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(Seeking, Acting on and Appreciating) the Value of Business Advice

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Previous evidence shows that business advice helps businesses and that more advice is generally better [1-4]. Most firms will take advice from outsiders at some point in their development but fewer firms take advice than seems warranted by the evidence [5]. The reasons for the reluctance to take advice are varied and have been relatively intractable; moreover our understanding of the ‘subtle processes’ within advice has been hampered by the few inductive investigations [6] with recent exceptions [7-9]. These ‘subtle processes’ imply that advice is not a single process but is made up of a series of sub-processes.

With this in mind this report reviews the literature on taking business advice by owner-managers to examine the existing knowledge within the business support; then it combines this existing knowledge with the results from a series of interviews and a focus group of entrepreneurial advisers to discuss three research questions:

RQ1 What stimulates entrepreneurs and SME owners to search for external assistance?

RQ2 What encourages entrepreneurs and SME owners to act on advice?

RQ3 What are the results of assistance?

The report highlights:

- More educated managers and those facing greater challenges are likely to seek assistance;

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- Although managers may perceive that they lack broad experience; it generally requires a trigger event to encourage them to actively seek assistance;
 - Advisers work best when they have a good detailed understanding of the firm with which they are working implying that they need to build relationships;
 - Advice includes the important value that an outside, external viewer can add to legitimate the business's approach imparting more confidence for the owner-managers of the business;
 - Strategic advice enables the firm to prioritise how they may implement their strategic aims; and
 - Advisers' future visits can impose accountability on the company that enables improved future prospects for the business.

The costs and benefits of taking advice are more varied than we generally have previously considered. These are just focused on the economic but also on the social and psychological aspects of running a business. Advice can have economic benefits but it can also add to the social and psychological capacity within the business.