Budget

For most small business owners training represented a very small proportion of their annual budget, with almost half (49%) of all respondents budgeting less than \$500 per year for training. There were also businesses with larger turnovers still budgeting less than \$1000 on training per year. There are clearly some contradictory results here in that respondents are stating that they require further training in numerous areas but do not have a line item for training. This may infer that training is very much just in time, in that it occurs as a reactive measure rather than a proactive measure and is seen as a cost and not an investment.

Table 11 *Annual training budget and annual turnover*

Annual training budget	Annual turnover				
	<\$50,000	\$50,000-\$100000	\$100,001-\$200,000	\$200,001-\$500 000	>\$500 000
< \$500	21%	11%	8%	5%	4%
\$501 - \$1 000	7%	5%	3%	8%	4%
\$1 001 - \$5 000	2%	3%	1%	5%	7%
\$5 001 - \$10 000	0	1%	0	1%	4%
\$10 001 - \$20 000	0	0	0	0	1%
> \$20 000	0	0	0	0	1%

Method of Training Delivery

Overall, the most popular method of training was on the job training. The least popular methods of training were CD/self-paced training and internet based training. It would appear that the greater the level of human interaction the more popular the training. It should be noted that there was a high proportion of respondents who indicated 'not applicable' or did not answer the question for several of the options, as seen in Table 10a, which may indicate that many small business owners are only responsive to traditional training delivery methods, such as on-the-job or workshop or seminars, all of which are very personal contact focused.

Table 12a *Effectiveness of Training Delivery Method*

	Total sample	Women	Men	<50	>50
on-the job training	4.48	4.64	4.34	4.64	4.14
workshop/seminar	4.39	4.72	4.10	4.34	4.53
mentor	3.07	3.28	2.89	3.22	2.70
TAFE	2.33	2.24	2.40	2.52	1.86
university	2.02	2.17	1.89	1.97	2.13
CD (self paced)	1.54	1.33	1.74	1.48	1.70
internet based on-line	1.30	1.34	1.27	1.31	1.27

Mean scores on 6 point scale 1 = not effective 6 = very effective

Table 12b *Non response and not applicable responses to preferred training delivery method*

	% Non response rate	% Not applicable
on-the job training	8	13
workshop/seminar	3	5
mentor	12	30
TAFE	10	41
university	13	46
CD (self paced)	16	43
internet based on-line	15	50

Additional Training Required

Respondents were asked if there was anything that they required training in that they could not receive elsewhere. 80 respondents replied to this question. Many said that they did not require any more training - due to age or other reasons - and others felt that they could do with training but that the cost was prohibitive or quality training was not available. Many cited very specific areas or programs for which training is available, for example:

- MYOB software
- Business studies
- Internet research
- Excel
- Public speaking
- Time management
- Stress management
- Money management
- Website design/maintenance
- Handling customer complaints
- Privacy act, franchising (legal aspects)
- Sales
- Writing tenders

Others mentioned industry specific training needs, for example:

- Advanced training in floral architecture from a European designer.
- Bookkeeping & analysing accounting data for the creative services

- Diploma in TESL (non Grad)
- Training in boomspray plumbing (very specific job)
- National accreditation Training - Carpet Cleaning
- NEIS aimed at Jim's Mowing
- OH&S for farm machinery
- Software appropriate to my bus including the transfer & alteration of artwork
- Training of landscape construction crews in hard landscape construction works

Some of the more generic skills that were mentioned that are not the subjects of normal training included:

- How to cope with the bias about age - perception that age affects work performance
- How to find and keep reliable staff
- How to get the right people. How to cope with everything in general.
- How to make consulting profitable
- Selling for non-retail industries
- How to stay motivated and not become stale
- Marketing for inbound operators and national and international wholesalers
- Mentoring/on the job training for marketing & advertising.
- Self enhancement
- Setting boundaries with customers, higher price before commencing work. Juggling bills and taxes.
- Succession planning or selling your business.

What is difficult to ascertain is actually how hard the respondents looked to find the training they required. Some of the items mentioned are very specific but others, such as basic computer programs such as Excel and MYOB are readily available. This may well indicate that small business owners do not think of training as important to their business operation and therefore only seek it out when absolutely necessary and then want to access that training immediately, at which point that specific training may not be available in the delivery mode they prefer. Where they access general business information is then of utmost importance as is how they keep informed.

SECTION 5 Information sources and information required

Sources of Advice

The business owners were asked who they had consulted before commencing their business. The most popular source of advice was accountants (55%), followed by family and friends (44%). Other small business owners were an importance source of advice, as were the BEC network and Small Business Development Corporation. It should be noted that the database for this study was derived from the BEC network so in fact all respondents had been in direct contact with a Business Enterprise Centre or the Small Business Development Corporation. So whilst the percentage of respondents who cited them as sources of advice is higher than other studies that have looked at this issue^{39,40}, it should in fact be much higher.

Overall women appeared to seek more advice than men in all categories and younger owners more so than older owners. Previous gender studies^{40,41} suggest that women do seek more advice before starting their own businesses whereas men are perhaps more gung-ho and more prepared to take risks. Not surprisingly women owned businesses are less likely to fail than businesses operated by men^{41,42}.

In relation to age cohort difference this could infer that older owners believe that their life skills are sufficient to operate a small business and therefore did not need professional advice in the first instance. The consequence of this from an agency perspective is that older owners become a difficult cohort to target for information. Multiple responses were allowed.

Table 13 *Sources of advice at start-up*

	% Total sample	% Women	% Men	% <50	% >50
Accountant	55	57	53	57	51
Family & friends	44	45	42	47	37
Other small business owners	38	39	37	42	28
BEC	37	43	32	40	30
SBDC	35	42	29	38	30
Reference books	30	37	25	32	26
ATO	28	33	23	32	18

Keeping informed

Leading on from how best to target small business owners a question was asking regarding how the owners kept up to date with what was happening in their industry. This is important to know as small business owners are time poor, therefore any avenue to contact them in relation to information regarding training initiatives needs to be considered. Multiple responses were allowed and the majority of respondents appeared to actively seek information from a variety of sources. The most popular information sources were informal and unstructured rather than formal. The respondents indicated a high level of membership of both business associations and professional / industry associations, which could mean that this is a possible a good avenue for information distribution. Multiple responses were allowed.

Table 14 *Information source*

Information source	%
Informal networking	69
Subscription to journals magazines	62
Ad hoc seminars and workshops	62
newsletters	60
Internet	54
Membership of professional/industry association	49
Membership of business association	47
Business section in the newspapers	41
Formal training	26

What do you wish you knew when you started your business that you know now?

Finally, respondents were asked what knew now that they wished they knew when they started their business. There was a large and varied response to this question but the main topics included:

- Skills such as accounting and bookkeeping, business planning, budgeting, marketing, inventory management, cash flow, credit control,
- Taxation/GST information
- Computer programs/databases and general IT and internet skills and using the web
- How and where to ask for help running a business,
- How to access grants

- Staff recruitment - how to find good people.
- How hard it is - long hours, time away from family, stress etc
- How much time and effort is needed to be successful.
- Capital required for first couple of years

SECTION 6 Personal interviews

To complete the quantitative results and to provide more in-depth information regarding older small business owners, 15 interviews were conducted with nine women and six men who had all commenced their businesses when they were 50 years of age or older. The businesses were in both metro and country Western Australia and the interviews were conducted either by telephone or in person.

One key area of interest was their initial motivation to start their own businesses. The dichotomous pull or push motivation was not so apparent with these business owners. The results of the interviews indicate three different pathways from mainstream employment to small business ownership which are more applicable to older rather than younger business owners and these were; forced situational, opportunistic and lifestyle change.

The first pathway influenced by previous employment, forced situational, involved starting the business as a direct consequence of a circumstance in previous employment, which could be either a positive or a negative factor. For example, some owners became consultants to their previous employer and were still effectively doing the same work, but in a different organisational setup. The motivations for choosing to work in this way were to have more control over their work and to be their own boss. One respondent said:

In my previous work I was frustrated because I had no chance of career progression, my work wasn't recognised and I was the only person who did intellectual work. I decided to start my own business to protect my intellectual property.

This person articulated a general perception amongst the respondents that the market does not reward or recognise them for their experience and expertise, and as a result it is considered more beneficial for them to work for themselves.

Another respondent, who worked for a large government department until it was restructured and her contract was not renewed, started a business as a consultant and is now a contractor to the department. Her comment was:

Although I never intended to start my own business, there are many advantages to working for myself. With the work I do, it's better to work from home and I get all the professional stimulation I need from training courses and being a member of professional organisations.

The second pathway influenced by previous employment, opportunistic, involved the identification of a niche market within previous employment. The viability of the new business venture is important here as it draws upon the individual's experience, expertise, and product and industry knowledge. The respondents' motivations for working in a niche market were similar to those who worked as consultants and cited reasons such as wanting control, independence and autonomy. One participant who worked for 17 years promoting a specific industry started her own business as a business coach to that industry. Her comment was:

I saw a gap in the market and decided to create a job around it. I wanted to get off my seat and onto my feet.

The third pathway influenced by previous employment, lifestyle change, was identified as the option of having a complete break and change from previous employment. In each case, the motivation for the break was because of a lifestyle change, such as moving interstate or changing from an administration position to a more manual hands-on occupation. For example, one respondent who was a senior administrator for 23 years, decided to move to a rural town and buy into a franchise business. Although she works 60 hours a week, she appreciates her improved quality of life. As she commented:

I work just as hard, but in a different way. I don't have the mental stress that I did as a nurse and I enjoy having different responsibilities.

Another respondent who was an accountant before starting his own gardening business said:

I can set my own pressures and expectations because I'm only performing for myself. It suits me because I can work smarter, and I don't have to answer to senior management anymore.'

Regardless of the level of similarity or difference of previous employment with their new business, each respondent indicated they drew on previous work experience to run this business. While this is logical when directly transferring their specialised skills into their own consultancy or niche market, it was also evident when they had a complete career change. In cases such as these, respondents said they used more generic skills such as communication and negotiation. The respondents were utilising their experience and knowledge as a resource. As one participant who was a school principal for 20 years and on retirement started a tourism business said:

As a principal you learn to solve problems, not create them.

Some of the respondents had not made a complete break from their previous employment and still had part-time employment to supplement their income. Some of the businesses had only been in operation for one year, and they were using this income while they established their business. Other businesses were seasonal, and they worked part-time during own their business' quiet season.

In each of these three pathways to self-employment, respondents commented on the difficulties they faced as an older worker in the mainstream employment market. Push factors involve both environmental and social circumstances, such as perceptions that older people are either less technically able or less committed to organisations compared to younger people. One respondent stated:

Nobody wants to employ someone as old as me.

And another said:

I do the best I can in an unwelcome environment.

As with all new business owners, irrespective of age, there are various pathways to the initial decision to start a business. The compounding factor for older people is that their options in mainstream employment decrease as they themselves age, making their employment decisions influenced more by push factors than pull factors.

Respondents were asked whether they had always intended to start their own business. The majority said that they had not previously considered it and had assumed that they would continue in their occupation or general employment until they reached retirement age. People who had never had any intention of ever starting a business generally cited push reasons, such as lack of suitable alternative employment options and financial concerns. The only pull factors that were evident were lifestyle choices and identification of a niche market. One respondent worked in an industry for 14 years before having to leave for personal reasons and described how she decided to establish her business:

I never thought to start a business until there were no other employment options. The welfare agencies were not helpful because they offered programs for younger people. They said I was too old for them to worry about. I needed an income to support myself; I was too young for the pension and I wasn't eligible for welfare payments because I had money in the bank.

In contrast two respondents stated that they had already considered starting their own business because they wanted to utilise their resources and were waiting for the right opportunity to start their business. One respondent who used his redundancy package from his previous job to enable him to start his own business said:

I had always wanted to start my own business; I was just waiting for the right opportunity. I never seriously considered any other options because going into business for myself was what I wanted to do.

It is common for small business owners to say that they always wanted to start their own businesses, however for the majority of people in this older age cohort that was not the case. A significant reason in deciding whether to start a business is, for older people, the aspect of financial risk.

For some of the respondents the starting of a new business meant drawing on savings. When the respondents had either a superannuation package or a spouses' wage to draw upon, the reliance on the income generated from the business decreased. In cases such as these, the businesses were often started as hobbies or to improve their lifestyle. In contrast, when the business was started to provide the sole income, the business was effectively under financial pressure from the outset. While this is not surprising, this influences business viability and has implications for the provision of assistance and training. Particularly, most respondents commented that their business had cost more to establish and run than they had expected.

When they could draw upon external finances (such as superannuation, part-time work or spouses' wage), the potential for business viability increased. When there were no available external finances, their confidence in their business survival decreased. As one participant said:

Without financial support from my family, I would've had to close the business.

However, while financial aspects are most certainly important, and no business can survive for long without positive cash-flow, for most respondents making lots of money was not a significant motivator in their initial start-up or their current operation. Instead, respondents maintained they wanted to make enough money for a comfortable lifestyle. This is partly due to the fact that few respondents work full time hours, with the average working 20-30 hours per week on their business and most intend to scale their hours down in the future.

A motivator cited by some respondents for starting their own business was to create a better work life balance. Respondents recognised the demanding and often unrewarding nature of mainstream employment and believed that small business ownership would not only allow them to spend less energy on the business than they would in mainstream employment but they could achieve higher levels of satisfaction. Many respondents commented on the status of their health and energy levels as being a motivating factor for business start up. As one participant commented:

To be honest, I think I'm entitled to more leisure time at my age, and working 20 hours a week on my business gives me the time I need.

And another participant who was a manager of before retraining as a teacher said:

I can't work like a 23 year old anymore. I have arthritis and a few other health problems, so I try manage my work with diminished energy.

Many of the respondents appeared to be enjoying the change in their career from mainstream employment to that of self-employment despite an initial negative reason for start up. They had also worked out how to get the best out of their situation but were keenly aware of the difficulties and challenges of starting a new business and then maintaining it. The respondents were asked to describe the challenges they had when they started their business and to identify factors which would have made the transition to self-employment smoother.

Common responses were not being prepared for the financial costs, marketing, the difficulties developing a client base and managing budgets. What is evident from the results of the interviews is that the respondents who faced fewer challenges were those that had previous experience with business administration. For example, one respondent who started his own consultancy business said:

I have a business degree in marketing so I'm familiar with writing business plans and marketing. Even though I find the bookkeeping and tax recording tedious, I'm able to do it. I think I know how it works, but it never hurts to check.

Although most respondents said they found the initial start-up period of their business to be a difficult time, they were all positive about the decision to start their own business and they expected the business to be viable.

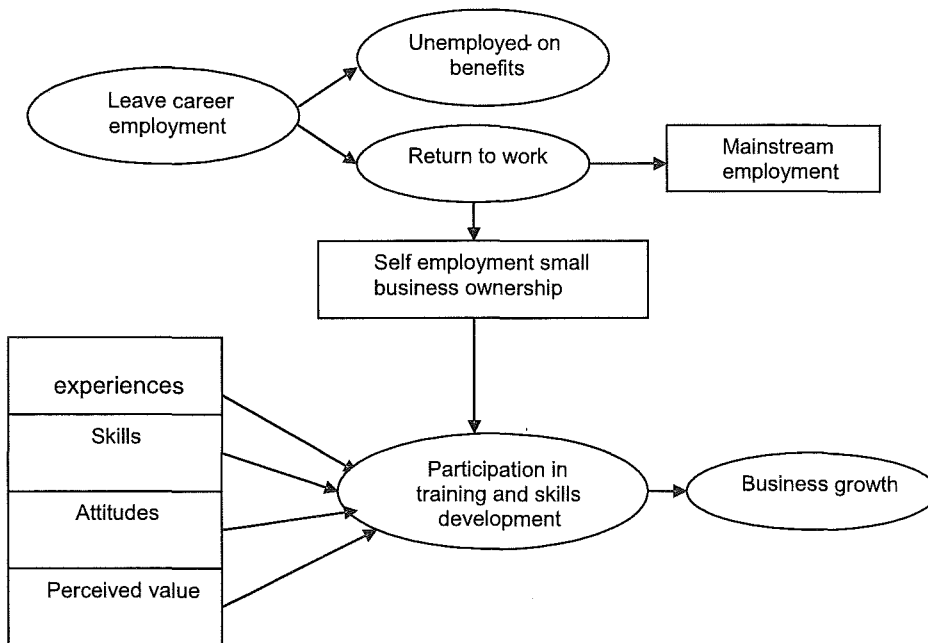
Most of the respondents did not think they needed formal business training and were confident in their own abilities. This may well be because most of the owners had no long term plans for their businesses and were conducting their businesses for an income stream rather than the creation of a business empire. All of the businesses were mono-generational as they were started with a finite time-frame. Furthermore, this suggests that these small business owners are using their business as a means to buy their employment rather than create a continuous business operation and as job creation for other people, especially as none mentioned younger family members joining the business.

These interviews shed some light on possible generational differences in the motivations for starting a new business and also have implications for business advice and training. If businesses are started as income streams rather than on-going entities, then the type of advice and training required will be different. However even if a business is started simply as an income stream there is still a significant amount of compliance required and failure to understand this can lead to even very small short-term businesses failing, and consequently not producing the income stream. There is still a need to inform these short-term business owners on aspects of business operation via small business training, but perhaps what is needed is a more targeted approach to this group, which acknowledges their past work and life experiences.

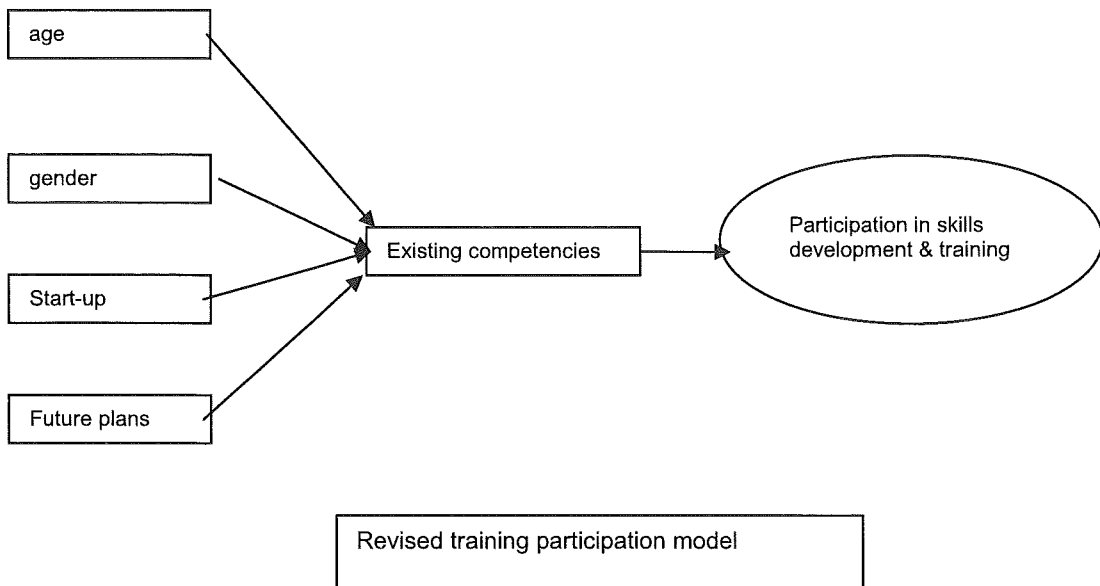
CONCLUSION

The results of the quantitative and qualitative data indicate that irrespective of age or gender, training for most small business owners is not something that they consider critical to their business operation. Training is seen as a cost and not an investment and if it is done at all it is reactionary rather than being seen as part of the business plan or strategy. Indeed older business owners are less likely to be involved in training and appear to regard the skills and competencies that they have acquired during their work lives as sufficient to operate a small business.

The traditional belief that training was a factor in business growth may still hold true and that self employment is a viable option for older workers, as seen in the model below.



However there are other factors that need to be considered in whether older business owners will engage in any form of training, as shown in this second model. All of the factors of age, gender, initial motivation for start-up and future plans will all influence whether an owner of a small business will partake in training.



This is substantiated by the written and verbal comments made, which were less than positive in many instances and some owners stated that there was not enough training for certain things, or that it was done by people who did not understand small business or it was too expensive. It could be said that some of the comments regarding lack of training were unreasonable, given that all of the respondents were derived from a Business Enterprise Centre database and all BECs run inexpensive short training courses. The conclusion is not that there is insufficient training available to small business owners; rather many small business owners do not know how to access it. Some of this is due to a piecemeal approach to small business in general and overall lack of policy at a state and federal level. Another reason is that many small business owner operators went into their businesses with few formal operational business skills, yet rated themselves highly on these small operational skills. They then inexplicably stated they needed training in these issues, clearly, they didn't know what they didn't know.

It would appear that for most small business owners training is viewed very much as a just-in-time method of problem solving, and the concept of life long learning is not apparent in the majority of respondents. That is not to diminish the difficulties of owning and operating a small business, however with that ownership does come responsibility. It is the responsibility of the business owner to operate their business legally and hopefully efficiently and effectively. These three aspects are not innate and so many small business owners would

benefit from some business skills training. The difficulty is getting the business owners to realise that and then facilitating that learning. This cannot be done in isolation and needs a whole of government approach and the involvement of all stakeholders.

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