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**A STRATEGIZING-AS-PRACTICE PERSPECTIVE
OF THE "ADVICE PROCESS" OF SMALL
BUSINESS OWNERS**

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**A THESIS SUBMITTED IN PARTIAL FULFILMENT
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DOCTOR OF PHILOSOPHY BY THE ROBERT
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AMANZE RAJESH EJIUGU

DOCTOR OF PHILOSOPHY

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ABSTRACT

This study examines the processes of advice seeking by small business owners and employs a Strategy-as-Practice perspective. The analysis of the data from 33 small business owners identified eleven factors that influenced the processes. These included: cost; proximity; technical skills and knowledge; business ties; similarity of goals; business savvy; appropriateness of advice; knowledge of the other; knowledge of the business and its context; personal relationships and trust. The extent of influence of the factors was shaped by the category of the advice provider as indicated by the type of relationship and the type and extent of trust in that relationship.

This study makes two major contributions to knowledge. First, it highlights the fact that advice seeking is a practice within the broader practice of strategizing and shows the different roles advice plays in small business owner strategizing.

Second, it develops a descriptive framework of the advice seeking practice of small business owners which shows that the small business owner's practice of advice seeking is a set of open-ended activities which are cognitively ordered and spatially-temporally dispersed. High levels of trust and personal relationships are shown to create an advisory space in which the business owner is willing to be open and vulnerable to the advisor and so enables the advisor to gain knowledge of the business owner and his business which help shape the advice given.

Keywords

Strategizing, Practice, Small Business, Advice, Trust, Strategy-as-Practice

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CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

This thesis seeks to understand the way that small business owners seek advice while strategizing from a practice perspective.

The adoption of a practice perspective means that advice seeking while strategizing is viewed as a social practice. A practice being an open-ended set of actions organised in time and space (Schatzki 2012). This view of practice has some implications for this or indeed any study adopting a practice perspective. First, viewing practice as a set of actions implies that practices are activities which are carried out by actors and that these activities will affect other people and/or things. Consequently, an understanding of a practice entails an identification of who the actors are, who is affected by their actions and the linkages between actors. In this study, an obvious actor is the small business owner. It is on his actions that the study focuses while seeking to at the same time understand who the other actors are and how these actors are linked to the small business owner.

Second, this view of practice suggests that actions of the various actors which constitute a practice are organised temporally and spatially. While this seems to point towards actions being organised in a flow or process, the practice perspective is not really concerned with this. It is more concerned with the organising principles. It looks at how one action is chosen instead of the other at a certain time and place. It is this view that this study adopts in investigating how the actions of the small business owner and other actors in the practice of advice seeking while strategizing are organised.

An underlying assumption guiding the research is that it is relevant to study the practice of advice seeking while strategizing from the perspective of the small business owner. This assumption is derived from literature. Small business scholars demonstrate that the

business owner perceives the business as an extension of his or her personality (Carland, Hoy, Boulton and Carland 1984) and consequently it is the business owners who primarily engage in strategizing on a day to day basis (Burke and Jarratt, 2004). Small business advice scholars have highlighted that it is the small business owner, who makes the decisions that advice is required to aid their strategizing, who advice is taken from and how advice is used while strategizing (Burke and Jarratt 2004; Mole, Baldock and North 2013; Kamyabi and Devi 2012). Taken together, there is the indication that the advice sought by the small business owner while strategizing has an impact on the strategy which is developed and that it is the actions of the small business owner which are the primary constituent of the advice seeking practice and so the most important to understand. Thus this study focuses on understanding the actions of the small business owner in seeking advice while strategizing.

While there is growing interest in researching strategy from a practice perspective, strategizing in small businesses and small business advice appear to be under-researched areas. As this field of study is still developing, it does not have a strong or well-defined literature base. Therefore in the tradition of strategy-as-practice research, which assumes a sociological and more holistic approach, this research draws on a broad set of literature from management, strategy and sociology disciplines to inform both the theory and analysis of the small business owners' practice of advice seeking while strategizing.

In researching this field which is still in its infancy, there are some considerations which have to be borne in mind. The research will be exploratory in nature, since it is not guided by an *a priori* theory. In research of this nature, the research questions and their answers are not known or at best can only be partially articulated and understood at the outset (Thomas, 2011; Yin, 2013). While I do not set out into the field without any theoretic assumptions or guidance, the field itself determines what is interesting and should be studied (Glaser and Strauss, 1967). As data is collected and analysed, the importance of some theories are hinted at. It is these that then inform subsequent data collection and

analysis. However, following the tradition of presenting research, when research is written-up, these theories which were indicated by the data as being relevant are presented at the outset as a theoretic framework and literature review which appears to frame the research question, data collection, analysis and discussion. I adopt this tradition in presenting this thesis as it should enhance the reader's comprehension.

1.2 RESEARCH OBJECTIVES

As noted above, this thesis aims to understand the way that small business owners seek advice while strategizing from a practice perspective. More specifically it seeks:

- a) to develop an understanding of the relationship between advice and strategizing from a practice perspective; and
- b) to develop an understanding of the advice seeking practice of small business owners i.e. who their advisors are, how they choose their advisors and how they decide which advice to follow or not to follow.

Having highlighted what the aim of this thesis is and the approach to research and presentation of the research, I am left with one question: what is the motivation for a thesis such as this? I will seek to answer this question in the next section.

1.3 JUSTIFICATION

All over the world, there is a growing awareness of the important contribution small firms make to the growth of national economies. In the United Kingdom (UK) the Department for Business Innovation and Skills (BIS) notes that

“... small businesses drive economic growth by stimulating innovation, creating a competitive spur to existing businesses to increase their own productivity; and by making a disproportionate contribution to job creation” (BIS 2010, p. 7).

Recent statistics from the BIS reveals that at the start of 2014 there were 5.2 million private sector businesses of which 99.3% were small businesses. These small businesses accounted for 48% of all private sector employment and 33% (£1.2 trillion) of private sector turnover(BIS 2014). However, research shows that there is a very high failure rate amongst small and medium firms with over 20% of new ventures failing within one year and 66% within six years (Franco and Haase, 2010). Given the importance of small firms to the economy, an understanding of small firms – the way they operate, make decisions and strategize is vital.

Although, the process of strategy formulation in big business has been researched extensively (for example Mintzberg 1978; Mintzberg and McHugh 1985; Marginson 2002; Gimbert, Bisbe and Mendoza 2010), we know that small businesses are not “little” big businesses and the constructs, models and prescriptions which have been developed for big business are of little use in small businesses (Welsh and White 1981; Beaver and Jennings 2005).

That being the case, we need to turn to strategy research focused on small firms to gain a proper understanding of them. However, the small firm research in the strategy field is limited. Robinson and Pearce (1984) called small firm strategy making research ‘woefully inadequate’ and over 20 years later little research has been undertaken to change this assertion with literature on strategy making in small firms being sparse and commonly exploratory (Verreynne and Meyer 2010).

Given the importance of small businesses and the fact that strategizing in small businesses is an under-researched area, I feel that there is a need to push the boundaries of our understanding of this phenomenon.

With the recognition of the importance of small businesses by government and industry, there is a growing interest in providing advice and support to small businesses to aid strategizing and decision making. Governmental interest in providing advice to small

businesses is primarily driven by the need to secure their survival and thus stability and expansion of the economy. Industry interest on the other hand is driven by the recognition of the profits which can be gained advising small businesses. This has seen professional accounting service firm leaders such as KPMG roll out advisory services specifically targeted at small businesses (KPMG 2014).

In spite of this interest in advising the small businesses, very little academic literature has developed on small business advice. The literature which exists is mostly focused on investigating the advisors used by small businesses and the impact of advice. Thus, this is also an under-researched area which will benefit from studies which can illuminate the '*how*' of small business advice.

A further motivation for this study is that in studying advice seeking while strategizing from a practice perspective, we are able to develop an understanding of who small business owners seek advice from, why they seek advice from these advisors and how they seek and value advice. This will enable those interested in providing advice to small business owners to tailor their offerings to meet the expectations of the business owners and thus be more effective.

1.4 OVERVIEW OF CHAPTERS

The research is presented in five main parts. **First** is an introduction which seeks to answer the question '*why should this research be considered worthwhile?*' To do this it introduces the aims of the research, highlights the approach taken to research and sets out the motivations for the research.

The **second** main part of the thesis explores theory in two sequential encounters with theory. The first encounter attempts to answer the question: '*what is a practice perspective?*' In doing this it sets out the theoretical frame which sensitises the rest of the thesis.

The second encounter sets out to answer the question: *'what do we know about advice seeking while strategizing in small businesses?'* To do this, it explores the literature on strategizing, advice, small business strategy and small business advice.

The **third** main part of the thesis explores the research approach which is taken. It seeks to answer the question *'How is the investigation into the small business owner's practice of advice seeking while strategizing undertaken?'* In doing this, it describes the research design for the study including the ontological, epistemological and methodological assumptions which underpin the research design.

The **fourth** main part explores and analyses the data in two sequential encounters with the data. The first encounter with the data attempts to answer the questions *'what role do advice and advice seeking play in strategizing'* and *'who do the small business owners take advice from and why?'* In this encounter, a range of categories of individuals who advise small business owners is identified and a number of themes emerge which hold some explanatory power for why the small business owners seek advice from particular individuals.

The second encounter with the data attempts to answer the question *'how can the emergent themes explain the small business owner's practice of advice seeking while strategizing?'* In attempting to answer this question, an explanation of the cognitive ordering of the small business owner's advice seeking practice is developed. This includes the creation of a schema which categorises advisors based on personal relationships with the business owner and trust.

The **fifth and final** part of the thesis tries to answer the question *'what does this study contribute to knowledge?'* To do this, it discusses the study's findings in light of the literature, articulates the theoretic and practical contributions and implications of the study before highlighting the limitations of the study.

CHAPTER TWO

FIRST ENCOUNTER WITH THEORY – THEORIZING PRACTICE

“Practice has a logic which is not that of the logician”. (Bourdieu, 1990, p. 86)

2.1 INTRODUCTION

This chapter seeks to answer the question ‘what is a practice perspective?’ In answering this question it will set out a theoretical frame which will be used in sensitising the rest of the work.

A practice perspective could mean different things. Indeed Feldman and Orlikowski (2011) argue there are three ways to study practice or position the practice lens: an empirical focus, a theoretical focus and a philosophical focus. They explain that an empirical approach attempts to answer the ‘*what*’ question i.e. the focus is on what actors do. The theoretical approach focuses on understanding the relationship between people’s actions and the structures of social life using practice theory as its tool. This approach tries to answer the ‘*how*’ question by articulating theoretical relationships which give an explanation of the dynamics of everyday activities, how they are produced and how they are enacted in different contexts and over time. The third approach is the philosophical approach which focuses on the role practices play in the production of social reality and attempts to answer the ‘*why*’ question as it views practices as the primary building block of social reality.

As this study is an investigation of the ‘*how*’ of advice seeking while strategizing, it adopts the second positioning of the practice lens i.e. a theoretical approach. This leads us to ask questions like: *What do we mean by practice? Is there one practice theory or are there many? Where do practice theories come from? What do they say?* We shall attempt to answer some of these questions and in so doing set a theoretical framework for this study.

2.2 PRACTICE THEORY - ORIGINS

The term '*practice theory*' has gained popularity in the last few decades. While it is usually linked with the work of Pierre Bourdieu (1977) it does indeed cover much more. In any discussion of practice, there are a number of overlapping concepts drawn from the fields of philosophy and sociology which are commonly used (Turner, 1994; Schatzki, 2001a). Given the diverse approaches to conceptualizing practice, it is not surprising that a unified theory of practice does not exist. Writing on this, Nicolini (2013, p. 1) notes:

“a unified theory of practice does not exist. Practice theories constitute, in fact, a rather broad family of theoretical approaches connected by a web of historical and conceptual similarities....while practice theories can offer a radically new way of understanding and explaining social and organisational phenomena, they can only be approached as a plurality.”

Vaara and Whittington (2012) commenting on the various practice theories which have developed note that they can be traced back to the works of Wittgenstein (1953) and Heidegger (1962). Indeed the development of the different conceptions of practice and practice theory has been greatly influenced by Wittgenstein's work on rule-following and Heidegger's account of understanding and interpretation (Rouse 2007).

Wittgenstein in discussing rule following makes the point that rules are not self-interpreting.

He states that:

‘there is a way of grasping a rule which is not an interpretation, but which is exhibited in what we call ‘obeying a rule’ and going against it’ in actual cases’ (Wittgenstein 1953, p. 201).

He argued that attempting to follow a rule on the basis of a set of explanations only would raise the possibility of the rule being misunderstood. For example, in following a street sign, should I look at the shape, the text or the position of the sign on the road? No matter how

detailed the explanation, there would always be the opportunity for further misunderstanding that would lead to infinite regress. He argues that this runs counter to our experience and the fact that we can learn and do follow road signs. Nicolini (2013) explains that this is because the understanding of how to follow a rule is always against the background of what is taken for granted.

Wittgenstine (1953, p. 217,291) points out that:

'Obeying a rule is a practice ...When I obey a rule I do not choose. I obey the rule blindly'

In conceiving of practice in this way, Wittgenstein focuses our attention on the fact that the individuals' actions are not a result of rational decisions to act but rather of some as yet unarticulated understanding.

In his discussions on understanding and interpretation, Heidegger makes the point that all interpretation draws upon a more basic understanding or competence that is not explicitly articulated (Heidegger 1962). He argues that interpretation can only take place against the backdrop of a prior understanding of the situation. Heidegger (1962) argues that there are three aspects of understanding presupposed by any interpretation. He used his well-known '*hammering*' example to illustrate this arguing that one must already understand the general context of carpentry (the relation between hammers, boards, nails, buildings or furniture and the purposes they serve), have a sense of what to do (how the hammer is to be used) and have a sense of the expected outcome. He further argues that without these aspects of understanding being present, nothing we do with a hammer could be regarded as hammering.

The arguments outlined by Wittgenstein and Heidegger lead to the conclusion that there is an unarticulated dimension of human understanding which is evident in our actions that is more fundamental than any explicit interpretation of that understanding. Rouse (2007)

argues that social theorists invoke the concept of '*practice*' to denote this unarticulated dimension of understanding.

2.3 PRACTICE THEORY – FIRST GENERATION

Over the last few decades practice theory has emerged as an acceptable way of thinking about the organisation of social life. Seminal theorists of this 'practice turn' in contemporary social theory include Pierre Bourdieu, Michel de Certeau, Michel Foucault and Anthony Giddens (Whittington 2006), but perhaps the two most influential were Pierre Bourdieu and Anthony Giddens. It is to their theories we now turn.

2.3.1 Anthony Giddens – Structuration Theory

Giddens conception of practice is outlined in his Structuration Theory which he develops in a series of books starting with his New Rules of Sociological Method (1976) and continues in his Central Problems of Social Theory (1979) and finalizes in The Constitution of Society: Outline of the Theory of Structuration (1984). In proposing this theory, Giddens aims at overcoming the traditional dualism of structure and agency. To do this he begins by taking the view that the basic domain of social science is '*neither the experience of the individual actor, nor the existence of any form of societal totality, but social practices ordered across space and time*' (Giddens 1984, p. 189). He goes on to propose that structure and agency should not be thought of as constraining each other but rather as being mutually generative. He refers to this principle as the 'duality of structure' thus:

'by the duality of structure, I mean that the structural properties of social systems are both the medium and the outcome of the practices that constitute those systems..... structure is both enabling and constraining' (Giddens 1984, p. 70, 71)

Nicolini (2013) illustrates his argument using the example of language. He explains that while a speakers' actual usage of language is governed by the underlying structures and

rules of the language, it is only when these rules are applied in speech that they become operative and persist over time. He also explains that it is possible that the rules of the language could be altered by usage and similarly it is the conduct of knowledgeable human agents that produce, reproduce and transform structures.

In expounding his theory of structuration, Giddens gives practice a central role, however, he defines practice in a general sense only as '*regularized types of act's* (1976, p. 75) and as '*ongoing series of practical activities*' (1976, p. 81). He draws on the notion of practical consciousness to explain how actions are determined and ordered. He explains that agents although bounded by structure, draw on their knowledge of that structural context when they act (Giddens 1984). It is this knowledge of the structural context, this shared meaning or common understanding which determine and order the agents actions that he refers to as practical consciousness.

Perhaps Giddens clearest exposition of practice is given when he links practice to the production of social systems thus:

'... [social] systems grounded in the knowledgeable activities of situated actors who draw upon rules and resources in the diversity of action contexts, are produced and reproduced in interaction'.
(Giddens 1984, p. 25)

Giddens characterisation of practice has a few implications. First, Giddens implies that it is the actions of knowledgeable actors drawing on rules and resources which produce practices. He conceives of rules in the loose sense of being generalizable procedures for action which are not necessarily explicitly stated nor are they codified. He sees resources as being either allocative like natural resources, wealth and means of production; or authoritative like knowledge, skills and authority. Resources are thus the main medium through which power is manifested and exercised (Englund, Gerdin and Burns 2011).

Second, practices are situated in time and space and also in the social context of the actors who enact these practices. This implies that the actor's practical consciousness plays a part

in the determination of her actions and her interpretation of the actions of other actors. This implies that practices are usually historically connoted.

Third, that practices interact with each other and it is in this kind of reciprocal and interdependent relationship that both social systems and practices are produced and evolve. This implies that while individual practices are unique, they are in some way connected with the rest of social life.

2.3.2 Pierre Bourdieu – Theory of Practice

Pierre Bourdieu's work on practice also represents a major contribution to the field and has been used by Brown and Duguid (2001) and Lave and Wenger (1991) to define communities of practice; and by Chia and MacKay (2007), Jarzabkowski (2005) and Whittington (2002) to position strategy as a practice.

Bourdieu's theory of practice hinges on three key concepts: capital, field and habitus. In describing the concept of field, Bourdieu notes that it is a relational concept and goes on to define a field as:

“a network, or configuration, of objective relations between positions these positions are objectively defined, in their existence and in the determinations they impose upon their occupants, agents or institutions, by their present and potential situation in the structure of the distribution of species of power (or capital) whose possession commands access to the specific profits that are at stake in the field, as well as objective relation to other positions” (Bourdieu and Wacquant 1992, p. 97)

An individual firm could be regarded as a field (Bourdieu 2005) and could also form part of a larger field such as industries, economies or society (Gomez 2010).

While positions on the field are influenced by the objective relations between positions, they are also influenced by capital which Bourdieu defines to include economic capital (financial and material resources), cultural capital (long lasting dispositions of mind and body; cultural

goods e.g. books pictures etc.; educational qualifications etc.) and social capital (networks and social relations) (Bourdieu 1986).

In Bourdieu's writings, habitus is variably described as a system of durable dispositions and beliefs operating at a pre-conscious level that are mobilized to generate practice. Bourdieu (1990, p.53) defines habitus as:

“a system of durable, transposable dispositions, structured structures predisposed to function as structuring structures, that is, as principles which generate and organize practices and representations that can be objectively adapted to their outcomes without presupposing a conscious aiming at ends or by an express mastery of the operations necessary in order to attain them”.

While habitus is one of Bourdieu's most influential concepts, it is also very ambiguous. Habitus is seen by Bourdieu as an embodiment of dispositions, capital, skills and habits which agents possess as a result of their life experiences. In this sense it is a counterpoint to rationality which both determines and organizes actions of an agent. As a result of the ambiguity of the concept, Bourdieu often used metaphors when talking about habitus, he often referred to it as 'a feel for the game' (Bourdieu 1990, p.66).

For Bourdieu, practice occurs when these three concepts of capital, field and habitus interact and only by focusing on these interactions can we gain an understanding of individual practices. He represents this loosely by the formula:

(Habitus x Capital) + Field = Practice (Bourdieu 1984)

These concepts are interrelated and their combination is necessary to offer a comprehensive understanding of social life and practice.

2.3.3 Summary

Commentators on practice theory like Whittington (2006) and Schatzki (2012) note that while Bourdieu and Giddens differ in the detail of their conception of practice they do share

some commonalities in how they view practice. Whittington (2006) argues that three common themes run through their theories. First is the fact that the theories are concerned with how social fields or systems define the practices that guide and enable human activity, second is the assertion that practice theory is concerned with people's actual activities in practice and third is the focus on the actors on whose skill and initiative activity depends. Schatzki (2012) also identifies three commonalities in the works of these thinkers which he argues are significant in understanding practices. The first is the idea that practice is an organised 'constellation' of the activities of different people, second is the idea that the important features of human life must be understood as forms of, or rooted in human activity, and third is the idea that human activity hinges on something which is difficult to define is seen as overcoming the structure-agency dualism examples of which include Bourdieu's *habitus* and Giddens, *practical consciousness*.

However, it is in these concepts of habitus and practical consciousness that the limitations of their theories of practice become evident. Both Bourdieu and Giddens ascribe to these concepts the role of determining and organising human actions and activity. However, when looked at critically, what they say is that an agent did x in situation y either because he knows how to act in situation y or because he has a feel for the game played in situation y. It does not explain why he did x instead of a or b or c. It only says that he is proficient at acting in situation y and that this proficiency was demonstrated once again. Indeed being proficient can account for almost everything an agent does and does not really give an explanation of what it is about the agent and situation y so that another agent with the same knowledge of situation y would do x.

2.3.4 Use of Bourdieu and Giddens Practice Theory in Entrepreneurship, Small Business and Strategy-As-Practice Literature

Sarason, Dean and Dillard (2006) argue that structuration theory is a useful lens through which the entrepreneurial process can be viewed. They argue that entrepreneurship is a

nexus of opportunity and agency with the entrepreneurial venture being both the medium and the outcome of the entrepreneurs' agency and thus that both the entrepreneur and the social system co-evolve. Anderson and Starnawska (2008) make a similar argument that Giddens structuration theory is a useful tool which enables entrepreneurship to be viewed as a societal phenomenon as it allows for the conceptualization of entrepreneurs as agents operating within a structure. Being able to conceptualize entrepreneurship in this way allows for a focus on the social context in which entrepreneurship occurs and the practices which occur as agents and structure interact. Indeed several authors subscribe to this view and have used Giddens structuration theory as the orienting framework for their studies. For example, Jack and Anderson (2002) examine the actions of rural entrepreneurs using Giddens structuration theory as the orienting framework for the study. They are thus able to create a nuanced picture of how entrepreneurs being embedded in a social structure create opportunities and improve performance. Downing (2005) uses Giddens structuration theory as the orienting framework for his study which explores the interactions between entrepreneurs and stakeholders in the areas of learning, business models, vision building, and innovation, and through more general concepts of networking, social capital, and embeddedness.

In defining the theoretical framework for the strategy-as-practice field, Giddens structuration theory is referred to by authors like Jarzabkowski, Balogun and Seidl (2007), Denis, Langley and Rouleau (2007), Whittington (2006). Although Giddens theory is used in conceptualizing strategy-as-practice, it is not widely used to inform empirical work. A few authors like Jarzabkowski and Wilson (2002) and Samra-Fredericks (2003) use Giddens theory as a sense making tool in their studies. Indeed Whittington (2010) makes a call for a wider use of Giddens theory as the basis for empirical work in the strategy-as-practice field.

Bourdieu's theory of practice has influenced entrepreneurship research in the areas of networking, social capital, transnational entrepreneurship, legitimization and entrepreneurial learning (Drakopoulou-Dodd, McDonald, McElwee and Smith, 2014). For example, in the

area of networking, Anderson, Drakopoulou-Dodd and Jack (2010) in their study of networking practices and entrepreneurial growth draw on Bourdieu's concept of habitus as a sensitising device to identify areas of interest for investigation and also as a structuring device to make sense of things. Similarly, Light and Dana (2013) studying the boundaries of social capital in entrepreneurship use Bourdieu's concept of capital as a means of making sense of things.

In the area of transnational entrepreneurship, Drori and Honig (2009) argue that Bourdieu's theory of practice could serve as a useful tool in exploring power relations in the context of transnational entrepreneurship. Indeed, several authors draw on Bourdieu's theory of practice in this area. For instance, Patel and Conklin (2009) use Bourdieu's concept of habitus to frame their study into how transnational entrepreneurs balance their network scope and size in dual environments to enhance their ability to operate in both environments. Nowicka (2013) draws on Bourdieu's notion of capital as both a sensitising and sense making tool for her study of Polish entrepreneurs in Germany. Of the studies in this area, Terjesen and Elam (2009) is perhaps the best illustration of the use of Bourdieu's theory of practice as they draw on Bourdieu's three concepts of field, capital and habitus as sensitising tools in their study of transnational entrepreneurs' internationalization strategies.

Studies of how new entrepreneurs gain legitimacy draw on Bourdieu's theory of practice. For example, De Clercq and Voronov (2009a) and De Clercq and Voronov (2009b) draw on the concepts of field, habitus and capital to explain the process of legitimization of new entrepreneurs. Karatas-Ozkan's (2011) work on entrepreneurial learning draws on Bourdieu's theory of practice as a framework to sensitise his study and also as a structuring device to explain the connection between the individual's capital and the collective habitus they help build and are situated in.

Like Giddens theory, Bourdieu's theory of practice has been used in developing the conceptual framework for the strategy as practice field (Whittington, 1996; Whittington,

2006; Chia, 2004; Chia and MacKay, 2007). Also, like Giddens theory, Bourdieu's theory of practice has had limited use in empirical studies in the strategy as practice field. Authors like Jarzabkowski and Wilson (2002) use it alongside Giddens theory as a sense-making tool while Prieto and Want (2010) use it as the conceptual framework for their study. Recognizing this gap, Gomez (2010) explains how Bourdieu's theory could underpin studies in the strategy-as-practice field and calls for it to be used more in empirical studies in this field.

From the above, I conclude that Bourdieu and Giddens theories are used in one of two ways. First, is as a sensitising device to enable the researcher identify areas of interest for investigation and second is as a structuring device to enable the researcher make sense of things. I also conclude that most of the works which have drawn on Bourdieu and Giddens practice theories as a structuring device have been focused on the macro and meso levels of analysis. As this study is predominantly at the micro level of analysis, I will use these theories of practice more as sensitising devices than as structuring devices.

2.4 PRACTICE THEORY – SECOND GENERATION

The second generation of practice theorists have sought to advance the central conceptions of the first generation while developing new concepts and understandings (Orlikowski 2010). This generation includes scholars like Ortner (1984), Pickering (2001), Reckwitz (2002), Rouse (1996) and Schatzki (2001b, 2002, 2005, 2012) who have also made significant contributions to practice theory.

Nicolini (2013) argues that of the contemporary influences on practice theory, the works of Theodor Schatzki develop one of the strongest versions of practice theory. He argues that Schatzki's works follow Wittgenstein and Heidegger more closely and outline a social philosophy which is explicitly focused on the concept of practice and offers a clearer and more explicit illustration of the implications of taking a practice based approach to

understanding social phenomena and issues such as agency, materiality, organisation and normativity. It is to Theodore Schatzki's theory of practice we now turn.

2.4.1 Schatzki's Theory of Practice

Schatzki (2012) notes that practice theory hinges on the concept of practice. He defines practice as

"an open-ended, spatially-temporally dispersed nexus of doings and sayings"(Schatzki 2012, p.14)

"an organized, open-ended spatial-temporal manifold of actions"
(Schatzki 2005, p.471).

He explains that he describes practices as being open-ended because they are not made up of any particular number of activities arguing that practices which are completely composed are dead and no longer being carried on. Viewing practices as being 'open' allows for their reproduction, extension and variation over time as it is not possible to routinize something which has been left 'open' to change. Consequently, Schatzki's conception of practice is more appreciative of the complexities of practices and the fluidity of their composition as it accounts for the fact that practices can be performed in different ways in the sense that actors can choose between different activities and ends that are possible within a practice. For example, if a business practice has goals of being environmentally friendly and profit oriented, this allows actors to make trade-offs to different degrees between both goals in carrying out the activities which constitute the practice.

In describing practices as being spatially-temporally dispersed, Schatzki moves beyond locating them in objective time and space. Objective time is usually measured through instruments like clocks and is seen being independent of human perception, understanding, and action (Schatzki, 2010). For example, objective time might refer to the time required for the Earth to orbit the Sun or an apple to ripen (Schatzki, 2010). Objective time is referred to

as the succession of time. Temporality, on the other hand, is grasped through the dimensions of past, present and future, which coexist when a person acts (Heidegger, 1962; Schatzki, 2010, 2012). Temporality is thus not something objective and successive; the past, present and future occur together, since human activity is in itself temporal (Schatzki, 2010). For instance, a project team working on a project will gain experiences as it performs activities; these experiences may be informed by earlier activities and experiences, and these current experiences may be relevant and may inform future activities. Objective space is defined as locations that can be specified:

‘In three-dimensional spaces, points are designated by a trio of coordinates and can be graphically plotted along three perpendicular coordinate axes’ (Schatzki, 2010, p. 7).

Objective space differs from spatiality, as interpreted by Heidegger (2008). Spatiality is the world around an actor and the involvement in human activity:

‘Spatiality embraces arrays of places and paths anchored in entities, where a place is a place to perform some action and a path is a way among places’ (Schatzki, 2012, p. 19).

Thus, temporal-spatial activities involve past, present and future dimensions, and embrace places and paths, while these activities are being performed in objective time and objective space. However, Schatzki does argue that not all activities are objectively locatable in objective time (Schatzki 2012) citing the example of winning a maths contest which can be located at the conclusion, during the entire time of the contest or when the results are announced. Schatzki’s view of practices as being spatially-temporally dispersed recognizes the complexities of practices as it takes into account the fact that current actions are inextricably linked to the context in which the actions occur, past experiences and future actions.

Schatzki (2012) considers actions to be either 'sayings' or 'doings' with sayings being a subset of doings. However, he does not privilege one over the other in analysing practices (Schatzki 1996) which at their basic he regards as a set of sayings and doings. He argues that at the base of any practice are those sayings or doings which are basic activities that people can perform without having to do anything else. For example, typing on a keyboard or thinking that the sunset is beautiful (Schatzki 2012). He goes on to argue that in carrying out these basic activities, in most cases, people will perform further activities which in turn form part of a further set of activities. He views action hierarchies of this sort as being teleological and therefore culminating in some activity that does not form part of some other activity but is an end in itself. For example, a teacher starts an exam by saying 'your exam begins now', she does this to test her students learning and abilities which in turn she does to better the students life chances. Schatzki (2012, p.15) argues that

“a practice embraces all the activities contained in such teleological hierarchies: the activities and states of existence for the sake of which people act, the projects, i.e. actions they carry out for their ends, and the basic doings and sayings through which they implement these projects”.

While he views basic activities as being combined into projects and projects as combining to construct practices, he proposes that the same or similar basic activities can be grouped into different projects and so take on different meanings. For instance tapping on a keyboard could be part of writing an essay or playing a computer game. He expresses this instability thus:

“Actions, intentions, projects, and ends are both tied to and altered in response to the contingent flow of events that results from the intertwining and conjunction of human doings with material ones. Actions, intentions, and ends are never, therefore, stable”. (Schatzki 2002, p.109).

Schatzki (2001b) considers what determines the actions which are undertaken and which form practices. He argues that people undertake actions that make sense for them to do.

This he refers to as 'practical intelligibility'. He differentiates practical intelligibility from rationality noting that

'practical intelligibility is determined by the mental phenomena of teleology and affectivity, by orientations towards ends and by how things matter. Both the pursuit of ends and how things matter can divert a person from doing what is rational' (Schatzki 2001b, p.55)

He proposes that the practical intelligibility is the minds' organisation of actions which compose a practice by the means of a pool of understandings, a set of rules and a teleoaffective structure. Formalizing this a bit more Schatzki (2005, 2012) proposes that practices are organized by practical rules, practical understandings, teleoaffective structures and general understandings.

Schatzki (2012) explains that rules are '*explicitly formulated directive, remonstrations, instruction or edict*' (Schatzki 2012, p.16). Rules are usually prescribed by those with the authority to enforce them either to regulate existing activities or to create new ones. They enjoy normative force and so are usually adhered to by the generality of people. Given that people take into account or adhere to the same rules, they are able to link the doings and sayings of a practice.

Practical understandings' refer to the possession of certain abilities related to actions of a practice:

"...knowing how to X, knowing how to identify X-ings, and knowing how to prompt as well as respond to X-ings" (Schatzki, 2002, p.77).

Thus to Schatzki, practical understanding means knowing how to recognize, initiate, perform and react to actions through basic doings and sayings. His concept of practical understandings closely resembles Bourdieu's concept of 'habitus' and Giddens concept of 'practical consciousness'. However, he distinguishes practical understanding from habitus and practical consciousness in that while habitus and practical consciousness determine what people do, practical understandings almost never determines actions. In Schatzki's

theory, the role of determining actions is that of practical intelligibility. Thus practical understandings carry out the acts that practical intelligibility singles out.

Teleoaffective is a composite term made up of two components: 'teleology' and 'affectivity' (Caldwell, 2012). Schatzki (2010) explains that 'teleology' refers to the goals and ends which a practice seeks to achieve while 'affectivity' refers to the emotions and moods which are accepted or prescribed as forming part of a practice. Schatzki (2012) goes on to describe teleoaffective structures to mean the teleological hierarchy of actions which are acceptable within a practice combined with the emotions and moods which the people carrying out the practices may acceptably express.

General understanding is taken to mean abstract senses which infuse and are expressed in people's actions, for instance, senses of the worth, nature, value or place of things. (Schatzki, 2012). General understandings are usually linked to a 'site' or context of which the practice is part and are thus common to several practices within the site (Jorgensen and Messner, 2010). Schatzki (2002) notes that:

"...pervasive understandings of this sort are expressed in the manner in which people carry out projects and tasks" (Schatzki, 2002, p. 86)

Caldwell (2012) argues that the concept of general understanding is perhaps the most opaque and underdeveloped idea in Schatzki's conceptualization of the organisation of practices. He notes that general understandings appear to be linked to shared beliefs, goals or values within a society, but it is unclear if "everyone" within a practice shares the same "common" understandings. Nama and Lowe (2014) experimenting with Schatzki's practice theory come to the same conclusions on general understanding.

Schatzki (2012) argues that a given practice is made up of doings and sayings which express some of the understandings, elements of the teleoaffective structure, and rules which make up the organisation of that particular practice. Indeed, Schatzki's

conceptualization of practice as being cognitively ordered and having a teleoaffective aspect to the ordering makes it more useful in exploring intentionality.

Schatzki (2006) adds a time-related aspect to his conception of practice. He suggests that the organizing elements of practice i.e. rules, practical understanding, general understanding and teleoaffective structure are perpetuated by both repeated performance and something he refers to as collective or social memory. Nicolini (2013) argues that the implication of this is that an understanding of a practice requires both a grasp of its past and an understanding of what else could have happened instead of the actions that are taking place.

Strategizing can be understood as a bundle of practices like environmental scanning, budgeting, option analysis, advice seeking etc. In various places (home, office, workshop, networking events etc) business owners and their advisors negotiate strategies, they discuss options and ways of realising them, etc. Those activities occur in chains of actions and within strategizing practices. Also, the ends that the business owners pursue in performing these actions are contained in the teleoaffective structure of strategizing practices. Viewing strategizing in this way allows Schatzki's theory of practice to offer a way of understanding the volition of the business owners in their environmental context as played out in the moment of action.

This mesh of models, processes, activities, rules, etc which make up the strategizing practice along with the shared normative judgements of the business owners as to which actions are appropriate in particular circumstances holds the promise of allowing an exploration into the cognitive ordering of the business owners actions. Indeed Schatzki's theory provides us with the key to this as it points out that the important thing to focus on is not the similarity of activities but the ways in which actors understand relations between ends, projects, uses of things, and even emotions. Schatzki making this point notes:

order per se cannot be identified with regularity qua repetition of the same. Recall Wittgenstein's example: a variety of different activities count as games, and in this sense compose an order, even though what in the world corresponds to the state of order is not the uniform repetition of specific features, but a tangle of samenesses and similarities among the activities involved. Observations such as this suggest that there is more both to the ordering of things and to cognition (including scientific cognition) than regularities and their apprehension (Schatzki, 2001b, p. 51)

It is this cognitive ordering of activities that will be focused on as I study the advice seeking practice of small business owners while strategizing.

2.4.2 Use of Schatzki's Theory of Practice in the Strategy-As-Practice Literature

Like Giddens' and Bourdieu's theories of practice, Schatzki's theory of practice was used in developing the conceptual foundations of the strategy as practice field. Authors like Chia and Holt (2006), Chai and MacKay (2007), Whittington (2006), Jarzabkowski and Spee (2009) amongst others draw on Schatzki's theory to map the conceptual terrain of the strategy-as-practice field.

As with the other practice theories, the use of Schatzki's theory in empirical studies in the strategy-as-practice field is limited. Studies using Schatzki's theory include Arhens and Chapman (2007) who use Schatzki's theory of practice as a framework for studying how management control systems constitute organisations. The use of Schatzki's theory as a framework enabled them to describe management control systems as structures of intentionality which both shape and are shaped by shared norms and understandings in the inter-relationships between technical and interpretive accounting processes. Jorgensen and Messner (2010) use Schatzki's theory as a framework to develop an understanding of the relationship between accounting and strategizing in an R&D intensive company and Sharma, Lawrence and Lowe (forthcoming) use Schatzki's theory as the conceptual framework for studying the implementation of the balanced scorecard as part of the wider

strategizing practice in a company. Each of these studies focused at a micro level on particular practices which formed part of the wider strategizing practice. The use of Schatzki's theory allowed for this micro level focus and the developing of a better understanding of the activities which constituted these practices but more importantly it allowed for an exploration of the cognitive ordering of these practices. Indeed, Nama and Lowe (2014) make this point when they note that:

"...Schatzki's conceptual tools are not only helpful for appreciating complexities within practices but also particularly useful for identifying and making explicit the complex intertwining of various organizational and/or social practices"

Given that this study seeks both to explore the inner workings of the small business owners' advice seeking practice and the linkages between the small business owners' strategizing and advice seeking practices, I argue that there seems to be good potential of developing valuable insights into the small business owner's practice of seeking advice while strategizing by adopting Schatzki's conception of practice as the framing theory for this study.

2.5 SUMMARY

Bourdieu, Giddens and Schatzki's theories represent three of the most sophisticated attempts to theorise practice. Giddens in trying to overcome the structure-agency duality creates a space to theorize practice which preserves both agency and change but views them as being determined by the structuration process. Similarly, Bourdieu views habitus as creating and directing agency by producing and reproducing practices. However, Schatzki takes a different view of practice and argues that nothing prior to actions can determine agency or what people actually do. In viewing practice this way, Schatzki differs from Bourdieu and Giddens in giving practice ontological primacy over both agency and structure.

Schatzki in seeking to critically distance his position from that of Bourdieu and Giddens argues that in trying to describe how practices are organised, both Bourdieu and Giddens fail to make a distinction between the ordering of practices in time and space and the performance of individual actions as they equate the organisation of practice with the determinants of action and practices (Schatzki 1996, 1997). He takes the position that the organisation of practices cannot externally determine actions (Caldwell 2012) and so theorizes the organizing principles of practice (rules, practical understanding, teleoaffective structures and general understandings). While being similar to Bourdieu's habitus and Giddens practical consciousness, Schatzki's organising principles do not determine or indeed dictate what actions it makes sense for a person to perform.

The literature highlights that these practice theories are used predominantly in one of two ways. First, as sensitising devices to lead the researcher to things which might be interesting to study and second as sense-making devices to enable the researcher make sense of things. The literature also shows that while Bourdieu and Giddens theories have been used more to frame macro and meso level analysis, Schatzki's theory has been used more to frame micro level studies as it enables the researcher to paint a more nuanced picture of individual practices.

Given the above, I argue that both Bourdieu's and Giddens' expositions of practice and practice theory do not hold as much potential as Schatzki's theory of practice does for investigating the inner workings of practices as well as how practices intertwine and thus their use will place limitations on the richness of the picture which can be created in trying to understanding the 'how' of advice seeking while strategizing as they will not give for a full and rigours investigation of the factors which determine and organise the small business owners actions in seeking advice. Thus it is to Schatzki's theory of practice that I turn to provide the theoretical framing for this study. However, where Bourdieu and Giddens' theories are useful, they will be drawn upon.

CHAPTER THREE

SECOND ENCOUNTER WITH THEORY – LITERATURE REVIEW

3.1 INTRODUCTION

This chapter sets out to answer the question *‘what do we know about small business owners’ practice of advice seeking while strategizing?’* Answering such a broad question is easier done if the question is broken down into smaller bits or sub questions. This is the approach I take.

First, I try to answer the question *‘what do we know about strategizing as a practice?’* To do this, I explore the literature which conceptualizes strategizing as a social practice of doing strategy and gives an account of the nature of strategizing. After exploring strategy as a social practice, I turn to explore the social nature of advice seeking by trying to answer the question *‘what do we know about advice seeking as a social practice?’* To answer this question, I turn to the literature on advice and advice seeking in the fields of sociology and psychology.

Having explored the nature of strategizing and advice seeking in general terms, the next thing I seek to do is to explore these practices in the context of the small business. However to do this, I need to first understand the nature of the small business. Once that is achieved, I then try to answer the questions, *‘what is the nature of strategizing in small businesses?’* and *‘what is the nature of advice seeking in small businesses?’*

3.2 STRATEGY AS A SOCIAL PRACTICE

3.2.1 Defining Strategy

The word strategy has its origins in the Greek word *strategos*. *Strategos* is a compound of two words: *stratos*, which means *‘army’* and *agein*, which means *‘to lead’* (Evered, 1983; Cummings, 1995; Grattan, 2002). This in its strict sense would mean a General in

command of an army. However, Evered (1983) argues that as time passed, this meaning evolved to refer to the 'art of the General' i.e. the psychological and behavioural skills which were used in performing the role of the General rather than the person of the general. He further argues that by the time of Pericles it had come to mean managerial skills and by the time of Alexander the Great, it had evolved to refer to the skill of employing forces to overcome opposition and to create a unified system of global governance. Strategy conceived like this is easily understood especially when we draw analogies to competitive games such as chess and football. We think of the master chess player deploying his pieces in a series of moves to overcome the opposition or the football coach deploying his players in a formation in order to overcome the opposing team.

In contemporary times, strategy has become a well-established academic discipline which is taught in Business Schools all over the globe and has several top journals devoted to publishing strategy research. When strategy was first introduced to the academic study of businesses, it was used to denote a plan or some other formalised set of intentions for future actions (Chandler, 1962; Ansoff, 1965). For example, Chandler (1962, p.13) defined strategy as:

"The determination of the basic long-term goals and the objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals".

The following commonly cited definition of corporate strategy by Andrews (1971, p.19) adapts and expands Chandler's definition:

"Corporate strategy is the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities."

Following this view of strategy as a formalized set of plans, a lot of literature has developed around business planning. In the small business area, the literature has mainly focused on whether small businesses plan or not and the relationship between planning and performance in small businesses.

However, many authors have argued that this view of strategy is quite limited. For example, Mintzberg and Waters (1982) argue that organizations may sometimes pursue strategies they never intended. Hence, they propose that the usual definition of strategy be called "*intended strategy*" and that strategy in general and "*realized strategy*" be defined as "*a pattern in a stream of decisions (actions)*". In a sense, Andrews (1971) definition of strategy presupposes the arguments which Mintzberg and Walter (1982) amongst others make.

Thus, it would seem that strategy as a concept is not used in a uniform manner. Indeed, it would seem that it is not just one concept but a collection or cluster of concepts. Chaffee (1985, p.89) makes an interesting comment on this:

"Researchers and practitioners have used the term strategy freely—researchers have even measured it—for over two decades. Those who refer to strategy generally believe that they are all working with the same mental model. No controversy surrounds the question of its existence; no debate has arisen regarding the nature of its anchoring concept. Yet virtually everyone writing on strategy agrees that no consensus on its definition exists"

The lack of a universally accepted definition of strategy stems from the diverse perspectives of strategy scholars and the broad array of applications of the strategy construct (Hambrick, 1980). Making the same point, Mintzberg, Ahlstrand and Lampel (1998) identify different ways in which the strategy is used, they draw an analogy of blind men touching different parts of an elephant and trying to define the elephant based on the limited knowledge gained from the part they touched.

In reviewing the strategy field, Whittington (1996) identifies four perspectives on strategy as the planning, policy, process and practice perspectives (At the time, the planning, policy and process perspectives were the dominant perspectives and Whittington was making a case for the practice perspective which was just emerging). He distinguishes the various approaches to strategy according to their target levels and their dominant concerns and illustrates this in Fig 3.1 below.

Fig 3.1 Four Perspectives on Strategy

		Levels	
		Organisation	Managers
Issues	Where	Planning	Policy
	How	Process	Practice

Adapted from Whittington (1996, p732)

The vertical axis contrasts research which focuses on where strategies should go, with that focused on the how issues of actually getting there. The horizontal axis looks at the unit of analysis and is divided between those who focus on the organisation as the unit of analysis and those who focus on the individual actors as the unit of analysis. The planning approach focuses on tools and techniques to help managers make decisions relating to what direction the business should take. Policy research looks at what the organisation stands to gain from pursuing the different strategic options open to it. Process research investigates how organisations come to realize that there is a need for strategic change and then how they implement that change. The practice approach looks at broadly similar issues as the process approach but focuses on the individual and management as its unit of analysis

rather than on the organisation, thus it is concerned with how strategists '*strategize*' (Whittington 1996).

The practice perspective in strategy literature has its origins in the social sciences and goes back to Wittgenstein (1953) and Heidegger (1962). Recent decades have seen a rapid increase in the volume of practice theories to the extent that we can speak of a practice turn in the social sciences (Vaara and Whittington 2012). This 'practice turn' in social science research has seen researchers in several fields adopting a range of practice approaches like: communities of practice (Lave and Wenger 1991), activity theory (Engestrom, Miettinen and Punamaki 1999) and socio-cultural theories (Cole 1996), amongst others to expand our understanding of human action and social order of various kinds (Sandberg and Dall'Alba 2009). These practice theories and approaches all take the view that everyday actions are consequential in producing the structural contours of social life (Feldman and Orlikowski 2011).

Embedded in the wider 'practice turn' in social science and management research is a growing community of organizational scholars studying strategy from a practice perspective. The strategy-as-practice scholars reverse the conventional assumption that strategies are what organisations have and instead emphasize strategy as something people in organisations do (Whittington 2006). They conceptualize strategy as a situated, socially accomplished activity, while strategizing comprises those actions, interactions and negotiations of multiple actors and the situated practices that they draw upon in accomplishing that activity (Jarzabkowski 2005). Jarzabkowski and Spee (2009) argue that strategy as practice is concerned with the doing of strategy; who does it, what they do, how they do it, what they use, and what implications this has for shaping strategy. They define its broad research parameters as studying: practitioners (those people who do the work of strategy); practices (the social, symbolic and material tools through which strategy work is done); and praxis (the flow of activity in which strategy is accomplished).

Whittington (1996) conceives of strategy as a social practice which has both the inspiration element – idea generation, spotting opportunities and grasping situations – and the perspiration element – the routines and procedures by which strategy is enacted. In conceptualizing strategy as a social practice, he tries to move the debate beyond the planning, policy process division and focuses attention on the work of strategizing. Bourdieu also conceives of strategy as a social practice when he relates his concepts of field, capital and habitus to the firm and its strategy. Bourdieu writes:

“... Its strategies are determined through innumerable decisions, small and large, ordinary and extraordinary, which are, in every case, the product of the relationship between, on the one hand, interests and dispositions associated with positions in relations of force within the firm and, on the other, capacities to make those interests or dispositions count, capacities which also depend on the weight of the different agents concerned in the structure, and hence on the volume and structure of their capital.” (Bourdieu 2005, p.69)

He views the firm as a field which is subsumed in a larger field of production and strategy as a product of decisions which are themselves the product of habitus, capital, positions and struggles in the firms' internal field and the larger field of production. As such, strategy is viewed firmly as a social practice which is created by the interplay of the three concepts of habitus, field and capital.

Hendry (2000) argues that a conceptualization of strategy as a social practice can help us understand the wide variety of definitions of strategy which have arisen in the strategy literature. He argues:

“Once we treat strategy as a social practice, however, the different ‘strategies’ referred to in the definitions appear naturally as the various products of such a practice, and the artificiality of singling out any one of them as uniquely representative becomes apparent. In pursuit of their aims, strategists do all the things that feature in the traditional definitions: they evolve shared perspectives, create plans and enact ploys. Intentionally or otherwise they participate in the

social creation of patterns and the positioning of their organisations' product-market offerings, and they observe such patterns and positions in their organisations. However, it is the concerns of the practice that are essential to strategy, and not any of these specific activities". (Hendry 2000, p.970)

3.2.2 From Strategy to Strategizing

As noted earlier, the practice perspective on strategy focuses attention on the doing of strategy and more particularly on strategizing. This raises the question – What is Strategizing? A few authors have tried to offer definitions of strategizing. These definitions of strategizing are highlighted in Table 3.1.

Table 3.1 Definitions of Strategizing

Whittington (1996, p.732)	<i>"....all the meeting, the talking, the form-filling and the number-crunching by which strategy actually gets formulated and implemented."</i>
Johnson, Melin and Whittington (2003, p3)	<i>"the detailed processes and practices which constitute the day-to-day activities of organizational life and which relate to strategic outcomes"</i>
Maitlis and Lawrence (2003, p 111)	<i>"The concept of strategizing emphasizes the micro-level processes and practices involved as organizational members work to construct and enact organizational strategies, through both formal and informal means".</i>
Jarzabkowski, (2005, p.11)	<i>"strategizing comprises those actions, interactions and negotiations of multiple actors and the situated practices that they draw upon in accomplishing that activity"</i>

The definitions of strategizing highlighted in Table 3.1 all focus on the doing aspects of strategy and were thus limited in their focus as they focus on what Whittington (1996) describes as the '*perspiration*' element of strategy to the exclusion of what he describes as the '*inspiration*' element. However, they are useful in that they describe strategizing as a

social practice and emphasise the interaction of actors, their actions and practice in the doing of strategy. Indeed, Jarzabkowski, Balogun and Seidl (2007) building on this, propose that strategizing should be seen as occurring where practitioners, practices and praxis meet and interact. They note that while any research question on strategizing will inevitably link all three, one of the areas will be the dominant area of focus. This is true for this thesis as the focus is predominantly on the actors and the way in which their actions are organised.

This focus on practitioners, practices and praxis which the strategizing perspective calls for a refocusing of strategy research on the human aspects of strategy and a re-definition of the unit of analysis in strategy research that so far has been dominated by studies which focus on the firm as a whole as the unit of analysis. This new perspective requires a focus on the micro level with the individual strategist and his actions becoming the unit of analysis.

Given the limited focus of these definitions of strategizing and the need to develop a more nuanced understanding of strategizing as a social practice, I turned to the literature to see if it would provide me with a more descriptive account of the nature of strategizing.

3.2.3 Nature of Strategizing

Wilson and Jarzabkowski (2004) describe strategizing thus:

“The notion of strategizingwe view as the interplay between thinking and acting strategically. This interplay need not be continuous, nor need it be linear. Indeed oscillation between thinking and acting may be a more accurate term for describing how strategizing emerges. Strategizing goes beyond the map and its semiotics and examines the processes by which strategies are fashioned and lived in organisations.” (Wilson and Jarzabkowski, 2004, p. 15)

In so doing, they take a broader view of strategizing as being an interplay between thinking and acting strategically. Their definition proposes that the interplays between thinking and acting do not need to be continuous or linear. This implies that at times strategizing will take

the form of a step back from action to think and plan; at other times it will take the form of action; and at times it will combine both at the same time. Evidence of this is found in the literature which shows that strategizing is episodic in nature (Hodgkinson, Whittington, Johnson and Schwarz 2006; Hendry and Seild, 2003). Indeed it is in this stepping back to think and in the interplay between thinking and acting that advice is sought and used in strategizing. Jones, Macpherson and Thorpe (2010) capture this when they propose that business owners improve their businesses by creating 'strategic space'. They argue that strategic space is a process which involves the business owners taking a step back to reflect on their business and practice. It also involves the identification, acquisition and utilization of knowledge from external sources including advisors. They highlight three concepts as being central to the creation of strategic space as human capital, absorptive capacity of the business owner and mediating artefacts. In taking this view of strategic space they place organisational learning in the sphere of strategizing practice. I argue that this in turn places advice seeking which is a means of learning from external sources as a practice within the broader practice of strategizing and also hints at the goal of advice seeking while strategizing being the acquisition of knowledge resources. These points on advice seeking and strategizing are taken up in Sections 3.4.3 and 3.5.1.

Wilson and Jarzabkowski (2004) also locate the work of strategizing not just in the physical acts but also in the mental acts of the strategist. This ties in with Schatzki's conception of practices as being bodily doings which can either be physical or mental but more importantly with his concept of practical intelligibility which is cognitive and which determines and orders the physical actions. It also ties in with Heidegger's notion of prior understandings underpinning and giving meaning to actions.

While Wilson and Jarzabkowski (2004) make the point that strategizing occurs in different contexts, their definition of strategizing does not capture this and so does not go far enough especially when held up against the concept of practice discussed in the previous section which emphasises the contextual nature of practices. Jarzabkowski's (2005) takes this point

into account in describing strategizing as involving the goal oriented actions of strategists which draw on practices which are situated in time and space.

Chia and Holt (2006, 2009) argue that there is an alternative view of strategizing to the dominant view described above, they argue that:

“... the dominant ‘building’ mode of strategizing that configures actors...as distinct entities deliberately engaging in purposeful strategic activities derives from a more basic ‘dwelling’ mode in which strategy emerges non-deliberately through everyday practical coping. Whereas, from the building perspective, strategy is predicated upon the prior conception of plans that are then orchestrated to realize desired outcome, from a dwelling perspective strategy does not require, nor does it presuppose, intention and purposeful goal-orientation: strategic ‘intent’ is viewed as immanent in every adaptive action.” (Chia and Holt, 2006, p. 635)

This alternative view of strategizing presents strategizing as occurring in the flow of everyday activities as the strategist tries to cope with his environment. The emphasis is thus on coping as opposed to intentional and rational planning of actions. Indeed, Chia and Holt (2009) describe strategizing as ‘wayfinding’ where the strategist is immersed intimately and inextricably in his contexts, and, as such, his or her actions emanate from within the constantly evolving circumstance. This view of strategizing is supported by studies such as Samra-Fredericks (2003, 2004, 2005) who finds that strategizing occurs as managers interact and talk with each other and other stakeholders in the organisation. She finds that it is in the everyday activities which are not intentionally strategic but which when looked at with hindsight have influenced strategy that strategizing occurs.

I adopt the view of strategizing presented by Chia and Holt (2006, 2009) and Samra-Fredericks (2003, 2004, 2005) as the bases for the empirical work in this study as it allows me to develop a richer picture of small business owner strategizing and advice seeking while strategizing in that it permits me to explore the business owners actions which have

had an impact on the firms strategy irrespective of whether there was purposeful goal orientation towards influencing strategy at the time the action was carried out or not. Thus in this study, I conceptualize strategizing as occurring in the flow of the business owners' everyday activities as he tries to cope with his environment and plot a direction for his business. The implication of this for the study is that I will look more broadly at the actions of the business owners in seeking advice as opposed to having a narrow focus on only those advice seeking actions which were specifically targeted at developing or influencing strategy.

The question which then remains to be answered in relation to strategizing is, 'what is the nature of strategizing in small business?' or put differently, 'what is peculiar to small firm strategizing?' This will be the subject of Section 3.4.3 as the next section turns our gaze towards conceptualizing advice seeking and the use of advice as social practices.

3.3 THE PRACTICE OF ADVICE SEEKING

Real-life decisions are rarely made by a person acting alone but rather are made by the person after seeking advice from others (Bonaccio and Dalal 2006). For example, a school leaver will consult parents and peers in deciding which university offer to accept or a person will ask for directions in an environment he is not familiar with. Yaniv (2004) argues that seeking advice is a basic practice in making real life decisions as real life problems are not '*completely packaged, self-contained, text book problems*' (Yaniv 2004, p.1). In real life situations, there are often a range of possible options to choose from and these options are in most cases not fully specified (Yaniv and Milyavsky, 2007). Yaniv (2004, p.1) describes advice seeking as an '*interactive, social and cognitive process*' aimed at enhancing the decision makers representation of the decision problem. In describing advice seeking and use in this way, he places it squarely in the realm of practice as he shows that advice seeking is a set of goal directed human actions carried out in a social context. Indeed a body of literature has developed which explores the social context of advice seeking and

the use of advice. It is to this body of literature that we now turn.

Yaniv and Milyavsky (2007) hint at the teleological nature of advice seeking when they opine that advice is usually sought to help the advice seekers obtain information, frame their decisions, refine preferences and generate options. These put together point at advice being sought to improve decision making or obtain better decision accuracy. An earlier study by Harvey and Fischer (1997) had made findings in this regard. They had conducted experiments the results of which showed that advice seekers were using advice to improve their judgements. Indeed Yaniv (2004) argues that the primary goal of advice seeking is to improved decision accuracy although he does note that there might be other social goals for advice seeking.

The notion of advice seeking pursuing multiple goals was highlighted in an earlier study by Goldsmith and Fitch (1997) which found that advice seeking might sometimes be an enactment of gratitude and respect but even when these were the goals, there was an overriding goal of maintaining decision autonomy. A more recent study by Dalal and Bonaccio (2010) finds that in addition to improving decision accuracy, maintaining autonomy in decision making is also a key goal in advice seeking.

Pursuing these two goals has implications for who advice is sought from and how it is valued. First, advice will be sought primarily from people who the advice seeker perceives as being able to contribute to improving decision accuracy in terms of information provision, analysis, and creativity in option generation. Second, advisors and advice which limit the autonomy of the advice seekers in making their own decisions will be frowned upon.

Research on advice giving and taking has focused mainly on identifying factors that influence the use of advice (Jonas and Frey 2003) with studies focused on the way advisors are chosen being rare. Hofmann, Lei and Grant (2009) investigate the sense-making processes underlying how nurses decide who to seek advice from and find that advice is sought based on the advice seekers perception of the advisors expertise, trustworthiness

and accessibility and these perceptions are predicted by experience, formal roles and affective organisational commitment. In construing accessibility, Hofmann, Lei and Grant (2009) relate it to ease of access as opposed to proximity. This agrees with an earlier study by Patel, Balmer and Pleasence (2008) who had found that proximity has little effect on the accessibility of advisors.

In another study, Creswick and Westbrook (2010) investigated the advice seeking practices of staff in an Australian hospital and found that advice tends to be sought from people in the same professional group as the advice seeker. They did not investigate why this is the case but I argue that the reasons for seeking advice from members of the same professional group will be related to issues of expertise, trust and accessibility described by Hofmann, Lei and Grant (2009).

Perhaps more studied are the factors which affect the use of advice. Jungermann and Fischer (2005) find that where there is asymmetry of information, knowledge and experience relating to the task at hand between advisor and advice seeker, with the advisor being the '*expert*', the advice given will be more valued in decision making. However, they note that in such a situation the use of the advice will be based on the advice seekers personal and institutional trust for the advisor as he has no way of knowing if the advice is good or bad. This confirmed similar findings which had been made by Harvey and Fischer (1997), Jungermann (1999) and Sniezek, Schrah and Dalal (2004). Yaniv (2004) finds that as the information asymmetry decreases, the advice seeker tends to place less value on the advice. He argues that as the advice seeker becomes more knowledgeable he tends to discount advice more. However, he does not investigate if trust plays any role in this case. Studies by Tost, Gino and Larrick (2012) and See, Morrison, Rothman and Soll (2011) expand on this and find that advice seekers in positions of power tend to discount advice more than those who are not in positions of power. Power in these studies is defined to include the possession of knowledge and experience. While the studies highlighted above have dealt with task relevant expertise, Feng and MacGeorge (2006) find that advice

seekers value advice from advisors who they perceive as being older, better educated and having more life experience and wisdom than themselves.

These studies show that advice seekers regard knowledge as a resource and that this view of knowledge influences the actions of the advice seeker and also confer status and power on those who possess this knowledge resource. This is in line with Giddens' characterisation of resources as being drawn on to determine actions and also being the main medium through which power is manifested and exercised. Advice seeking is therefore shown to be about the obtaining of this knowledge resource.

Jungermann (1999) hypothesises that the use of advice is linked to the advice seekers perception of the quality of advice. Empirical studies by Yaniv and Kleinberger (2000) and Yaniv and Milyavsky (2007) find support for this argument. Yaniv and Kleinberger (2000) find that advisors quickly gain a reputation based on the quality of the advice they give. They also find that this reputation is constantly reviewed against the advice they give and is easier lost than gained.

Studies by Ravazzolo and Roisland (2011) and Yanvi (2004) find that the weight the advice seeker puts on the advice obtained is negatively related to its distance from the advice seekers initial opinion. However, both studies find that knowledge affects this relationship between weight attached to advice received and the distance between the advice received and the advice seekers initial opinion. In the case of Ravazzolo and Roisland (2011) they explain that if the advice seeker does not have sufficient knowledge of the advisors competence then they will discount the advice in this way. Yanvi (2004) on the other hand find that it is the advice seekers knowledge which affects the weight attached to the advice received. They find that the more knowledgeable the advice seeker is the more likely that he will discount advice which differs from his initial opinion.

Kuang, Weber and Dana (2007) studying the effectiveness of advice from interested parties find that if advice appears to be '*self-interested*' by this they mean if the advisor will benefit

monetarily from the advice being followed, the advice given is less effective than if the same advice is given by an advisor who is perceived to be neutral. Jodlbauer and Jonas (2011) make similar findings. They find that advice seekers who believe that their advisor is pursuing self-interested goals perceived their advisor as less honest and trustworthy than advisors who they perceived as not having self-interested goals and thus were less likely to adopt the advice given by the self-interested advisor. This implies that advice from advisors whose goals are seen to be in conflict with those of the advice seekers will be looked unfavourably upon. It also implies that the use of advice is mediated by trust.

The link between cost of advice and its use is investigated by Gino (2008) who finds that independent of the quality of the advice, people value advice from others more when it costs money than when it is free. She argues that this is as a result of the advice seekers succumbing to the '*sunk cost fallacy*' where individuals pursue goals more intently if they have paid money for them than if they had not.

Table 3.2 summarizes the literature discussed in this section.

Table 3.2 Summary of Literature on Advice

Themes	Author	Contribution
Goal of Advice Seeking	Yaniv and Milyavsky (2007)	Advice is sought to obtain information, frame decisions, refine preferences and generate options. This points at the goal orientation of advice seeking
	Harvey and Fischer (1997)	Advice is used to improve decision making
	Yaniv (2004)	The primary goal of advice seeking is improving decision autonomy. There might be other subsidiary social goals.
	Goldsmith and Fitch (1997)	Advice seeking pursues multiple goals which include the improvement of decision accuracy, enacting gratitude and respect, and maintain decision autonomy.
	Dalal and Bonaccio (2010)	Advice seeking pursues goals of improving decision accuracy and maintaining decision autonomy.

How and Why Advisors are Chosen	Hofman, Lei and Grant (2009)	Advice is sought based on the advice seekers perception of the advisors expertise, trustworthiness and accessibility.
	Creswick and Westbrook (2010)	Advice is sought from people in the same professional group as the advice seeker.
	Jungermann and Fischer (2005)	Advice is sought where there is an asymmetry of information, knowledge and experience between advice seeker and advisor. Advice seeking where these asymmetries exist is depended on personal and institutional trust for the advisor.
How Advice is Valued and Used	Yaniv (2004)	The more knowledgeable an advice seeker is the more he discounts advice.
	Tost, Gino and Larrick (2012) See, Morrison, Rothman and Soll (2011)	Advice seekers in positions of power discount advice more than those who are not in a position of power. Power in this sense includes the possession of knowledge and experience.
	Feng and MacGregor (2006)	Advice from advisors who are older, better educated and experienced is valued by advice seekers.
	Jungermann (1999)	Advice is valued based on the advice seekers perception of its quality.
	Ravazzolo and Roisland (2011)	The value placed on advice is negatively related to its distance from the advice seekers initial opinion.
	Kuang, Weber and Dana (2007) Jodlbauer and Jones (2011)	Advice from advisors who are perceived to be 'self-interested' is valued less than advice from advisors perceived to be neutral or detached.
	Gino (2008)	Advice which is paid for is valued more than advice which is not paid for.

The studies discussed above on how individuals seek and value advice all emphasise that the seeking and valuing of advice occurs '*in the site of the social*' as Schatzki would put it. They point at the valuing of advice being influenced by what it makes sense for the individuals to do given their general and practical understandings and the goals which they

are pursuing. These show that their actions in valuing and acting on the advice they receive are organised by what Schatzki (2001b) describes as practical intelligibility.

Having looked at the social nature of strategizing, advice seeking and using advice; and conceptualized them as social practices, the next section will discuss the literature on strategizing, advice seeking and the use of advice as social practices in the context of small business. However, to frame these discussions, it starts by seeking to answer the question ‘what is a small business?’

3.4 SMALL BUSINESSES

3.4.1 Defining Small Business

Defining a small business is difficult (Lieberman-Yaconi, Hooper and Hutchings 2010) and is often done by reference to quantitative criteria such as turnover or employee numbers (Curran and Blackburn 2001; Davidsson 2004; Shepherd and Wiklund 2005). Quantitative criteria such as these are often used in defining small businesses because they allow for a clear delimitation between the different categories of businesses which are classed as Small and Medium Enterprise (SME). Within the European Union (EU), one of the widely used definitions of SME is that contained in the European Commission Recommendation 2003/361 which uses employee numbers, turnover and total balance sheet value as criteria for categorizing businesses as medium, small or micro businesses as follows:

Table 3.3 Quantitative Criteria for Defining SMEs

Company category	Employees	Turnover	Balance sheet total
Medium-sized	< 250	≤ € 50 m	≤ € 43 m
Small	< 50	≤ € 10 m	≤ € 10 m
Micro	< 10	≤ € 2 m	≤ € 2 m

While this definition is widely used in the EU, it is by no means a settled definition as Holmes and Gibson (2001) note that within research and related literature, a broad range of

definitions have been used without any systematic or theoretical basis. The problem which arises from the use of definitions which are based on money measurement like turnover and assets is that these values are subject to erosion of inflation along with the likelihood of being unreliable as they could very well be full of statistical and accounting errors. Given the problems associated with money measurements, it is not surprising that the number of employees is the most frequently used criterion when classifying businesses as SMEs (Buculescu, 2013). Buculescu (2013) argues that this is the case because small businesses are more willing to disclose information on number of employees, it is easier to control for and it does not vary with inflation like the monetary criteria.

Another way of defining small business is by reference to qualitative characteristics of the business (Ang 1991). A widely used definition, adopting this approach, is that by the Bolton Committee which defined SME as an independent, typically local firm that has a small market share and is owned and managed by the same individuals (Bolton, 1971) and another is that a small firm is one whose capital is independent and which does not occupy a dominant market position (Buculescu, 2013). However, the problem with this class of definitions is that once a particular defining characteristic is proposed, examples of large businesses can readily be provided which match the proposed criteria (Holmes and Gibson, 2001).

McMahon, Holmes, Hutchinson and Forsaith (1993, p.9) referred to defining small business as a “*vexing and enduring difficulty*” and went on to indicate that

“small enterprises are easier to describe than to define in precise terms. In other words, you will know one when you see one. What small enterprises in fact have in common, and which sets them apart from large enterprises, are other less tangible attributes that are more difficult or even impossible to measure”.

The approach suggested by McMahon et al (1993) summarizes the view that small firms can best be identified by reference to their inherent or underlying characteristics. This raises

the question: What are the underlying characteristics of small firms? Or put differently, what is it in the nature of small businesses that differentiates them from large businesses?

3.4.2 Nature of Small Business

A notion which has been held traditionally is that small businesses are much like big businesses except that small businesses have lower sales, smaller assets and fewer employees (Welsh and White, 1981). However, the smallness of the business creates certain conditions and inherent characteristics which differentiate it from big businesses (Welsh and White, 1981; Edelman, Brush and Manolova, 2005; Anderson and Ullah (2014).

The literature on small business is dominated by the perspective which emphasises the lack of resources in small businesses (e.g. D'Amboise and Muldowney, 1988; Eden, Levitas and Martinez 1997). Welsh and White (1981) argue that the smallness of the business creates a special condition which they call '*resource poverty*' which distinguishes small firms from larger ones. They argue that resource poverty arises from various conditions which are unique to small businesses e.g. operating in highly fragmented markets which are prone to price cutting which drives profits down and inadequate finance to afford to buy in management and other professional expertise required to run the business. This lack of resources within the firm might mean that the firm lack the skills and capabilities required for effective strategizing and would need to take advice in those areas where it is deficient (Culkin and Smith, 2000). Thus advice seeking is linked to strategizing by the resource limitations which small businesses face.

Closely related to resource poverty is the fact that small business owners and managers tend to have general rather than specific expertise (Ang 1991). This means that when dealing with specialist projects or when venturing into areas which they need more specialist input the small business owners are forced to seek for external help or advice.

A major characteristic that differentiates small and large firms is ownership. With large organisations, ownership is usually divorced from management and control. This is not the case with small firms where the owner usually runs or has significant management responsibility (Beaver and Prince, 2004). Ang (1991) notes that even where the small firm takes on the form of a limited liability company where ownership and management are separated, the relationship between owners and managers is still an informal relationship.

Closely related with the owners participation in the running of the business is the organisations' structure. This is another characteristic that would usually differentiate small firms from larger ones. D'Amboise and Muldowney (1988) note that small firms usually have a contracted hierarchy and centralized decision making. This should give for closer interaction among departments, shorter lines of communication, better personal links, more unified culture and stronger identity (Aragon-Correa, Hurtado-Torres, Sharma and Garcia-Morales 2008). Thus, small firms are not usually encumbered by bureaucracy and hierarchical thinking (Liao and Welsh 2003). These characteristics of hands-on management, efficient information flow, quick decision making and closeness to customers are what give the small firm the flexibility it needs to survive in its environment. (Anderson and Ullah 2014). These characteristics of centralized decision making and contracted hierarchies have implications for this study also. If the decision making is centralized in the small business owner, it means that strategizing and advice seeking would be centralized in the small business owner and so it is his practice which is important to understand. It also means that the sample of firms to be studied will be limited to small businesses which display this characteristic.

While small businesses might have simple organisational structures, they tend to display more complex attitudes and behaviours. This is because they are often personality driven with the firms practices being to a very large extent determined by the owner (Culking and Smith, 2000; Anderson and Ullah 2014). Indeed, Holmes and Zimmer (1994) argue that in order to understand the existence of small firms and the way they respond to their context

and environment, it is necessary to understand the motivations of the business owners as their behaviours might optimise non- financial goals (Wiklund, Davidson and Delmar, 2003). Again, this has implications for this study as developing an understanding of the context, attitudes and behaviours of the individual small business owner might be as important as understanding the business which they operate. It also means that in choosing to seek advice, business owners might be influenced by motivations other than economic motivations.

Given the foregone discussions on defining small business using quantitative criteria, qualitative criteria and by considering the defining characteristics of the small business, I must now consider how the definition of the small business impacts on this study. It does this in two ways. The first is in the choice of my sample of respondents and the second is in differentiating between the different businesses my respondents run.

In choosing my respondents, I focus on the qualitative definition of small businesses and on the characteristics of the business. Thus for this study, a small firm is one which is independent and does not occupy a dominant position in its market. It is also one in which decision making is centralized with the owner or a small group of owners having decision making autonomy as it relates to strategizing and advice seeking.

Having chosen my respondents in this way, the quantitative criteria are used to differentiate between the respondents businesses so that in the analysis of the data I can make judgements as to the effect size has on strategizing and advice seeking practice. Of the quantitative criteria, I use the number of employees as this information is easily obtained from the respondents. Thus, businesses are classified as micro businesses if they have less than ten employees inclusive of the business owner and small firms are firms which have between 11 and 50 employees inclusive of the business owner. Firms which have no employees are classed as sole traders irrespective of the fact that they might have taken on the form of a limited liability company.

Having looked at the nature of small businesses and its implication for this study, I now turn my gaze to the nature of strategizing in small businesses. I try to answer the question ‘what is peculiar to small firm strategizing?’ This is the focus of the next section.

3.4.3 Small Business Strategizing

Most of the early small business strategy researches focused on strategic planning. Robinson and Pearce (1984) reviewing this literature categorizes it into four major streams: studies focusing on the presence or absence of strategic planning practices; studies focused on the value of strategic planning; studies which examine the appropriateness of specific features of the planning process; and studies which examine empirically content of strategies in small firms.

Within the small business strategy literature, the consideration of strategy formation is a neglected area and lags behind that of general business strategy (Barnes 2002) with Robinson and Pearce (1984) describing this stream of literature as ‘woefully inadequate’ and Verreyne and Meyer (2010, p.400) noting that:

“20 years of further research have done little to change that assertion, with the literature on strategy-making in small firms remaining sparse and commonly exploratory”

Be that as it may, it is to this limited body of literature I must now turn to develop an understanding of the nature of strategizing in small businesses.

Beaver and Prince (2004) theorizing small business strategy formation argue that rather than being a rational process, which is top – down, regulated and planned, small business strategy process is emergent and instinctive with management decisions being based on information which is imprecise and volatile as a result of fluctuating market conditions. These arguments are confirmed by Rasmussen (2009) who investigate strategizing in small firms and find that:

“in small firms, strategic activities ... take place through a number of rather unstructured, context driven and sometimes context questioning, communication process between crew members within the firm, important external stakeholders, and ... in the main role, the management of the firm. This does not function in practice as a kind of formal decision-oriented planning process. It is much more an everyday process where situations, possibilities and problems emerge from the operative activities and gradually are interpreted as becoming important for the development and existence of the firm”
(Rasmussen, 2009, p.875)

Their findings show that small business strategy does not emerge from deliberate and purposeful strategic activity, rather it emerges as a result of the business owners or managers trying to cope with everyday events. This description of strategizing in small businesses sits squarely within Chia and Holt's (2006) depiction of strategizing as wayfinding and practical coping. Rasmussen (2009) also show small business strategizing to involve several actors including employees, external stakeholders and the business owner or manager with the business owner or manager being the principal actor and decision maker.

Exploring the importance of the business owner in the strategy formation process, McCarthy (2003) finds that the personality of the business owner influences the pattern of strategic behaviour of business owners. She identifies two main types of business owner, the pragmatist and the charismatic and finds that the personality type influences the business owner's propensity to take risk, share power and involve more people in the decision-making process. This would imply that the business owner's personality will affect his strategizing and advice seeking practice significantly.

Chan and Foster (2001) explore strategy formulation in small businesses in Hong Kong and find that in developing strategy, business owners gathered information predominantly from internal/personal networks and from related external channels as opposed to gathering information from entirely external sources. This shows an understanding by the business owners of their limitations and the need to tap into other sources of knowledge. However, it

also shows a reluctance to move beyond the individuals within their network and those to whom their network gives them access to. This would imply that business owners would be unlikely to seek advice while strategizing from entirely external sources.

Beyond information gathering, Chan and Foster (2001) find that business owners used the knowledge and expertise of colleagues, family members and outsiders in developing strategic options and evaluating those options. The reasons given by the business owners for seeking such help was that there was lack of a particular knowledge or skill within the business. This emphasises the resource poverty of small firms and advice seeking while strategizing as a means of filling the gaps in the strategizing process caused by this resource poverty.

Burke and Jarratt (2004) also find that owners seek advice and information from outside sources while strategizing. The findings of Chan and Foster (2009) and Burke and Jarratt (2004) are interesting in that they position advice seeking as a practice within the larger social practice of strategizing and relate advice seeking to information and knowledge acquisition. Thorpe, Jones, Holt, Macpherson, Sharifi and Zhang (2007) and Jones, Macpherson and Thorpe (2010) position advice seeking similarly in their study of learning in small firms. They find that in seeking to improve their businesses, business owners create a 'strategic space'. They define the strategic space as '*the process by which business owners access resources, motivation and capability to review existing practice*' (Jones, Macpherson and Thorpe 2010, p.649) and argue that this strategic space includes the ability of the business owner to, (1) recognize the value of external knowledge which resides in customers, suppliers, professional advisors etc., (2) acquire the knowledge and (3) assimilate and use it. In conceiving organisational learning in this way, Thorpe et al. (2007) and Jones Macpherson and Thorpe (2010) position it as an aspect of strategizing practice. In doing this they inadvertently position advice seeking as a means of acquiring external knowledge and thus as an aspect of strategizing. This conception of advice as relating to the acquisition of knowledge is taken up again in the next section which examines the literature on the practice of seeking and using advice in strategizing in small businesses.

Of the strategy research from a practice perspective, the vast majority of empirical studies have focused on large organisations with the rare study taking a practice perspective on SMEs strategy. Nilsson, Westerberg and Hackner (2012) study the work of strategic management in SMEs from a structuration perspective and find that strategic managerial work in small businesses should be understood as a social practice that is rooted in symbolism, emotions and power and consequently is multifaceted and complex. Their findings also suggest that strategic managerial work in SMEs should be understood through Giddens notion of duality as involving both structure and agency. However, they note that this points to the non-sequential nature of strategizing in SMEs as sometimes structure takes the lead and agency follows and vice versa.

This study presents a high level conceptualization of strategizing in small businesses without really delving into the detail of what is actually taking place and how the actions of the different actors are organised. So while it provides a useful starting point, it does not provide much illumination.

Gunther and Menzel (2012) research the nature of strategizing in small businesses through a single two year case study and they do not find any evidence of formal strategizing in terms of planning, analysing, documenting and communicating strategy. However, they do find that strategizing is mostly informal, ranging from the autocratic instructions of two top owners to the autonomous behaviour of lower level staff, with leadership style and organisational culture playing a part in enabling the lower level staff to participate in the work of strategizing. Similar findings had been made in an earlier study by Burke and Jarratt (2004) who studied strategy definition in SMEs through interviews and focus groups and found that in most cases strategic planning takes place in an iterative and informal manner. They found that the business owners that were studied all had an intuitive understanding of their markets, customers, competitors and competitive challenges and that the business owners were intuitively planning and refining strategy on a day to day basis taking into

account information, advice and market opportunities. The nature of these findings suggest that the business owners have developed a feel for their organisation and their environment and their strategizing is about determining what makes sense to do in their particular situations. This points at Schatzki's practical intelligibility as organising their practice of strategizing.

These studies are both concerned with the '*what*' of practice. They seek to describe the day to day actions of the business owners in strategizing and to provide explanations for these. They start to paint a picture of what is actually happening in strategizing but they do not go deeper than this to find out why the actors undertook the actions they did.

3.5 ADVISING THE SMALL BUSINESS

Given the size and scope of most small businesses, the decisions of the small business owner can have a quick and intrusive effect on the organisation and its ability to survive and compete in its environment (Anderson, Bergiel, Prince and Upson 2010). As noted earlier, decisions are not usually made by a person (in this case the small business owner) acting alone. Rather decisions are usually made by a person after consulting with others. Research in small business advising has grown in recent years. It is to this body of literature that we now turn.

3.5.1 Antecedents of Small Business Owner Advice Seeking

A few studies have investigated the factors which influence the small business owners' decision to seek advice. Bennett and Robson (1999b) studied the use of advice by SMEs and found that firms size impacts on the small firms use of advisors with the use of external advisors increasing the larger the firm becomes. They also find that growth firms (with growth measured in terms of employee numbers) used external advisors more than declining firms. Mole, Baldock and North (2013) make similar findings, they find that the size

of the organisation and the managements' orientation to growth influence the desire to seek advice. However, in respect to size as a determinant of advice seeking in small firms Johnson, Webber and Thomas(2007) found that size per se is not strongly associated with the use of external advice by small firms. They argue that size often acts as a proxy for other factors that are more directly associated with the use of external advice. In respect to the relationship between growth intent and use of external advisors, they make similar findings to Bennett and Robson (1999b) and Mole et al (2013). They also found that firms using IT and/or involved in R&D activities are more likely than average to utilise external business advice and that firms located in densely populated metropolitan areas were more likely to use external advisors.

Holmes and Nicholls (1989) investigated the use of accountants as business advisors and found that firm age influenced the use of purchase of business advisor services from accountants with younger firms being more likely to purchase business advisory services than older firms. Robinson and Stubberud (2014) find that the age of the business owner influences their propensity to seek advice with older business owners being less likely to seek advice. However, as with size, Johnson, Webber and Thomas (2007) found that age per se is not strongly associated with the use of external advice by small firms, they argue that age often acts as a proxy for other factors that are more directly associated with the use of external advice.

Burke and Jarratt (2004) find that small business owners seek advice in order to reduce risk in decision making. They also find that the lack of resources and capabilities which are a characteristic of small businesses drive the small business owners' need for external input in the form of advice and information while strategizing. However, they denote that the owners in seeking advice also aim to improve their knowledge and capacity base so that in future they would not have to seek advice on the same issues. This positions advice and information seeking as a type of knowledge exchange. Chrisman and McMullan (2004) studying external advice as a knowledge resource find that where the business owner does

not have sufficient knowledge, they view knowledge as a resource and try to bridge the knowledge gap by seeking external advice. This view of knowledge as a resource, the lack of which drives advice seeking is confirmed by Mole et al. (2013) who investigate the antecedents of advice seeking. This view of advice being concerned with knowledge exchange is similar to that held by Jones, Macpherson and Thorpe (2010) and Thorpe et al (2007) which have been highlighted in Section 3.4.3.

Kamyabi and Devi (2011) taking a resource based approach to investigating the use of advisory services by SMEs find that the owners decision to seek advice is influenced by his/her knowledge, technical competence, competitive intensity of the market and complexity of the decisions that have to be made. These findings are similar to those of Dyer and Ross (2008) who found that operating in a dynamic environment has a direct link with advice seeking. Although they do not indicate why this is the case.

Gooderham, Tobiassen, Doving and Nordhaug (2004) investigated the use of accountants as a source of business advice and found that strategic intent in a small firm was critical to its decision to seek business advisory services from its accountant. They describe strategic intent as the firm's willingness to set goals and aspirations that create a motivation gap between existing resources and ambitions. They argue that if a firm has strategic intent, it will be actively seeking to develop its own competences and thus will be more likely to seek business advisory services as the use of these services might result in the development of internal competences. Yazdanfar and Abbasian (2015) investigate the role gender plays in the use of external business advice by small business owners and find that it is indeed a determinant of the use of advice. They find that women are more likely than men to use external business advice in strategy related areas.

The antecedent factors outlined in the aforementioned research can be categorized as those which relate to the characteristics of the business e.g. age and size; those which relate to the characteristics of the owner e.g. gender, knowledge, competence; those which

relate to the orientation of management e.g. strategic intent and growth orientation; and those which relate to the environment in which the business operates in e.g. competitive intensity, dynamic environments.

These antecedent factors point at the teleological nature or goal orientation of advice seeking. Advice in this case is sought to bridge a resource gap arising from firm and/or owner characteristics and also sought to facilitate the making of decisions which can deliver the desired growth and respond to the firm's environment adequately.

As these factors influence the business owner to seek or not to seek advice, they also impact on how the advisors are chosen and who is chosen as an advisor. The literature on these is explored in the subsequent sections.

3.5.2 Who advises the small business?

A widely cited study which explores the use of advisors by small businesses is that by Bennett and Robson (1999b) who in a quantitative study of the UK SME's find that 95% of small businesses use external advisors. They develop six categories of sources of external advice to SME's as professional specialists (accountants, solicitors, banks); professional generalists (consultants); market contacts through the supply chain (customers and suppliers); social contacts (family and business friends); business associations (trade and professional bodies, local chambers of commerce); and government sponsored agents. Of these, accountants were the most used source of advice. Jay and Schaper (2003) reported similar findings in their study on advisors of small businesses in Australia.

Whilst the classifications developed by Bennett and Robson (1999b) are the most used in the small business literature, they were not based on any theoretic foundations but simply a grouping of convenience based on the functions of the advisors.

A number of studies identify accountants as a significant advisor to small business owners (Jay and Schaper, 2003; Lowry and Chapman, 2000; Berry, Sweeting and Goto, 2006;

Robson and Bennett, 2000; Bennett and Smith, 2002; Gooderham et al., 2004; Kirby, Najak and Greene, 1998). Indeed Bennett and Robson (1999b) found that accountants are the most frequently used source of external advice. However, Blackburn and Jarvis (2010) note that whilst the literature mentioned above highlight the importance of accountants as advisors to small businesses, it merely counts the number of times accountants are used and does not tell anything about the motivation of the business owners for choosing to use accountants as business advisors.

Robinson and Stubberud (2014) explore the advisors used by small business owners and make significantly different findings on the use of advisors from the literature noted above. They find that the most popular source of advice used by small business owners are family and friends with professional acquaintances being the second most popular category and professional consultants being the third most popular category of advisors used. However, they find that as the age of the business owners surveyed increased they tended to use professional acquaintances more than they did friends and family and as age increased further, they stopped using advice. This implies that the age and indeed personal characteristics of the business owner play a role in who the business owner goes to for advice.

Burke and Jarratt (2004) took a qualitative approach to studying the use of advisors in small business strategy definition and found that customers, staff and family were important sources of advice and rated as more credible than consultants, accountants and small business agencies as sources of information and advice for strategic decision making. Like Robinson and Stubberud (2014), this study contradicts the literature that finds that accountants are the most used advisors. However, it does point to the same range of advisors being used within the small businesses context.

Dyer and Ross (2008) link the advisors used by small business owners to the stage of development of the business in its lifecycle arguing that new businesses will tend to use

informal advice more than formal advice but as the businesses mature, they will lean more towards formal and impersonal sources of advice. Again, they identify the same broad sources of advice as those identified above.

Based on the foregoing, it can be concluded that small businesses would use a range of formal and informal advisors in varying degrees.

3.5.3 How do small business owners choose their advisors?

There are a few studies which focus on the small business owner practice of choosing advisors. Bennett and Robson (1999a) investigate the use of external business advice by SMEs in Britain and find that, within the private sector, advice providers who have high levels of specialisation and high levels of institutional trust such as accountants and solicitors are used more than business associations with low levels of institutional trust. They also find that personal trust is the driving force behind the use of friends and family as advisors whereas consultants are not used much because they do not have either personal or institutional trust. They conclude that the level of trust is the major determinant of the business owner's decision to use an advisor. Their conception of trust follows Zucker's (1986) classification of trust as personal trust and institutional trust. Institutional trust is based on being a member of a government regulated profession whereas personal trust is based on personal relationships.

Bennett, Bratton and Robson (2000) investigate the influence of distance on the business advice and find that over 60% of advisors are within 10km of their clients and over 81% of advisors are within 25km of their clients. They attribute this localization to businesses treating advice as a commodity and factoring the cost of access into the decision of which advisors to use. These findings raise questions around what other reasons would cause businesses to choose local advisors. Could it be that the local advisors have a better understanding of the local market and conditions under which the business operates and so

would be better able to understand the business and its situation? Also, would distance influence the interactions with informal advisors such as family and friends? These questions are not answered by their study but could be of potential interest in studying how small businesses obtain advice in strategizing.

Gooderham et al (2004) investigating accountants as a source of business advice for small firms find that competence is a factor influencing use of the accountant as a business advisor. They also find that it is the quality of the services delivered rather than the length of the relationship which drives the development of trust and thus influences the owner's decision to use their accountant as a business advisor. Their findings indicate that trust derives from competence at performing a contractual role. However, this has limited application to advisors as informal advisors without a contractual or similar role will not be able to develop this type of trust.

Investigating the influence of gender, ethnicity and education in the use of advice in UK SMEs, Scott and Irwin (2009) find that both men and individuals of black or ethnic minority are more likely to use family and friends as advisors while women were twice as likely as men to use advisors from government agencies. In an earlier study on how small business owner characteristics influence their choice of advisors, Scott and Irwin (2007) had found that people of ethnic minority background relied more on friends and family as advisors than they did government agencies; owners who were educated up to O and A levels relied more on friends, family and government agencies as advisors while graduates relied more on solicitors and accountants than they did on friends and family. These studies give an indication that the actions of the business owners are historically connoted as they are determined by their embodied habits, dispositions and understandings which have been developed by their experiences over time.

Anderson, Bergiel, Prince and Upson (2010) investigate how owners of small retail shops in the Southeast United States choose advisors and find that the choice of advisor is

correlated to the strategy which the business owner intends to adopt. They find that if the owners are pursuing a high quality strategy where they stock products which are of better quality and design than their competitors then they rely heavily on advice from advisors who are store managers pursuing similar strategies. Anderson et al. (2010) argue that advice from these advisors is likely to help the owners create frameworks within their mind to guide their decision making. This study is more useful for what it does not tell us than for what it does. It raises the questions as to what it is about people pursuing similar strategies that make them useful as advisors and why small business owners would choose advisors who are pursuing similar strategies as they intend to. While they do not attempt to answer these questions, the questions are useful for this study.

Blackburn, Carey and Tanewski (2010) study the role ethics, trust and relationships play in the SMEs decision to use accountants as business advisors. They find that antecedents like size, age, financial condition of the firm, intention to grow, competition, industry and resources available to the firm influence the owner's decision to seek advice and that the choice of who they take advice from is influenced by trust and relationships. They find that trust is initially based on the owner's perception of the accountant's competence in delivering the statutory accounting services and his general business acumen. With interactions over time the accountant is able to demonstrate empathy towards the owner and also display integrity in their dealings. This allows trust to develop over time. Also a relationship develops and is strengthened by social rapport with the owner. These factors then influence the owner to seek advice from the accountant. These findings are replicated by Blackburn, Carey and Tanewski (2014). Blackburn et al (2014, 2010) conceive of trust being created by three antecedent elements: competence, empathy and integrity. This follows the model of trust developed by Mayer, Davis and Schoorman (1995) who defined trust in relational terms as

“the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular

action important to the trustor, irrespective of the ability to monitor or control that other party” (Mayer, Davis and Schoorman 1995, p.712)

and argued that the antecedent factors to the creation of trust are ability, benevolence and integrity.

Blackburn et al (2010, 2014) provide us with the richest account of how advisors are chosen. However, this account is limited in that it focuses on accountants as advisors and so does not give us a broad enough picture of how advisors in more general terms are chosen.

Together these studies highlight the social context in which the actions of seeking advice take place. They show that the action of advice seeking is influenced by the advice seekers perceptions of competence, empathy, integrity, trust, friendship; characteristics of both the advice seeker and the advisor like sex, ethnicity and education; and other social factors like distance. All of these condition the advice seekers view of what is the sensible course of action to take in seeking or not seeking advice from particular individuals.

3.5.4 Use of Advice – Process and Practice

Research which investigates the use of advice by small business owners is rare. Chaston and Baker (1998) conducted a quantitative investigation into the relationship influences which affect the provision of advisory service to small businesses. They found that the business owners’ use of advice proffered by government agencies is influenced by factors such as the regularity of contact between advisor and business owner, advisors behaviour consistency, advisor actively listening to the business owner and the creation of a relationship based on trust and commitment.

Burke and Jarratt (2004) in a qualitative study investigated the influence of information and advice on competitive strategy definition in small businesses and found that a number of factors influence the value which the business owners put on advice which they receive from different advisors and whether or not the advice is used. They find that advice from

customers is usually headed because the business owner wants to reinforce the trust on which the relationships with the customers are built as they wanted to strengthen and retain those relationships because they saw the customers as valuable sources of information. They also found that owners value advice based on their evaluation of the expertise of the advisor. In this regard, they valued advice from advisors who they perceived as having knowledge about the industry, knowledge about the particular business and practical experience of people who are currently engaged in business. Their study also shows that personal friendships usually underpinned the advisory relationships and that for advice to be used in strategizing it needs to be perceived as practical and likely to impact on profitability. The findings of Ramsden and Bennett (2005) are similar in respect to business owners valuing advice which they perceive as practical and likely to impact on profit.

These studies point at the owner's perception of the advisors behaviour, trust, commitment, knowledge and experience; and the practicality of the advice as being the influencers of the value he/she places on the advice. These can be conceived as some of the factors which are taken into account in valuing advice or indeed can be looked at as an expression of the business owners' practical intelligibility.

The literature discussed in this and the previous section (Sections 3.5.3) point at trust being an important factor or indeed a condition for the choice of advisor and also for influencing the value placed on the advice received. Consequently, the next section explores the literature on trust to develop an understanding of the nature of trust as it relates to business advice.

3.5.5 Trust

The literature on trust is extensive with trust having been studied in several disciplines including economics (Weng, Woo, Cheng, Ho, Horowitz 2015); management (Schraeder, Self, Jordan and Portis 2014); social psychology (Haselhuhn, Kennedy, Kray, Zant and Schweitzer 2015); sociology (Caruso 2015); marketing (Dowell, Morrison and Heffernan

2015); and entrepreneurship (Ren, Shu, Bao and Chen 2014). While extensive, the literature on trust is also complex. Anderson, Steinerte and Russell (2010) argue that the complexity of the trust literature is a reflection of the problems inherent in the deceptively simple construct of trust. They argue that one of the manifestations of this complexity is the lack of a universally accepted definition of trust. This complexity is also evident in multidimensional nature of trust with trust existing at the individual, firm and intra-firm level (Payan and Tan 2015). Given that this study focuses on the interactions of small business owners and their advisors, it is the literature on trust at the interpersonal level which is of interest. While it is important to explore this literature, the exploration is undertaken with a keen sense of the limitations of the literature in this area highlighted by Welter (2012, p. 194 - 195):

“the label ‘trust’ appears to have become something of a catch-all phrase.....which has no clear explanation. Many articles appearing in my keyword search seem to refer to trust incidentally, without being aware of its precise nature or outlining a definition of the construct. It is unclear whether trust is considered to be a means or the explanation....”

and echoed by Hardwick, Anderson and Cruickshank (2013, p.5):

“Indeed, at one level trust is employed to “explain” almost everything in relationships; but in detail explains very little. The trust literature is replete with descriptions of different types of trust, but lacks examples of how trust is formed, developed and maintained...”

The literature on interpersonal trust has roots in psychology (Cook and Wall 1980), sociology (Lewis and Weigert 1985), negotiation (Deutsch 1958), and organisational behaviour (Currall and Judge 1995; Zaheer, McEvily and Perrone 1998). Dominant in this stream of literature is the view that trust is multifaceted and consists of a cognitive dimension and an emotional (affective) dimension (Cook and Wall 1980; Johnson and Grayson 2005; Jones and George 1998; Lewis and Weigert 1985; McAllister 1995). A

classic exposition of interpersonal trust which takes this view is that by Lewis and Weigert (1985).

Lewis and Weigert (1985) position trust as a sociological concept. They conceive of trust as the property of collectives such as ongoing dyads or groups rather than as an individual attribute. They argue that as a collective attribute, trust applies to the relations amongst people rather than to the individual's psychological state and that all social relationships ultimately depend on trust. They conceive of trust as a functional prerequisite to society and social relationships which has the primary function of reducing complexity in society.

Trust is conceived of by Lewis and Weigert (1985) as being multi-faceted and consisting of cognitive, emotional (affective) and behavioural dimensions. Trust is cognitive in that

“we cognitively choose whom we will trust in which respects and under which circumstances, and we base the choice on what we take to be ‘good reasons’, constituting evidence of trustworthiness.....trust involves a degree of cognitive familiarity with the object of trust that is somewhere between total knowledge and total ignorance.” (Lewis and Weigert 1985, p.970)

The cognitive dimension of trust entails a rational choice of whom the individual trusts based on knowledge of the individual in question, however minute that knowledge is. Thus given a total lack of knowledge of the individual, there is no basis on which to trust rationally and given complete knowledge of the individual, there is no need to trust rationally. Knowledge and ‘good reason’ are the basis for the decision to trust, *‘the platform from which individuals make leaps of faith, like those involved in trusting’* (McAllister 1995, p26).

The affective dimension of trust consists of:

“...an emotional bond among all those who participate in the relationship. Like the affective bonds of friendship and love, trust creates a social situation in which intense emotional investments may be made, and this is why the betrayal of a personal trust

arouses a sense of emotional outrage in the betrayed." (Lewis and Wiegert 1985, p.97)

McAllister (1995) expounding on this argues that individuals make emotional investments in trust, create emotional bonds which involve genuine care and concern for the welfare of their partners, believe in the intrinsic virtue of the relationship and believe that these sentiments will be reciprocated. He argues that it is these bonds which form the basis for trust.

Lewis and Wiegert (1985, p.971) view the behavioural content of trust as:

"...the undertaking of a risky course of action on the confident expectation that all persons involved in the action will act competently and dutifully."

They argue that the behavioural enactment of trust flows from but also reinforces the cognitive and affective dimensions of trust. Thus, when we see others acting in a way that shows they trust us we are more likely to trust them and conversely, when we see others acting in a way that shows that they distrust us, we are more likely to distrust them. Given the nature of the behavioural dimension and its dependence on the cognitive and affective dimensions of trust, the literature has focused on these two dimensions (Webber 2008).

While the literature that links trust to small business advice uses different labels for the types of trust, it is possible to capture the essences of application and use of these trust types using Lewis and Wiegert's (1985) two dimensions of cognitive and affective trust. Table 3.4 lists the types of trust identified in the small business advice literature and classifies them as cognitive or affective.

Table 3.4 Types of Trust in Small Business Advice

Authors	Trust Type	Description of Trust	Cognitive or Affective Focus.
<p>Blackburn, Carey and Tanewski (2014)</p> <p>Blackburn, Carey and Tanewski (2010)</p> <p>Chaston and Baker (1998)</p>	<p>Ability based trust</p> <p>Integrity based trust</p> <p>Empathy based trust</p>	<p>Expectations about the advisors possession of requisite skills and knowledge to provide advice.</p> <p>Expectation that the advisor will adhere to a set of principles which they find acceptable.</p> <p>The extent to which advisors will act in the best interest of the business owner by understanding and genuinely caring about their business and personal needs.</p>	<p>Cognitive</p> <p>Cognitive</p> <p>Affective</p>
<p>Fanimokun, Castrogiovanni and Peterson (2012)</p> <p>Gooderham, Tobiassen, Doving and Nordhaug (2004)</p> <p>Bennett and Robson (2004)</p> <p>Bennett and Robson (1999a)</p> <p>Bennett and Robson (1999b)</p>	<p>Personal Trust</p> <p>Institutional Trust</p>	<p>Draws on family, group or other personal relations. It draws on these prior relationships and the expectation of continuing relationships after a particular piece of advice has been given.</p> <p>Draws on the broader market and regulatory context of the advisor. It depends from association and obligation structures that come from membership of business and professional associations, government regulations or third party standard bodies.</p>	<p>Affective</p> <p>Cognitive</p>
<p>Bennett and Robson (2005)</p>	<p>Competence based trust</p> <p>Goodwill based trust</p>	<p>Expectation of the advisors abilities to perform according to agreement.</p> <p>The extent to which the advisor can be relied on to perform according to agreement.</p>	<p>Cognitive</p> <p>Affective</p>

3.6 CONCLUSION

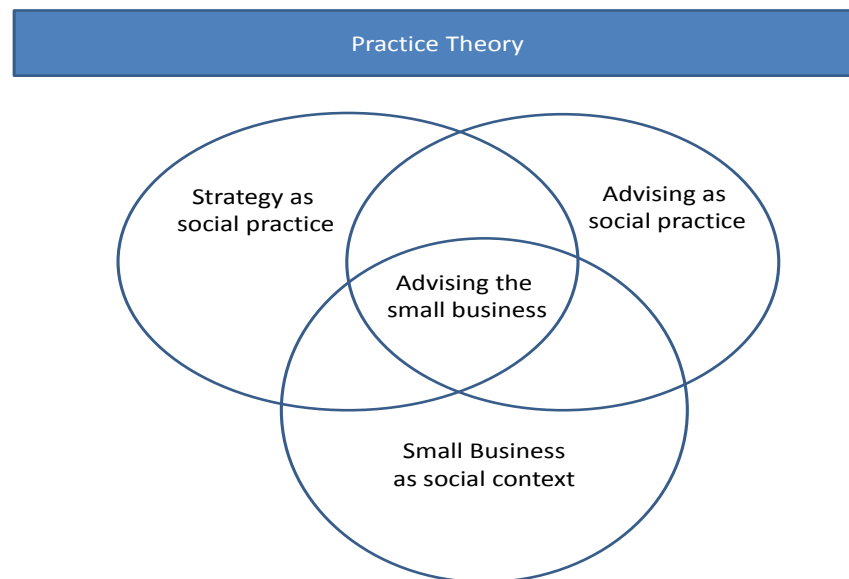
Before moving on to describe the research design a summary of the two encounters with theory is in order. In the first encounter with theory, I tried to explore what it means for this study to adopt a practice perspective. I argued that, for this study, adopting a practice perspective meant examining the phenomenon under consideration, in this case small business owner advice seeking while strategizing, through the lens of practice theory. I then explored the literature to develop an understanding of practice theory. I looked at the first generation practice theories of Pierre Bourdieu and Anthony Giddens and their applications in entrepreneurship and small business research as well as their limitations. The literature pointed to these practice theories being used as tools to sensitise empirical work in the sense that they enable the researcher identify areas of interest for investigation and also as structuring tools in that they enable the researcher make sense of their data. However, the studies which used these practice theories were focused at either macro or meso levels of analysis. As this study is focused at the micro level of analysis, these theories are not adopted as the principle sensitising or sense-making devices.

I explored Schatzki's theory of practice as representative of the second generation of practice theories as it follows the works of Wittgenstein and Heidegger more closely. I also looked at the application of Schatzki's theory in the strategy-as-practice literature and found that Schatzki's theory of practice was more suited to micro level studies as it enables the researcher to examine individual practices and their organisations at a micro level.

Given the above, I use practice theory as both a sensitising device for this study and as a sense making device. I draw mainly on Schatzki's theory of practice for this purpose but use Bourdieu and Giddens theories wherever they are able to aid the study. Thus, these practice theories sensitise both the review of the literature and the collection of data, they also aid me in making sense of both the literature and the data.

The second encounter with theory explores the strategy and advising literature through the lens of practice theory and then moves on to look at these practices of strategy and advising in the context of small business. This route taken through the literature is visualized in Fig 3.2.

Fig 3.2 **Summary of Literature Review**



The literature showed that strategy could be conceptualized as a social practice which focuses on the doing of strategy or strategizing. It also defines the broad research parameters of studying strategizing as focusing on the practitioners, practices and praxis. This study draws on this stream of literature in defining its parameters of study as focusing on practices.

I explored the strategizing literature to develop an understanding of the practice of strategizing and found that as Chia and Holt (2006) argued, there are two ways of viewing strategizing; the first being the 'building mode' where the practitioners are viewed as deliberately engaging in purposeful strategic activity and the 'dwelling mode' where strategizing is seen to occur in the flow of everyday activities as practitioners seek to respond to their environment. In this dwelling mode, strategic intent is seen to be immanent in the actions of the practitioners and strategizing comes to resemble wayfinding as

opposed to navigating. It is this approach to strategizing which best fits the world of the small business owner and thus this is the view of strategizing which informs the empirical work which is described in subsequent chapters.

I explored the literature on advice which has developed in the field of social psychology through the practice theory lens and develop a view of advice seeking as a social practice which is aimed at improving decision accuracy. This literature pointed at trust, power, knowledge, advisor characteristics and advisee characteristics as being important factors which influence the choice of advisor and use of advice.

The final sections of this encounter with theory explore strategizing and advice seeking in the context of the small business. First, I sought to understand what a small business is. I explored the quantitative and qualitative definitions of small business as well as the nature of the small business. To guide the empirical work for this study, I viewed a small business as one which is independent and does not occupy a dominant position in its market. It is also one in which decision making is centralized with the owner or a small group of owners having decision making autonomy as it relates to strategizing and advice seeking.

I then moved on to explore the literature on strategizing in small businesses. From this I develop a picture of strategizing in small businesses as being closer to Chia and Holt's (2006) description of strategizing as wayfinding as the literature shows it to be informal and to emerge from the business owners attempts to cope with their environment through their daily activities. It also shows that advice seeking occurs as part of the strategizing process.

The literature on advice seeking in small businesses highlights a range of advisors which small business owners seek advice from and shows accountants, family and friends to be very popular sources of advice. It also highlights the antecedent factors for advice seeking to include size, age, owner characteristics and growth orientation. Trust, competence, gender and location amongst others are shown to influence the choice of advisor and the use of advice. The use of advice is shown to be predicated on personal friendships, trust

and perception of advisor expertise amongst others. While the literature identifies these factors as being important, it does not try to describe how they act individually or collectively to affect the business owners practice.

Taking a practice approach which is guided more particularly by Theodor Schatzki's conception of practice as "*an open-ended, spatially-temporally dispersed nexus of doings and sayings*" (Schatzki 2012, p.14), this study will try to fill this gap in the literature by focusing on developing an account of the small business owners' practice of advice seeking while strategizing in terms of who they seek advice from, how they choose their advisors and how they value advice received. Consequently, the research question for this study is specified thus:

How do small business owners seek advice while strategizing?

CHAPTER FOUR

METHODOLOGY

4.1 INTRODUCTION

This chapter sets out to answer the question '*how is the investigation into the small business owner's practice of advice seeking while strategizing undertaken?*' In doing this it explores the philosophical underpinnings for the study and outlines the research design and methods which the study adopts.

4.2 PHILOSOPHICAL UNDERPINNING

The primary aim of research in general and a PhD more particularly is the development of knowledge in a particular field. In carrying out research of this nature it is important that the researcher has a clear understanding of the philosophical underpinnings of the study being carried out as this affects their view of what is considered knowledge and how that knowledge can be developed. Saunders, Lewis and Thornhill (2009) make the point that as researchers we need to be conscious of the philosophical commitments we make in choosing our research strategy as this has a significant impact on both the way in which the research is carried out and the way in which we understand what we are investigating.

The term research philosophy usually describes the theory of research in a particular field and explains the assumptions that underpin the research approaches (Maylor and Blackmon, 2005). These assumptions generally relate to the nature of reality (ontology) and how reality can be known (epistemology). This section will discuss the ontological and epistemological assumptions on which this study is based.

4.2.1 Ontology

Ontology is the branch of philosophy that is concerned with questions of what exist or questions of being (David and Sutton, 2011). A view of reality, i.e. what exists and what

does not exist is important as it would be foolhardy to try to study something which does not exist. Over time, the ontological question of what exists and consequently what does not exist has been answered primarily in one of two ways. The first is the objectivist view that social entities exist independent of social actors. The implication of this for research is that the researcher would have to take the view that there is an objective reality which exists independent of the researcher or his understanding. The second is the subjectivist (social ontological) view that social phenomena are created from the perceptions and consequent actions of social actors and that this is a continual process as long as social interaction of the actors continues (Saunders et al, 2009). The implication of this for the researcher is that several sets of reality will exist and the researcher is also involved in the creation of a set of reality.

Schatzki (2005) commenting on the dominant forms of social ontology identifies two forms: the individualism and societism. He goes on to identify two types of ontological individualism. The first type of ontological individualism maintains that social phenomena are made up of individuals and their relations (e.g. a market) while the second type of ontological individualism maintains that social phenomena are constructed by virtue of people holding certain attitudes and beliefs and performing certain actions for example the belief that certain pieces of paper and metal objects are money makes them valuable as money. In describing ontological societism, he argues that while it maintains that not all social phenomena are constructed by or out of individuals and their relations, there is no agreement on what, in addition to individuals and their relations, can explain social phenomena with authors proposing modes of production, abstract structures, discourses amongst others as possible means of explaining the creation of social phenomena.

Having commented on these dominant forms of social ontology, he identifies an alternative social ontology which he calls 'site ontology'. He describes site ontology thus:

“Site ontology maintains that social life, by which I mean human co-existence, is inherently tied to a kind of context in which it transpires.

The type of context involved – called ‘sites’ – comprises contexts of which some of what occurs or exists in them are inherently parts a context can be loosely understood as an arena or set of phenomena that surrounds or immerses something and enjoys powers of determination with respect to it...” (Schatzki 2005, p.467 - 468)

The main proposition here is that human coexistence occurs as part of a context. This implies that it is crucial that context is taken into account in trying to analyse or explain any social phenomena. A site as a more particular type of context is distinct in that the event or entity being contextualized is inextricably linked to the context just as the identity of the context is linked inextricably to the entity or event and so they constitute each other. Bourdieu’s (1990) notion of the ‘*field*’ and Laclau and Mouffe’s (1985) notion of ‘*field of discursivity*’ are examples of site ontologies.

Schatzki develops his own distinctive site ontology in several publications (Schatzki 1996, 2002, and 2003) and expounds on them in Schatzki (2005) thus:

“The site of the social is composed of nexuses of practices and material arrangements. This means that social life inherently transpires as part of such nexuses”

He goes on to describe what he means by practices (which we have discussed in the literature review section) and material arrangements. He describes material arrangements as:

“...set-ups of material objects. Whenever someone acts and therewith carries on a practice, she does so in a setting that is composed of material entities. The material arrangements amid which humans carry on embrace four types of entity: human beings, artefacts, other organisms, and things.”

In his site ontology, Schatzki gives primacy to practices and their interaction with ‘material arrangements’. This implies that social phenomena consist of or are created by the interaction of practices and material arrangements and through practices and their

interaction with material arrangements that social phenomena can be analysed and explained.

In adopting Schatzki's theory of practice as the orienting framework for this study, his site ontology is also adopted as the guiding philosophy for the study. This means that this study will attempt to analyse and explain small business owner advice seeking and valuing of advice while strategizing in terms of the interaction of practices and material arrangements.

4.2.2 Epistemology

Epistemology is derived from the Greek words *episteme* meaning knowledge and *logo* meaning theory. Thus epistemology is the theory of knowledge and concerns itself with what is considered or indeed not considered to be knowledge within a particular field. Mason (2002) argues that as epistemology is concerned with the principles and rules by which we decide whether and how social phenomena can be known and how knowledge can be demonstrated, it should direct the researcher to a consideration of the philosophical issues involved in working out what should be regarded as evidence or knowledge of social things.

Several epistemological positions exist but more dominant in social research are the positivist, realist, idealist and interpretivist positions (Saunders et al, 2009). The positivist position regards reality as being made up of discrete events which are capable of being observed by the human senses. The only acceptable knowledge of this objective reality is that which is derived from experience, the recording of the exact evidence of the senses. The language used to describe this knowledge consists of concepts that correspond to real objects, and the truth of statements in this language can be determined by observations that are not contaminated by any theoretical notions (Blaikie, 2007). This conception of reality adopted by the positivist stance is not compatible with the ontological stance which this study has adopted. Adopting a positivist position in research entails the separation of facts from values and denying values the status of knowledge as they cannot be known in the

objective sense required by this position. This denial of values would lead to the denial of the status of knowledge to things like opinion, trust, morality, free-will etc. Yet these very factors might be crucial to developing our understanding of the practices of small business owners and their advisors. For the reasons given above, this stance is not one which this study will adopt.

Very close to the positivist position is the realist position which takes the stance that both natural and social phenomena exist independent of the activities of the human observer and that what the senses show us as reality, is the truth. As with the positivist stance, this position is incompatible with the ontological stance which the study has adopted and so will be discounted.

In opposition to the realist position is the idealist position which believes that what we regard as the external world is just appearance and has no existence outside of the our minds. Idealists claim that social action is not mere behaviour but instead involves a process of meaning-giving. It is the meanings and interpretations created and maintained by social actors that constitute social reality. For them social reality consists of the shared interpretations that social actors produce and reproduce in the course of their daily lives (Blaikie, 2007). This position is compatible with the ontological stance adopted and so is a viable epistemological position for the study to adopt.

The interpretivist position is that social reality is a product of its inhabitants. It is a world that is already interpreted by the meanings that participants produce and reproduce as a necessary part of their everyday lives (Blaikie 2007). Interpretivist argue that the goal of research is not to explain human behaviour but to understand it (Maylor and Blackmon, 2005). This poses a challenge to the researcher of being able to enter the social world of the research subjects and understand their world from their viewpoint. Blaikie (2007) notes that early interpretivists rather than try to establish the meaning which social actors gave to particular actions, considered it necessary to work at a higher level of generality. They

reasoned that social phenomena could be understood and explained by developing models of typical meanings used by typical social actors engaged in typical courses of action in typical situations. As this study aims to develop an understanding of the practices of small business owners, the interpretivist position seems to be the most suited to underpin the study.

4.3 CLARIFYING RESEARCH OBJECTIVES

The research objective specified for this study is: *To develop an understanding of how small business owners seek advice while strategizing from a practice perspective.* The research objectives are clarified by specifying research questions which if addressed will ensure that the study's objectives are achieved. A review of the literature in the general research areas of strategizing, small business and advice informed the research question which the study is to investigate: *How do small business owners seek advice while strategizing?* This is quite a broad question to investigate. However, it is not unusual for interpretivist studies to have such broad research questions. Collis and Hussey (2009) note, in some interpretivist studies the research question takes the form of a grand tour question which is a single research question posed in its most general form. They argue that by doing this the researcher does not block off any potential lines of enquiry and research questions, in this general form, are usually necessary where an emerging methodology is used and one stage of the research guides the next stage. This is the case with this study and the reasoning behind having a broad research question.

Creswell (2013) advises that in order to focus a study of this nature with a grand tour question, it is necessary to follow this with a few subsidiary questions which should not be more than five to seven in number. Following this advice, I formulated the following subsidiary questions as follows:

- i. Who do small business owners take advice from while strategizing?

- ii. Why do small business owners seek advice from particular individuals while strategizing?
- iii. How are the actions which constitute the practice of advice seeking organised?

4.4 RESEARCH DESIGN AND METHODS

I take an abductive approach to this study. Peirce (1955) describes abduction thus:

“Abduction is a process of drawing conclusions that includes preferring one hypothesis over others which can explain the facts, when there is no basis in previous knowledge that could justify this preference or any checking done.” (Peirce 1955, p. 151)

Blaikie (2007) develops a uniquely interpretivist version of abduction. He explains that an abductive research strategy involves:

“...constructing theories that are derived from social actors’ language, meaning and accounts in the context of everyday activities. Such research begins by describing these activities and meanings, and then derives from them categories and concepts that can form the basis of an understanding or an explanation of the problem at hand” (Blaike 2007, p. 89 -90)

Given Blaike’s (2007) description of abduction, to use an abductive research strategy for this study, I would first have to get an account of the business owners’ advice seeking practice from which I will then try to grasp the concepts and meanings which form the basis for their actions. These would then form the basis of a technical description of their practice. It is to this transition between the concepts and meanings supplied by the business owners and the technical description of their practice that abductive reasoning is applied. Indeed, Blaikie (2007) notes:

“It is to the process of moving from lay descriptions of social life, to technical descriptions of that social life, that the notion of abduction is applied.” (Blaikie, 2007, p.91)

The abductive approach is similar to induction in that both induction and abduction predominantly generate theories. One main distinction, however, is the iterative nature of the abductive research process. By this, I mean that while abductive research does not start with any a priori theories, it goes back and forth in different research activities and between empirical data and theory (Dubois and Gadde 2002). Another distinction is the element of creativity in abduction which allows the researcher to develop theory which is not constrained or determined by any prior theoretical understanding.

The approach taken in this study is abductive in that while the field work was sensitised by prior theoretical understandings, it was not constrained or determined by this understanding. Indeed while the initial literature review sensitised the first stage of the first phase of data collection, the analysis of the data informed a revisit of the literature and this in turn informed further data collection. This dance between literature, data collection and analysis was a constant and repeated one. While this approach allowed the research to go in multiple and very different directions, it ran the risk of lacking focus, direction and going on indefinitely. For practical reasons of time and an inability to pursue every track which is suggested by the data, the research design was ultimately limited and thus was bounded in time and scope. Indeed Anderson (1995) argues that such a finite, although limited, design is justified as research is an ongoing program and one cannot expect to find all the answers in one study but discovering just some of the answers justifies the study.

In order to obtain an account of the business owner's advice seeking practice and thus gain an understanding of the concepts and meanings that formed the basis for their actions, a wide range of methods were available to me such as: interviews, participant observation, document reviews, diaries etc. However, not all of them were suitable for this study. In order to determine which methods were best suited to this study, a pilot study was carried out and is described below.

4.4.1 Pilot Study

The main aim of the study is to develop an understanding of the advice seeking practices of small business owners. To do this, I needed to develop an understanding of the way small business owners choose their strategy advisors and the nature of the relationship between the small business owners and their strategy advisors. In order to develop this understanding, I believed that there was a necessity to observe the process during which the small business owner interacted with his contacts and advisors, seek the individual understandings of the advisors and small business owners on what was going on in their relationships and their reasoning on this. In order to fill this brief, the pilot study relied on observation, and interviews of both small business owners and their advisors.

The sample for both the observation and the interviews were a convenience sample. The sample for the observation was two small business owners, Emilia¹ and Boris, who had been contacted through an online forum for small business owners in Aberdeen called the BCN. Both participants agreed to have an interview with me and also to allow me to follow them for one day each. The sample for the interviews was made up of three small business owners and one advisor – the two who made up the sample for the observation, a small business owner I had met while volunteering for a charity and the final participant was an accountant and advisor to Boris. The interview schedule used in these interviews is shown in Appendix 1.

With Emilia, the observation started at 6:00am on the day accompanying her to a small business owner network meeting which was organised by DTI a small business networking group which she had recently joined. This enabled me observe her interactions with her contacts some of whom she discussed business issues she was facing and with others she did not discuss these type of issues with. Following the DTI networking meeting, I observed her meeting with a few business contacts and then accompanied her through the day

¹ All names of research participants, persons and organisations mentioned in the data have been anonymized by using assumed names.

working at different client locations. The interview with her was conducted over a cup of coffee after she had finished for the day.

The day with Boris was similar in some senses. One of the services Boris' business delivers is running the BCN and its events. On the day I was shadowing Boris, he was arranging for a BCN networking meeting for the evening of that day. Our day started out with the interview and then we spent some time in the office where Boris responded to postings on the BCN online community. Thereafter we went to get the venue for the networking meeting ready. At the networking meeting I was able to observe his interactions with his clients and other small business owners some of whom he took advice from.

In both cases, while the observations yielded some data which shed some light on the relationship between the business owners and their contacts, the interviews yielded much richer data in terms of who they took advice from and their understanding of what was going on and their reasons for acting the way they did.

The other two interviews were conducted soon after the observations were carried out. The interview with Fred, Boris' accountant and one of his strategy advisors shed some light on how his relationship with Boris had developed but could not really shed much light on Boris' perspective on why he was chosen as an advisor. A lot of the data on the growth of their relationship had also been covered in the interview with Boris. However, the interview did generate data on Fred's own practice in choosing his advisors as he himself is a small business owner running an accounting practice. Consequently, I came to the conclusion that the sample for the interviews should primarily be with business owners to investigate their own practice and if some of the business owners, as a result of the way in which the sample is selected, happen to be advisors to others whether or not in the sample, I could probe to see if they could shed light on their advisee's practice.

With the observations, apart from observing the interactions at the networking meetings, I had not seen any other interactions with advisors on the days I followed the business

owners. This led me to question when those interactions took place, if my observing them would be feasible and if indeed my presence would not lead to a modification of the behaviour of the business owner and advisor. The interviews had a few answers to these questions. The interviews led me to believe that the interaction with advisors and the giving and receiving of advice was episodic and in some cases spontaneous. The business owners explained that they would seek advice only when needed and this would be done in a variety of different ways and settings. For instance both Boris and Emilia took a lot of advice from their fiancée and boyfriend respectively. In Boris' case this was usually done when needed over the phone or more likely at home, in the evening after working hours and over a meal and in Emilia's case later in the evening when they both had time to unwind and talk about their day and the business. Given the nature of the relationships, the practicality of observing the interactions and the likelihood that even if I was able to observe these interactions the behaviour of the participants would be modified, I came to the conclusion that while observation did generate some data, it would not be very practical and was not the best use of time allocated to the study as the data generated was not very rich.

Both the interviews and observations also led me to conclude that a document review while it might generate some data would not generate very rich data as a lot of the interaction between the small business owners and their advisors was informal and took the form of conversation as opposed to text. The written documents would also not generate very rich data relating to the small business owners thought process in choosing his advisors.

Reflecting on the data generated from using different methods in the pilot study, I came to the conclusion that the primary method to be used in this study would be interviews. Mason (2002) argues that interpretivist studies do not have to rely on total emersion in a setting as ethnographic studies would. She argues that interpretivism supports the use of interviews as the primary method of data generation where the aim of the study is to explore people's individual and collective understandings, reasoning process, social norms etc. Schatzki

(2012) expounding on the research practices to be used in investigating practices has this to say about the use of interviews:

“A further important method, in a way part of ethnography writ large, is the interview or oral history. Whereas ethnography delves into the contemporaneous condition of particular bundles and constellations, oral history documents reflective participants’ temporal journeys through series of bundles and constellations, thereby offering glimpses of the organisations and timespaces of these bundles at different times, the links among them, the activities that compose them, evolutions in these matters, and what is involved in individual people participating in multiple bundles over time.....oral histories provide as complete an accounting of extant bundles as is available”. (Schatzki 2012, p.25)

Given the nature of the research questions in trying to develop an understanding of how practices are organised, I argue that the most appropriate way to investigate these is the use of interviews as shown by the quote from Schatzki (2012) above. However, while the study relies primarily on interviews to generated data, it does use other methods for data generation. The methods used are discussed below.

4.4.2 Desk Research

The desk research consisted primarily of an exploratory review of the literature the results of which are shown in the literature review section. This review informed the pilot study and the initial engagement with the field. Other formal sources such as company websites, newspapers and other information available on the internet were used as primary sources to understand the context in which the individual small businesses interviewed operated and as secondary sources to triangulate findings. The second phase of the desk research took the form of a return to the literature to compare the findings from the data with similar and conflicting literature.

4.4.3 Informal Interviews

Numerous informal discussions were held with the participants after the in-depth interview to clarify issues which came up while analysing the data. These usually took the form of brief chats but sometimes ended up being lengthy discussions in informal settings. Several informal discussions were also held with small business owners and advisors in the Aberdeen area. These occurred at small business networking meetings which I attended regularly over a period of six months.

4.4.4 In-depth Interviews

A total of 33 respondents were interviewed at least once and in some cases two or three times using in-depth interviewing techniques. The interviews were usually long and semi-structured interviews where the respondents were encouraged to discuss their choice of advisors and the nature of the relationship and feelings about their strategy advisors. The interviews were usually conducted at the offices of the respondents except in a few cases where the respondents preferred to come in to the University for the interview. This ensured that the interviews were conducted in an atmosphere the respondent felt comfortable and relaxed in. One interview was conducted over the phone as the respondent was located in an inaccessible location.

Two of the respondents were interviewed twice while a third respondent was interviewed three times as part of this study. An explanation for this and the use they were put to is called for and follows below.

At the outset of this study, I had considered using a case study method and had approached these three businesses owners to be the sample. They had agreed to interviews at 6-monthly to annual intervals and to keep diaries of their activities and interactions with their advisors. I had thought that this would enable me construct a detailed picture of these interactions and the rational for their actions. However, at an early stage, I decided not to use the case study method but as the arrangement had already been

reached with the business owners, I decided to conduct the interviews as agreed in the hope that the data collected could form the basis for a different study or indeed a journal paper.

In the course of conducting these interviews and analysing their content, I found that they did throw more light on the business owners' advice seeking practice and gave me some insight into how their choice and use of advisors changed over time. This served to confirm the findings which I had made in this respect from the accounts of other business owners in the sample.

The in-depth interviews were digitally taped for all but two respondents who did not give permission to have the interviews taped. Notes were taken at these interviews. I transcribed the interviews from the first two phases of sampling described in the next section. The process of transcribing involved repeatedly listening to the recording, as spooling in transcribing is inevitable. As I did this, meanings became clearer, emergence of themes took place, and areas of focus were clarified. The transcribing in fact turned out to be a vital initial stage of theory generation as this was where many category relationships became initially evident. The transcription of the interviews from the third phase of sampling was outsourced with the permission of my supervisory team. This allowed me to gain time on the transcription but also meant that I had to read and re-read the transcripts several times in order to gain the same level of familiarity with them as I had with the transcripts which I had produced myself.

Appendix 2 shows a sample transcript from one of the interviews.

4.4.5 Sample selection

In line with the discussions in Chapter Three, the sample consisted of business owners who had autonomous decision making power and control over their businesses and the formulation of strategy for the business.

The initial selection of respondents in the sample was a convenience based selection. As an emerging methodology is adopted in this study, any other form of sampling at the initial stage would not have conferred any significant benefits on the study. At this stage, data which would orient the study in a particular direction could have been obtained from any respondent and it was likely that a respondent with whom some rapport had already been established would be more willing to volunteer information than one with whom no rapport had been established. The samples were 5 in total. Three of these formed the pilot study and the other two I had met while attending small business networking events. They all had good communication and conceptualization abilities and were enthusiastic about participating in the research. The outcome from this set of interviews as it relates to the refining of interview technique and choice of research tools has already been discussed in the Section 4.4.1 on the pilot study. These interviews also had the outcome of providing me with an initial set of categories and an initial model of the business owners' advice seeking practice. This model is shown in Appendix 3.

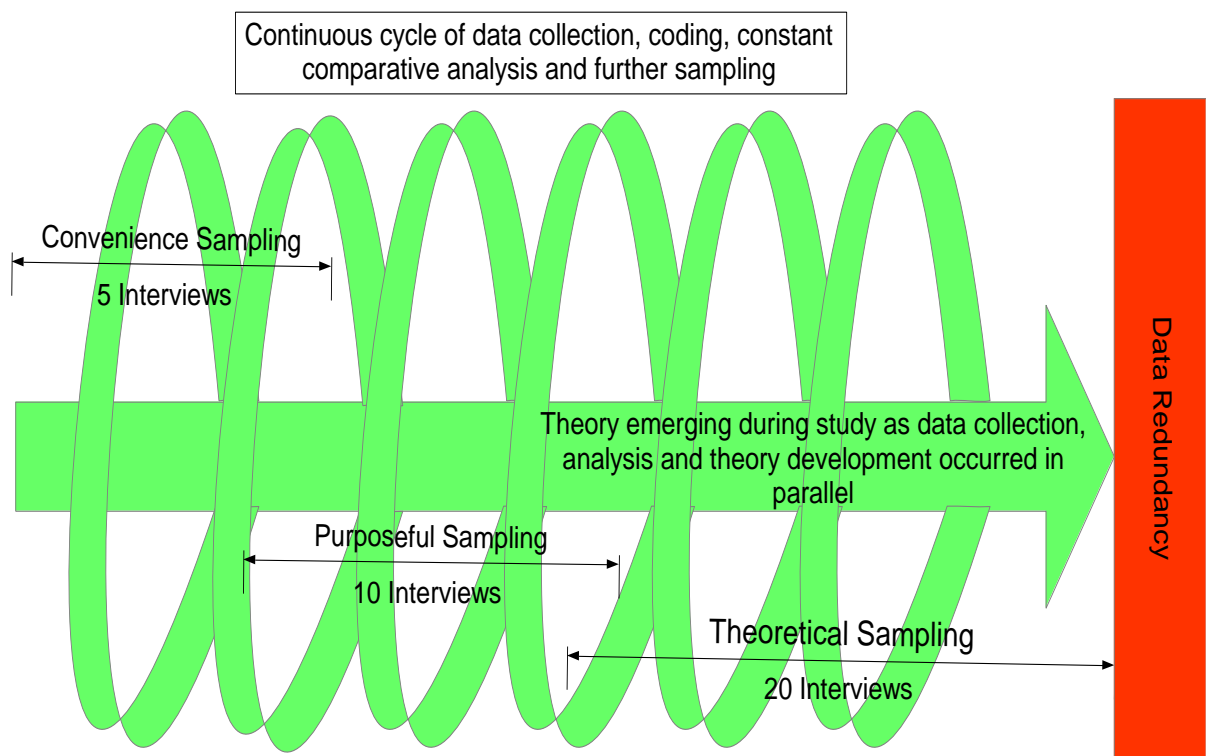
As the study progressed, the sampling became more purposive. The objective of this second set of about 10 participants was somewhat different to that of the initial convenience sample. For this set of participants, the objective was to further extend the range of categories that had already emerged until a point in which no new categories were emerging, that is, saturation of the category set. Respondents were selected primarily through contacts made at small business networking events and contacts made via social media particularly LinkedIn and the BCN online community.

As the study entered its final phases, the sampling strategy shifted from being purposive to being theoretic. Rubin and Rubin (2005) explain that in theoretical sampling, one looks for participants who know about particular parts of a problem, and then pieces together what they collectively know. Rizo and Fulford (2012) define theoretical sampling as an approach towards choosing respondents that will allow categories to become saturated, and allow the theory to be complete. This phase of interviews consisted of about 20 interviews. This is the

case as the boundary for where purposeful sampling ended and the third sampling strategy commenced was far from clear. The sampling in this phase turned to a snowballing technique, asking respondents if they knew of any small business owner who could possibly fit the description sought after.

The sampling strategy adopted in this study and described above is captured in Fig 4.1 below.

Figure 4.1 Sampling Strategy



The table below gives some information on the respondents and their businesses. More detailed information on the respondents businesses is contained in Appendix 4 while Appendix 5 gives information on the length of interviews and the number of quotes used from each participant. Appendix 5 also categorises the firms as sole traders, micro businesses and small firms.

Table 4.1 Interview Participants

Assumed Name	Business Area
Emilia Smith	Virtual Assistant
Boris James	Small Business Networking Service
Linda Taylor	Occupational Health Company
Clare MacKay	Lettings Agency
Edward Salmond	Coffee Trader
John Brown	Insurance / Management Consulting
Julia Douglas	Computer Training
Rita MacDonald	Coaching
Jenny Sewart	Art Gallery / Restaurant
Alexandar Ross	Business Consulting
Rodney Williams	Engineering Training / Consulting
Oliver Stone	Photography
James Livingstone	Engineering Consulting
Juliet Duncan	Events Management
Mary Scott	Recruitment Consulting
Robert Falcon	Forensic Consulting
William Stevenson	Auto Sales
Greg Bernard	Diving School / Holiday Agent
Malcolm Cleppinton	IT Consulting
Neil MacNeil	Sale of Cash Registers
Frank Armstrong	Tourism
Helen Fraser	Procurement Broker
Keith Collin	IT Consulting
Kate MacDonland	HR Consulting
Brian Jones	Design
Benedict Day	Kitchen Sales
Sandra Williams	Pole Dancing Studio
Bethan Jones	Art Gallery
Carmen Lloyd	Recruitment Services in the Subsea, Drilling, Deepwater Sectors
Samantha Tait	Salt Manufacturing
David Mill	Business Consulting
Nick Reid	Recruitment Consulting
Lucy May	HR Consulting

The names used are all assumed names to protect the identity of the business owners and their businesses. This use of assumed names to protect the identity of individuals and organisations is carried on throughout this work. Thus wherever the data refers to individuals or organisations assumed names have been used.

4.5 DATA ANALYSIS

What I present here is a formal and linear account of the analytic process. However, the analysis process was far from linear as analysis is an integrated process of thinking, reading, categorizing, organizing, writing, reflecting and re-writing. For me, this process began while conducting the interviews and transcribing them as while conducting interviews

and encountering the business owners' accounts of their practice, the mind was already trying to make sense of this data and develop categories. This carried through into the transcription of interviews as noted in Section 4.4.4 and into the writing up of the thesis as indeed a lot of analysis and re-analysis was done in trying to put thoughts into words and finding that what in my mind were clear thoughts needed a lot more refinement and clarity brought to them.

The first stage of analysis was to specify the research focus. This was done with reference to the aims of the study. The focus was specified as: i) role of advice in strategizing, ii) advice seeking practice. This focus allowed me to determine what data was relevant and should be coded and what data was irrelevant and could be discarded.

The second stage of analysis involved a search for patterns in the data. This meant an iterative reviewing of the data constantly asking myself the question 'what is happening here'? This iterative cycle of reading, reflecting, re-reading the transcripts enabled me develop familiarity with the data and build up a stream of reflective notes on the data.

The third stage in the analysis was the development of categories and concepts. As the iterative cycle of reading and reflecting described in the second stage progressed, categories and concepts started to emerge. The constant comparison method of analysis was used in this stage to aid the development of categories and concepts. The constant comparison method of analysis consists of two main activities: fragmentation and comparison (Boeije 2002). Fragmentation was achieved through the open coding of individual transcripts. This allows me to lift the coded piece out of the context of the whole interview / notes. Comparison was performed at different levels e.g. within interviews, between interviews, within emergent categories and themes, between emergent categories and themes.

This process of constantly fragmenting and comparing allows for themes and categories to emerge and be refined as the study progresses. The constant comparative method of

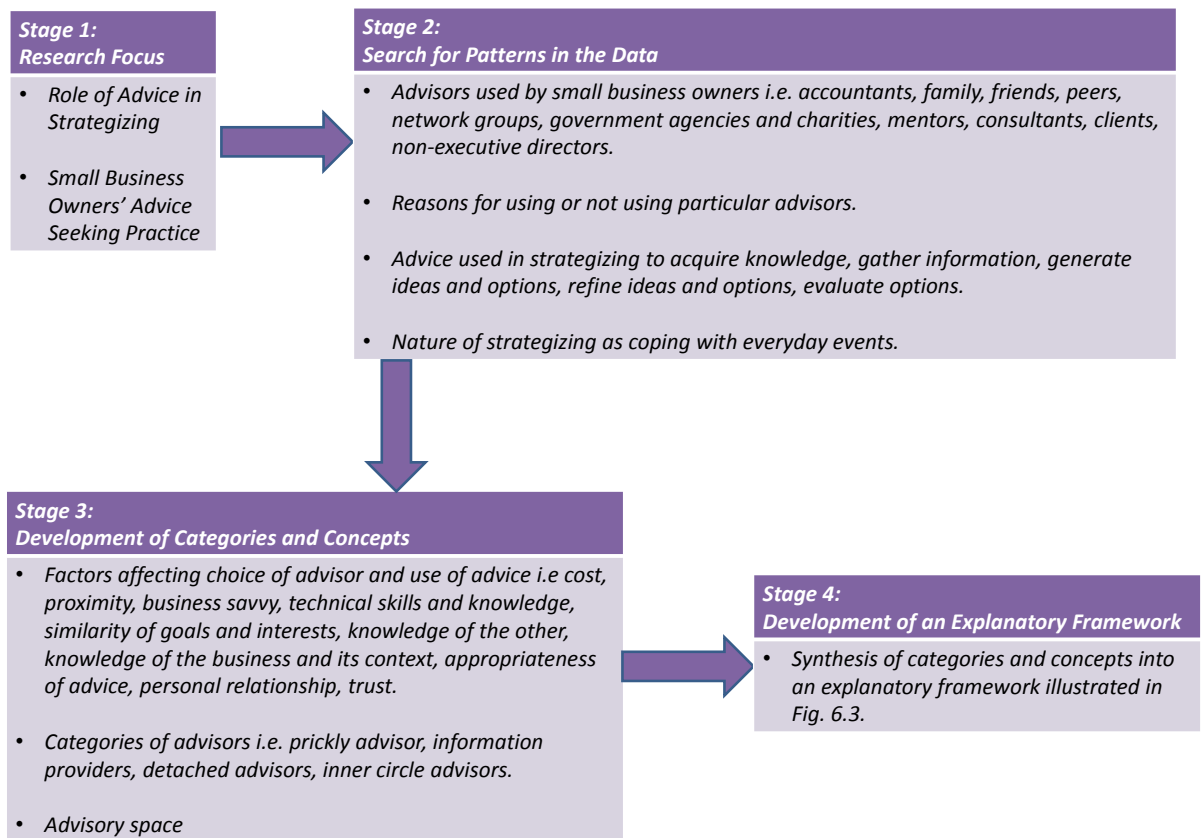
analysis has become an accepted method of analysis in qualitative small business research (Jack, Moulton, Anderson and Dodd 2010; Jack and Anderson 2002; Anderson and Jack, 2002; Anderson 2000).

Analytic induction was also used at this stage to enhance the analysis. Cressey (1953) gives a systematic explanation of this method of theory development and notes that it calls for the progressive redefinition of the phenomenon to be explained and of explanatory factors, such that a universal relationship is maintained. Initial cases are inspected to locate common factors and provisional explanations. As new cases are examined and initial hypotheses are contradicted, the explanation is reworked by redefining the phenomenon to be explained to exclude the contradictory case and/or redefining the explanatory factors (Cressey 1953; Robinson 1951). While using this method for theory development, there is no methodological value in piling up confirming cases; the strategy is exclusively qualitative, seeking encounters with new varieties of data in order to force revisions that will make the analysis valid when applied to an increasingly diverse range of cases (Katz, 2001). Thus the objective in collecting new material is to refute the emerging analysis.

The fourth stage of the analysis process was the development of an explanatory framework. This involved iterations between the data supporting the categories and concepts developed and existing theory. This iteration enabled the development and continuous refinement of a framework. As the iterations between data and theory continued, elements of the framework were retained, revised, removed or added. This iteration also enabled me to refine categories and concepts earlier developed. I was thus able to produce a summary of the major themes and the relationships between them as well as an explanatory framework.

The analytic process is illustrated in Fig 4.2 below:

Figure 4.2. Analytic Process



4.6 USE OF NVIVO

At an early stage in this research, I made the decision to use NVIVO as a tool to aid my data management and analysis. I intended to use it to store all my data and to aid in the analysis of the literature and data. To this end all articles used in my initial review of literature and all interview transcripts were stored on NVIVO.

I had attended a workshop run by QSR (the makers of NVIVO) where I was encouraged to use NVIVO as a tool to aid my literature review. I bought into this idea and so attempted to code the journal articles being reviewed using NVIVO. An open coding system was adopted. This was not very productive as the literature under consideration was constantly shifting as a result of the methodology adopted. As a result of this, the idea of using NVIVO

as a tool to aid the literature review was abandoned. However, this had set me back about three months and had caused significant frustration.

The coding of the interview transcripts was done using NVIVO. Again an open coding system was adopted. Once the transcripts had been fragmented by way of coding, I tried to analyse the codes using NVIVO and found that this was very limiting as the word counts and word trees which underpin the analysis which NVIVO is capable of, did not lend themselves to analysis using the constant comparison method which I was using. Thus, again I abandoned NVIVO and opted for a manual analysis. I printed out all the coded data from NVIVO and used these as the basis for my analysis.

Thus, while NVIVO was useful for organizing my data and coding the data, it was not very useful as a tool to aid analysis.

4.7 TRUSTWORTHINESS OF THE STUDY

In any research undertaking, the researcher is under some obligation to signal to the research community the quality of the research. Indeed, Williams and Morrow (2009) argue that it is quality which they describe as 'trustworthiness' that differentiates qualitative research from anecdotes or mere journalism. Leitch, Hill and Harrison (2009) describe quality as an umbrella term which takes in the notions of truthfulness, integrity, rigour, robustness and aptness.

For me, the question then is, how does a qualitative researcher demonstrate the quality of the research undertaken? Williams and Morrow (2009) try to answer this question. They argue that there are three major categories of trustworthiness which qualitative researchers must address namely: integrity of data, balance between participant meaning and researcher interpretation, and clear communication of findings. I will adopt these categories to structure the discussion on trustworthiness which follows.

4.7.1 Integrity of Data

Integrity of data refers to the adequacy or dependability of the data (Patton, 2002; Morrow, 2005). Williams and Morrow (2009) argue that to show integrity of data, the researcher has to show that a clearly articulated design or analytic strategy, present some evidence that sufficient quality and quantity of data has been collected, present evidence as to how interpretations fit the data. They argue that while quantity and quality of data is key to good quality research, the concepts of data redundancy and theoretic saturation commonly used as measures of this are 'somewhat nebulous' but can be ideals for which to strive. They also note that:

“Unfortunately, many solutions to adequacy of data are left to the researcher’s judgement, which often comes only after years of experience. For example, when encouraged to collect rich data that are purposefully sampled, the novice researcher may be at a loss to judge whether she or he has rich data. We encourage all researchers to recognize that diverse perspectives, shared in a variety of ways are likely to provide rich data overall.” (Williams and Morrow, 2009, p. 578)

The question for me then is, ‘how have I demonstrated the integrity of data used in this study’? First, I have articulated the research design and strategy in this Chapter. This includes the philosophical underpinnings of the study, the aims of the study, a description of research methods and how these were refined using a pilot study. I have also described the sampling strategy used and in the next section I will describe the analytic method adopted by the study. I hope that in articulating the research design and strategy, I have brought some transparency to the research process which I undertook and the reader can make an informed judgement as to rigour of the process applied.

Second, while Williams and Morrow (2009) argue that it is impossible to achieve data redundancy and theoretic saturation given the diversity of human experience, I have used

these concepts as guides as to the quantity and quality of data which I collected as discussed in Section 4.4.5 on sampling strategy

In order to ensure that I collected sufficiently rich data, I ensured that the sample of participants included diversity of demographics and viewpoints. This is evidenced in Table 4.1 and Appendix 4.

Finally, in order to show a clear link between the data and interpretations, I have used direct quotes to exemplify the interpretations presented. These quotes which are used in Chapters 5 and 6 of the study are used to present the participants' voices. The tables in both Chapter 5 and 6 highlighting data show a representative data from the sample. Appendix 6 illustrates how quotes were chosen. The quotes are chosen so as to show the dominant view within the sample as well as to show individual perspectives within the sample which vary from the dominant view. In presenting the data this way, I intend to give the reader a flavour of the richness of the data as well as to capture the diversity of views which have been considered in the analysis.

4.7.2 Balance Between Participant Meaning and Researcher Interpretation

The second concept within the trustworthiness is the researcher being able to maintain a balance between what the research participants say and the way in which the researcher interprets the meaning of the words which the research participants use. Williams and Morrow (2009) argue that this balance relies heavily on both subjectivity and reflexivity. They note:

"In acknowledging subjectivity, we acknowledge that all research is subjective, whether qualitative or quantitative. Bias enters the picture as soon as a research question is asked in a particular way, in a particular setting, by a particular person, for a particular reason.... Quantitative researchers already acknowledge both the existence and benefits of subjectivity; yet they also attempt to explore and manage their biases through reflexivity.... Reflexivity

can be defined as an awareness of self wherein the researcher remains self-reflective and able to identify, as clearly as possible, what comes from the participant and what comes from the researcher.” (Williams and Morrow, 2009, p.579)

The question which this poses for me then is, ‘how did I manage the tension between participants meaning and my interpretations in this study’?

To manage this tension, I had to deal with my own biases and preconceptions. Researcher bias occurs when the researcher selects data that fit his existing theory, goals or preconceptions or selects data that ‘stands out’ to him (Miles and Huberman 1994). In selecting data in this way, the researcher colours the results of the study and produces results which he anticipates. Maxwell (2013) argues that while it is impossible to eliminate bias, it can be acknowledged. He argues that when bias is acknowledged, its effect on the study can be understood and the negative consequences of the bias avoided. This is the approach which has been taken in this study. The first step in this process for me was to identify my biases and preconceptions; I give an account of these in the reflective statement contained in Appendix 7. Having identified my biases and preconceptions, I then kept a journal which helped me stay attuned to biases and separate my experiences from the participants’ stories.

Two measures were taken to identify and deal with the negative consequences of bias. The first was a return to the literature which provided an opportunity to identify the areas in which bias had negatively affected the work as inconsistencies have to be explained. The second was by soliciting feedback from respondents about the data collected and conclusions derived from the data. This was done by discussing the different iterations of the models developed in this study with the respondents. This allowed me to ensure that I had not misunderstood what the respondents said as well as enabling me to identify bias.

4.7.3 Clear Communication of the Findings

Williams and Morrow (2009) argue thus:

“You may have just completed the most clearly articulated, reasoned, and balanced qualitative study However, if you cannot clearly communicate what you have found and why it matters, we suggest that your study is not considered trustworthy.” (Williams and Morrow, 2009, p.580)

Following their argument, I must then ask how I have communicated my findings and why they matter.

First, I have sought to make a clear and concise presentation of my findings in relation to the research question articulated for the study. This presentation of my findings in relation to the research question is done in Chapter 7. Second, in Chapter 7 of this thesis, I have tried to show why my findings matter by discussing my findings in light of existing theory and literature in the field. In so doing, I have noted comparisons and contrasts between existing theory and literature on the one hand and my findings on the other. This has highlighted the unique contributions of this study and their importance. Third, I have discussed the theoretic and practical implications of my findings as a means of highlighting how the findings matter to policy makers, academia and practitioners. This is also done in Chapter 7.

4.8 SUMMARY OF RESEARCH METHODS

Table 4.2 gives a summary of the research process and methodology adopted by this study.

Table 4.2 Research Process and Methodology

Area of Study	Method of collecting and processing data	Purpose
Literature Review	Critical review	To understand what is already know and to establish how well the literature deals with the research problem.
Pilot Study	4 Depth interviews and analysis (3 of these interviews formed part of the main study)	To develop preliminary categories and to refine research design.
Literature Review	Critical review	To support or refute and develop new categories of characteristics arising from the data analysed
Interviews	30 Depth interviews and analysis.	To reach the point where no new themes were evident in new data and the data was sufficiently rich to allow me to theorize from the data
Literature Review	Comparative analysis	To validate theory

This chapter presents what looks like a linear and tidy account of the research process. As noted in the final chapter, this is done with the benefit of hindsight and in conformity with the established practice of presentation of such works. While the picture presented is still an accurate account of the process, it does not give insight into the chaos that was inherent in following such a research design. I give an account of this in my reflections in the Appendix 7.

CHAPTER FIVE

FIRST ENCOUNTER WITH THE DATA

5.1 INTRODUCTION

The literature explored in Chapter Three shows strategizing to be a social practice and advice seeking is conceived of as a practice within the broader practice of strategizing. This notion of advice seeking as a practice within the broader practice of strategizing raises two questions which this chapter sets out to answer. First it seeks to answer the question ‘*what role do advice and advice seeking play in strategizing?*’ Having explored this, the focus of the chapter then shifts to the second question ‘*who do small business owners take advice from and why?*’ To answer these questions, it turns to the data which has been collected. What follows is a discussion of the data to try to answer these questions starting out with a discussion of the data on the role of advice and advice seeking in strategizing.

5.2 ROLE OF ADVICE AND ADVICE SEEKING IN STRATEGIZING

The initial focus of the data analysis centred on exploring what role advice and advice seeking played in strategizing. This focus enables me to develop an understanding of the social context in which advice seeking takes place as well as develop an overview of the broad reasons why business owners seek advice while strategizing. The role of advice and advice seeking in small business owner strategizing is explored through the illustrative examples highlighted in Table 5.1.

Table 5.1 Representative data on strategizing²

Sandra (M) ³	<i>‘That’s not the way I work like I already hear that from my accountant or would consider the idea, I do a bit of research and then I go to another event just chat openly like it’s an open subject and then if it comes back around to a different person with good credentials telling me to you should</i>
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² Section 4.5.1 explains how representative data in this and subsequent tables have been chosen.

³ For each quote, the classification of business as Small firm (S), Micro Business (M) or Sole Trader (ST) is indicated alongside the respondents assumed name.

	<i>be franchising then I am like right, okay, I'll put that information there. Look, there's slant on to it then come to be a bit more research, go to another event and just have an open conversation.'</i>
Brian (ST)	<i>'I will take that advice and then it will maybe give me the opportunity to do a bit more in-depth research online. If they have suggested something about a new tax law or some form of a new law that might affect my business, or something that I have not encountered before in my business, I will often ask them and often the advice they give, I then might go and have a look online because it will give me a new direction or perhaps a new search term. So I suppose in that aspect it is a mixture of sort of speaking face to face with family members and then perhaps carrying out a period of research for a couple of days before seeing how perhaps something could be implemented into my business or how something could be taken forward rather than just taking their word as gospel, going away and committing to do something and then find out that I have either made a mistake or I could have perhaps researched and done it better.'</i>
Nick (S)	<i>'...If I roughly take our 18 years into 3 sections, the pre-start and startup phase to the first 12-18 months just to get established, the advice we needed was quite basic having never done anything in marketing particularly, or I'd never written a cash flow forecast, so you need to get the basics. As the business grew we then went from, first 3 years turnover went from 70K to half a million to 1.1 million, so by year 3 we learned very quickly how to do the basics, what we then needed was input on things like managing growth, sustaining profitability, how do you branch out and diversify and suchlike, and as the business has matured the level of input has become more sophisticated.... so I guess yeah, over time, the need definitely changes, or for us has changed, and hasn't diminished, it just evolved...'</i>
Clare (M)	<i>'...For example I wanted to put my prices up for our fully managed service recently, so he was really good in terms of saying if you put them up by 1% this will be the end result by the end of the year, if you put them up by 2% this is what you'll get, 1.5% this is what you'll get, so really good at helping to illustrate things so you can understand it. ...'</i>

Rita (ST)	<i>'you will often know what is right for you. it is when it comes down to doing a bit of market research that you will be doing maybe alongside or will have done some market research which will then help you shape what you are telling the accountant or the numbers person, versus where you want to take your vision. It is not as much as getting advice from others as much as asking the right questions, so that the answers you get help fill the empty places for you. So it is the research versus the numbers, versus who you speak to.'</i>
Keith (S)	<i>'So we worked with him quite a bit, a guy called Dan, who was incredibly useful and Dan is actually a friend to this day, he was really good at helping pick holes in our business plan really. He gave a very honest and external view of what we were trying to do, which was invaluable, the worst thing you can do is go to somebody with your business plan and they go 'that is nice, that looks pretty'. And some of the business advisors we had earlier on because Dan was not the first one we had, they were a little bit like that and did not add any value, but when Dan came along that was really beneficial.'</i>
James (S)	<i>'...well she's the one that encourages me to look at putting a program together and even across the whole year, and to see where I want to be now and in 12 months' time, and align our progress against each of these key parameters, so we can look at them on a monthly basis to establish how we are achieving or not. But also she's the one who brought in that we need to look at it every month, to understand where our problems are so we can deal with it quicker.'</i>
Mary (M)	<i>'We have a written document a business plans which you know, half way through the year and then at the end of the year we produced but then we didn't really do very much with it. So it became you know a sort of, it was a document but it was not a live document but we have started getting support from a mentor, a business mentor through the Chamber of Commerce and he's been really good. We've only had two meetings with him so far but he certainly opened our eyes to the fact that we needed to make it to more live document but also that we needed to look at the future....'</i>

John (ST)	<i>“Because I want to keep it, right from day one, the strategy has been to keep it very small, and keep it very personalized. I haven’t thought about realistically taking on more than I can handle, and therefore I haven’t planned to take on people, but what I do, is that where I lack expertise, I will bring in people to help, so for example when it comes to looking at international business, I will bring in Scottish Enterprise and UKTI and Global Scot, and I will speak to these people and get their expertise on this.”</i>
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Each of the responses highlighted in Table 5.1 shows the work of strategizing being done primarily by the business owner. In doing this work of strategizing, the business owners are shown to interact with other actors and with artefacts which are used in strategizing. For example, James interacts with his advisors to obtain information and advice from them which then leads him to conduct further research on the internet and Mary takes advice from her mentor and uses a business plan to document the strategy which is the outcome of strategizing. John shows that the way he strategizes and thinks of business strategy are determined by his personal goals and characteristics. Taken together, these place strategizing in the realm of social practices as outlined in Chapters Two and Three.

Each of the responses in Table 5.1 also highlights the practice of advice seeking being subsumed in the broader practice of strategizing. Thus, for example, in developing her business plan, Mary takes advice from her mentor; in managing growth and determining the strategic direction in which his business should go, Nick takes advice; in deciding whether or not to franchise her business, Sandra takes advice. Thus the practice of advice seeking is firmly entrenched in the broader practice of strategizing in these businesses.

While each of the business owners seeks advice while strategizing, advice plays different roles in the strategizing practices of the business owners. For Nick it is a means of acquiring knowledge on how to manage growth and set a strategic direction for his business, for Clare it is used to aid scenario planning, for Rita and John it is about filling gaps which they

recognise in their abilities and resources, while for Keith it is used for a detached evaluation of his ideas and strategic choices.

Brian and Sandra indicate that advice is used to generate ideas and options. Sandra shows that advice from multiple sources could be used in an iterative manner to generate and refine strategic options. Similarly, Brian shows the ideas generated from seeking advice being refined by additional research. In both cases, there is an engagement with the advisors and then a stepping back to reflect on the advice received and how it can be used and implemented. Indeed this stepping back to reflect and the interaction of advice with other research and information which the business owner receives while strategizing is highlighted by Rita who shows that research or other information generated while strategizing shapes the advice which is sought. Again this shows how embedded advice seeking is in small business strategizing but it also hints at the complexity of strategizing in small businesses. This complexity is also highlighted by Nick who explains that as his business has grown, strategizing has become more sophisticated and thus the advice required while strategizing has also become more sophisticated.

James shows advice as being useful in focusing his attention on aspects of his business which he needs to control more effectively in order to survive and succeed and also giving him the tools which he needs to effect that control. In essence, advice teaches James how to strategize. Advice from her mentor plays a similar role for Mary as the advice she receives is not on the content of strategy but on how to strategize and produce a strategy.

Table 5.1 indicates that strategizing could take a more planned and formal approach as illustrated by Keith and Mary or a more emergent and informal approach as demonstrated by Sandra. It also indicates that the bigger firms take a more formal or planned approach to strategizing as illustrated by Keith, James and Nick while the smaller firms take a more informal or unplanned approach to strategizing as illustrated by Brian and Sandra. However,

it does show that irrespective of which approach is taken, advice is sought as part of the strategizing practice.

Both Brian and Nick show that strategizing and advice seeking while strategizing occur as responses to events and situations which arise in running their businesses. Brian talks about seeking advice in response to new legislation which could have effects on his business and Nick talks about seeking advice to cope with the different phases and needs of his growing business. In both cases, advice is sought in response to needs and events, not necessarily with an overriding intention of affecting strategy but more as a means of coping with the events and needs. Nevertheless, these responses show that both business owners realize with hindsight that while strategy was not the dominant reason for seeking this advice at the time, strategic intent did exist and should be read into their actions.

Taken together, these responses support the notion of strategizing being a social practice and they locate the practice of advice seeking as an integral part of small business strategizing practice.

The findings in this section contribute to the developing strand of literature which views strategizing in small businesses as a social practice which is multifaceted and complex (Nilsson, Westerberg and Hackner 2012; Gunther and Menzel 2012). In so doing, it expands the view presented by the small business strategy literature (Beaver and Price, 2004; Rasmussen, 2009; Chan and Foster, 2001; Gunther and Menzel, 2012) that strategizing in small businesses is mostly informal by showing that small businesses sometimes take a planned formal approach to strategizing.

The findings also illustrate the views presented by Chia and Holt (2006) that strategizing can be seen, not as deliberate goal oriented activity but as an internalized disposition to act in a manner consistent with past actions and experiences. These actions being underpinned by some unconscious or 'immanent' strategic intent.

This study builds on existing literature which highlights the fact that small business owners seek advice while strategizing (Burke and Jarratt 2004; Thorpe et al. 2007; Jones et al. 2010) by showing how the advice obtained is used while strategizing.

While this section answers some questions, it leads to others such as '*who advises the small business owner?*' It is to this question that the next section turns.

5.3 WHO ADVISES THE SMALL BUSINESS OWNER

In this section the focus of the data analysis shifts to centre on clarifying who small business owners went to for advice. This is important as knowing who the business owners go to for advice might offer some insight as to the reason for using particular individuals or groups as advisors and how the advice obtained was valued. This section categorizes the advisors used by the small business owners interviewed. The categorization of advisors is based on the analysis of the data. However, the literature is used to validate and inform these categories identified in the data. This ensures that the data is not forced into artificial categories and that the constructs used in describing these categories of advisors emerges from the data. What follows is a discussion of the categories of advisors highlighted by the data.

5.3.1 Accountants

All except one of the business owners interviewed used external accountants for meeting the legal requirements of making tax and other statutory returns and took advice from them on accounting issues. However when it comes to strategizing and business advice in relation to this the story is slightly different. Of the business owners interviewed, 20 of them also used their external accountants for strategy advice. The use of accountants as business advisors has also been noted in the literature (Bennett and Robson, 1999, Jay and Schaper 2003). Table 5.2 shows a few of the responses which highlight the use of external accountants as strategy advisors.

Table 5.2 Representative data on use of accountants as advisors

James (S)	<i>“Yeah, well she’s the one that encourages me to look at putting a program together and even across the whole year, and to see where I want to be now and in 12 months’ time, and align our progress against each of these key parameters, so we can look at them on a monthly basis to establish how we are achieving or not. But also she’s the one who brought in that we need to look at it every month, to understand where our problems are so we can deal with it quicker.”</i>
Rodney (S)	<i>“we have our accountant, who is our business advisor. But not all accountants would be able to give the advice, I mean again, certain accountants can do the sort of bookkeeping, up to management accounts, but if you’re talking about structure, mergers, acquisitions, there’s only a few that I would really say, who have people that can think at different levels,”</i>
Julia (M)	<i>“I don’t make big changes without having a conversation with her because I do value that conservative view that she will take because I know she will ring alarm bells for me that I might not have thought about.”</i>
Helen (M)	<i>“My accountant has advised me, the critical point where I was growing was.... he said, you’re at a crossroads now, you need to make a leap... because I put all of my money into the business, I didn’t have any more. And he said to really make this work, because the other woman isn’t selling these products, she isn’t doing business development, you need to invest in more staff who are actually going to be able to achieve the goals you’ve set for yourself. That was very much where he was pointing me, he said, you need to look for an investor, or you need to borrow, you need to go down that route.”</i>
Sandra (M)	<i>“They’re doing the business plan at the moment”</i>
Lucy (ST)	<i>“I mean the accountants that I use, M & Co, I do this monthly thing, but I also have 6 monthly strategy meetings with Alice, Alice is my pal and I’m</i>

	<p><i>doing this stuff with her, she's very good at doing that like, take yourself out of doing the work, now you're a company owner, think about it in a different way, what is the business doing and asking questions and sitting down and looking at what you're actually trying to do with the business, where you want the business to come from, what, and she's quite good at the whole aligning your personal goals, not just chasing money but what did you go into business yourself for, it's supposed to be about, you know, to get a better workplace balance and having more control over things, and actually going into business yourself you don't have any of those things, so why do you still do it?"</i></p>
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Table 5.2 shows that accountants are used as advisors on specific strategic issues and more broadly as advisors as the small business owner tries to clarify the goals and vision of the business and set a strategic direction for the business. In doing this there is the underlying expectation from the business owners that the accountants will bring their professional skills and knowledge to bear in the process. This is illustrated by Rodney's response which shows that it is the skills and knowledge which his accountants have and which he expects them to apply in giving him advice that attract him to use them as business advisors. The table also indicates that all the business owners with the exception of Sandra, make reference to the individual accountant and not the accounting firm they are dealing with. This indicates that the relationship with the individual accountant is important and it is the individual who becomes the advisor. This is highlighted prominently in Lucy's description of her accountant as her '*pal*' which places emphasis on the individual and the relationship between her and her accountant. It also shows that the relationship had moved beyond a purely professional relationship to one of personal friendship. Of the 20 business owners who used their external accountants as strategy advisors, 12 of them indicated that their relationship with their accountants had grown beyond a purely professional relationship into one in which they would regard their accountant as a friend. Table 5.3 highlights some of the business owner's descriptions of their relationship with their accountant.

Table 5.3 **Representative data on relationship with accountant**

Boris (M)	<i>"I would definitely consider him a friend and I would hope that would be vice versa."</i>
Linda (S)	<i>"so we left and found a medium size accounting firm who we have being with for ten to twelve years. We know them, they know us, we phone them up at a minutes notice, they give us advice, they are great."</i>
Helen (M)	<i>"I knew Fred, I was at school with Fred, and he's very straight down the line, this is what you've got to do, and that's what I needed at that time"</i>
Frank (M)	<i>"there is a personal relationship with them, there is no doubt about that, I know the managing partner very well and it was him that approached me, he was the guy that used to work for AB & Co 30 odd years ago and he approached me at New Style and then we had a very good working relationship so it is quite personal"</i>
Emilia (M)	<i>"I feel like if there was one business contact I would go to for advice it would be her, not just as an accountant but as my friend and as someone who knows me and my business really well and vice versa"</i>
Lucy (ST)	<i>"The accountant who was in DTI at the time, Alice from M & Co, she and I are good friends now"</i>

Table 5.3 indicates that many respondents view their accountants as friends. Both Emilia and Helen in their responses show that along with the friendship comes the respondent's knowledge of the accountant's person – their ability, the way they think and act – and conversely, the accountant's knowledge of the respondent. Advice seeking and the valuing of advice received is set in the context of the respondents and advisors having developed a friendship and thus gained knowledge of each other.

This personal relationship between the accountant and business owner is emphasised by the sole traders and micro firms in the sample. Linda who runs a small firm shows that there is a relationship between the business owner and accountant but this relationship is not as deeply personal as with the smaller size businesses. This shows that as the businesses grow bigger, the relationship between business owner and accountant becomes more formal and business-like as opposed to a personal friendship.

Of the respondents who use external accountants to meet their accountancy needs, 12 do not use their external accountants as strategy advisors. When I probed to find out why they did not use their external accountants as strategy advisors the responses were varied and are summarised in Table 5.4 below.

Table 5.4 Representative data on reasons for not using accountants as strategy advisors

Jenny (M)	<i>“Not really, no. We get more advice from our business mentor who has an accounting finance background than we do from our own accountants”</i>
Alexander (ST)	<i>“I actually use a cloud accountant and they are set up down South but funny enough just building relationships here and I know a couple of accountants who I would want to move my business to when appropriate just because they have given me some really useful advice....so with them I help them with some business issues and in return they give me some more detailed advice than I could probably get through my existing service provider”</i>
Juliet (M)	<i>“I have got an accountant and yes I run things past her obviously when it comes to things like maybe, ‘is it better for me to have a full time employee that is split into two part-time employees, is that better financially for me’...but other than that I would not say there is too much that I would go to her really no..... I have another lady that did work with me fulltime that got head-hunted by her old boss....but she still does my books for me then they go to my accountant. So she is still a valuable friend and as a friend so very much, she is my shall we say advisor where it comes to things like that.”</i>

Robert (M)	<i>“they just do the books because myself and Keith decided where we are going with this, it was us that took the decision about risk reward and we put together all the proposals and financial proposals what have you”</i>
Keith (S)	<i>“accountants look in the past and work out where you are whereas as an entrepreneur, you are forgetting the past and you are looking ahead all the time so accountants tend not to be good entrepreneurs, because they want to deal with cold hard facts all the time and as an entrepreneur there is no such thing as cold hard facts. a lot of it is ... well there is information that you can base your decision on of course and track record and things but at the end of the day you go by your gut instinct, does this feel like the right thing to do”</i>
Rita (ST)	<i>“my accountant is somebody virtual.....at this stage my accountant is very new and I have not asked that of them at this stage. I do believe it is a possibility and I do believe I have someone who is helping me write a business plan right now and she is an accountant...but she is very hands on, she is experienced in her background and she is working to write that plan...I have known her for about a year but over the last six month I have gotten to know her better.”</i>

Table 5.4 shows reasons why some respondents do not use their external accountants as strategy advisors. Both Alexander and Rita in their responses indicate that their accountants are located at a distance making it more difficult to have regular physical contact with them. This introduces the proximity or location of the accountant as a factor in the choice to use the accountant as a strategy advisor.

They also indicate that the relationship between them and the accountant is a contributing factor with Alexander talking about building relationships with local accountants and Rita talking about the relationship with her accountants as being new and by implication not yet mature enough for her to seek strategic advice from them. The responses are also indicative of the nature of the relationship between the respondents and their accountants as in all the responses, their accountants are not described using their names but just as

their accountant. This shows a more formal, business like relationship as opposed to one that has grown into a personal friendship. This highlights the finding earlier that it is the business owners of the smaller size businesses who place emphasis on the personal relationship between themselves and their advisors. The data also shows that in all the cases except for Robert and Keith, the respondents had someone else who was either an accountant or had a closely related alternative background from whom they sought strategy advice. This leads me to conclude that while the respondents do not want to use their external accountants as strategy advisors, they do see a need to rely on advisors that have the skills and knowledge which an accountant would bring with him. Probing a bit deeper on this point with Rita she notes that

“I think if you want somebody to give you advice on strategic planning, if they come with... not necessarily a complete accountant, but money or numbers skills, good number skills, strategy, marketing, accounting where numbers is involved I think I would speak to those people”.

Her response shows that it is the skills with numbers and the ability to interpret and use those numbers in giving advice that is essential and this is the main thing which the accountant brings along with him. However, Keith’s response shows that in addition to the numbers skills, the accountant also brings with him a certain worldview which is conservative in that it relies on proven facts. While this is not suitable to Keith’s outlook, it is suitable to other business owners’ as Julia uses her accountant as a strategy advisor for the *“conservative view that she will take”* knowing that *“she will ring alarm bells for me that I might not have thought about”*.

Probing deeper with Keith and Robert as to why they didn’t get this numbers based input from an advisor while strategizing, they both indicated that they had backgrounds which had enabled them develop numbers skills themselves and so they felt self-sufficient in that regard. This means that they still saw the numbers input as critical but that they did not

need to get it from an advisor. This highlights the fact that the accountant is used by the business owner to fill a gap in knowledge or skill but that where that gap does not exist then the accountant or the person with the numbers background becomes less important as an advisor. It also highlights that numeric skills are a necessary input into strategizing.

Of the respondents who currently use their accountants as strategy advisors, six had had accountants previously who they did not use as strategy advisors. Table 5.5 highlights their responses to questions on why they didn't use their previous accountants as strategy advisors at the time they were their accountants.

Table 5.5 Representative data on reasons for not using previous accountant as strategy advisor

<p>Linda (S)</p>	<p><i>"We had the very small one man practice when we first had to get an accountant, and we just didn't get on and not that we did not like each other but there was no synergy there, and somebody suggested another company which was a huge accountancy company. We said okay and we went to them and left after eighteen months because we were very small fry for them and they almost cost us 30,000 pounds in tax in payment for something we have spotted ourselves, brought to their attention, they ignored, left use with some bit of nasty taste in the mouth and they charged a phenomenal fee, and I think we were given someone probably who was not qualified to do our accounts. The service was poor, we were charged a lot of money for it and we were a very small part of their business so we left and found a medium size accounting firm who we have been with ten-twelve years. We know them, they know us we phone them up at a minutes notice, they give us advice, they are great. They are really good.</i></p>
<p>Kate (ST)</p>	<p><i>"I started with one firm of accountants, I went with a big firm because I thought big firm, better advice. They did not perform, and so via DTI I got a referral to a smaller firm, they were much more interested in my business as a whole, and much more interested in advising in a more holistic way rather than focusing on accounts"</i></p> <p><i>"..... So my accountant initially had as much knowledge as my</i></p>

	<i>accountant now, the difference is I trust my accountant now as a human being”</i>
Clare (M)	<p><i>“They’re quite a big firm, but what I felt was that there was an awful lot of turnover staff, so one month to the next it could be a different person each month managing my accounts, and they were very fond of jargon, and I don’t understand jargon. I did an element of accounting in my degree, enough to get me by day-to-day and do my bookkeeping but not enough to produce a set of annual accounts, by any stretch. Over time the relationship did break down there at the worst point, when I realized they’d been miscalculating my vat returns at the time for 18 months and I ended up owing the vat man a significant amount of money, because they’d been under calculating it, so the trust had gone, completely.”</i></p> <p><i>“I wouldn’t confide in them at all, really, about anything. And I think it’s a good thing having transferred to Steven, because I feel like I can do that, I completely trust him. I also completely trust that something confidential I say to Steven doesn’t go anywhere else, and vice versa, and I think that’s quite important because sometimes you can be faced with a problem you think actually potentially this is quite serious and quite bad and I don’t want this to get out because I know I can fix it but at the moment in the face of it, it looks like a really big challenge. I wouldn’t have trusted the previous accountant to do that for a number of reasons but based on the fact that when I got my stuff back from them as well there was other businesses’ financial documents in with mine, and I thought that was a very bad sign, because I knew the business in question as well but I didn’t tell them that that had happened. I contacted the accountant and said ‘I think perhaps you want to collect these documents which are not mine and belong to somebody else.’ I won’t say any more about it but, that’s bad. So I felt very much, I didn’t trust the previous accountant but very much do trust Steven as my new accountant.”</i></p>
Lucy (ST)	<i>“I didn’t take any business advice from him because I didn’t like him, and I felt he was very patronizing.”</i>
William (S)	<i>“..the initial first accountants only took my management accounts and you saw them only once a year when you were actually putting in your</i>

	<p><i>accounts, they did your accounts and you got the bill. whereas the new accountant, when we had that interview with them initially, you felt that, one they could save you money on the tax side of things, because we were doing things wrong. The previous accountant was doing things wrong, so we could see the initial saving anyway, but also we could see they were progressive and had the same kind of mind-set as ourselves. They wanted the business to grow, because they knew if the business was to grow, the more employees there are, the more payroll there is, the more money there is for the accountancy as well. So they want the company to grow, and they want to give the company the correct advice, because the more money we're making as a company, the more potential money they can make as a company as well"</i></p>
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Table 5.5 shows that the respondents had a variety of reasons for not using their previous accountants as strategy advisors at the time they used them as accountants. Linda and Clare indicate that one of the reasons for not using their accountants as strategy advisors was their lack of confidence in the accountant's competence at carrying out their normal accountancy work. This implies that where the accountant does not have or does not use the skills which the respondent expects him to have mastered as an accountant, they are unlikely to have sufficient confidence in him to use him as a strategy advisor. In taking this stance, both Linda and Clare link competence in carrying out their ordinary functions as an accountant to their trust of the accountant and ultimately to their decision not to use the accountant as a business advisor. This shows that trust forms part of the context in which advice seeking occurs.

Clare explains that her experience with her previous accountants showed her that they were lax in maintaining the confidentiality of their clients. As a result of this she did not trust them and so did not use them as strategy advisors. Again this indicates that advice is sought in the context of a trusting relationship. However, trust in this case is not based on competence but rather on the respondent's perception of the care and attention the accountants paid to their clients as reflected by their careless practice of putting another

clients confidential documents amongst her documents. Kate also highlights the importance of trust in the decision not to use her previous accountants as strategy advisors. Trust in the sense used by Kate is a personal trust. When asked to elaborate on this, she indicates that trust in this sense is not based on the knowledge which the accountant has but rather on his personal qualities.

Linda talks about a lack of synergy, Clare talks about her account manager changing frequently, Lucy talks about the accountant being patronizing, William talks about his accountants not being interested in his business and Kate talks about her accountants not listening to her, not being interested in her business and not performing to her expectations because they were not the right size of accounting firm for her business. William and Kate go further to explain that new accountants are more interested in their businesses. Jim opines that this interest grows out of an alignment of goals and shared 'mind-set' between him and his new accountants. Collectively, these point to the respondent's congruence or compatibility with the accountants as being an influencing factor in the decision to seek or not seek advice from their accountants. As such the congruence or compatibility of the respondents and their accountants forms part of the context in which advice seeking occurs.

Benedict does not use external accountants for their accountancy needs or for strategy advice. When asked why this is the case, he responded thus:

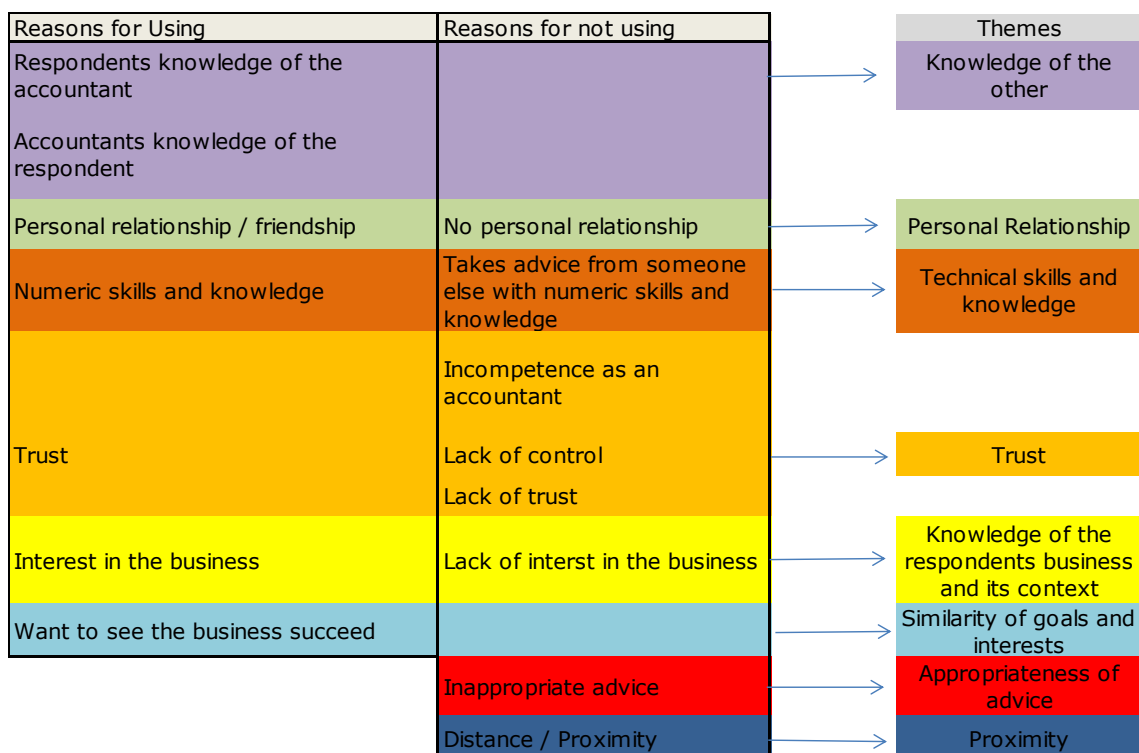
"We don't have an outside accountant, I don't trust them. I've only ever had bad experiences, they're really bad experiences. I used AB & Co for years, they came to our board meetings, we paid them to come to our board meetings, financial board,.....we paid AB & Co to come along for advice and to listen and so on..... because we don't know enough (about the changes in our industry) and how to deal with them. I asked for their help, and they were just a disaster, absolutely bloody useless."

Benedict's response shows that in his previous dealings with external accountants whom he had used as business advisors, he had found the accountants incompetent and unable to

give him advice that was appropriate to his situation. This had led to a loss of trust in them and in external accountants more generally. Thus trust is central to Benedict’s decision not to use external accountants for accountancy services and as strategy advisors. Probing a bit deeper with Benedict, he discloses that he employs an accountant in the business – Chris – who he bounces idea’s off “*probably more than anyone else. Because obviously there’s a financial implication to everything you do in business*”. This implies that Benedict does recognise the need for numbers based assessments and advice while strategizing and does rely on an accountant for this. Benedict also makes the point that as an employee of the business, he has greater control over Chris than he would over an external accountant. However, he has made Chris buy shares in the business and as a shareholder and someone with a stake in the business he can trust Chris more. This implies that for this respondent, trust and control are a major consideration in deciding whether or not to use his accountant as a strategy advisor.

The various reasons given by the respondents for using or not using their accountants as strategy advisors have been summarised in Figure 5.1

Figure 5.1 Summary of Discussion on Accountants and Emergent Themes



The reasons given are put into broader thematic groupings based on their similarity. The thematic groupings which emerge are:

- Knowledge of the other – the reasons given which indicate that the respondent's knowledge of the accountant as an individual and vice versa was a consideration in using or not using the accountant as a strategy advisor are grouped under this heading.
- Personal relationship – the reasons given which indicate that accountants are used or not used as strategy advisors because of the nature of personal relationship between the respondent and accountant e.g. having gone to school with the accountant, friendship, affective ties, etc. are grouped under this heading.
- Technical skills and knowledge – the reasons given which indicate accountants are used or not used as strategy advisors because their skills and knowledge in accounting and finance e.g. the accountants competence in carrying out his normal functions as an accountant and using other contacts, either internally or externally, who have numeric skills and knowledge either from being accountants themselves or having an accounting and finance background etc. are grouped under this heading.
- Trust – the reasons given which indicate that the use of accountants as strategy advisors is predicated on whether the respondent trusts or does not trust the accountant e.g. ability to control, breaches of confidence, incompetence etc. are grouped under this heading.
- Knowledge of the respondents business and its context – the reasons given which indicate that accountants are used or not used as strategy advisors because they have an understanding of the respondent's business or the industry in which it operates e.g. the accountants taking an active interest in the business which enables them develop an understanding of the business, are grouped in under this head.

- Similarity of goals and interests – Under this heading are grouped reasons relating the interests, values and goals of the respondent and accountant e.g. the accountant wanting the business to succeed and having the same mind-set as the business owner;
- Appropriateness of the advice – the reasons given which indicate that accountants are used or not used as strategy advisors based on the suitability of their advice to the current situation of the business are grouped under this heading, and
- Proximity – the reasons which indicate that the geographic location of the accountant is a factor in their use as strategy advisors are grouped under this heading.

5.3.2 Family

The literature shows that family are a major source of advice generally to small business owners. However, the position of family as strategy advisors to small business owners is not so clear from the literature. The respondents in this study were asked about their use family as strategy advisors. Of the respondents, 20 use family for strategy advice and some of their responses are highlighted in Table 5.6.

Table 5.6 Representative Data on Use of Family as Strategy Advisors

<p>Emilia (M)</p>	<p><i>“...family, probably my boyfriend more than anyone else. We had been together for seven years; we have been together since school so he has kind of seen this progression. He is a very sceptical person. He is a good ... we balance each other out in the sense that I could be quite spontaneous and driven whereas he is a bit more cautious and sceptical. I sometimes get frustrated with him because he puts forwards the negatives before he sees positives whereas I am the other way around. So where I was saying ‘I really think there is a business idea here’ he was kind of saying ‘oh what have you thought about that?’”</i></p> <p><i>“...with Tim, he sees most of it and I would say our board meetings, as he calls them, happen more often than not when I’m highly stressed,</i></p>
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	<p><i>and he can tell that I'm stressed, and he's like right, it's time for you to spill the beans here and tell me what's going on. Because I do omit things day to day that are worrying me, and then it will reach crisis point and it will be, we need to talk about this, and through that we'll have a general chat on how the business is doing, where it's going and stuff, because he's knowledgeable about this, he took business as part of his degree. He's very switched on in his own job and he thinks about the bigger picture, so in that sense he's a good person to talk to and sound things out with..."</i></p>
<p>Boris (M)</p>	<p><i>"from my fiancée, Clare.... its probably only Clare. We have got quite a small family. Sisters are teachers, brother in law, siblings, have kids that are teenagers, parents are in their early 70s now, hadn't run their own business, but in saying that, I still tap into them some of the time in terms of just people things and life things because you know they are three decades older than me and they know more about life than me. But Clare and I do speak about business a fair bit. I do ask for her guidance in the small things, through the big things. Her business, there are four of them, so there's two of us, she has been trading a couple of years longer in her business, she is my client as well, her business is about twice the size of mine."</i></p>
<p>Edward (S)</p>	<p><i>"Mainly my fiancée I suppose, because she's worked in some quite high up positions in oil companies, she is company secretary for Wood Group and First Group and all that sort of stuff so she's well versed"</i></p>
<p>Greg (M)</p>	<p><i>"...family who were in business.... Because they were in business"</i></p>
<p>Alexander (ST)</p>	<p><i>"And one of the things I have done I guess is my wife and my best friend I effectively treat them as my non-executive directors, so I kind of every month sit down and we have a glass of wine and I will talk to them about the business and I also talk to them about how I am spending my time..... So my wife...and my best friend ... I find they are useful just in terms of ...yes I guess it is like a non-exec kind of just reporting to a board as it were. But with them I think it is also just because of their relationship to me, it is easy to talk to them"</i></p>

<p>Juliet (M)</p>	<p><i>"I do because in actual fact my daughter worked for me for six months. So I do not get to see her very often, she is based in Edinburg now. But yes I mean if I was out with my daughter we would talk about business and I would confide in her because she actually knows the ins and outs. She knows what the business is about and obviously I trust her implicitly. So I would discuss with my daughter but other family, no, I probably do not have other family members that I could discuss with"</i></p>
<p>Brian (ST)</p>	<p><i>"my father-in-law obviously runs or has run a couple of successful businesses and I knew he would give me the correct advice for any questions I had. My step father-in-law runs a similar business to myself which is a design based business and I knew he has been running his business for 30 years so he had a wealth of experience and any issues I was going to encounter, I know that there was a good high chance that he has already encountered them as well. So it was good to have them both that personal connection with them that I could ask for business advice"</i></p>
<p>Nick (S)</p>	<p><i>"I guess, well my sister works with us now, I regularly speak to her about things..... I speak to my wife constantly about this stuff, she used to be an accountant so I should have mentioned her earlier, I pick her brains about all sorts of stuff regularly"</i></p>
<p>Jenny (M)</p>	<p><i>"...our husbands are very heavily involved. Family is important, we have family that have business backgrounds so, yes"</i></p>
<p>Helen (M)</p>	<p><i>"Along with obviously family, because family members see a different side to things and that's good. I've got a son that's gone into business, listened to his mom, he wanted to go that way, so I think unlike you not going in with your dad's. I had a young son that did help me within the business for a wee while, before he came back to university and did his master's course. So I probably do bounce some things off of him, because he's got the legal side of things. So I bounce some things off of him."</i></p>
<p>Malcolm (ST)</p>	<p><i>"My father I spoke to about things but he doesn't, he gives advice but he doesn't say one way or another, it's more from a perspective of what he's done in business before so he gives me from a business perspective"</i></p>

Table 5.6 indicates that irrespective of the size of business, the respondents took advice from a range of close family members including spouses, children, sibling, fathers-in-law and fiancées/boyfriends. In each of these cases, while there is a close family tie with the advisor, there is also a personal relationship characterised by strong affective ties which makes it easier for the respondent to take advice from the family member. Flowing from the personal relationship is the family member's knowledge of the respondent. Emilia illustrates this when she talks about her boyfriend having seen her develop through the years. Also flowing from the personal relationship is the respondent's knowledge of the family member. Again Emilia illustrates this quite well when she talks about her boyfriend's personality and how that affects the advice which he gives. Also illustrative is Helen's response which indicates that family members see a '*different side to things*'. The implication of this is that both the family member and the respondent understand the context and personal dynamics involved in the giving of and receiving advice and are able to make allowances for these. In summary, these responses demonstrate that advice is sought and given in the context of a personal relationship which allows both the respondent and the advisor to develop knowledge of each other which is brought to bear in the giving, receiving and valuing of advice.

In her response Juliet indicates that one of the reasons she takes advice from her daughter is that her daughter had been involved in the business and as a result has a very good knowledge of the business. This is quite similar to Helen's reason for taking advice from her son and Nick's reason for taking advice from his sister. These point at knowledge of the business as being important in the decision to approach a family member for advice. However, the knowledge of the business in these cases had all been derived from working in the business in question, this is not necessarily a prerequisite to developing knowledge of the business. Emilia's illustrates that her boyfriend has developed a good knowledge of her business although he has never worked in it. This implies that what is important in the

choice of advisor is the person's knowledge of the business irrespective of how that knowledge was gained.

Juliet's response also indicates that another reason for going to her daughter for advice is that she has complete trust in her daughter. She also indicates that this is a reason for not going to other close family members. While the other responses do not use the word trust, there is a strong indication that with close family members like children, siblings, in-laws, spouses and fiancées/boyfriends, that trust is assumed to be a characteristic of the relationship which is taken as given. This is illustrated by the type of issues which the respondents discuss with these family members. The trust in these cases is of a personal nature and is based on emotions or affective ties. Thus personal trust in the individual family member plays a role in the respondent's decision to take advice from the family member.

Table 5.6 also points at a different type of knowledge as being important. It points as the family member's knowledge of business in a general sense as being important. For instance Edward speaks of his fiancée working in high level positions in business, Emilia speaks of her boyfriend as having done business as part of his degree and being 'switched on' in his job, Jenny talks about her husband having a business background and Nick talks about his wife being an accountant. These indicate that the respondents place value the general business acumen and awareness which these family members have in choosing them to be advisors.

The respondents also place some value on the family member being a business owner or having run their own business previously. This is illustrated in the response from Brian where he speaks about his father-in-law and his step father-in-law as running their own businesses and in the process gaining experience which would be useful in giving him advice. Boris takes a similar view when he talks about his fiancée running her own business which is bigger than his and has been in operation for longer than his. The implication of this being that she would have gained experience from running her business which would

be useful in giving him advice. Thus what is valued is the experience gained by running a business and it is valued for its utility in making the advice given by the family member more relevant or appropriate to the context of a small business.

Of the respondents who take advice from their family, 3 of them spoke about specific family members from whom they would not take advice. Their comments about why they would not take advice from those family members are shown in Table 5.7.

Table 5.7 Data on Reasons for not using Specific Family Members as Advisors

Nick (S)	<i>“I suppose because my brother was very actively involved in the business and came out. It’s less easy to speak to him about it because we still get on very well, but it’s a different relationship. We talked about everything when we were in the business but there’s a point where it’s not his business, I don’t mean it’s none of his business, literally it’s not his business anymore, so it’s easier just keeping at arm’s length.”</i>
Helen (M)	<p><i>“My husband, he probably is more just interested in his own business. Some of the things I come away with, he thinks ‘oh that’s mad,’ so I don’t even go there. So I think family members give you an opinion, but they’re not always the best because they’re not interested in your business.”</i></p> <p><i>“I think if it was major decisions, I think you’ve got take your family into it. Especially my husband, he’s got to be part of it, or not a part of it, so yeah, major decisions I would bounce, I wouldn’t always take his advice.”</i></p>
Emilia (M)	<i>“I mean, my parents, my dad is a business development manager in oil and gas and I know he is a fount of knowledge but he hasn’t really, I don’t think he has wanted to interfere. He hasn’t tried to sit me down and like teach me all about business, he has very much left me to my own devices. My mum hasn’t really worked much while I was growing up but she did run various network marketing businesses so and I had kind of forgotten about it by the time I was starting my business. I had forgotten that she had run businesses as I was growing up and perhaps that influenced me as I was growing up, I don’t know. So but again, she didn’t really get particularly involved in what I was doing”</i>

Table 5.7 shows that while the family members might be close, have personal relationships, trusted, have a knowledge of business and experience in running their own business, if they are not interested in the respondents business, then the respondent is unlikely to see them as a source of advice or to value their advice when it is given. This is the case with Helen whose husband runs his own business but is not interested in Helen's. As a result she would not usually go to him for advice and when he does give his advice she is unlikely to value it very much. Emilia has a similar view about her dad and mum. However, in Helen's case, where the decision is likely to have a major impact on family members then it is important to seek their views. This implies that for the respondents, it is important that the family member shows an interest in their business. Irrespective of whether or not the close family members are consulted regularly for advice, they are still viewed as stakeholders who need to be consulted if a major decision is likely to impact on them.

Nick's response indicates that where the business relationship with the family member changes in such a way that the family member is no longer involved with the business, irrespective of the knowledge the family member has developed of the business and of the respondent, there is also a change in the business relationship which makes taking advice from that family member a bit more difficult as the respondent tries to assert their independence from the family member in question. This implies that in looking at who the respondent chooses or does not choose as his advisor, it is important to look at their personal history to see if there are circumstances which might have led to significant changes in the business and personal relationship with the family member or contact in question.

Of the respondents studied, 13 do not use family as strategy advisors. When prodded on this, some of the respondents gave reasons for not using family members as advisors. These responses are highlighted in Table 5.8.

Table 5.8 Representative Data on Reasons for not Using Family Members as Strategy Advisors

<p>Julia (M)</p>	<p><i>“There are not really any business people in my family. Absolutely none. So, they are not a good route”</i></p>
<p>Rita (ST)</p>	<p><i>“Not really, I find sometimes that family mean the best and they have the best intentions but they love you and they do not want you to get hurt or harmed or see you fall on your face. So there are many occasions where family will almost steer you away from your dream because they might have their own fears or it is not their dream, and sometimes your closest people can be the ones that stop you from following your true dream.”</i></p>
<p>Rodney (S)</p>	<p><i>“Not really, her background is a teacher. Even as a director, there’s aspects when she’ll sit in here and say, you know what, ‘I don’t really understand any of that, etc.,’ so I personally don’t, but I think there will be situations where it could happen, why not”</i></p>
<p>James (S)</p>	<p><i>“Not really, because they have different drivers. I mean I understand their drivers, but I also understand this business better, so if I bring family too close to it, they’ll be combatting”</i></p>
<p>Robert (M)</p>	<p><i>“...I am divorced and have a fairly sort of distant relationship with my children and no, there is no other family really”</i></p>
<p>Keith (S)</p>	<p><i>“No, simply because there is nobody in my family that has got either experience of running their own business or knowledge in the area that I work in. Nobody else works in IT for instance in my immediate family so there is ... or even in... actually there is nobody in my immediate family that actually works in the sort of offshore industry either. So the context is pretty difficult for them to judge.”</i></p>
<p>Kate (ST)</p>	<p><i>“I do sometimes, but he doesn’t really understand, so yeah, I’m pretty independently minded, so I find it difficult to listen to input when I know it just won’t work. When he goes off and has a fantastic idea about what I should do, and I just think, I can’t do that. So it’s not always helpful”</i></p>

Sandra (M)	<i>“Like my family don’t know nothing about business. So you ask them, and they...my mom’s there a lot to support me but she knows nothing. The minute you start talking business her brain melts [laughter]. So that is moral support, moral support from my mother and my brother. He’s come here and done some joinery work and my dad before he died as well done joinery work here. So that kind of stuff like physical manual stuff ‘cause that’s kind of where they’re at.”</i>
Lucy (M)	<i>“I don’t tend to speak about my work so much with family because they’re just very supportive, so whatever I’m doing, that’s great, and that’s not really what you need. You need people who will challenge you and say that’s not a very good idea, and I guess the business people I speak to are good at saying, ‘really, you want to do that? Why?’ And, or, I think such and such might be better, and just being a bit more honest, I think. So I don’t tend to go back to family”</i>

Table 5.8 shows the reasons which the respondents give for not using family members as strategy. Sandra speaks particularly about her mother, brother and father who appear to have close personal relationships with her and she trusts on a personal level. However, she does not use them as advisors because they do not have any business knowledge. A similar view is taken by Rodney, Julia and Kate who do not think their close family have sufficient knowledge of business to be advisors. These reinforce the finding earlier that the respondents place value on the family members knowledge of business. However, Keith stretches this a bit further when he says that he will not take advice from family because they do not have either business knowledge or technical knowledge of the specialized field in which his firm operates. In so doing he places value on technical knowledge at par with that of business knowledge. Looking more closely at Keith’s comment, the value placed on the technical or industry knowledge is so as to enable the advisor understand the context in which his business operates. This implies that what Keith wants his advisor to have is a knowledge of his business and the context in which it operates and in that sense his views are similar to those expressed by other respondents discussed above.

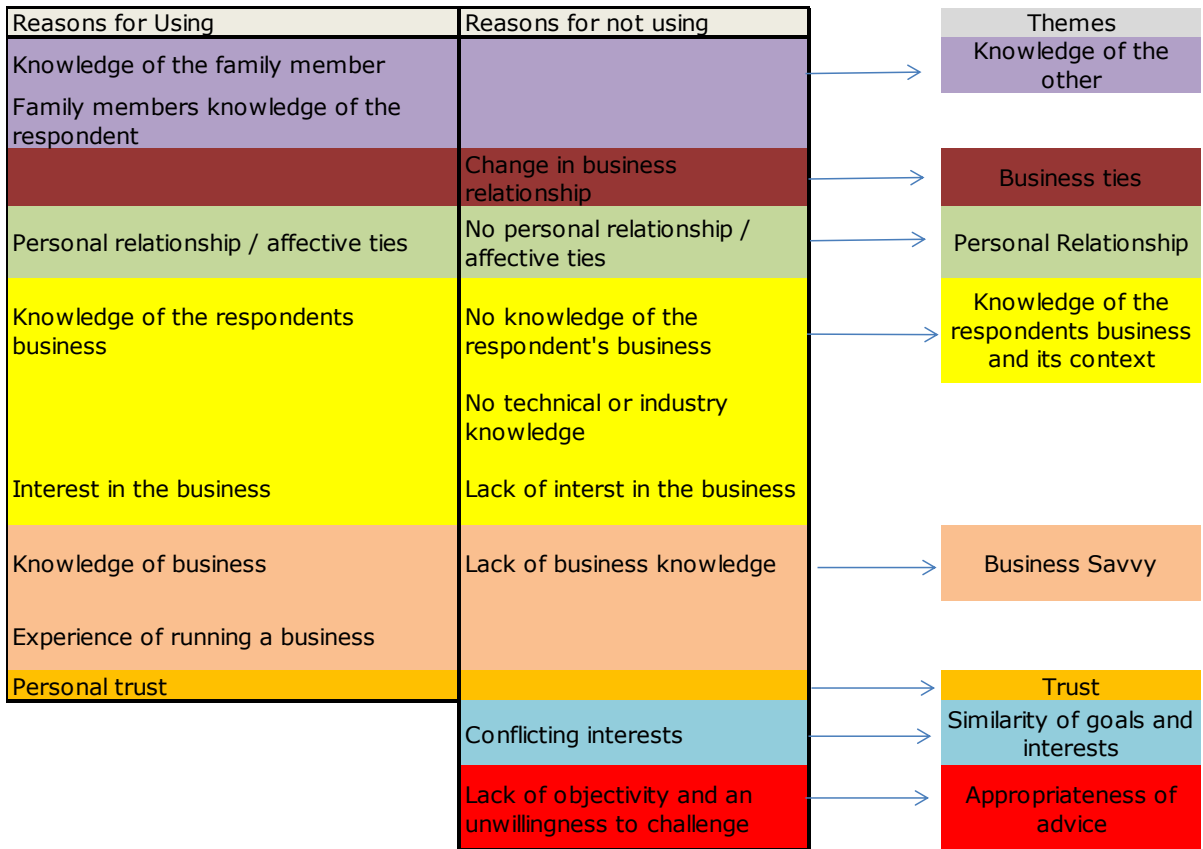
Robert highlights the importance of personal relationships with family members who he will take advice from. While there are close family ties with his children, there are no affective ties with them as a result of his divorce. Consequently he does not go to them for advice. This reinforces the point made earlier that although close family ties exist, for an advice relationship to develop, there have to be affective ties also.

James in his response indicates that he does not use family as advisors because they have different and conflicting 'drivers' from those of the business. This implies that the goals of close family and the business are not aligned and using them as advisors will cause friction or tension as a result of this misalignment. Rita takes a similar view when she explains that because family usually have her best interest at heart they are likely to be risk averse and as a result give advice that would steer her away from her dreams for the business. This illustrates family having different interests from hers and the businesses. This means that both the respondents place value on their advisors having similar goals and interests or sharing their vision for the business.

Lucy says that she does not go to family for advice because family are supportive and do not challenge her when she tries to seek their advice. She implies that the close family ties combined with the emotional and affective bonds of the relationship make them supportive of her but at the same time cloud their objectivity or make them unwilling to introduce conflict in the relationship by challenging her. This ultimately leads the family members to give advice which is inappropriate to her situation. In refusing to take advice from family members Lucy highlights objectivity and the willingness to challenge and give honest opinions as being an important trait in people who she will go to for advice as she considers this key to their being able to give advice which is appropriate to her situation.

The various reasons given by the respondents for using or not using family members as strategy advisors have been summarised in Figure 5.2.

Figure 5.2 Summary of Discussion on Family and Emergent Themes



The reasons given are put into broader thematic groupings based on their similarity. The thematic groupings are similar to those which emerged from the discussion of accountants as advisors. However, two new groupings emerge:

- Business savvy – the reasons given which indicate that a broad knowledge of business and how small businesses are run e.g. from the advisor having run their own business, is important in the choice of an individual as a strategy advisor are grouped under this heading.
- Business ties – the reasons given which indicate that the individuals relationship to the business e.g. as a director is a factor in the decision to take strategy advice from the individual are grouped under this heading.

5.3.3 Friends

The literature on SME advisors indicates that friends are a source of advice to small business owners. When asked if they use friends as advisors on strategy, 24 of the respondents indicated that they do use friends as strategy advisors. Some of their responses are highlighted in Table 5.9.

Table 5.9 Representative Data on Use of Friends as Strategy Advisors

Edward (S)	<i>“a particular friend who’s been through the same process, I spoke to him about it”</i>
Julia (M)	<i>“it tends to be business friends I think people that have been through the ups and downs over the years the same that I have”</i>
Alexander (ST)	<i>“I think from a friends stand point there are a few here who I have involved in business, both Small Medium Enterprise and in larger businesses. So yes there are people who I have probably been kept abreast of the journey over the last couple of years, so I think the conversation with them is slightly different because the trust has been established for some time and I think what I find useful with them is to use them as a sounding board for business propositions or ideas, just to test and because they have the relationship for me to kind of be honest and tell you whether you are talking rubbish or not.”</i>
Juliet (M)	<i>“Not really it was more just personal friends that were not necessarily even based in this area, but were scattered about, maybe in Glasgow.”</i>
Helen (M)	<i>“Well probably there’s a couple of friends, because it’s not everybody, when you’re taking business decisions you have to watch the network of people that you have to ask, but there would be a couple of friends I would confide in. They’re business owners as well, so I think business owner friends, because if they’re not business owners, they are interested but they don’t understand. So I think it’s got to be people that understand business. Well, I would say my knowledge now, I would say, allows me to go down that route. You might bounce ideas off people to see if the ideas you’ve got will work, you might do that with a wider section of friends, but the actual business, I think it’s business people”</i>

Keith (S)	<i>"friends that are in a similar-ish kind of situation to me so I am quite fortunate I have three friends that also run their own small businesses and so we sometimes get together and discuss on various different issues that we are having or bounce ideas off of each other and use each other as sounding boards"</i>
Sandra (M)	<i>"I do have one lawyer friend that I touch base with every now and then but she gives me free advice and she's a well-paid barrister so I don't trouble her unless it's something really strategic cause I know she's willing to help but obviously don't wanna dry up your help."</i>
Carmen (S)	<i>"I have a few friends who are business owners who might be younger in their business or more mature, so you can throw ideas off of each other."</i>
David (S)	<i>"So for example that chap who just called me just now, he is in Amsterdam, he the finance director of UPC, so we grew up together and we have been friends since we were kids. Again from that perspective so we are as close as brothers, but also just by dint of what we do, then we would speak about all sorts of business things and challenges, but on an open basis and whatever it was"</i>
Lucy (ST)	<i>"the best advice I got was from friends who had run business or who were involved in family businesses, where they had the benefit of seeing how parents had started it"</i>

David's description of the relationship between himself and his friend as having grown up together and being 'as close as brothers' conjures up an image of a close personal relationship which is characterised by affective and emotional ties and very good knowledge of each other. These characteristics of affective and emotional bonds as well as knowledge of each other are implied when the term 'friend' is used.

Also implicit or assumed as part of the friendship is the trust which the respondent has for their friends. This is highlighted by Alexander who in giving reasons for going to his friends for advice says he goes to them because *'trust has been established'*. Similarly Helen's comment that she is careful about who in her network she goes to for advice but will

'confide' in a couple of her friends highlights this. This unwillingness to confide in those members of her network who are not her friends is attributable to a lack of affective and emotional ties and trust. With friends those ties and trust exist and so makes it easier to confide in them.

Juliet's comment indicates that she takes strategy advice from personal friends who were located in significantly distant geographical locations. The implication of this is that the affective ties, trust and personal relationship with these friends were able to overcome the barrier which distance posed in using them as strategy advisors.

Table 5.9 shows that the respondents go particularly to friends who run their own businesses. Edward, Julia and Keith indicate that they go to friends who run their own businesses because they would have gone through similar processes or experiences as themselves. This implies that the friends who run their own businesses will have a better understanding of business and the context in which strategizing is done as they would have similar experiences. Helen highlights this when she says that friends who are not business owners "are interested but they don't understand". It is this understanding of business and the way it is run that the respondents place a value on and not necessarily business ownership. This is shown by David's use of his friend who although not a business owner, holds a high level position in business and so understands business and the challenges of managing and running a business.

Sandra indicates that one of the reasons she goes to her friend for strategy advice is that the advice is given freely and willingly. However, she is careful about how frequently she goes to this friend because she does not want to strain the relationship. The implication of this is that while friendship does make it easier to approach a person for advice it also places boundaries on the way in which the person is used as an advisor. Probing further with Sandra on the use of this friend as an advisor, she explains that the friendship is not a deep one and is still developing so she does not feel that she has built up sufficient

'goodwill' to use this particular friend very frequently as an advisor. She felt that if she was paying for the advice, then she could go more frequently to this friend for advice, but as she was not paying for it and had not built up a sufficiently strong friendship, there were limits to how often she could draw on the friends 'goodwill' in seeking advice from her. This demonstrates that it is the depth of friendship or indeed the strength of the friendship bond along with the fact that she is not paying for the advice which places limits or boundaries on the use of the friend as an advisor.

Of the respondents who did not use friends as strategy advisors, three gave reasons for their decision not to use friends as strategy advisors. These are highlighted in Table 5.10 below.

Table 5.10 Representative Data on Reasons for not Using Friends as Strategy Advisors

Mary (M)	<i>"That's probably the issue that my you know, most of my friends funnily are not working in a business similar to this but, yeah, it would make a difference if they were"</i>
William (S)	<i>"there's no friends involved at all with that. The reason for that, I learned very quickly and very early on, that let's say a huge part of the northeast of Scotland which is very jealous of any success at all, so you kind of find, if you saying, 'this is what I'm thinking of doing,' they will actually make it...put a black marker against it and say, 'don't do that.' Very negative people in the northeast of Scotland traditionally"</i>
Oliver (ST)	<i>"I don't really discuss, like I don't, I like to kinda keep like the business side to the business and then like my personal life to, so I mean I will particularly not speak to my friends about things like that, like one they're not knowledgeable about the business side of things, they've got jobs basically whereas they don't need to worry, business aspect basically. They go into work and they come home and get paid"</i>

Oliver indicates that he does not use his friends as strategy advisors because they do not have knowledge of business. This is because they are in employment and have not run their own businesses or have significant responsibility for running their employers business.

This reinforces the finding made earlier that the respondents go to their friends who have knowledge of business for strategy advice. Mary demands a higher standard of knowledge from her friends so she does not use her friends as strategy advisors because they are not in the same area of business as she is. She demands not just a knowledge of business from them but a more specialized knowledge of the area in which her business operates. To her what is important is the technical and market knowledge specific to her context. This implies that knowledge of her business is valued in her advisors. In summary, both Oliver and Mary point to knowledge and experience of business as an important attribute which those whom they seek advice from should have.

William indicates that he will not go to friends for advice because he thinks they will not be supportive of his plans and give him inappropriate advice because they are jealous of his success. This means that his friends would like to limit the success of his business and so do not share the same growth or success goals for his business as he has. Consequently he does not go to his friends for advice. The implication of this is that the respondent places value on his advisor having the same goals for his business as he does.

The various reasons given by the respondents for using or not using friends as strategy advisors have been summarised in Figure 5.3.

Figure 5.3 Summary of Discussion on Friends and Emergent Themes



The reasons given are put into broader thematic groupings based on their similarity. The thematic groupings which emerge are similar to those highlighted in previous sections with the exception of one new grouping:

- Cost – the reasons given which indicate that the financial cost of obtaining advice from a particular individual is taken into account in deciding whether or not to take advice from that individual are grouped under this heading.

5.3.4 Peers and Other Business Owners

The small business advisor literature indicates that other business operators are a source of advice to small business owners. It became clear quite early on in the data analysis that this was a significant group of people to which the respondents turned for advice while strategizing as 24 of the respondents took strategy advice from peers and other small business owners. Table 5.11 highlights some of the responses indicating that the respondents took advice from peers and other small business owners.

Table 5.11 Representative Data on Use of Peers and Other Business Owners as Strategy Advisors

Rita (ST)	<i>“I have a couple of women who are at the top of their game, ... they are a few steps ahead of me. So that is where I am aspiring to. So I have them, they advise and mentor and I get a lot of advice from them.”</i>
Alexander (ST)	<i>“There are probably about three people locally who I use and they are also business owners with complimentary services. So we find that if we kind of each talk about where are we with our businesses this quarter, where are we going; that actually helps because they are able to kind of challenge in a positive manner but also suggest and just to be there to kind of listen to you as well, and similarly you can do the same with them.”</i>
Clare (M)	<i>“Barryhe runs a business he’s a financial advisor but he specializes in mortgages so a lot of his client base is obviously of interest to me and vice versa, so we tried to help each other out. But Barry over the years has very much become like a father figure and even if you want to just pick up</i>

	<i>the phone to somebody and have a right good rant, he's a really good person to help you to put things into perspective."</i>
Julia (M)	<i>"my friend Jean.....been in the business the same length of time as me and we have experienced so many similar ups and downs and we have just realised that in spite of the fact that our businesses are really different that its really worthwhile to still keep talking if you see what I mean. Just keep comparing notes."</i>
Oliver (ST)	<i>"Just, well one, Justine started at the same time as myself so we're kinda on the same level of the business and each other so we kinda face challenges at the same time as each other really so we can relate to each other in terms of that..."</i> <i>"... Anton's been in the photography industry for 25 years you know, well, 25 years plus so he's been through everything so I just kinda go to him just for a general chat and just see how things are going and having a look at how the industry's going and all that."</i>
Keith (S)	<i>"I have three friends that also run their own small businesses and so we sometimes get together and discuss on various different issues that we are having or bounce ideas off of each other and use each other as sounding boards.....so it is useful to talk to people that are in a similar kind of predicament to you."</i>
Helen (M)	<i>"I would say the two people that I speak with, outwith our accountant and solicitor, I've known them a long time. So I would say probably both of them, they're business owners, and very successful business owners, and they are probably, I've known them for about 30 years."</i>
Sandra (M)	<i>"As I've moved through business I've sort of attracted business owners who are really successful and I speak to them. Yeah. If it's business stuff that's who I speak to"</i>
Samantha (S)	<i>"There are people within the food and drink industry that are in the same position as myself, business owners, that I would actually pick up the phone and speak to them...because they're experiencing the same things as you. Sometimes it's good to speak about it, and they might be a bit further along than you, so they can tell you how they dealt with that situation"</i>

Rita indicates that she takes advice from other business owners who are 'a few steps ahead' of her in their businesses. Oliver expresses similar views in explaining that he takes advice from Anton who has been in a similar business for 25 years and has '*been through everything*'. This implies that they value the advice from these people as it is based on experience they have gained from developing and running their business.

Sandra and Helen indicate that they take advice for people who have been successful in running their own business. Probing a bit further to find out why success is important Sandra explains:

"Well, if they're successful in business they seem like the right person asked. Yeah, and people who are successful in business are happy if you asked them because they're successful; they don't feel like they need to fight you and compete you, and they see that you're doing your best and you're trying so they're actually ready to help"

For Sandra, in addition to the knowledge and experience which these successful business owners bring along, she values their advice as it is given out of a desire to help her succeed as these business people are already successful and therefore have no malicious or competitive intent. This implies that to Sandra it is important that her advisors share her desire to see her business succeed and grow. Alexander expresses the same idea in a slightly different way. He explains that he takes advice from business owners '*with complementary services*'. He implies that since they offer complimentary services, there is no competition rather there is a desire to collaborate and help each other and this aids the giving and receiving of advice amongst them.

Alexander's explanation also hints at the fact that the business owners who he takes advice from are local. This is also evident with the other respondents as the business owners who they take advice from are also local. Probing a bit further with Alexander he explains:

“One of the things I looked to do quite early on, this was during summer of last year so whilst I was still completing the MBA, was really looking to identify a couple of people I could develop trusted relationships with, both at a peer level in terms of business owners, but also people who were I would say relatively senior within the Aberdeen market, who had a track record of success, who also had a market level view”

His explanation shows he was particular about choosing local business owners as his advisors because they had knowledge of and were players in the local market. This implies he placed value on his advisors having a knowledge of the context in which his business operated. His explanation also highlighted trust and personal relationships as being important. This is also articulated in the responses from Julia and Keith in referring to the business owners who they take advice from as ‘friends’ and Clare referring to her advisor as a ‘father figure’. These imply a level of personal relationship including affective ties and trust.

In addition to the more general business knowledge and experience discussed above, some of the responses show that the respondents seek advice from peers and other business owners who are in or have gone through similar situations as themselves. Julia indicates that she goes to her friend Jean who is a business owner for advice because she has gone through similar ‘ups and downs’ of business as she has. A similar sentiment is expressed by both Keith and Samantha. Probing further with Keith as to why he would value advice from business owners who share the same type of experiences with him, he responds:

“So if you get somebody that is in a similar situation to you, then they go through a very similar kind of painful process and therefore they can relate better to the issues that you have got and why it is difficult to resolve it”.

He explains that going through the same type of experiences enables the person to develop a better understanding of the business and other issues which he currently faces and so will put the business owner in a better position to give knowledge based advice and also to

empathise with the situation he faces. This points to the context in which advice is sought including the situated experience of the advisor.

The table highlights that irrespective of the size of business in question, the business owners go to peers for advice for broadly similar reasons.

Three of the business owners spoke about their reasons for not taking advice from their peers and other business owners. Table 5.12 highlights the reasons which they gave.

Table 5.12 Representative Data on Reasons for not Using Peers and Other Business Owners as Strategy Advisors

James (S)	<i>“...you find that other business owners who do stuff similar to Valley Ltd, they keep their cards close to their chest, and it’s almost a one-way conversation they’re trying to set up”</i>
Brian (ST)	<i>“But the advice side of things, I would not actively perhaps seek advice from my friend Mark because he runs similar business to what I do so there is the friendship aspect but there is also the competition aspect as well because we are both in similar industries.”</i>
Benedict (S)	<i>“I’d never speak to a competitor, because they all hate me, so they don’t speak to me anyway, but in terms of other businesses, in Aberdeen in particular, if you’re not in the oil industry no one is interested in talking to you, so what’s the point, it’s pointless.”</i>

Benedict indicates that he does not take advice from business owners who are in competition with him because he is not on good personal terms with them. This implies that it is not so much their being in competition with him but the personal relationship that is the key issues. However, both Brian and James indicate that the issue is more that the other business owner is in competition with them. For James the issue is that business owners who are in competition with him are not cooperative or indeed collaborative. They want to get information out of him without reciprocating. This shows that in their discussions they are working at cross purposes or pursuing different objectives. It also shows that James values his advisors sharing the same goals with him and working in cooperation and

collaboration with him. With Brian, it is not immediately apparent why he will not take advice from his friends who run businesses in competition with his. Probing a bit deeper, he explains:

“... sometimes it is always a danger like you might come up with a good idea for your business, it would be great if we tried this. But then you do not want to be discussing that with your friends too much especially if they do run a similar business to you, then it almost giving them ideas for free whereas almost intellectual property you know it is a big thing nowadays and it is not that you do not want to sort of see your friends do well, you just do not give them all your ideas. Play your cards close to your chest.”

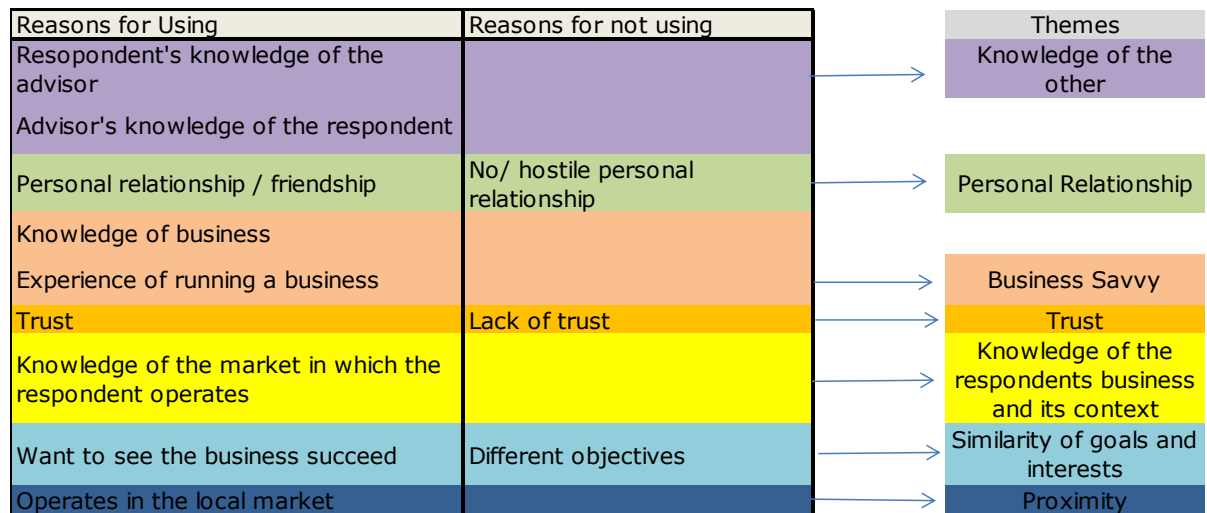
Brian raises two issues. First is that both he and his business owner friends are looking out for their own individual interests. Each wants to gain an edge over the other and so they do not have shared objectives. Second is one of trust. He does not trust that ideas shared in confidence with these business owners will not be poached by them. This implies that trust is a factor which the respondents consider in taking advice from other business owners irrespective of whether they operate in similar areas or not.

This reluctance to take advice from peers and other business owners who are in competition with the respondents demonstrates that there is a tension between the potential value to be gained in terms of being able to exploit the knowledge and experience of these peers and business owners and the trust which the respondent has for them. The lower the levels of trust the less likely it is that the respondent will take advice from these peers and business owners. Trust in this case is linked both to the owners perception of the character of the person in question and the nature of competition in which they are engaged.

The responses from Brian and James also show that irrespective of size of the business in question, competitive rivalry with other firms places a limitation on the peers whom business owners can seek advice from and consequently influences the strategizing and advice seeking practice of these business owners.

The reasons given for using or not using peers and other business owners as strategy advisors are summarized in Figure 5.4.

Figure 5.4 Summary of Discussion on Peers and Other Business Owners and Emergent Themes



The reasons given are put into broader thematic groupings based on their similarity. No new thematic groupings emerge as the thematic groupings which emerge are similar to those highlighted in previous sections.

5.3.5 Business Networks/Groups

The small business literature indicates that industry and professional associations are a source of advice to small business owners. However, the literature does not explore the role of formal and informal network groups as a source of advice to small business owners. By networking groups I mean groups of business people who come together with a view to recognizing, creating, or acting upon business opportunities through meeting people and building long-term relationships. An analysis of the data showed that 18 of the respondents took strategy advice from members of networking groups to which they belonged or had belonged to in the past.

Three of the respondents joined Business Builder networking forums run by Fred. The key figure in the group, Fred, who set up and facilitates the group is an Accountant and is the

external accountant for two of the three respondents who attend these groups. They pay for membership of this group as an extra service which Fred's firm offers to its accountancy clients. The group is also open to small business owners who see a need for this service and are willing to pay for it irrespective of whether Fred does their accounts or not. I had an informal meeting with Fred where he explained that the forum meetings are divided into two halves. In the first half, Fred makes a presentation on a business topic and in the second half, the participants work as a group listening to the plans and challenges of the individual members and giving advice. Boris captures this process in his own words thus:

“Each month Fred takes us through a key business topic, laden with excellent case studies and supplemented by Fred's understanding of our respective businesses. The second part of each meeting has more group work, updating goals, discussing challenges and generally helping each other out.”

The respondents' comments on the use of these groups as sources of advice are highlighted in Table 5.13.

Table 5.13 Representative Data on Groups as a Source of Strategy Advice

Boris (M)	<i>“I would think that Fred cum the business builder forum which is the group class, probably top in terms of how we gain guidance for direction of the business”</i>
Helen (M)	<i>“I think that forum works because we trust one another. Because we've built a core of people that's been in it for a few years, then we understand that we're not alone. You know, businesses go through dips and hurdles, so I think it's a good thing if you're a small business to have that forum”</i>
Clare (M)	<i>“Fred is somebody else that I very much have a lot of respect for and would take advice from and would confide in if I felt that it was appropriate. It's not in competition to Steven at all, it's just that from a business perspective I like his take on things and I like how he looks at things from a slightly different angle, or he helps you to, so I go to his</i>

	<p><i>regular business builder for meetings and get such an awful lot out of them, and a lot of what he focuses on is outstanding customer service, for example is one, value pricing is another, so he talks about, 'don't worry about the fact that your competitors are cheaper than you, stick to your guns,' that kind of thing, and that's been quite instrumental in my decision making in terms of putting pricing up or how we interact with people at events, how we promote ourselves at events, what we do, where we go, that kind of thing,"</i></p>
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Helen indicates that the forums worked because the participants have built up trust amongst themselves. This implies that it is this trust that enables the participants to bring sensitive issues to the group to discuss and advice on. She also indicates that the forum helps her understand that she is not alone. This shows that she derives a sense of security from the relationships she has built with the 'core people' in the forum and knowing that these people have shared and similar experiences to hers and understand the challenges and successes of her business. This implies that the relationships built with the other participants in the forum based on both trust and shared experiences are valued and also valued is the knowledge of both her and her business which the other forum participants have developed.

Clare indicates that the primary reason which takes her to the forum is her relationship with Fred who has become one of her key advisors and the perspective which he brings through the forum meetings. This highlights the key role Fred plays as the convener and facilitator of the group and that a lot of the advice coming out of the group is either directly from Fred or has significant input from him.

Boris' description of getting guidance from 'Fred cum the business builder forum which is the group class' also highlights Fred as the major source of advice in both the presentation and the group session. Clare also highlights that she is able to confide in Fred showing that there is a high level of personal trust in Fred. The implication of this is that that the relationship with the group's facilitator is important as he significantly influences the advice giving in the forum.

Three other respondents had previously attended similar groups but do not do so now and do not use the members of their previous groups as strategy advisors. Probing with Julia on why this was the case, she responded thus:

“I am still in touch with quite a few of them not all of them but ... probably just I am not good at keeping up with people generally because I just spend my life being too busy but it’s a two way street. They have not been great at keeping in touch with me but I am probably in touch with them or at least four from a group of 8 or so. So, not everyone lasted the same length in time in the group. I did it for a year. One of them has moved abroad and I am slightly still in touch with him. We were all just busy building our businesses.....person who ran this group, I think she is not a coach anymore. I think that’s actually one of the things that the central figure is not there anymore. So, I think that’s one of the reasons that we don’t hang together as a group if you see what I mean. She is just disappeared.”

Julia indicates that the ties with the members of her previous group are weak and as a result of this weak relationship she does not use them as strategy advisors. She indicates that the strength of the ties were affected by how long the individuals spent as members of the group. This agrees with Helen’s comment that in her forum, a core had been built up over the years. She also indicates that distance has affected the ties and the ability to strengthen these. This shows that the strength of the ties built up in the group have an effect on the respondent’s use of the group members as advisors after leaving the group. However, the strength of these ties did not affect the use of group members as advisors while members of the group. This can be attributed to the institutional trust arising from the group’s rules on confidentiality and the structure of the group meetings. However, this form of trust is weak and if a strong personal relationship is not struck up with the individuals in the group they will not be used as advisors once membership of the group ceases. The fact that it is the weak trust arising from the structural elements of the group is demonstrated by the role the group’s convener and facilitator plays in holding the group together and

ensuring that it functions. Having lost this key element, the group is no longer able to function and given the weak relational ties which exist, the group members do not go to each other for strategy advice. This reinforces the finding made earlier that the relationship with the facilitator is key in this type of group.

Six of the respondents belong to a business networking referral organisation called DTI. I was invited to one of the weekly DTI Bravo chapter meetings by Emilia. At the meeting, I learnt that in each city there could be several DTI chapters. Each chapter allows one member per occupation and the focus is on each member giving business referrals to other members and receiving referrals in return. To do this, the meetings follow a set structure which is meant to build the relationships needed to ensure that the members are comfortable enough to pass on business referrals. The meeting starts out with a meal and informal interactions. After the meal, the formal meeting starts. At the formal meeting, each member makes a 60 second pitch about their business, referrals are recorded and passed out, reports are given on how previous referrals have been followed up and a presentation is made by an invited guest on a business topic. After the formal meeting, each member sits down for a one to one meeting with another member following a pre-arranged schedule. The respondents who attend DTI chapters and take strategy advice from members were asked why they did so and Table 5.14 highlights some of their responses.

Table 5.14 Representative Data on Use of DTI Members as Strategy Advisors

Lucy (ST)	<i>'And also I thought it was a great environment for, I guess a safe place to ask stupid questions, if that makes sense, so you could go along and say, I run my own business, I want you to refer clients to me, because I'm great at HR but you look like you're really clever at doing your marketing, how do you do it, what kind of things do you say, I learned it from other people who were running businesses, just by asking questions.'</i>
Helen (M)	<i>'I'm in the DTI chapter at Westhill, and again I was part of another DTI Chapter, I was one of the founders of that DTI chapter, that was back in my previous company... Fred decided he and another guy were starting up the</i>

	<i>Westhill chapter and said, 'will you support if I start it up,' and I said yes, so I thought, okay I have to do it because I said to him I would support him, so hence the reason I'm in DTI Westhill chapter....this is our second year, so it's a year past September since it started up, and you can see the trust developing with certain members already.'</i>
Clare (M)	<i>'There's people that I started out with in DTI that are still members of the same group or some have left, but I would definitely call friends, I would definitely, you know on an informal basis, or let's go for a drink and talk about this, and the same ways they would to me. Quite a lot of my friends from DTI days would phone me and say 'I've got this conundrum and what would you do? I'd be interested to hear your take on things' and I think just over time them seeing me grow and me seeing them grow we've developed a mutual respect for the fact that we must be doing something right. So we bounce ideas off, but again more informal than formal'</i>
Emilia (M)	<i>'Well with DTI, a part of the structure is to have 1-to-1 meetings with the members, so through that I learn things about my colleagues that you don't learn in the weekly meetings like the challenges they're facing, so it does become a more 2-way catch up and talk about the general direction of their business and things, so there's particular people, like Fiona who's sitting over there, she and I again, that's another strong relationship that's building up, a multi-faceted relationship, because I'm doing work for her, she's a client, I'm also a client of hers because she does beauty treatments and things like that, and also I, in my side work, I'm still teaching music lessons, although less so than when we last spoke, and she's been coming for saxophone lessons as well, so that's another multi-faceted relationship, so she and I exchange ideas and advice from time to time, although she's of a quieter disposition so she's not as forthcoming with thoughts as some of the others, but that's a good relationship.'</i>
Kate (ST)	<i>'DTI was more useful as an advice body rather than a business referral. Because what I do is so specialized, I didn't get very much direct business from it.'</i>

Helen has had several years' experience of being a member of this and other networking groups. Her response shows that over time some members of the network group build trust in each other. This implies that the bonds of trust are stronger with some members than

they are with others. These bonds of personal trust are important in deciding to ask another group member for advice as Lucy highlights. Lucy is new to the group and this is her first experience of belonging to a networking group. She explains that she is able to ask questions and seek advice from other members of the network group because she feels safe enough with them to show that she has weaknesses and to ask for advice in those areas. This feeling of safety is predicated on a relationship that is based on the other member's knowledge of her and her business, knowing that they also face similar challenges and also a trust which she has developed in those members.

It is also Kate's first experience of belonging to a networking group and she indicates that although the objective of the network is to generate business from business referrals she did not in fact generate much business in this way. However, the group turned out to be a source of advice. The implication of this is that although the interests which brought members to the group was commercial i.e. generating more business, the network serves other purposes. This is illustrated more clearly by Emilia who is new to networking groups but has joined three different networking groups describes how the structure of the network's meetings has enabled her to build up a 'strong relationship' with particular members of the network. In describing what a 'strong relationship' looks like, she indicates that both she and the other member have developed better understandings of each other's businesses, have developed closer business ties as clients of each other and the relationship has extended to other social interests in music. She also shows an understanding of the personality traits of the network member in question. This 'strong relationship' is the basis using each other as strategy advisors. Her description highlights a kind of reciprocity or interdependence which develops as part of this strong relationship with business and social links developing between the members and translating into a situation in which each serves as an advisor to the other.

Clare who has belonged to several networking groups in the past but right now is focusing on being active in only one group highlights that the strong ties with other members of the

network continue even after she has left the network. The interdependence and use of the other members of the network as strategy advisors continues. This implies that the use of these network members as strategy advisors is not so much predicated on their current membership of the network but on the relationships and knowledge which have been built up over time and which had been facilitated by the structures which the network imposed on them.

Irrespective of the length of time the respondents have been involved with networking groups, they all agree that these groups provide a context for building personal relationships and trust with other members of the group and that it is in the context of the personal relationships and trust which has developed between individual members that advice seeking takes place.

All the respondents who were members of these business networking groups owned businesses classified as sole traders or micro businesses. None of the business owners who owned businesses classified as small firms belonged to these type of business networking groups. When asked about this, James indicated that he did not have the time to be involved in such groups as his business took up most of his time but that he was a member of the Chamber of Commerce and encouraged his staff to participate in the Chamber's events. Edward expresses reservations about the fact that he would meet the same people in the group always whereas for him to grow his business he needed to be meeting new people and Keith also expresses reservations about such groups being able to facilitate his making contacts which would aid the growth of his business.

Taken together, the responses in this section indicate that business size is implicated in the approach the business owners take to seeking advice with the smaller businesses being more willing to join business networking groups where they can seek advice from group members while the bigger businesses seek networks more for their ability to make contacts which help them grow their businesses than for advice seeking.

The reasons given for taking or not taking strategy advice from members of business networks or groups to which the respondents belong are summarized in Figure 5.5.

Figure 5.5 Summary of Discussion on Business Networks/Groups and Emergent Themes

Reasons for Using	Reasons for not using	Themes
Respondents knowledge of the advisor		Knowledge of the other
Advisor's knowledge of the respondent		
Shared experiences		Personal Relationship
Social ties		
Length of time in the group		
Personal relationship / friendship		Trust
Personal trust	Lack of trust	
Length of time in the group		
Institutional trust		
Understanding of respondent's business		Knowledge of the respondents business and its context
Experience running a business		
Clients of each other	Business ties	

The reasons given are grouped based on their similarity. No new thematic groupings emerge as the thematic groupings which emerge are similar to those highlighted in previous sections.

5.3.6 Government Agencies, Charities and Industry Associations

The literature on small business advisors suggests that government sponsored agents, industry associations like the Chamber of Commerce and Charities are sources of advice to small businesses. Of the respondents in this study, 19 approached government sponsored agents, charities and industry associations for advice. A summary of the respondents, organisations approached and nature of the support offered by the organisation are detailed in Table 5.15.

Table 5.15 Summary of Organisations Used and Nature of the Support Offered to the Respondents

Respondent	Business Gateway	Princes Trust	Scottish Enterprise	Enterprise North East Trust	Chamber of Commerce	Scottish Development International	Highland and Island Enterprise Trust
Emilia Smith	Business Advisor, Seminars	Mentor					
Edward Salmond			Business Advisor, Consultants				
Julia Douglas	Business Advisor			Business Advisor			
Rita MacDonlad	Seminars						
Jenny Stewart	Business Advisor, Seminars, Mentor				Mentor		
Oliver Stone		Business Advisor					
Juliet Duncan	Business Advisor			Business Advisor			
Mary Scott					Mentor		
William Stevenson	Seminars						
Greg Bernard	Business Advisor						
Malcolm Cleppinton				Mentor		Business Advisor	
Helen Fraser	Business Advisor, Mentor						
Keith Collin	Seminars		Business Advisor	Business Advisor	Mentor	Business Advisor	
Kate MacDonald	Business Advisor						
Benedict Day	Business Advisor						
Sandra Walker	Printed Material						
Samantha Tait	Business Advisor						Business Advisor, Consultants
Nick Reid	Business Advisor, Seminars						
Lucy May	Business Advisor						

As indicated in Table 5.15, these organisations offered advisory support to respondents through printed material, seminars, assigning business advisors and mentors to the respondents and in two cases, giving the respondents access to consultants. As, printed materials and seminars within this support framework are sources of information and do not involve the respondents receiving advice from an advisor, they are not explored in this study. Table 5.16 highlights the respondent's views on their use of the Business Advisors provided by these organisations.

Table 5.16 Representative Data on Use of Assigned Business Advisors as Strategy Advisors

<p>Helen (M)</p>	<p><i>“the people that I was dealing with there, they weren’t qualified people in business. So I didn’t feel that I gained a lot, you gain a lot from sales, from computer, I think the tag-on bits to business, they’re superb for getting contacts, for putting you in front of people, but you’ve still got to know what you want before they’re able to help you if you understand. So that’s the bit that I probably didn’t appreciate with Business Gateway.”</i></p>
<p>Edward (S)</p>	<p><i>“Most time Scottish Enterprise tend to put failed business people in front of you or people who think they know about sales but don’t really know about sales”</i></p>
<p>Benedict (S)</p>	<p><i>“I’ve spoken to Business Gateway people about different ideas and stuff in the past and found basically they were pretty ignorant, that’d be my opinion of them. Because they don’t know your market, they come back with information that is just regurgitated and not necessarily directly relevant”</i></p>
<p>Greg (M)</p>	<p><i>“I was given a business adviser, yeah.... I found better advice online watching webinars and things like that”</i></p>
<p>Kate (ST)</p>	<p><i>“They offered me help with putting a business plan together, and one of the things, I remember the guy said, ‘if you put a business plan together, then I’ll review it with you,’ and he went away and I thought, ‘I don’t know how to do a business plan, I don’t know what he’s asking of me,’ so I just carried on with my work and didn’t do it. He got back in touch and said, ‘have you done a business plan,’ and I said ‘no because I don’t really know what my focus is going to be yet, and I want to just operate for a while and see what’s going to work and what’s not going to work’,”</i></p>
<p>Lucy (ST)</p>	<p><i>‘I didn’t find it particularly useful, but I wouldn’t blame them entirely for that. I think we had an advisor who was used to dealing with much larger businesses, and he’d come across, basically, two lasses. We were saying, we want to do HR but we’re not quite sure how to do it. They gave us templates for writing business plans.... They didn’t really give us any clear</i></p>

	<p><i>support in terms of the real world, I felt they were asking us to do a lot of theory stuff, but I'm not good at those sit and think about it and plan it, work out your 5 year business plan...and it seemed to be very theoretical and not very appreciative of the fact that I kind of knew how to do HR. What I needed was help in how to find a client, and rather than answer that question they would say, 'well what kind of client would you like, what sectors would you like to work in?' I said, 'any.' They said, 'well you need to think about your niches,' and I said 'no I just want to find a job,' so I kind of found that bit difficult, but I think it was because I wasn't sure what I wanted to do, so I wasn't giving very great answers and they weren't asking the right questions in that way.'</i></p>
<p>Keith (S)</p>	<p><i>'Well when I started up H Ltd, I went to Dan (Enterprise North-East Trust Advisor) and said I am starting up a new company, can I register with you, getting you as my business advisor, which was okay, we were able to do. And then he reviewed business plans and again and again he would come and see me and see how I was doing and I would be able to bounce some ideas off him and he would ask the simple but obvious questions which when you are right in the middle of it, you cannot see. So yes it was good and it was really helpful.'</i></p>

Helen indicates that the advisors she had from the Business Gateway gave her good operational advice but she did not gain much else from them as they were not well versed in business. This shows that she did not see the advisors as having sufficient knowledge of business to enable them give her strategic advice. Similar views are shared by Benedict who describes the business advisors which he has had from the Business Gateway as 'ignorant' of business and the market in which he operates and Edward who describes the business advisors from Scottish Enterprise as failed business people who do not have good business operational knowledge. This lack of general business knowledge and specific knowledge of the respondents market makes both respondents take the view that the Business Gateway advisors are not suitable as strategic level advisors.

Kate explains that the business advisor assigned to her by the Business Gateway sought to give her support by reviewing her business plan with her after she had prepared one. However, the support and advice she needed at the point was support and advice to enable her prepare a business plan and to set a direction for the business. This indicates that the business advisor did not understand Kate's needs and so the support and advice which was offered, while strategic in nature was not suited to her current needs.

Lucy describes a similar situation with the business advisor which she was assigned by the Business Gateway. She explains that her business advisor had wanted her to draw up a business plan and do a lot of theory based activities which did not help her in reality. She thinks this was because he did not appreciate her technical skills in the area she was operating in and her immediate business needs which were the primary business drivers at the time. This indicates that the business advisor did not understand Lucy's skills and weaknesses and also did not understand the needs of her business which were primarily driven by the fact that the business was at an early stage. Both Kate and Lucy show that they require their advisors to give them advice and support which is appropriate to their current situation. This type of advice and support is predicated on the advisors knowledge of their business and its needs and also the advisors knowledge of their clients' skills and weaknesses.

The discussion above demonstrates that the respondents viewed the advice from these agencies as being generic and so not suited to them. They also perceive that the advisors do not have sufficient knowledge of them as individuals or of their businesses to appreciate their ability to run their businesses competently or to use the advice offered effectively. However, one of the respondents seems to be an exception. Keith's response indicates that instead of being assigned a business advisor at random by the Enterprise North-East Trust he requested for a specific advisor – Dan – who he takes strategy advice from. Probing deeper with Keith, he explains that he had run another business previously and had had

other business advisors assigned to that business who *'did not add any value'* but with Dan he says

"it always comes down to individuals and whether they click, so Dan and I absolutely clicked and we became good friends and all the rest of it.... he was really good at helping pick holes in our business plan really...."

This shows that Keith retained Dan as his business advisor because he recognised Dan's input of reviewing and advising on his business plan as valuable and had also developed a friendship with Dan. This meant that for Keith it was important that Dan, as an advisor on strategy, was able to bring to bear technical and business skills while giving advice but it was also important that the advice was given in an atmosphere of friendship.

Explaining why he requested for Dan as his business advisor for his current business, he says

"I had already developed that relationship with Dan and really valued his opinion then and he still worked at Enterprise North-East Trust, it seemed sensible to go back to him and see if we can get him. And he knew me as well and to a certain extent, he knew my strengths and weaknesses too. So he knew where the pain points were likely to be for me so yes"

Keith emphasises that to him the friendship which had developed with Dan and the past experiences of receiving good advice from Dan have made him *'value'* Dan's advice. This coupled with Dan's knowledge of him as an individual, especially of his strengths and weaknesses have made Dan the *'sensible'* choice of advisor. This implies that along with the friendship, technical and business skills which had been highlighted previously, Keith also prefers that his advisor has a good knowledge of him as a persona and his strengths and weaknesses. This knowledge has been built up over time through the friendship and also while acting as advisor to Keith.

Keith's business has grown and is now supported by the Scottish Enterprise and no longer the Enterprise North-East Trust. Keith's business is seeking to expand internationally and he has been taking advice on this from his business advisor at the Scottish Enterprise but he also says

“Dan is aware of it because I have actually spoken with him about it but in terms of formal advisor kind of route, it is a guy called Neil Robertson who is our Scottish Enterprise advisor”

This demonstrates that while Dan is no longer Keith's assigned business advisor, Keith still takes strategy advice from Dan. This means that Keith values Dan's advice enough to continue to use him as an advisor on a personal level as opposed to on the formal basis of being his assigned advisor. It also means that the friendship ties which have been built up between Keith and Dan are such that Keith can approach Dan for advice and Dan also is drawn to give Keith advice as a result of these ties. This implies that while the initial ties and advisory relationship between Keith and Dan were imposed by the institution – Enterprise North-East Trust – the continued use of Dan as an advisor was predicated on the personal knowledge and ties which had developed between the two and these ties were no longer mediated by the institution. This also implies that the advisory relationship between advisor and respondent is not a static one but one subject to change over time.

Two of the respondents, Edward and Samantha, were given access to consultants by the organisations which supported them. Edward was given access to a strategy consultant and a finance consultant while Samantha was given access to a strategy consultant, a consultant on finance and a consultant to help her with the internationalization of her business.

When asked what part the strategy consultant played in developing the strategy for the business, Edward explained that the strategy consultant led him through a strategy workshop which was aimed at producing 'strategy documents' which would set out the

businesses strategy. Table 5.17 highlights Edward's thoughts on how the strategy workshops and the consultant contributed to his strategizing.

Table 5.17 Data on Strategy Workshops and Consultants Contribution to Edward's (S) Strategizing

"...he didn't really tell me anything I didn't know. He's a great guy, don't get me wrong, really knew his stuff, but because we put quite a solid business plan together, and strategy and finances, and all that, if we reach all our goals, which we will do because we're really driven towards that, then the business model works, the business model we've got will work..."

"I spoke to some of my peers about, a particular friend who's been through the same process, I spoke to him about it and again we came, as a business man, if you were to just adopt everything that these guys were saying, I'm not convinced that, because one size doesn't fit all, we can't compare the workshop that we both had, and basically they were almost identical in values and all the rations that would probably be required, albeit to suit each other personally it wasn't quite the same, but the strategy document and strategy workshop was exactly the same format, that I went through, my friend went through, Michael. I suppose... the strategy document was probably sense checking, the strategy workshop was sense checking that we were on the right path. I didn't agree with everything they said"

"...when you're up into the strategy workshops that the guys and girls that you meet have been and done and got a lot of experience, and that's what you find. But I suppose in the essence, when I reflect on it, and Michael was the same, it was almost like a shoe-in because the workshop's a workshop and they'd come up with the same sort of structure of document around whatever business they're working with. I think when you're creating a brand, I think it's different. I really think it's different. When you create a brand, the thought processes have to go a bit more in depth than just what we were told."

Edward indicates that his business model and plan had already been developed before he went for the strategy workshop. This means that the strategizing had already taken place elsewhere without the consultant having any input in terms of advice. However, the strategy

workshop gave Edward the opportunity to further develop or change his business model and strategy. However, while acknowledging that the consultant was experienced and knowledgeable he did not think that the consultant was able to tell him anything he didn't already know. More importantly, he does not agree with the advice which the consultant is giving. In giving a rationale for disagreeing with the consultants he indicates that the strategy workshops are generic in format and are aimed at producing the same kind of documents and recommendations without much thought for the particular business in question. His response demonstrates that for the advice to be valued, it needs to go beyond being generic to being focused on the respondents business particularly.

His comment '*as a business man, if you were to just adopt everything that these guys were saying*' also infers that the consultants are not business men and so do not understand the realities of running a business and so are not able to give entirely suitable advice.

For Edward, although strategizing has occurred elsewhere and he has taken advice from others in developing a business model and plan, he has taken the opportunity presented to him to have free access to strategy consultants to refine his strategy. However, he does not place much value on the advice which he receives from the consultants because he does not feel that they understand the realities of running a business or his business in particular. This means that while the advisor – advisee relationship is established by the institutional structure, the value which the advisee places on the advice which he receives is predicated on his perception of the advisors understanding of business generally and his business more particularly.

The need for the consultant to understand the respondents business is also illustrated by Samantha As a result of the remote location of her business, Samantha's contact with her consultants is via email and telephone. She explains that after the initial contact with the consultants she uses only the finance consultant as an advisor. She says about the strategy consultant:

“I’ve had consultants before who didn’t really listen or try to understand the business and what we’re trying to do, and didn’t really understand myself either.I don’t want to work with someone who doesn’t have the same approach as you, you need to get on, so yeah, we didn’t work together again after that”

She highlights the importance of the consultant understanding her business and her as a person. In doing this she is not clear about the separation between herself as a person and her business. She refers to her business as if she was referring to her person and vice versa. This very close linkage in identity between herself and her business highlights the need for there to be compatibility between her personality and that of the consultant. This reinforces the findings made earlier that the respondents value advice if they perceive the advisor as having knowledge of themselves and their business. It also expands the finding made earlier that bonds of friendship influence the respondents use of individuals as advisors. In this case, while friendship bonds are not indicated, a compatibility of personalities is required.

Six of the respondents whose businesses are supported by government sponsored agencies and charities were assigned mentors. Their responses to questions on the use of these mentors as strategy advisors is highlighted in Table 5.18.

Table 5.18 Representative Data on Use of Assigned Mentors as Strategy Advisors

<p>Emilia (M)</p>	<p><i>“I speak very frankly to her about things, I don’t say I have any concerns about talking about the business or anything like that, I just feel like the advice I get back from her, because she has to actively go through her guidelines as a volunteer for the Princess Trust, her role as a mentor is defined by those parameters I just wish she was a bit more ready with practical help, strategic advice would be most helpful, which she does do from time to time, from the point that she’s probably giving me advice that she shouldn’t have done in her role as a Princess Trust mentor, because it is more like a counselling service more than anything else....”</i></p>
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<p>Mary (M)</p>	<p><i>“The mentor’s role isn’t about that. He’s not making decisions for us. In fact, he’s not allowed to give advice or make decisions. All he’s doing is opening conversations and making us think...”</i></p> <p><i>“What the mentor is doing is advising us to make a long term strategy. He is kind of saying have you done this, and we’re thinking of oh no, we don’t have a structure but he’s not telling us what to put in it. He’s not giving advice as such he’s just saying you know in my experience in business, or with other businesses you know, it works to have a three-year plan or five-year plan or whatever it happens to be. So he’s not giving advice; he’s suggesting how other businesses sometimes do their planning or whatever. He’s asking questions which make us question ourselves.”</i></p>
<p>Keith (S)</p>	<p><i>“I have worked with other mentors that have been good but they have been very far away and distance became a problem because you want to be able to not just pick up a phone and go talk to somebody, sometimes you want to see them. So the problem I had with some of my mentors that were offered through that mentoring program was that they were based in Dundee or Perth...”</i></p>
<p>Jenny (M)</p>	<p><i>“I had a second mentor by the name of Jim. And Jim is still mentoring us, privately, not through the Chamber. We’ve exhausted the opportunities for us to use the mentoring program through the Chamber and through the Gateway because we’re now too old a business. But we still keep up with him and we see him every other week”</i></p> <p><i>“We get more advice from our business mentor who has an accounting finance background than we do from our own accountant.....”</i></p>

Emilia indicates that she does not receive strategy advice from her mentor because the rules under which the mentoring relationship is entered into do not allow the mentor to give practical or strategy advice. Mary, who is in a similar position, explains that as a result of the rules setting up the mentoring relationship, her mentor does not give her advice on strategy and strategy content. What he does is to highlight to her the need to develop a strategy. He

advises her that it is important to strategize and gives her advice on how to strategize but does not give strategy advice or advice during the strategizing process. This implies that institutional barriers have been put in place which stop the mentors from becoming strategy advisors to the respondents.

Jenny on the other hand uses her mentor as a strategy advisor. The mentor she has now was one originally assigned to her by the Chamber of Commerce under the same rules as applied to Mary and Emilia. However, she got strategy advice from the mentor and continues to use him as a mentor and strategy advisor even after the official mentorship period under the auspices of the Chamber has ended. Probing a bit further to find out why she uses her mentor as a strategy advisor she says

“He’s a good guy, he’s a very intelligent man, comes from a big business finance and what he knows is incredible, we’re very lucky to have him by our side. We wouldn’t be in business if we didn’t have him, incredible. Free information, you know, I’m gob smacked. The time and hours he’s spent with us... it’s incredible.”

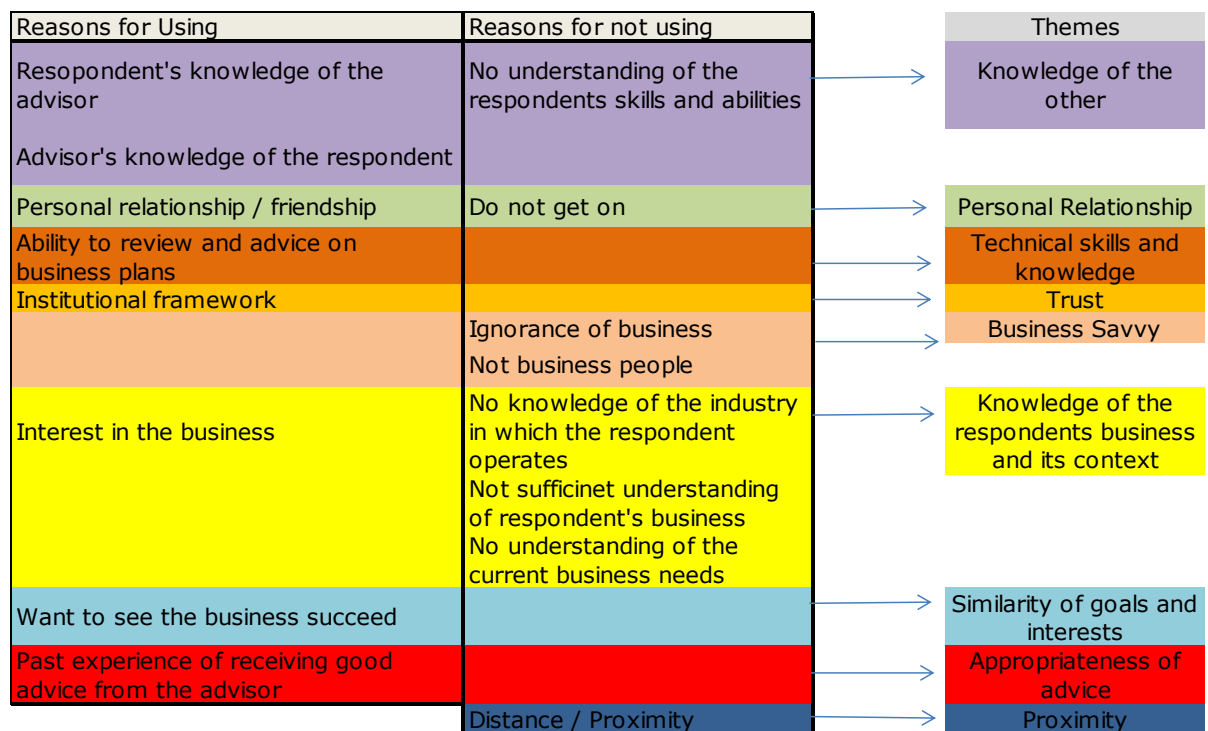
This shows that she places value on his business knowledge, intellect and technical skills. She also recognizes that her mentor has given his time and skills to see that her business succeeds. This shows that she sees and values the fact that both she and the mentor are working to achieve the same goal of building a successful business. The implication of this is that the combination of knowledge and shared goals and the sacrifices of time and skill made by the mentor have led to the respondent feeling gratitude and trust for the mentor and this has influenced the respondent’s use of an individual as a strategy advisor.

Keith indicates that for him, he is not able to use the mentors as strategy advisors because they are located in geographically distant places. He explains that the geographical distance does not allow him to meet face to face with the mentors and this is important to him. This demonstrates that he values the personal connection and bonds which are developed by

meeting the mentor face to face and these are a precondition to his using the mentors as advisors.

Figure 5.6 summarizes the reasons given for taking or not taking strategy advice from the business advisors, consultants, mentors and strategy workshops which the charities and government sponsored agencies either provided or facilitated for the respondents.

Figure 5.6 Summary of Discussion on Government Agencies, Charities and Industry Associations and Emergent Themes



The reasons given are put into broader thematic groupings based on their similarity. No new thematic groupings emerge as the thematic groupings which emerge are similar to those highlighted in previous sections.

5.3.7 Mentors

The previous section considered mentors in the context of those provided by or arranged through government agencies or charities. However, the data shows that the respondents had private mentoring arrangements outside those provided by government agencies and charities some of which involved paying fees while others were free. Of the respondents with private mentors, 13 indicated that their mentors were a source of business advice.

Two of the respondents, Sandra and Emilia take took advice from paid mentors. Their responses relating to this are highlighted in Table 5.19.

Table 5.19 Representative Data on Use of Paid Mentors as Advisors

<p>Emilia (M)</p>	<p><i>“I sought the advice of a sort-of industry leader if you like, probably mentioned her before, Michelle Dale, she runs her own virtual assistants business and ...provides training for other virtual assistants, and I subscribe to some of the packages that she offers through that, and as part of that she offers a 15 minute Skype mentorship call once a month, and I rarely take her up on it apart from twice. Last January of 2013 I asked her about how to start outsourcing and developing a team...I was asking her more practical things like, what should I include in the job description and how do I filter down to the right people, more advice about the actual practical logistics of doing it....so that was really valuable because it’s someone who’s been there and done it.”</i></p> <p><i>“I have only used one so far and I have been a member for five or six months. Because they are only fifteen minutes I feel that I have to go in with a very specific question that can be answered in that time and I don’t always feel that I do”</i></p>
<p>Sandra (M)</p>	<p><i>“The business mentoring that I get is from like Business Millionaires who are savvy.....”</i></p>

Emilia describes her mentor as a business leader who has a lot of experience in the area she operates in and Sandra describes her mentor as being ‘savvy’ and as ‘business millionaires’ implying that they have been successful in their businesses. Both of these descriptions indicate that the attraction to having these individuals as mentors and advisors is that they have good experience and knowledge of business and have been successful in business.

Emilia also describes the use of her mentor as occasional and communication as being through a 15 minute telephone call which is available monthly. She explains that in two

years she has called her mentor only twice. This indicates that the relational ties between Emilia and her mentor are weak and their relationship has not developed beyond the purely transactional relationship of a client and service provider. While Sandra's contact with her mentor is more frequent, it is still via telephone calls which are focused strictly on the tasks which have been assigned and any new tasks being assigned. Again the relationship has not developed beyond the transactional relationship of client and service provider.

Both Emilia and Sandra show the attraction to these mentors as advisors is their knowledge and experience of business and their having been successful in business. However, the respondent's relationship with the mentor does not develop beyond the transactional relationship. This is mainly due to the nature of the interactions between the respondent and the mentor which is generally over the telephone. This inability to develop a stronger relationship with the mentor influences the respondent's use of the mentor as an advisor.

Speaking as the recipient of a mentor relationship which was not paid for, David explains that the relationship with an unpaid mentor is different from that of with a paid mentor. He says:

"...generally you should consider a mentor as an unpaid position. To do that you have to have a two way personal relationship where there will be trust, friendship or a common interest to be able to do that."

David indicates that for the unpaid mentor, it is important that the mentor and the mentee have a personal relationship which is predicated upon trust, friendship or common interests. This means that there needs to exist strong relational ties as opposed to the transactional ties which exist in the paid mentorship relationship. It is these ties of trust, friendship and shared goals or interests which create the atmosphere in which advice can be given and received.

Table 5.20 shows representative data relating to unpaid mentors.

Table 5.20 Representative Data on the Use of Unpaid Mentors as Advisors

<p>Boris (M)</p>	<p><i>'...he is a guy I know, like and trust. And he has said sort of any time give me a shout, you buy the coffees and we will talk about it. And for things, especially for things like a new service or maybe stopping a service or a slight change of direction, these medium sized things, I would not hesitate to ask him.... Its probably only the bigger things, getting into the strategy, the future planning where that hard core gets smaller and it would include people like Ted (former business partner), Clare(fiancée) and Fred (accountant) and him'</i></p>
<p>Alexander (ST)</p>	<p><i>'I have a coaching supervisor who is ex-Microsoft senior vice president and I used him during my corporate career and I use him now in a supervisory capacity to help me when I am working with clients with coaching opportunities. So I had that relationship before and I have kept it with me, I have made sure I have kept it.'</i></p> <p><i>'... my coaching supervisor, I use him as a sounding board and I find that just knowing that every month I am going to be talking with him about client issues but also get some time to talk about my business in terms of business planning, what we agreed was that we take a bit of time to do that and I find that useful.'</i></p>
<p>David (S)</p>	<p><i>'Yes, I have lots of mentors, yes. I have got lots and lots of them and these are all different stages in all different fields but I think that that is probably the most important benefit so people who will watch over you and can give advice and say, 'look just think what you are doing, do not rush into this, this could possibly be a mistake, think about the downside and think about the upside.'</i></p>
<p>Nick (S)</p>	<p><i>'One particular individual who was a very astute person on the commercial side, we talked to them quite a lot in terms of, I wouldn't say they were a formal mentor by any means but more on a peer basis to run things past them and so on.'</i></p>
<p>Lucy (S)</p>	<p><i>'Various different people probably have been my mentor at different stages but there's not been on consistent one. Again, when I was splitting up from Jasmine (former business partner), I would say Alice (accountant and</i></p>

	<p><i>friend) was the person I was leaning on in terms of helping me..... I knew she had been through a very difficult split up from her business partner, so she knew that this was difficult, and there were moments where it was very tetchy, she could understand where I was coming from on that.'</i></p>
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Boris indicates that he has a mentor who he takes strategy advice from. He explains that his mentor is someone he knows, likes and trusts. He also explains that the mentor is willing to give his time whenever required and advice is usually given in a social setting – over a cup of coffee. This shows that Boris and his mentor have developed friendship ties in addition to knowledge of each other and personal trust for the mentor. It is in this setting of trust and friendship that strategy advice is given and received.

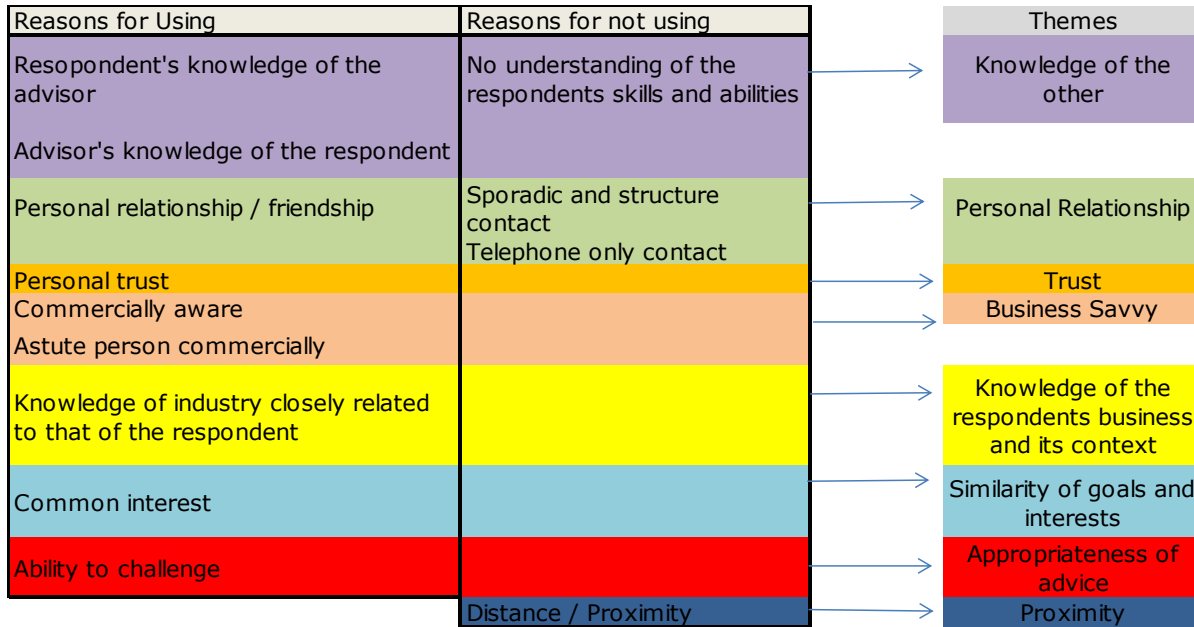
Alexander also uses his mentor as a strategy advisor. He explains that he choose his mentor because he had held a very senior position in business and they had developed bonds of friendship and trust while working together in one of Alexander's previous jobs. This existing pre-existing relationship shows that both Alexander and the mentor had a certain level of knowledge about each other at the time Alexander chose him as mentor and advisor. Again, this shows that with mentors, advice is given in an atmosphere of friendship and trust. It also shows that one of the things the respondent values is the business knowledge and experience the mentor would have acquired while working in his previous role in business. Nick highlights this point a bit more clearly when he describes his informal mentor as *'an astute person on the commercial side'*.

Both David and Lucy indicate that they have several people who are mentors in different spheres. David goes on to describe his mentors as advisors who watch over him and are not afraid to challenge him if they think he is making wrong choices. This shows that David has a good knowledge of his mentors, their abilities and personalities. In describing her mentor, Lucy also shows that she has a good knowledge of her mentor including her past experiences and that it is based on this knowledge that she approaches particular mentors

with issues for advice. This implies that both respondents are influenced by their knowledge of the individual in the choice of that individual as a mentor and advisor.

Figure 5.7 summarizes the reasons given by the respondents for using or not using their mentors as strategy advisors.

Figure 5.7 Summary of Discussion on Mentors and Emergent Themes



The reasons given are put into broader thematic groupings based on their similarity. No new thematic groupings emerge as the thematic groupings which emerge are similar to those highlighted in previous sections.

5.3.8 Consultants

The literature views consultants in a different light from other professional advisors like accountants. For instance Burke and Jarratt (2004) identify consultants as a source of business advice to small businesses but note that they are not used as frequently as accountants or other informal sources as they have less credibility amongst business owners. The previous section highlighted the use of consultants who were assigned to the respondents by government agencies and charities. In addition to this, questions were asked about the use of external consultants as advisors.

Table 5.21 highlights responses from respondents who have used or considered using external business consultants as advisors.

Table 5.21 Representative Data on the Use of Consultants as Strategy Advisors

<p>Linda (S)</p>	<p><i>“I know my business better than anyone. It is interesting you bring it up Amanze cause I have spoken to consultancy in the past in the believe that they will help us but I haven’t met one that understands my business any better than what I did.... the advice they were giving I saw no value in it because they didn’t understand what they were advising on. We are a real specialist area... and I haven’t found a consultancy yet that specialize in what we do and if did I will gladly listen to them and seek their advice but I don’t know if such a person exist.”</i></p>
<p>Bethan (M)</p>	<p><i>“The premises that I am in has a holiday cottage down beside it, and in that holiday cottage was staying someone who I talked to regularly, who is a business consultant. And I actually went to him privately and had a little seminar on business planning, so it was a bit of consulting but it was done privately....the reason I went to see a business consultant about a business plan was that it was more not so much for financial reasons but more for a direction to take the business in. For a more sort of forward planning for how I felt the business should be rather than straight financial reasons”</i></p>
<p>Julia (M)</p>	<p><i>“I like my consultant. I think he talks a lot of sense and he seems to have a good feel of where we are as a business and all and understands the bigger league stuff that we want to get into as well. So, I get good advice from him both from the learning and development point of view and also from the business point of view as well and I really value those sessions. I really value his feedback.”</i></p> <p><i>“...he has got a very thorough understanding of our business. It can feel like much harder work to talk to someone who doesn’t know your business yet because you have got to build the picture for them. But Hugo (consultant) does this detailed audit on us every year so I feel like he understands the business well and as I say I like his approach and I</i></p>

	<i>like the advice I get from him. I don't always think it's totally tuned into where we are but if I got the reason why I think it's off kilter then he is very good at taking that on board. So, there is a good trust there."</i>
John (ST)	<i>"Trust could be an issue. Do I really want to tell this ... consultant all the issues I'm facing in my company?"</i>

Linda indicates that she had taken advice in the past from consultants but did not place any value on the advice the consultants gave as they did not understand her business and so does not use them anymore. She says that the consultants she took advice from previously did not understand her business any better than she did. This implies that in order for the advice the consultant gives to be relevant to her and for her to value the advice from the consultant, the consultant would have to have a good knowledge of her business and the industry she operated in. She sets a high standard for the level of knowledge of her business and industry which she requires from the consultant. It must be better than her own knowledge.

Julia who currently uses a consultant as a strategy advisor indicates that her consultant has a good understanding of her business, the industry she operates in and her goal for positioning her business within the industry. She explains that this makes it easier to work with the consultant and enables the consultant to give advice which is appropriate to her situation. She implies that she values the advice which the consultant gives because it is appropriate and stems from an understanding of her business.

Julia says that she likes and trusts her consultant. This shows that bonds of friendship and trust have developed with the consultant which influence the advisory relationship. She indicates that as a result of the trust she is able to challenge the advice which the consultant gives and the consultant also is willing to take her opinions into account. This means that the bonds of friendship and trust not only influence the choice of advisor but also the process of giving and receiving advice.

John also raises trust as an issue with using consultants. He indicates that if there is no trust then he is not able to tell the consultant the issues he faces. Without the disclosure of information from the business owner the consultant cannot act as a useful advisor.

Bethan indicates that she takes strategy advice from a consultant privately. She explains that she prior to seeking advice from the consultant she had talked to him regularly. This implies that she had gotten to know the consultant as an individual first and had built up a personal relationship with the consultant that then allowed her to ask seek his advice on strategy issues. This shows that both knowledge of the consultant as an individual and the personal relationship influenced the decision to seek advice from him.

Taken together, the responses demonstrate that advice is sought from consultants who are perceived to have general industry and business knowledge and more specific knowledge of the respondents business. Also advice is sought in the context of a personal and trusting relationship. The reasons given for using or not using consultants as strategy advisors are summarised in Figure 5.8.

Figure 5.8 Summary of Discussion on Consultants and Emergent Themes

Reasons for Using	Reasons for not using	Themes
Resopondent's knowledge of the advisor		Knowledge of the other
Personal relationship / friendship		Personal Relationship
Personal trust		Trust
Good understanding of respondent's business	Did not understand respondent's business	Knowledge of the respondents business and its context
Understands respondent's goals for the business	Did not undrestand the industry in which the respondent operates	

The reasons given are put into broader thematic groupings based on their similarity. No new thematic groupings emerge as the thematic groupings which emerge are similar to those highlighted in previous sections.

5.3.9 Clients

Clients or customers are identified in the small business advice literature as a source of advice to small business owners. The respondents were asked questions on their use of clients and customers as strategy advisors. Ten of the respondents take general business advice from their clients. Of these, 5 indicate that their clients have an input in their strategizing. Their responses are highlighted in Table 5.22.

Table 5.22 Representative Data on the Use of Clients as Advisors

Linda (S)	<i>“Clients. Talk to lots of clients as in what they’re doing where they going what’s their plans are, because that ultimately affect what we are doing so yeah talk a lot to clients”</i>
Boris (M)	<i>“its kind of a smaller group again, some of our key clients that have become friends again because I hope they would be positive and would be really honest as well, they have been in terms of plan for X Ltd and BCN but also my own plans and thoughts, spoke with them”</i>
Clare (M)	<i>“One of our clients as well, a gentleman called Carter, he’s kind of evolved in a similar role, he’s been with me now since about 2008, or partly through 2007, and he’s got a number of properties with us, but he’s also become very much a friend and a confidant, so he’s had his own businesses as well, mainly in food and retail”</i>
William (S)	<p><i>“Yes we do. We’ve now established now over that period of time, that we’ve got some very good core customers who are very loyal, and I don’t mean repeat customers, I mean loyal customers who never go anywhere else, and it’s always nice to bounce some ideas off of those customers about things, and even question.”</i></p> <p><i>“Well, just to give you an idea, there’s Val and Richard are getting married, that is my daughter and my sales manager getting married in six weeks time, and at that wedding there must be a least half a dozen core customers that we’ve had for years, and their family is going along to the wedding, so that will give you a basis on the relationship we have”</i></p>

Emilia (M)	<i>“So it’s probably less so my clients now and more particular people in my network who may happen to be clients, but that’s secondary in terms of whether I get advice from them or not”</i>
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Linda indicates that her clients have an input into her strategizing in terms of providing her with information about their market and intentions. This implies that their role in her strategizing is that of information providers and not advisors. For the other four respondents however, their clients act as advisors in the strategizing process.

For Boris, he takes strategy advice from his clients who have become his friends. This implies that it is the combination of being his clients and the bonds of friendship which makes him use them as advisors. As clients, they interact with his business and have knowledge of both their needs and his services and as friends they have developed a knowledge of him as a person and also ties of trust. It is these that Boris values in his choice of those clients who are his friends as advisors. He also explains that he takes advice from them because he expects them to be honest and positive. He implies that they will be both honest and positive because they are both clients and friends. This means that it is the bond of friendship that allows them to be honest in giving their advice and also to take a positive view while giving advice.

In describing her client who she takes advice from as ‘a friend and confidant’, Clare implies that the bonds of friendship and trust are important in her choice to use her client as an advisor. She also describes this client as a business owner albeit in a different industry thus implying that she values his knowledge of business and experience of running his own business.

William indicates his use of customers as strategy advisors are predicated on two things. First is his perception of the loyalty of those customers to his business. He describes the customers he uses as loyal customers and differentiates them from mere repeat customers. In doing this he indicates that these customers value his services and have built up a strong

business relationship with him. Second, is the bonds of friendship and trust which have developed with these loyal customers. He explains that the strength of these bonds is shown by his inviting these loyal customers to his daughter's wedding. This implies that it is the strength of the business and personal ties with his customers which influence his decision of which customers to approach for strategy advice.

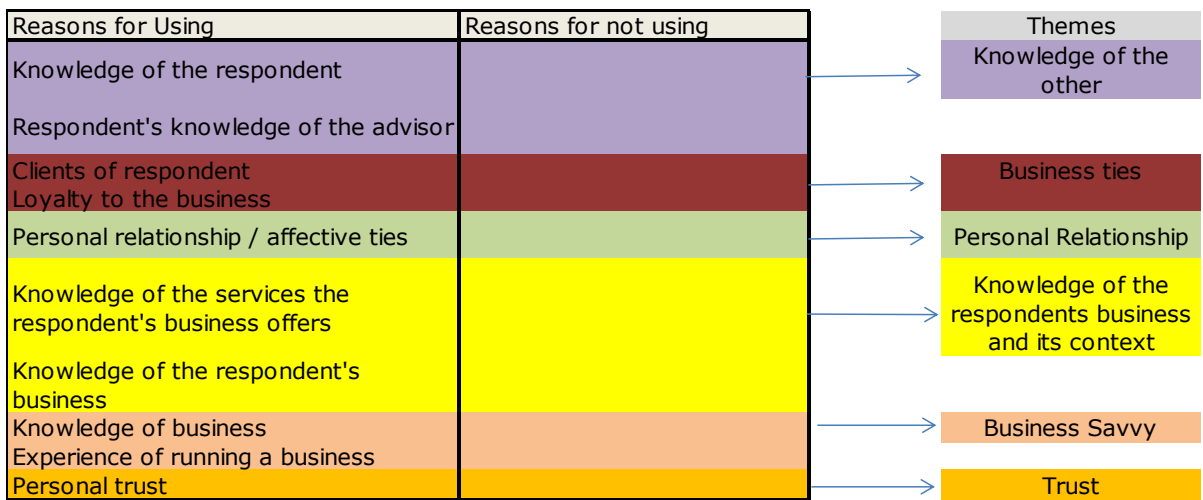
Emilia indicates that while she uses her clients as strategy advisors it is not their relationship to her as clients that is the basis on which they are chosen as strategy advisors. In explanation she says "*I mean Christine as I say is a client*". Earlier on in the interview she had described Christine thus:

"we're very pally, she helps me with my accountancy stuff, she gives me a discounted rate on accountancy and now bookkeeping, I'm getting her team to do my bookkeeping as well, and I also do work for her as well. And as well as that we have mutual clients and we're in DTI and passing referrals to each other, so it's become a very multifaceted relationship. Which is great, I feel like if there was one business contact I would go to for advice it would be her, not just as an accountant but as my friend and as someone who knows me and my business really well and vice versa, so yeah that's a very strong relationship"

As well as being her client, Christine is her accountant, her friend and a member of a network (DTI) to which she also belonged. She also indicates that as a result of the business and personal ties which she shares with Christine, Christine has developed a very good knowledge of both her business and her as a person and so has she of Christine. She implies that it is these other connections and bonds with Christine which are the primary influences to choosing a contact as a strategy advisor. Being a client is only secondary to these other influences. Emilia's response highlights a point which has run through all the other sections that most of the advisors do not sit in one particular category alone but indeed sit in multiple categories as the relationship between the respondent and the advisor is usually '*multi-faceted*' or grows to become '*multi-faceted*'.

Figure 5.9 summarizes the reasons given for using or not using clients as strategy advisors.

Figure 5.9 Summary of Discussion on Clients and Emergent Themes



The reasons given are put into broader thematic groupings based on their similarity. No new thematic groupings emerge as the thematic groupings which emerge are similar to those highlighted in previous sections.

5.3.10 Non-Executive Director

The data shows that three of the respondents indicated that they appointed non-executive directors to their business specifically to give advice and they did take strategy advice from these non-executive directors. Table 5.23 highlights their responses to questions on how the non-executive directors were chosen and used.

Table 5.23 Representative Data on Non-Executive Directors

Keith (S)	<i>“The non-exec was somebody that was known to me and they knew me and I recognized certain weaknesses in myself as we have all got, and I thought that he was a good compliment. So he was similar to me, in terms of background et cetera. But he had already had a business grown out, and actually sold it for a pretty good sum of money and therefore he was kind of available as a non-exec”</i>
Carmen (S)	<i>“We had a referral from someone who used to be a non-exec and who was departing and his background was drilling contractor background so he was very familiar with the drilling contractor experience.... we felt with</i>

	<i>his contacts and commercial experience he could add value to us about giving us information and assistance and bringing experience to the table that would have helped us over that period of time”</i>
Nick (S)	<i>“Its a woman by the name of Joannaafter knowing her a year or so, we approached and she was delighted to come on board, and she was the perfect match for what we needed, which was someone who understands our business but also understands business in general terms, so she contributed on all sorts of levels”</i>
Frank (M)	<i>“We did employ what we called an executive director for a period of time and he was suggested or proposed to us by our firm of accountants then and he was good and I would say that was the only mentor. The reason for that Amanze was that the field that we were operating in was very specialist. There wouldn’t be lot of people that would have had the experience but the executive director that we employed and we had on our board was from the construction industry. So though he maybe did not know about that particular field that we were manufacturing in, he was aware of the sector that we were working in, and that was quite helpful.”</i>

Keith indicates that he knew the non-executive director prior to his appointment and that he knew that the non-executive director had certain strengths which would complement for the weaknesses which he saw in himself. He also indicates that the non-executive director knew him. He goes on to indicate that the non-executive director had a similar background to him and had previously run his own business successfully. This means that the non-executive director had a good knowledge of the sector in which Keith operated and also had experience of running his business successfully. The non-executive director having a similar background also means that the knowledge and experiences which have shaped him are similar to those which have shaped Keith and so he is better able to understand the challenges that face Keith and Keith’s perception of those challenges. It is these factors of

knowledge, experience and having a similar background that influence Keith in his choice of the individual to be his advisor.

Frank in describing how he chose his non-executive director indicates that the individual had technical skills in the area in which he operated and was recommended by his accountants who he had previously described as trusted advisors. This implies that the initial interactions with the non-executive director were based on his reputation and the fact that his accountants saw him as capable. This means that value was placed both on the individual's knowledge of the particular business area and on the trust that his accountants would not recommend an unreliable person to him. In that sense, imputing some of the trust he had for the accountant on the individual.

For Carmen, there were two considerations in choosing a non-executive director who makes an advisory input into her strategizing. First, the individual came recommended by an outgoing non-executive director/advisor. With such a recommendation, the outgoing advisor with whom she knows and trusts vouches for the competence and suitability of the individual and the initial trust for the new non-executive director is really an expression of the trust in the judgement of the outgoing advisor. Second, the individual had knowledge of the specific business area in which she operated had had experience in business. These knowledge and experience enable the non-executive director to understand the issues which she faces and give suitable advice. This means for Carmen, the influences on her choice of individual to be her advisor were trust, albeit for the outgoing advisor, industry knowledge and business experience.

Similar to Frank, Keith and Carmen, Nick indicates that his choice of Joanna as a non-executive director was influenced by her knowledge of his business particularly and of business generally. He also indicates that he had known Joanna for a year before approaching her to take on the role of non-executive director and advisor. Questioned on why it took him a year to make the choice he explains:

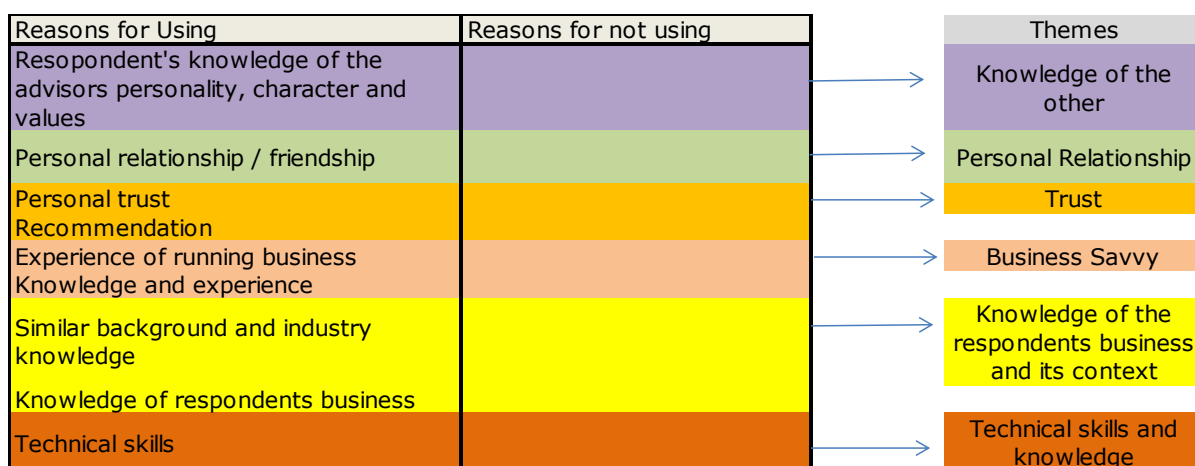
“....some of it was just getting to know her, I don’t think I could appoint someone, part of what we do is select people, and some of that is really getting to know strengths and weaknesses and what they bring to the party. We certainly wouldn’t have done a knee-jerk reaction and taken someone in if we didn’t know them, or they weren’t the right fit, technically as well as culturally.....”

He indicates that in addition to knowledge of his business and general business knowledge, he needs to have a good knowledge of the individual to ensure that they have the technical skills he requires in his advisor but also to ensure that there is a cultural fit. Getting to know if a person fits culturally into the organisation involves knowledge of the person’s personality, character and values over time. Nick explains that in the one year interval bonds of friendship and trust had been established which enabled him gain this knowledge.

Table 5.23 highlights the fact that the use of non-executive directors as advisors is related to the size of the business in question. With the exception of Frank, all the other business owners that used non-executive directors as advisors ran businesses categorised as small firms. This implies that as the businesses grow, the individuals chosen as advisors are different as a result of the size of the business and the complexity of issues at stake.

The reasons given for using non-executive directors as strategy advisors are summarized in Figure 5.10.

Figure 5.10 Summary of Discussion on Non-Executive Directors and Emergent Themes



The reasons given are put into broader thematic groupings based on their similarity. No new thematic groupings emerge as the thematic groupings which emerge are similar to those highlighted in previous sections.

5.4 SUMMARY

This aim of this chapter was to seek answers to the questions ‘what role do advice and advice seeking play in strategizing?’ and ‘who do small business owners take advice from and why?’

In respect to the first question, the data showed that while the dominant approach taken to strategizing in small businesses is informal as shown in the small business strategy literature (Beaver and Price, 2004; Rasmussen and Guiddahi, 2009; Chan and Foster, 2001; Gunther and Menzel, 2012), some small business owners took a more formal and planned approach to strategizing. The data suggested a possible explanation for this as being that size of the business influences the approach to strategizing taken by the business owners as the larger businesses in the sample took a more formal approach to strategizing while the smaller businesses in the sample took a more informal approach to strategizing. While the literature on small business advice seeking implicates size as a factor which influences the use and choice of advisors (Mole et al. 2013; Bennett and Robson, 1999), the literature on small business strategizing has not up till this point shown size to be an important factor in explaining the differences in approach taken by small businesses to strategizing.

The data also showed strategizing in small businesses usually took the form described by Chia and Holt (2006) as ‘wayfinding’ with strategizing not being deliberate goal oriented activity but more activity to cope with environmental stimuli which are underpinned by an immanent or unconscious strategic intent.

In respect to the role advice and advice seeking plays in strategizing practice, I found that advice seeking was seen by the small business owners as an integral part of strategizing. This agrees with the literature in this area (Burke and Jarratt, 2004; Chan and Foster, 2001; Thorpe et al. 2007; Jones et al. 2010). I also found more specifically that advice and advice seeking played a range of roles in strategizing which included: information and knowledge acquisition, generation of ideas and options, refining of ideas and options, evaluation of ideas and options, focusing attention on areas of the business which need control, strategizing process and practice. Thus, I show advice and advice seeking to influence both the content and process aspects of strategizing. Schatzki's (2012) description of practices as being organized in a teleoaffective structure is illustrated by the relationship between advice seeking and strategizing shown by the data. Advice and advice seeking are shown to be targeted either intentionally or immanently towards strategic objectives.

I also find that in most cases advice seeking while strategizing is iterative, involving repeated cycles of taking of advice and then a stepping back to reflect on the advice received and how this can be implemented. Advice might be sought from the same advisor or from a different advisor in each iteration. This highlights the complex nature of advice seeking and strategizing and agrees with the literature which describes small business strategizing as multifaceted and complex (Nilsson et al. 2012; Gunther and Menzel, 2012).

In respect to the question of who small business owners use as advisors, the initial analysis of the data showed that the small business owners used 10 categories of people as strategy advisors. These are accountants; family; friends; peers; business networks; government agencies and charities; mentors; consultants; clients and non-executive directors. These broad categories agree with the findings of the small business advice literature (Bennett and Robson, 1999a; Jay and Schaper, 2003; Dyer and Ross, 2008) as to the range of advisors used by small business owners.

The analysis of the data in respect of the question as to why these categories of advisors are used by small business owners enabled me develop 11 themes which could hold some explanatory power in explaining the small business owners choice and use of advisors. These themes are shown in Figure 5.11 below.

Figure 5.11 Summary of Emergent Themes

Accountants	Family	Friends	Peers	Business Networks	Govt Agencies etc	Mentors	Consultants	Clients	Non-Exec Directors	Emergent Themes
Knowledge of the other	Knowledge of the other	Knowledge of the other	Knowledge of the other	Knowledge of the other	Knowledge of the other	Knowledge of the other	Knowledge of the other	Knowledge of the other	Knowledge of the other	Knowledge of the other
Personal Relationship	Personal Relationship	Personal Relationship	Personal Relationship	Personal Relationship	Personal Relationship	Personal Relationship	Personal Relationship	Personal Relationship	Personal Relationship	Personal Relationship
Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust	Trust
Knowledge of the respondents business and its context	Knowledge of the respondents business and its context	Knowledge of the respondents business and its context	Knowledge of the respondents business and its context	Knowledge of the respondents business and its context	Knowledge of the respondents business and its context	Knowledge of the respondents business and its context	Knowledge of the respondents business and its context	Knowledge of the respondents business and its context	Knowledge of the respondents business and its context	Knowledge of the respondents business and its context
	Business Savvy	Business Savvy	Business Savvy		Business Savvy	Business Savvy		Business Savvy	Business Savvy	Business Savvy
Similarity of goals	Similarity of goals	Similarity of goals	Similarity of goals		Similarity of goals	Similarity of goals				Similarity of goals
Appropriateness of advice	Appropriateness of advice				Appropriateness of advice	Appropriateness of advice				Appropriateness of advice
Proximity			Proximity		Proximity	Proximity				Proximity
	Business ties			Business ties				Business ties		Business ties
Technical skills and knowledge					Technical skills and knowledge				Technical skills and knowledge	Technical skills and knowledge
		Cost								Cost

The themes: knowledge of the other; personal relationship; trust; and knowledge of the respondents business and its context; emerge as threshold themes as they are common to all the categories of advisor used. The other themes of business savvy; similarity of goals; appropriateness of advice; proximity; business ties; technical skills and knowledge; and cost are not considered as threshold themes as they are not common to all categories of advisors used.

Cost refers to the monetary price paid for the advice. The advice literature links cost to the use of advice (Gino, 2008). However, the literature does not show why this is the case or explain the dynamics of how cost influences the choice of advisor and use of advice. While the findings at this stage indicate that cost influences the choice and use of advisor and might be linked to the relationship between the business owner and advisor, the next chapter will look in more depth at how cost does this.

Technical skills and knowledge refer to the advisors skills and knowledge in a particular subject area for example finance. This chapter shows technical skills and competence as a factor which influences the choice and use of advisors and resonates with small business advice literature (Blackburn et al., 2010, 2014; Gooderham et al. 2004). The next chapter will explore this link between technical skills and competence and the choice and use of advisor in more detail.

The literature identifies clients and customers as a source of business advice (Bennett and Robson, 1999a; Jay and Schaper, 2003; Dyer and Ross, 2008). The analysis of the data so far shows that the driving force behind the use of clients, customers and indeed some other advisors are the business and commercial ties which exist between them. It also shows that competitive rivalry might be implicated in the choice and use of advisor. The next chapter will explore how it is that business ties influence the choice and use of advisors.

The analysis so far identifies proximity as a factor which influences the choice and use of advisors. Proximity refers how closely located geographically the advisor is to the business owner. This agrees with the findings of Bennett et al. (2000) who identify geographic location as a factor influencing the use of advisors. The next section will seek to extend existing knowledge that links proximity with use of advice by exploring how it is that proximity affects the choice and use of advisors.

Appropriateness of advice is shown to influence the choice and use of advisors. It refers to the suitability of advice to the context and circumstances of the owner's business. The small

business advice literature links appropriateness of advice to use of advice but not to the choice of advisor (Burke and Jarratt, 2004; Ramsden and Bennett, 2005). The next chapter will explore in more depth how appropriateness of advice influences the choice of advisor and use of advice.

Similarity of goals and interests refers to the advisor and the business owner having the same or similar aims, aspirations, goals, objectives and interests. So far, the analysis has shown that similarity of goals and interests is linked with the choice and use of advisors. These findings are similar to those in the advice literature (Kuang et al., 2007; Jodlbauer and Jones, 2011). The next chapter will explore the dynamics of this link between similarities of goals and interests and the choice of advisor and use of advice.

The data analysis so far shows that business savvy influences the choice of advisor and use of advice. By business savvy, I refer to an individual's general knowledge of business and knowledge of how to run a business. This finding is similar to that by Burke and Jarratt (2004) that small business owners value advice from advisors who are perceived to have practical experience of engaging in business. While this section and the literature identify business savvy as a factor influencing the choice of advisor and use of advice, it does not explain how this occurs. This shall be explored in the next chapter.

Knowledge of the respondent's business and its context refers to the advisors knowledge of the respondent's business and the industry and macro environmental context in which the business operates. The analysis so far shows that knowledge of the respondents business and its context influences the choice and use of advisors. While the findings so far are similar to those of Burke and Jarratt (2004), the next section will seek to extend their findings by exploring what it is about knowledge of the respondent's business and its context that enables it influence the choice of advisor and use of advice.

Knowledge of the other refers to the advisor having knowledge of the business owner's character, goals, attitudes, strengths, weaknesses, skills, abilities and personal attributes

and vice versa. The study identifies this as a possible factor which influences the business owners' advice seeking practice. Existing small business literature does not link knowledge of the other to business owner advice seeking although McCarthy (2003) does link personal characteristics of business owners to their strategizing practice. The next section will investigate this theme further to develop a more nuanced understanding of how knowledge of the other influences small business owners' advice seeking practice.

The analysis so far indicates that personal relationships between the small business owner and individual advisors influence the small business owners advice seeking practice. It also shows that trust influences the business owners' advice seeking practice. By personal relationships, I mean the connections between people, formed by affective bonds and interactions. By trust, I mean the business owner's reliance on or faith in their advisor. Existing small business advice literature identifies relationships and trust as influencing the choice of advisor and use of advice (Blackburn et al. 2010, 2014, Gooderham et al. 2004). The next section will explore these two themes in more depth to develop a more nuanced view of how they influence the small business owners' advice seeking practice.

While the analysis so far has identified these themes as holding some explanatory power as to the small business owners advice seeking practice, it has not shown how they do this and how they are related to each other. This will be the focus of the next Chapter.

CHAPTER SIX

SECOND ENCOUNTER WITH THE DATA

6.1 INTRODUCTION

The initial data analysis presented in Chapter 5 focused on answering two questions: '*what role do advice and advice seeking play in strategizing?*' and '*who do small business owners take advice from and why?*' In answering the second question, ten categories of advisors who business owners use were identified to include accountants, friends, family, peers, networks, government agencies, mentors, consultants, clients and non-executive directors. Analysing the business owners' reasons for using or not using particular advisors, some themes emerged as possible explanations for the respondent's choice of advisors. The themes of trust, personal relationships, knowledge of the other and knowledge of the respondents business and its context were identified as threshold themes while other themes like cost, business savvy, technical competence, shared goals, proximity and appropriateness of advice were identified as non-threshold themes.

This chapter aims to build on the initial analysis by seeking to answer the question '*how can the emergent themes explain the small business owner's practice of seeking advice while strategizing?*' To do this, I returned to the data to regroup the coded data based on the emergent themes. The use of the constant comparative method of analysis which involved fragmenting and comparing data enabled me to do this with relative ease. Regrouping the data in this way allowed for an in-depth analysis of these themes and the development of a framework to explain the business owners' advice seeking practice.

What follows is a discussion of these themes with a view to developing an explanatory framework of the business owner's advice seeking practice. I start out with a discussion of the non-threshold themes as they may give some insight into the threshold themes and then move on to discuss the threshold themes.

6.2 COST

Cost refers to the monetary price paid for the advice. Reflecting on how cost in this sense can affect the owners' advice seeking practice raises questions like: *How does paying or not paying for advice impact on whom the owners use as advisors? How does paying or not paying for advice influence the owners' perception of the quality of advice?* It is these questions which I attempt to answer in exploring the data relating to this theme highlighted in Table 6.1

Table 6.1 Representative Data on Paying for Advice

Mary (M)	<i>'...we've got our accountant and our solicitor but they come at a very expensive price, you know , two hundred pounds an hour or whatever makes it very difficult. So we are very careful when we use them so because we're a small business we can't afford not to be.'</i>
David (S)	<i>'I think certainly in the smaller businesses, because business is so tough for them to make ends meet basically, there is more of a reticence to pay for proper advice. People do not like paying fees.'</i>
Benedict (S)	<i>'...I tend now to avoid, I have done for many years, because any time I try to use other people's advice it's never worked, and it's always been ridiculously expensive.'</i>
Sandra (M)	<i>'I do have one lawyer friend that I touch base with every now and then but she gives me free advice and she's a well-paid barrister so I don't trouble her unless it's something really strategic cause I know she's willing to help but obviously don't wanna dry up your help.'</i>

Both Mary and David explain that their willingness to use certain advisors is predicated on the how much they have to pay the advisor in question. They both highlight the tough operating conditions in which small businesses like themselves operate and the limited resources which they have as considerations in deciding to pay for advice. This means that they weigh the costs of the advice against potential benefits and if indeed they have the

resources to pay for the advice in making a decision on whether or not to use an advisor. This is not unexpected given that resource poverty is a characteristic of small businesses which has been well noted in the small business literature. However, it does show that both Mary and David have developed an understanding of how to act which is based on their operating context which we can liken to Schatzki's 'practical understanding' or Bourdieu's 'habitus' and which is at play in deciding whether to pay for advice or not. It also indicates that advice is viewed as a resource with cost being a representation of the value which the business owner places on it. However, they did not throw light on what it is about the advice that makes it a resource or valuable.

The understanding of how to act is illustrated by Sandra who explains that because she does not pay for advice from her friend, she is careful about how often she takes advice from her and is also careful to ensure that she takes advice on only issues which she considers very important. As noted in Section 5.2.3 Sandra explained that the friendship is not a deep one and is still developing so she does not feel that she has built up sufficient 'goodwill' to use this particular friend very frequently as an advisor. She felt that if she was paying for the advice, then she could go more frequently to this friend for advice, but as she was not paying for it and had not built up a sufficiently strong friendship, there were limits to how often she could draw on the friends 'goodwill' in seeking advice from her. This shows an understanding of the context of her actions and how this context affects her actions. It also shows that while there is no cash cost attached to 'free' advice; there is in fact an opportunity cost in terms of 'goodwill' and drawing on the strength of friendship. In this sense, there is in fact no free advice and the business owner always takes the cost of the advice into account be it a cash or non-cash cost.

David expresses an affective disinclination to paying for advice when he says "*People do not like paying fees*". While the other responses do not raise this directly, the tone of both Benedict and Mary's responses hint at a dislike to paying for advice. This dislike of paying for advice is common to the business owners irrespective of the size of business which they

run and indicates that the decision to pay for advice has an affective or emotional dimension to it with the thought of paying for advice evoking a negative affective response by the individual.

While the affective response to paying for advice is a negative one, the response to receiving free advice is expectedly opposite as illustrated by Jenny's comment:

'...we're very lucky to have him by our side. We wouldn't be in business if we didn't have him, incredible. Free information, you know, I'm gob smacked. The time and hours he's spent with us, setting up management accounts, it's incredible. Getting us to look at numbers and compare them in a different way is really good.'

Her comment shows a positive affective response of gratitude to receiving free advice from her mentor which influences her continued use of the mentor as an advisor.

From the discussion above, I conclude that paying or not paying for advice generates an affective response from the business owner which influences his choice of advisors.

In his response, refers to paid advice as 'proper advice'. This hints at a difference in his expectations as to quality of paid advice vis-a-vis that of unpaid advice. This is explored in more depth through the responses in Table 6.2.

Table 6.2 Representative Data Relating to Expectations about Paid vs. Unpaid Advice

Benedict (S)	<i>'... we paid AB & Co to come along for advice and to listen and so on..... they were just a disaster, absolutely bloody useless.'</i>
William (S)	<i>'The accountant we used initially..... purely on the basis of they were cheaper to use for a start, but they didn't get involved in the business as such. You know, the initial first accountants only took my management accounts and you saw them only once a year when you were actually put in your accounts, they did your accounts and you got the bill.'</i>

Kate (ST)	<i>'If I'm paying for it then value for money. It's not how much it costs, it's being able to understand what you're getting for that.'</i>
Carmen (S)	<p><i>'...at the end of the day you pay that individual for service so that as far as I am concerned they are under your direction and control if you pay them for that service. ... I am looking somebody who has got greater knowledge to support the business growth and challenge us and support us and advise us.'</i></p> <p><i>'there is an awful lot of free advice out there as a small business, sometimes it is good and sometimes it is bad. As a director or a business owner I think you have to filter that out and work it out for yourself'</i></p>
Rita (ST)	<i>'... based on what I have learned and her experience, the few tips she has given me freely, I now have built a sense of trust in her that tells me that she will listen. And I have enough basic that I know that I cannot ask for the impossible, so it is relationship building.'</i>

Table 6.2 shows a range of expectations which the business owners have as a result of paying for advice. Benedict's response shows that he places no value at all on the advice which he received from his paid advisors. Probing further, he explains that the advisors did not really care about his business or giving him relevant advice, they were more concerned with doing as little as possible to earn their fee and so they did not give him advice which was relevant or useful to him. This showed that he expected the advisors to take an interest in his business and use their expertise to his benefit. The responses from both Carmen and Kate are similar in pointing to an expectation that the advisors skills and knowledge will be brought to bear in advising them while Williams response points at an expectation that the advisor takes an interest in his business. In addition to these, Carmen indicates that she expects to have some measure of control over the advisor. Where these expectations are not met, the business owner stops using or limits their use of the individual in question as an advisor.

The expectation that the advisors bring their skills and knowledge to bear in giving advice seems to indicate that the resource being paid for is the skills and knowledge which the advisor possesses. The advice would then be an application of those skills and knowledge or indeed a means of transferring the skills and knowledge paid for to the business owner.

When advice is not paid for, the expectations are different as demonstrated by both Carmen and Rita. Carmen shows a recognition that free advice can either be good or bad but the onus is on the business owner to sift through to find which advice is valuable. However, in doing so she implies that advice which is paid for ought to be 'good' advice. This hints at a valuing of advice based on its appropriateness to her situation and its practical usefulness to her.

While not explicitly stated, Rita's response does indicate that the advice although free should be given in good faith. Rita indicates that when the advisor does not charge for the advice given, there is a limit to how much the business owner can demand of the advisor. She makes the same point Sandra had made earlier (noted in Section 5.2.3) with her not being able to use an advisor as frequently as she would like because the advisor is not being paid. This is in contrast with Carmen's expectation that a paid advisor should be under the 'direction and control' of the business owner.

The expectations the owner has for paid and unpaid advisors is influenced by the nature of the relationship which exists between the paid and unpaid advisors. Rita's response indicates that a personal relationship characterised by knowledge of the advisor as a person and personal trust exist with her unpaid advisor while Benedict, Kate, Carmen and William's responses point at an impersonal transactional relationship which is contractual in nature and based on reputation and institutional trust. Thus for the paid advisors, the business owners want to see a return for their payment. They want to obtain 'value' for their money.

While the expectations of the business owners are different for paid and unpaid advisors, they do have expectations and whether these expectations are fulfilled or not influence their

decision to continue using the advisor and their decisions on what value to place on the advice received from the advisor.

The effects of cost on the business owner’s advice seeking practice discussed in this section are summarized in Table 6.3 below.

Table 6.3 Summary of Discussion on Cost

	Paid Advice	Unpaid Advice
Affective Response	<ul style="list-style-type: none"> • Negative response eg. dislike 	<ul style="list-style-type: none"> • Positive response eg. gratitude
Expectations	<ul style="list-style-type: none"> • Advisor showing interest in the business • Advisor under direction and control of business owner • Advisor to use expertise and skills go give appropriate advice • Value for money 	<ul style="list-style-type: none"> • Little control over advisor • Advice given does not necessarily have to be appropriate • Advice is given in good faith
Nature of Relationship with Advisor	<ul style="list-style-type: none"> • Institutional trust • Contractual 	<ul style="list-style-type: none"> • Personal relationship characterised by personal trust and knowledge of the other.

Literature in this area shows that independent of the quality of advice, people value advice that is paid for over free advice (Gino 2008). The findings from this study extend knowledge in this area as the findings show that the business owners’ have different expectations about the advisor and the quality of advice from paid and unpaid advisors. Thus the value placed on advice received is based on how well the advisor and the advice given meet the expectations of the business owner. This study also shows that the small business owner responds affectively to paying or not paying for advice and that the nature of the relationship with paid advisors is different from that with unpaid advisors. These therefore affect the business owners’ expectations of the advisor and the advice received and the way this advice is valued.

6.3 TECHNICAL SKILLS AND KNOWLEDGE

Technical skills and knowledge refer to the advisors skills and knowledge in a particular subject area for example finance. The initial analysis of the data pointed to technical skills and knowledge as a non-threshold theme which holds some potential to explain the business owner's advice seeking practice. This theme is explored through the responses highlighted in Table 6.4.

Table 6.4 Representative Data on Technical Skills and Knowledge

Nick (S)	<i>'... there's probably 2 or 3 things off the top of my head. One would be, if ever they're subject knowledge, they're technical know-how or knowledge or experience....'</i>
Clare (M)	<i>'he is very numbers driven, he can produce you a report about anything you want, so long as it goes in a spreadsheet, Steven is your man I really respect his opinion and I really respect his ability with numbers.'</i>
Rita (ST)	<i>'and I do believe I have someone who is helping me write a new business plan right now and she is accountant..... she is very hands on, she is very experienced in her background and she is working to write that plan. She is telling me she can see where I need to take the business.'</i> <i>'So for me it was more about the fact that I could speak to somebody who could understand what I wanted versus somebody who was maybe completely exceptional at their accounting abilities.....'</i>
Rodney (S)	<i>'we have our accountant, who is our business advisor. But not all accountants would be able to give the advice, I mean again, certain accountants can do the sort of bookkeeping, up to management accounts, but if you're talking about structure, mergers, acquisitions, there's only a few that I would really say, say in Aberdeen, who have people that can think at different levels'</i>
Frank (M)	<i>'...it was definitely a competency aspect and really at the time, management buy-out was a fairly new thing and not a lot of accountants would have had that experience. So there probably was not a huge choice now on the accountancy firms to use that would be different nowadays of course'</i>

Frank, Nick and Rodney indicate that the technical skills and knowledge of the individual is an important consideration in the decision of who to use as an advisor. In taking that stance, they imply that they expect these technical skills and knowledge to be instrumental in the shaping of the advice which they will receive or put differently, that the advisor will put his technical skills and knowledge to use in giving them advice. This again highlights the role of the business owner's expectations in his choice of advisor.

Nick extends technical skills and knowledge to include experience in a technical area. This notion of experience in a technical area being necessary is evident in Rita, Rodney and Frank's responses with Frank and Rodney privileging definite experience in a technical area they are interested in above general knowledge imputed to the advisor because he is a qualified professional in that technical area. In doing this they show that it matters to them how the advisor acquired his expertise i.e. skills and knowledge, with their preference being for acquisition through experience in the field. Again, the choice of advisor based on having definite experience in a technical area implies the expectation that this experience will be shape the advice which the advisor gives.

The particular technical skills, knowledge and experience which the business owners desire their advisors to have depends on the issues facing their businesses at the time in question. So for Frank he is interested in advisors who have skills, knowledge and experience in management buy-outs while Rodney is interested in advisors with skills, knowledge and experience in business structuring. These demonstrate that the business owners are cognisant of the context in which they operate and this context shapes their choices.

Rita's response demonstrates that while a high level of technical skill and knowledge is expected of the advisor, she does not expect exceptional skills and knowledge and is ready to trade off higher levels of technical skills and knowledge for the advisors accessibility and understanding of her goals. This means that there is a dynamic interplay between the

business owner's expectations as to technical skills and knowledge and her expectations in other areas and together, these expectations shape her choice of advisor.

Taken together, the desire for advisors to have a skills, knowledge and experience in a particular technical field and the expectation that these skills, knowledge and experience will be put to use in giving their advice shows that the actions of the business owner are goal oriented or in other words teleologically structured. The goal in this case is to receive advice which is appropriate in that it is practically useful and can be operationalized with ease.

The effect technical skills and knowledge have on the advisors relationship with the business owner is highlighted by Clare. She shows that she had developed 'respect' for her advisor Steven as a result of his 'ability with numbers'. This respect is illustrated in her comment about his skills with spreadsheets. Her 'respect' for his opinions indicates that she is likely to value any advice which he gives highly. It also indicates a trust for the advisor which is based on his competence or technical skills and knowledge.

The responses from Rodney and Frank indicate that the size of the businesses in question influence the nature of advice which is sought and who advice is sought from. For each of these, their responses indicate that they sought advice from professionals who had a very specific knowledge and skill set which was relevant to the issues they were dealing with. These issues like management buy outs, mergers, acquisitions etc. are issues faced as the businesses grow.

The findings in this section are similar to those of Bennett and Robson (1999a), Gooderham et al (2004) and Blackburn et al (2010)(2014) in that technical skills and competence are shown to influence the small business owners' choice of advisor and to be related to the development of trust in the advisor. However, the findings in this section present a more nuanced view of how technical skills influence the choice of advisor and the development of trust by showing what the technical skills which the business owner considers important for the advisor to possess will be dependent on the situation he faces and needs advice on.

The size of the business is shown to have an impact on the type of technical skills which the business owner seeks in the advisor as the larger the business, the more complex the issues faced and so the more expert the advisor is required to be on the issues in question. This in turn leads to the business owners seeking advice from people they consider to be professionals in that field.

The study also shows that the manner in which the technical skills are acquired is important with skills acquired from experience being privileged over skills acquired from other sources.

6.4 BUSINESS TIES

Business ties refer to commercial links between the small business or the business owner and the advisor. These include as the advisor being a client or supplier. How business ties help explain the business owner's advice seeking practice is explored through the data highlighted in Table 6.5 below.

Table 6.5 Representative Data on Business Ties

Boris (M)	<i>'...clients, that knew the business and knew the site quite well, and say to them we are not quite getting the response here, why do you think that might be...'</i>
Bethan (M)	<i>'I also discussed it with a personal friend who is an artist, so somebody I deal with as an artist in my gallery but also a friend, looking at it from both the gallery point of view and artist point of view as well, which was quite helpful advice'</i>
William (S)	<i>'...it's always nice to bounce some ideas off those customers about things, and even question.... The great thing about feedback from loyal customers, is because they don't see you as a company, they see you as a friend, so they can actually give you proper, good advice that they feel is relevant to you.'</i>
Benedict	<i>'I've known them for decades. So it tends to be an individual, not a</i>

(S)	<i>company. I met with them down at the site to have a talk about it and see what they thought. I've dealt with one of them for 25 years and the other for 10, so by then you know whether or not you can trust them. No hidden agendas. It's straight forward, because it's in their best interest as well to get the decision right'</i>
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Boris takes advice from his clients. Giving his reason for doing so, he emphasises the knowledge of his business which his clients have as a result of using the services which his business offers. Similarly, Bethan and William hint at business ties with customers and suppliers leading to these people gaining knowledge of their business and this knowledge being an influencer in the decision to seek advice from them. These cases demonstrate that business ties lead to knowledge of the owner's business and it is this knowledge that the owner wishes to exploit in taking advice from his clients as the knowledge will shape the advice which they give and make it more appropriate and usable.

Benedict indicates that interacting with his suppliers over a long period of time has enabled him develop a relationship with them which is characterised by trust and knowledge of them. It is this trust and knowledge which influence his decision to use them as advisors. William also highlights the fact that interaction with customers over time makes them view them business owner as a 'friend' and this influences both the quality of advice which he receives and his choice to use them as advisors. In both cases, business ties have led to the development of personal relationships, trust and knowledge of the other. In each of these cases, it is the knowledge of the other which is important. For the business owner, it is this knowledge which enables him decide if the individual has the right characteristics and skills to give him useful advice in the current situation while for the advisor it is this knowledge that enables him tailor the advice to the characteristics and needs of the business owner thus making it more appropriate and useful to the business owner.

The choice of advisor based on knowledge and personal relationships which arise from or coexist with business ties is based on expectations which the business owners hint at in

their responses. On the one hand, William, Boris and Bethan hint at knowledge leading to an expectation that the advice received would have been shaped by the advisors knowledge and so in that way be more targeted and relevant to them. These indicate that the relational context influences the owners' choice of advisor and the value which he places on the advice received.

Literature in this area shows that advice from customers is usually headed because the business owner wants to reinforce the trust on which relationships with the customer are built and to strengthen and retain those relationships (Burke and Jarratt 2004). However, this literature does not give any indication as to why advice is taken from customers in the first place. The findings in this section extend knowledge in this area by showing that the relationships which exist between business owners' and those with whom they have business ties is the key factor which influences their choice of such people as advisors. These relationships would have enabled the advisors to develop knowledge about the business owners' and their businesses which would then be useful in shaping the advice given. It is this knowledge which value is placed on in choosing those with whom the business owner has business ties with as advisors.

6.5 PROXIMITY

Proximity refers how closely located geographically the advisor is to the business owner. The initial data analysis identified proximity as a theme which could help explain the business owner's advice seeking practice. This theme is now explored through the responses highlighted in Table 6.6 below.

Table 6.6 Representative Data on Proximity

Frank (M)	<i>'we went for a local business (accountant) who probably understood the economy and the area where we were doing business which is very much in the North and North-East of Scotland.'</i>
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Emilia (M)	<i>'Ben's the person that really, the only person who's not in business for themselves that I would, because he's there every day, he sees all the ups and downs with Ben, he sees most of it...'</i>
Boris (M)	<i>'So it's just me in his office space and downstairs, so I am in the same office as Ted even though it is different business. So I would say pretty much on a weekly basis I would ask him about something quite small maybe I've got a wee bit of a challenge and not sure what to do, it could be something very small, an issue with a misunderstanding with a client, something like that, but at least each week. And on the bigger stuff, I wouldn't hesitate to make sure he was one of the ten plus I asked for feedback.'</i>
Edward (S)	<i>'We talk business every day, about each other's business so at the end of the day, is it formal sitting around the table? No, it's probably over a glass of wine or having something to eat, but we talk about the day and have we met our goals for the day, what were the challenges, are we still on track for the strategy where we see the business going, and we talk about that every day without fail. But that's probably because we're together, we live together and we're both passionate about what we do.'</i>
Sandra (M)	<i>'Because they were local I think cause we've had accountants that were not local and it totally didn't work. I was paying a lot of money but not getting much. They're locals so I can go and poke them if they're not servicing me enough. So yeah'</i>
Alexander (ST)	<i>So on the accountancy side I actually use a cloud accountant and they are set up down South but funny enough just building relationships here and I know a couple of accountants who I would want to move my business to when appropriate just because they have given me some really useful advice I would have turned to. So with them I help them with some of their business issues and in return they give me some more detailed advice than I could probably get through my existing service provider.</i>
Keith (S)	<i>'I have worked with other mentors that have been good but they have been very far away and distance became a problem because you want to be able to not just pick up a phone and go talk to somebody, sometimes you want to see them. So the problem I had with some of my mentors that were offered through that mentoring program was that they were based in</i>

	<i>Dundee or Perth. So it was quite difficult to get the right kind of person who really that and can fit.'</i>
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Table 6.6 shows that irrespective of the size of business in question, proximity influences the business owner's choice of advisor in a variety of ways. Frank uses a local accountant as an advisor because he expects that being local the accountant will understand the local economy and thus the context in which his business operates. It is the possession of this local knowledge that is important to Frank in the choice of his advisor and there is the expectation that this local knowledge will be useful in shaping the advice which the accountant offers to him or indeed that it will in some way add value to the advice.

Sandra indicates that while she expects that the advisor will use his skills and knowledge in providing service to her especially where she is paying for the service, she would like to monitor and ensure that this is actually being done. It is her being located geographically close to the advisor which allows her to do this. So while paying for the advice gives rise to the desire to have control over the advisor, it is proximity that allows the business owner to in fact exercise such control and so where control is an issue the business owner will be unlikely to choose an advisor located at a geographical distance as this hinders the ability to exercise control. This in a sense ties proximity to cost, as control is more of an issue for paid advisors and so it would lead to the conclusion that the business owners would like to have their paid advisors located geographically close by.

Boris, Edward and Emilia illustrate how proximity makes it more convenient to take advice from particular individuals. In Boris' case, he shares an office with his former co-director who now runs another business while for Edward and Emilia they live with their respective partners. Proximity in each of these cases gives for ease of access, frequency of contact and the advisor being kept up to date with the owner's business. However, in each of these cases, while proximity might be a contributing factor to the ease of access, the frequency of contact and the advisors interest in the owner's business, it is not the only factor. Social

rapport, or closeness or indeed personal relationships of friendship and trust do play a significant role in this as each of the three business owners illustrate. For Boris, he has a long standing friendship with his advisor while for Edward and Emilia their advisors are their partners.

Alexander links proximity to the relationship between the advisor and business owner in a different way. He explains that with individuals who are geographically closer, he is able to develop a personal relationship with them and thus have a feel for their suitability as advisors based on his contact with them. He is unable to do the same with advisors who are not geographically close to him. While in the other cases the personal relationship precedes the use of the individual as an advisor, in Alexander's case the opposite occurs and this demonstrates that proximity does have the effect of helping develop the personal relationship and I would venture that even where a relationship already existed, proximity helps strengthen that relationship.

The link between proximity, the nature of the relationship with the individual and use of an individual as an advisor is also highlighted by Keith who explains that there is something different about having physical contact with and seeing the advisor. Probing a bit more with him he emphasises that with physical contact you can 'look the person in the eyes' and have a sense of the persons character and if the person is trustworthy which is very difficult to do on the phone or by emails. This implies that proximity allows the business owner to have physical contact with and so develop trust in the individual and a knowledge of the individual based on experience and it is these that factor into his decision to use the individual as an advisor.

While Keith emphasises the need for physical contact which proximity allows, other business owners like Julia and Rita take advice from individuals located at a geographic distance. Their comments are highlighted below in Table 6.7.

Table 6.7 Data Relating to Use of Geographically Distant Individuals as Advisors

Julia (M)	<i>'I have never met my consultant. He is based in Coventry... So, I basically have the opportunity to take up an advice session which we do by a Skype call like I said, he is there, he is optionally there every quarter but he also leaves it open. I can contact him anytime with a specific issue'</i>
Rita (ST)	<i>'.... she stays down in England, and every now and again we will catch up we will get on the phone once every six months but so there is no set defined rule'</i>

For both Julia and Rita, while their advisors are located at a distance from them, convenience in terms of ease of access is achieved by using technology to bridge the geographic distance. The use of telephones in this case allows both of them to contact their advisors when they want to. Frequency of contact is achieved again by the use of telephones but also by having an arrangement which allows the business owner to call the advisor whenever advice is needed.

The effects of proximity on the business owner's choice of advisor and valuing of advice discussed in this section are summarized in Table 6.8 below.

Table 6.8 Summary of Discussion on Proximity

	Geographically close	Located at a distance
Knowledge	<ul style="list-style-type: none"> • Has local knowledge 	<ul style="list-style-type: none"> • Does not have local knowledge
Control	<ul style="list-style-type: none"> • Is able to monitor advisor 	<ul style="list-style-type: none"> • Not able to monitor advisor
Nature of Relationship with Advisor	<ul style="list-style-type: none"> • Allow for development of personal relationship, trust and knowledge of the other. 	<ul style="list-style-type: none"> • Personal relationships, trust and knowledge of the other are difficult to develop
Convenience	<ul style="list-style-type: none"> • Ease of access • Frequency of contact 	<ul style="list-style-type: none"> • Use of technology allows for ease of access and frequency of contact

Literature which links distance to the use of business advisor shows that advice is treated as a commodity and that cost of access is a key driver for choosing advisors located

geographically nearer to the small business (Bennett, Bratton and Robson 2000). This study presents a more nuanced view of the effect of proximity on the small business choice of advisor by showing that proximity allows for ease of access to the advisor and so more frequent contact with the advisor. However, it shows that the effect of distance on these factors can be mitigated by the use of technology. This study also shows that proximity allows the business owner to monitor the advisor more closely and has an impact on the nature and development of the relationship, trust and knowledge between the small business owner and the advisor. Finally, proximity is shown to be important in the choice of advisor as it implies the possession of local knowledge which the business owner sees as important in shaping the advice which he receives.

6.6 APPROPRIATENESS OF ADVICE

Appropriateness of advice refers to the suitability of advice to the context and circumstances of the owner's business. The previous chapter identified appropriateness of advice as a non-threshold theme which could hold some explanatory power for the business owner's advice seeking practice. This theme is explored through the responses highlighted in Table 6.9.

Table 6.9 Representative Data on Appropriateness of Advice

Julia (M)	<i>'I think he talks a lot of sense and he seems to have a good feel of where we are at as a business and all and understands the bigger league stuff that we want to get into as well. So, I get good advice from him both from the learning and development point of view and also from the business point of view as well'</i>
William (S)	<i>'The great thing about feedback from loyal customers, is because they don't see you as a company, they see you as a friend, so they can actually give you proper, good advice that they feel is relevant to you.'</i>
Benedict (S)	<i>'I find that anytime you go to professional people and say, we're looking for advice on blah blah blah, whatever it is, you get a 200 page thing, you know what I mean, most of which is text speak from their industry. To me</i>

	<p><i>if you're looking for advice, you say to somebody, this is my idea and what I'm doing with it, you want a few simple comments back, I don't need a bible, just a few comments back, is that going to be a good idea, not really, well why not, what should we do differently.'</i></p> <p><i>'I have no great faith or trust in outside sources of advice, I've spoken to Business Gateway people about different ideas and stuff in the past and found basically they were pretty ignorant, that'd be my opinion of them. Because they don't know your market, they come back with information that is just regurgitated and not necessarily directly relevant.'</i></p>
Kate (ST)	<p><i>'They offered me help with putting a business plan together, and one of the things, I remember the guy said, 'if you put a business plan together, then I'll review it with you,' and he went away and I thought, 'I don't know how to do a business plan, I don't know what he's asking of me,' so I just carried on with my work and didn't do it.'</i></p>
Nick (S)	<p><i>'I'd rather someone tell me the answer I need to hear not the one they think I want to hear, so if someone thought it was a stupid idea, I would rather they go 'that's a stupid idea', not, 'I'd better not say that in case I offend', or 'he obviously thinks it's a good idea so I'd better not...', you know. If I came to you and asked your opinion on whether you liked the colour of the wallpaper, I would want you to say yes you like it or no you don't, not to please me. And honest, I think that's in any mentor or business advisor, you want an honest opinion, otherwise you run the risk of, that's the worst thing that could happen is, I go to you to ask you opinion, you tell me what you think I want to hear, I go and do it, and it's the wrong thing, when you go, I should have said that. It's not about honesty, it's about objectivity, and not even directness, you don't have to be blunt.'</i></p>
Lucy (ST)	<p><i>'I don't tend to speak about my work so much with family because they're just very supportive, so whatever I'm doing, that's great, and that's not really what you need, you need people who will challenge you and say that's not a very good idea, and I guess the business people I speak to are good at saying, 'really, you want to do that? Why?' And, or, I think such and such might be better, and just being a bit more honest.'</i></p>

Appropriateness of advice is linked to the value which the business owner places on the advice by Julia who explains that she considers the advice from her consultant to be 'good' because it is underpinned by a knowledge of the context in which her business operates and an understanding of the goals and aspirations the business has. Thus it is the possession of an understanding of the business and its context which makes the individual desirable as an advisor and which also gives weight or value to the advice which the individual gives.

Appropriateness is also linked to value by William who describes appropriate advice as both 'good' and 'proper'. However, in his case, he views appropriateness of the advice as stemming from both knowledge of his business and its context which has arisen from business ties and a personal relationship which has developed with the individual and which allows the individual to see him as a 'friend'. The advisor viewing him as a friend implies bonds of trust and knowledge of him as a person. It is these that in addition to knowledge of his business and its context that shape the advice given and make it appropriate to his situation.

Benedict and Kate also show appropriateness of advice resulting in the advice being valued and acted upon. They highlight knowledge of the business owner – his likes, dislikes, abilities, skills and experience – as leading to the advisor being able to give appropriate advice. In Benedict's case, knowledge of the way he wants advice communicated is essential to the advice being valuable to him while in Kate's case, knowledge of her abilities and experience would have allowed the advisor give her more practical advice and so lead to the advice being valued by her. This implies that the practicality or the ability to implement the advice is an aspect of appropriateness of advice and is taken into consideration in valuing the advice received.

Indeed if the advice received is not practical or if it is inappropriate in any other way, not only does the business owner place little value on it, she also stops using the individual in

question as an advisor. This is illustrated by Benedict's not using the Business Gateway for advice as they gave him inappropriate advice on previous occasions.

Both Lucy and Nick emphasise that for advice to be appropriate it needs to be both honest and objective. They explain that they would rather be told the truth and have their ideas challenged by their advisors than have the advisors be supportive of bad ideas for fear of hurting their feeling or offending them. This means that the individual chosen as an advisor has to be viewed as one with a strong character who has the ability and the will to be honest and objective which in turn means that the business owner should have sufficient knowledge of the individuals character and abilities before choosing her as an advisor.

The findings in this section agree with literature in this area that advice is usually valued and acted upon if it is considered to be appropriate in the sense that it is practical and likely to have an impact on profitability (Burke and Jarratt 2004; Ramsden and Bennett 2005). This study extends knowledge in this area by showing that in order to give advice which is appropriate, the advisor needs to have knowledge of the business and the context in which it operates as well as knowledge of the business owner as an individual. It is this knowledge which shapes the advice and makes it appropriate. The study also highlights other qualities which appropriate advice ought to have i.e. appropriate advice should be both honest and objective.

6.7 SIMILARITY OF GOALS AND INTERESTS

Similarity of goals and interests refers to the advisor and the business owner having the same or similar aims, aspirations, goals, objectives and interests. For example both the advisor and the business owner having the same goal of seeing the business in question succeed. The initial analysis of the data had highlighted this as a non-threshold theme having some potential to explain the business owners' advice seeking practice. This theme is now explored through the data highlighted in Table 6.10 below.

Table 6.10 Representative Data on Similarity of Goals and Interests

<p>Emilia (M)</p>	<p><i>'Well, we decided to start the coaching group because as I said we felt we needed the accountability but we also felt, although we're in very different businesses, we're at similar stages with those businesses and we have a lot in common in terms of the way we want to work, so we were all of the mindset that we wanted to scale up and not remain one-man-band businesses, we were all of the mindset we wanted to try and minimize overheads and maximize flexibility by working online as much as possible, and we all wanted to work to build internal systems and processes to help ourselves work more consistently, so there was a lot of synergy there even though our businesses were very different, so I'll go to them for advice, or we meet every week, we talk every week, so we have a weekly Skype call and every so often we'll meet face to face'</i></p>
<p>Brian (ST)</p>	<p><i>"... sometimes it is always a danger like you might come up with a good idea for your business, it would be great if we tried this. But then you do not want to be discussing that with your friends too much especially if they do run a similar business to you, then it almost giving them ideas for free whereas almost intellectual property you know it is a big thing nowadays and it is not that you do not want to sort of see your friends do well, you just do not give them all your ideas. Play your cards close to your chest."</i></p>
<p>Rita (ST)</p>	<p><i>'I find sometimes that family mean the best and they have the best intentions but they love you and they do not want you to get hurt or harmed or see you fall on your face. So there are many occasions where family will almost steer you away from your dream because they might have their own fears or it is not their dream, and sometimes your closest people can be the ones that stop you from following your true dream. But family have a right to tell you what they feel, it is what you take from it. I am not saying cut your family out.'</i></p>
<p>William (S)</p>	<p><i>'.... there's no friends involved at all with that. The reason for that, I learned very quickly and very early on, that let's say a huge part of the northeast of Scotland which is very jealous of any success at all, so you kind of find, if you saying, 'this is what I'm thinking of doing,' they will actually make it...put a black marker against it and say, 'don't do that.' Very negative people in the northeast of Scotland traditionally.'</i></p>

Emilia demonstrates that similarity in goals and aspirations between the business owner and other individuals can lead to the development of an advisory relationship. She explains that she formed a coaching group with two other business owners where they hold each other accountable and give each other advice. The basis for forming this advisory group was a similarity in goals and aspirations for their businesses alongside personal friendships and trust and knowledge of each other which had developed in the context of a networking group to which they belonged. It is not clear if the similarity of interests and goals would have been sufficient to underpin the choice of others as advisors if the personal relationship was not present.

Brian and William throw more light on the interplay between interests, goals and personal relationships and how these affect the choice of advisor. Both Brian and William do not take advice from individuals who they have personal relationships with because they perceive conflicts of interests with those individuals. In Brian's case he sees the likelihood that his friends running similar businesses will poach his ideas if he goes to them for advice and in William's case he sees his friends as being jealous and so not likely to give him good advice. For both of them, the conflict in interest results in reduced levels of trust and this takes precedence over the personal relationship in choosing not to take advice from these friends.

However, in Rita's case, she perceives her family members to have different goals and interests from her but she still takes advice from them. She explains that the relational bond gives them a 'right' to make an input into her business but then what she does with that input is up to her. For her the conflict of interest goes to the value which she places on the advice and not to the choice of advisor. In her case, the personal relationship takes precedence over the conflict of interest in choosing her advisors but does not affect the value which she places on the advice.

Taken together, these imply that there is interplay between personal relationships, trust and interests in choosing and valuing advice. The stronger the personal relationship, the more likely it is that the individual will be used as an advisor. However, the value placed on the advice received is guided by their perception of the alignment of the advisors interests with theirs. They also indicates that the business owner has to have sufficient knowledge of the individual in question – their goals, interests, etc. – in order to underpin a judgement as to the alignment of goals and interests and thus a decision to use or not use the individual as an advisor.

Advice literature highlights that advice from advisors who are perceived to be self-interested is valued less than advice from advisors perceived to be neutral or detached (Kuang et al. 2007; Jodlbauer and Jones 2011). This study highlights these findings in the context of small business and in so doing presents a more nuanced view. This study shows that in the context of small business it is not business owners' perception of the advisors 'self-interest' which determines the use value placed on the advice received; rather, it is the business owners' perception of how aligned the advisors interests are with those of the business owner that determines this. Thus, advice from advisors whose interests are aligned with those of the business owner is seen as strategically more valuable. This study also shows that there is a dynamic interplay between personal relationships, trust and similarity of goals which influences the choice of advisor and the used of advice.

6.8 BUSINESS SAVVY

Business savvy refers to an individual's general knowledge of business and knowledge of how to run a business. Business Savvy emerged as a non-threshold theme from the initial analysis of the data. This theme is now explored in more detail through the data highlighted in Table 6.11 below to see how it can help explain the small business owners' advice seeking practice.

Table 6.11 Representative Data on Business Savvy

<p>William (S)</p>	<p><i>'... There's a certain type of person who understands what the risk versus results is, and you've either got that in built, or you don't. Now most people are employed, and I've got nothing against anyone being employed because I was employed for years, but the person who's employed has got a slightly different mind-set than a person who is an employer and a business owner, because they've actually got the insight of, 'how do we grow this, how do we make it better, how do we get more customers to gain more employees, to build a better reputation in the marketplace to grow your business, to support more people,'</i></p>
<p>Clare (M)</p>	<p><i>'I think just over time them seeing me grow and me seeing them grow we've developed a mutual respect for the fact that we must be doing something right. So we bounce ideas off...'</i></p>
<p>Oliver (ST)</p>	<p><i>'I would have to respect them and well in the same case as respect them you'd respect what they know as well and you trust what they know as well and they have kinda, they have proven what they know by the success of their business or the quality of their work and all that kind of stuff as well'</i></p>
<p>Julia (M)</p>	<p><i>'I didn't like him when I first met him but I could hear that he had this completely different business head of what I gave and therefore I thought I probably should be listening to him because I am not a natural business person. I am still a techie and...So I just made myself keep in touch with them and so on and the relationship grew and that was me deliberately tapping into someone who was different to me. It was a conscious decision on my part and the trust grew actually it was really good'</i></p>
<p>Kate (ST)</p>	<p><i>' When he's talking to me he knows, whereas the accountant I used in the big firm... he's somebody who's been sheltered as a trainee and then qualified and then promoted, so advising me on running my business but has never run a business, so I think for me the advice I value is from people who have been there and done it rather than academic, 'I know the theory of how business works and I want to advise you.'</i></p>

Table 6.11 demonstrates that the essence of business savvy is knowledge of business generally and ability to run a business. William expresses this in terms of understanding of 'risk versus results' and the 'mind-set' of a business owner, Clare expresses it as the fact that owners who have grown their business must be 'doing something right' and Julia expresses it as the individual having a 'business head' and being a 'natural business person'. In each of these cases, the individuals knowledge of business generally and knowledge of how to run a business are alluded to.

Kate emphasises that she places more value advice which is underpinned by knowledge gained from the experience of running a business as opposed to advice underpinned by 'theory'. The other respondents display the same preference for experiential knowledge. However, they all point at the experience being that of running a business which has been successful as opposed to experience of running an unsuccessful business. This means that what they believe that in some way the experience of running a successful business gives the individual some insight into how to make a business successful and it is this insight which is valued in choosing the individual as an advisor and placing value on his advice.

Julia explains that having recognized business savvy in her mentor, she chooses to use him as an advisor and in so doing builds a trusting relationship with him. Oliver paints a similar picture to recognition of business savvy in an individual leading to 'trust' and 'respect' for the individual. This implies that the possession of general business knowledge and experiential knowledge of running a successful business engender trust in the owner. This is very similar to the dynamic seen with technical knowledge leading to trust in the advisor. This leads me to conclude that in some way, the possession of knowledge serves as a means of legitimizing the advisors position and endowing him with power. This also means that knowledge is viewed as a resource which the owners desire to acquire or at least put to use for their advantage. Viewing knowledge as a resource which endows its holder with power is illustrative of Giddens conception of resources.

Taken a step further, the implication of the above is that the business owners view receiving advice as a form of learning or knowledge transfer and thus they will choose advisors who they feel are in the best position and are willing to pass on the requisite knowledge. This will also mean that as the business owners gain more knowledge or learn more they will have less need for their advice in the areas where they have acquired knowledge or learnt. These thoughts are explored through the data highlighted in Table 6.12 below.

Table 6.12 Representative Data on the Relationship Between Gaining Knowledge and Advice Seeking

Malcolm (ST)	<i>'Because I'd done so much work with the other company and done a lot of startup, I knew the process I needed to go through, I knew what I needed to put in place, so I didn't want to engage immediately with some of the enterprise organizations, but since I started trading, I'm in communication with them...'</i>
Neil (S)	<i>'It diminished this time you know, after the first, probably the first two or three years but this is when I'm in year 12 I think, year 12.'</i>
Emilia (M)	<i>'...I've moved away from Business Gateway, I felt that their method of offering advice is very reactive, so you have to go to them with a question or with a problem and they'll do their best to solve it for you, but they're not very proactive, and I think they're great when you're at the very start of starting your business, but after a while you grow out of them, I think. So less of Business Gateway, probably more of DTI, just building stronger relationships with people in the group....'</i>
Nick (S)	<i>'....I think in context we had been 13 or 14 years old as a business, so by then you hopefully know what you're doing, you served your apprenticeship....'</i> <i>'...there's a graph of two lines. One is, the more experienced you get, the less advice you need to seek. I would almost flip that and say because of that, you become.... not complacent, but you trust your own judgement more and more, and that's where you start making mistakes'</i>
Helen (M)	<i>'So I think it's got to be people that understand business. Well, I would say my knowledge now, I would say, allows me to go down that route.'</i>

Table 6.12 indicates that as the respondent's gain knowledge and experience two things happen. First they become more confident in the abilities to make decisions and run their own business and so they rely less on advisors for guidance. This shows that they feel that they have either learnt all they can from these advisors or that they have learnt enough to be able to manage their affairs without recourse to the advisors. It also means that this learning or knowledge transfer reduces the power which the advisor possesses.

The second thing which occurs is that the business owners start to switch advisors to others who have knowledge and experience in areas which are now important to them or in which they do not have knowledge or experience. In doing this, they tend to be more targeted and focused in their choice of advisor. This is illustrated by both Emilia and Helen moving towards business owners in their networks as opposed to government agencies and family.

Probing on this a bit more deeply with Nick, he explains:

"If I roughly take our 18 years into 3 sections, the pre-start and startup phase to the first 12-18 months just to get established, the advice we needed was quite basic having never done anything in marketing particularly, or I'd never written a cash flow forecast, so you need to get the basics. As the business grew we then went from, first 3 years turnover went from 70K to half a million to 1.1 million, so by year 3 we learned very quickly how to do the basics, what we then needed was input on things like managing growth, sustaining profitability, how do you branch out and diversify and such like, and as the business has matured the level of input has become more sophisticated, and it's diminished because after 18 years, I'm not saying I know everything about running a business, but it's probably the law of diminish and return. There's very few things in the business now I struggle with...so I guess yeah, over time, the need definitely changes, or for us has changed, and hasn't diminished, it just evolved."

He points at the choice of advisor and the movement between advisors as being related to the different advice needs at the different stages of the business and his own developing

expertise or knowledge base. It is the interaction of these two forces of changing needs and increasing knowledge that determine who to turn to for advice. These also point at the business owners having an innate sense of what knowledge is valuable to them which is akin to Schatzki's concept of general understanding which aids the organisation of actions. It is this innate sense or general understanding which guides their choice of advisor.

The findings in this section supports the strand of literature which finds that small business owners value advice from advisors who are perceived to have practical experience of engaging in business (Burke and Jarratt 2004). It also provides evidence to support the strand of literature which position advice seeking as a means of acquiring external knowledge (Thorpe et al. 2007; Jones et al. 2010). This study builds on existing literature in this area by showing that like the possession of technical skills and knowledge, the possession of business savvy can lead to the formation of trust in the advisor. This study also presents a more nuanced view of the flow of knowledge from advisor to the business owner and how the build-up of the business owners' knowledge base can lead to change in advisor and reduced levels of advice seeking and use.

6.9 KNOWLEDGE OF THE RESPONDENT'S BUSINESS AND ITS CONTEXT

Knowledge of the respondent's business and its context refers to the advisors knowledge of the respondent's business and the industry and macro environmental context in which the business operates. The initial analysis of the data highlighted this as a threshold theme which might shed some light on small business owners advice seeking practice. This theme is explored through the data highlighted in Table 6.13 below.

Table 6.13 Representative Data on Knowledge of the Respondent's Business and Its Context

Rodney (S)	<i>'...her background is a teacher. Even as a director, there's aspects when she'll sit in here and say, you know what, 'I don't really understand any of that, etc.,' so I personally don't.'</i>
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Benedict (S)	<i>'Because they don't know your market, they come back with information that is just regurgitated and not necessarily directly relevant. So I think it's better to go straight to somebody who's already in the nuts and bolts of it and is actually there'</i>
Helen (M)	<i>'I bounce some ideas off of him because it's important, he's got to know where I'm wanting to go to so he can help get it there. Is it people who understand my business? Well I think if they're interested they ask, so the people probably that I'm dealing with, in fact some of them are my clients, so they know what I do.'</i>
Edward (S)	<i>'...We talk business every day, about each other's business so at the end of the day, is it formal sitting around the table? No, it's probably over a glass of wine or having something to eat, but we talk about the day and have we met our goals for the day, what were the challenges, are we still on track for the strategy where we see the business going, and we talk about that every day without fail. But that's probably because we're together, we live together and we're both passionate about what we do.'</i>
Julia (M)	<i>'Well, the foundation of it would be he has got a very thorough understanding of our business. It can feel like much harder work to talk to someone who doesn't know your business yet because you have got to build the picture for them. But Hugo does this detailed audit on us every year so I feel like he understands the business well ...'</i>
Neil (S)	<i>'probably and because the business has changed at the time since he was involved in the industry...'</i>
Alexander (ST)	<i>'he knew enough about me as an individual as well as my business and my team to be able to challenge me positively.'</i> <i>'I would say relatively senior within the Aberdeen market, who had a track record of success, who also had a market level view and I felt that was quite important for me particularly as whilst I grew up in this area, I had never actually done business in the Aberdeen area, they were all being done in the South East, Europe, US'</i>
Nick (S)	<i>'she was the perfect match for what we needed, which was someone who understands our business but also understands business in</i>

	<i>general terms, so she contributed on all sorts of levels, there was never a discussion we had that she couldn't contribute something'</i>
Clare (M)	<i>'His background in leasing has been born a lot of the same ways as for ourselves, living in a property, moving, upgrading, and renting that one out, and then thinking 'oh this might actually be quite a good idea, let's release some equity from here and buy here,' and so building that personal portfolio, but also being an accountant a lot of his clients have property, so he maybe started out helping them with their tax and their income, and they've maybe asked him to manage their property or properties, so that's how he's kind of built up that side of things. So it's very much based on experience, that one, rather than formal learning'</i>

Table 6.13 shows the different ways in which knowledge of the business and its context can be acquired. Contextual knowledge is gained through experience of operating in the same market or industry as the business does as shown by Alexander, Benedict, Clare and Neil. It could also be acquired through engaging with the business as a result of having business ties as illustrated by Julia and Helen. Edward illustrates that knowledge of the business and its context is also acquired in the context of a personal relationship.

While knowledge can be acquired by different means, Rodney and Benedict indicate that knowledge of their business and its context goes deeper than merely having information about the business and its context. Rodney explains that although his wife sits on the Board of his firm, he does not take advice from her because she does not understand the information which she is presented with about the business and so does not really understand the business or the market in which it operates. Similarly, Benedict does not use the Gateway Advisors who have information on the market he operates in but do not understand the information and are thus not able to use it. They show that knowledge is about developing an understanding of the information which the individual has about the business and its context. They also show that they have an expectation that the knowledge is put to use by the advisor in shaping the advice which they give.

This expectation that knowledge of the business and its context will be put to use by the advisor in shaping the advice given is emphasised by Nick, Alexander and Helen. Helen explains that she expects her advisor to understand what her businesses goals are in order to be able to give appropriate advice to enable the business achieve its goals. This illustrates how she expects knowledge of the business to shape the advice given but it also demonstrates that to her knowledge of her business goes beyond knowledge of how the business operates to include its vision and goals.

For the advisors knowledge of the business and its context to shape the advice given appropriately, it needs to be current. Neil makes this point in discussing his why he has stopped taking advice from his previous employer. He explains that his previous employer has been disengaged from the industry for a number of years and in that time there have been fundamental changes to the industry and so his experience and knowledge are no longer useful or value adding. This shows that for contextual knowledge to be useful it has to be current especially in industries which are changing rapidly.

The discussion on so far on Knowledge of the business and its context points to this form of knowledge as being perceived differently from business savvy or general business knowledge. In this case, the business owner does not look at knowledge as a resource to acquire. Instead he looks at it as an attribute of the advisor which allows the advisor to shape the advice given in a manner that will make it appropriate to the business and its owner.

Burke and Jarratt (2004) hint at the business owners perception of the advisors knowledge of the business and its context as being important in deciding how much value to place on the advice received. This study makes similar findings. However, it extends Burke and Jarratt's (2004) findings by showing that the different ways in which knowledge of the business and its context can be acquired; that merely having information about the business is different from having knowledge about the business as the information has to be

understood for it to be classed as knowledge; that the knowledge of the business and its context which the advisor possesses needs to be current; and that there is an expectation that this knowledge is used to shape the advice given so as to make it appropriate.

6.10 KNOWLEDGE OF THE OTHER

Knowledge of the other refers to the advisor having knowledge of the business owner's character, goals, attitudes, strengths, weaknesses, skills, abilities and personal attributes and vice versa. Knowledge of the other was identified in the initial analysis of the data as a threshold theme which could provide some explanation of the business owner's advice seeking practice. This theme is explored through the data highlighted in Table 6.14.

Table 6.14 Representative Data on Knowledge of the Other

Edward (S)	<p><i>'Where Martin comes in handy is just for understanding the ins and outs of keeping a business afloat really and making sure you're trying to become as cost effective and efficient as possible.....'</i></p> <p><i>'I think when I look at my ex-business partner, who's a good friend, and the guy has lots of money, even when I look back at some of the decisions he made, and he's a finance vice-president of finance for an oil company for Asia Pacific and Europe, a huge role. When I think back on some of his business thoughts and his actions I have to question whether he really understands business.'</i></p>
Keith (S)	<p><i>'...because I had already developed that relationship with Dan and really valued his opinion then and he still worked at Enterprise North-East Trust, it seemed sensible to go back to him and see if we can get him. And he knew me as well and to a certain extent, he knew my strengths and weaknesses too. So he knew where the pain points were likely to be for me so yes'</i></p> <p><i>'The non-exec was somebody that was known to me and they knew me and I recognized certain weaknesses in myself as we have all got, and I thought that he was a good compliment. So he was similar to me, in terms of background et cetera. But he had already had a business grown out, and</i></p>

	<i>actually sold it for a pretty good sum of money and therefore he was kind of available as a non-exec.'</i>
Nick (S)	<i>'...some of that is really getting to know strengths and weaknesses and what they bring to the party. We certainly wouldn't have done a knee-jerk reaction and taken someone in if we didn't know them, or they weren't the right fit, technically as well as culturally'</i>
Rita (ST)	<i>'I have known her for about a year but over the last six months I have gotten to know her better..... and based on what I have learned and her experience, the few tips she has given me freely, I now have built a sense of trust in her that tells me that she will listen.'</i>
David (S)	<i>'Yes, it is all relationships 20 years plus and I think that that is good and by that time you will have learned your mark of a person because they say that you can only really trust other than yourself less than 10 people in the world so you can have lots and lots of friends, lots and lots of acquaintances, lots and lots and that but there is only a core of people that you can rely on that is personally'</i>
Alexander (ST)	<i>'...trust is a lot of time is easily given and is very quickly lost so I think one of my fears was not knowing people well enough in the market, who do I trust?'</i>
William (S)	<i>'...you'll find, in the motor trade, people know people know people, so it's a knock on effect where if you know he's a rogue you wouldn't deal with that guy anyway, so you certainly wouldn't be parting with any information at all with that person. But likewise you've obviously contacted me through LinkedIn, I don't know you, I'm giving away quite a bit of information over the phone, but I've already done the research on you, so I know that it's okay to give that information away'</i>
Helen (M)	<i>'I knew Fred, I was at school with Fred, and he's very straight down the line, this is what you've got to do, and that's what I needed at that time...'</i>

Table 6.14 shows that the business owner's knowledge of an individual enables him make a judgement as to the appropriateness of using the individual as an advisor. This is demonstrated by Edward whose knowledge of his ex-business partner's abilities informs his judgement that his ex-business partner lacks an understanding of business and is

unsuitable as an advisor. Nick also demonstrates this in choosing an advisor because his knowledge of her enabled him make a judgement as to how she could fit into his firm as a non-executive director.

Knowledge of the advisors skills and abilities also allow the business owners to see how an advisor can add value to their strategizing. This is illustrated by Edward who shows a clear understanding of what skills and knowledge his advisor, Martin, brings to his strategizing. Nick, Helen and Keith also highlight this point. However, they show a more sophisticated approach. For them the advisor needs to fill a knowledge gap which they have identified from a self-evaluation. This means that the business owners knowledge of themselves and their business enables them determine what knowledge an individual should have to make the individual appropriate as an advisor and in what areas they think advice from particular individuals would be beneficial. The business owners also realize that the advisors knowledge of them enables the advisors focus, frame and shape the advice they give so that it is appropriate and useful to the business owner. Keith illustrates this when he notes that his advisor, Dan, knows his strengths and weaknesses and so knows what to look out for in giving him advice.

Table 6.14 also shows some of the ways in which knowledge of the other can be developed. Helen, David and Keith show knowledge of the other as being developed in the context of a personal relationship between the business owner and the advisor. Edward shows knowledge of the other as stemming from observing and reflecting on the actions of the other and William shows knowledge of the other as coming from intentional research done on the other.

While knowledge of the other can be obtained in a variety of ways, the knowledge obtained in the course of a personal relationship is the deepest. This is demonstrated by the business owners linking knowledge obtained in this way to the development of personal trust in the advisor. Illustrating this, Alexander emphasises that he has to know people

enough to trust them; Rita explains that what she has learnt of her advisor leads her to trust the advisor and David points out that knowledge of an individual's character enables him to trust the individual. In all of these cases, knowledge of the other enables the business owner make a judgement as to the trustworthiness of the individual and thus his suitability or otherwise as an advisor.

Literature on advice and small business advice does not link knowledge of the other to the choice of advisor or use of advice. Thus the findings in this section extend knowledge in this area by showing that knowledge of the other enables the business owner determine if the advisors possesses the skills, knowledge and other characteristics required to give appropriate advice. Knowledge of the other is also shown to be important as it enables the advisor shape the advice given to make it appropriate to the business owner.

6.11 PERSONAL RELATIONSHIP

Personal relationship refers refer to connections between people, formed by affective bonds and interactions. The initial analysis of the data highlighted personal relationships as a threshold theme which could shed some light on the business owner's advice seeking practice. This theme is explored through the data highlighted in Table 6.15.

Table 6.15 Representative Data on Personal Relationship

Emilia (M)	<i>'...probably my boyfriend more than anyone else, we had been together for seven years, we have been together since school so he has kind of seen this progression. He is a very sceptical person. He is a good ... we balance each other out in the sense that I could be quite spontaneous and driven whereas he is a bit more cautious and sceptical. .'</i>
Keith (S)	<i>'...So we only met a few minute ago and already you have got an opinion of me and I have got an opinion of you. So you have your opinion as to whether you think I am a nice person or not and whether you think it would be nice to see me again et cetera. so you need to have that kind of click, that you need to sort of go, 'yes he is a nice person, or she is a nice person and I am willing to kind of develop this relationship a little bit further</i>

	<i>and let us see if they can add value to what I am trying to do. And people you like, you tend to trust their opinion more don't you and things like that'</i>
Alexander (ST)	<i>'A lot of the time it is personality; there is the saying that people buy from people and it is very true ...That comes back to the emphasis on building relationships, so for me actually there was one company in particular who I really liked the owner just in terms of the personal characteristics that she exhibited. As a result of that I was more willing to open up with her and say to her, I am struggling with a problem here, can you help me.'</i>
Rita (ST)	<i>'I think it is relationship building, when you are a business owner, it is one thing to have advisors, so people come with credible proof that they can do what they do, so that is fine. but there are 100 people out there that I could go to, so what is my choosing factor, that I will use to differentiate between going with you or going with you; and will be that rapport, that element of trust that I feel has developed....'</i>
Brian (ST)	<i>'Yes, I think the personal connection definitely makes things a little easier, because obviously you feel a lot more comfortable speaking to your family, and you know that they have got your best intentions'</i>
Boris (M)	<i>'It's got closer and I would definitely consider him a friend and I would hope that would be vice versa. You know Fred is heavily involved in supporting the Aberdeen football club and runs fund raising events and I try and go along to that. It's become a friendship as well but also it's a full level of trust.</i>
Julia (M)	<i>'I didn't like him when I first met him but I could hear that he had this completely different business head of what I gave and therefore I thought I probably should be listening to him because I am not a natural business person. I am still a techie and...So I just made myself keep in touch with them and so on and the relationship grew and that was me deliberately tapping into someone who was different to me. It was a conscious decision on my part and the trust grew actually it was really good'.</i>

The fact that a personal relationship between the business owner and advisor enables them develop knowledge of each other is illustrated by Emilia who shows a keen awareness of her fiancée's strengths and dispositions and how these can be brought to bear in aiding her strategizing. This link between personal relationship and knowledge of the other has been highlighted in Section 6.10 above.

Rita emphasises that what determines or influences who she takes advice from is the personal relationship which she describes as 'rapport' and trust which have developed between her and the individual in question. From this springs the notion that there is a threshold level of relationship which needs to exist between the business owner and an individual for advice seeking to take place. Brian's explanation that it is easier to take advice from individuals who he has a relationship with illustrates this point.

However, Keith and Alexander seem to indicate that this relational threshold is not as high as shown by Rita and Brian. They emphasise the business owner's perception of the characteristics of the individual in question as being compatible or likable as being the base or threshold requirement in terms of personal relationships. In both cases, so long as this base requirement is present, they are willing to develop a relationship with an eye on the individual in question being able to 'add value' to their business.

This notion of a threshold relationship level being necessary for advice seeking to occur is not supported by Julia who is an extreme case. She explains that she positively disliked her mentor initially. However, she did recognize that he possessed knowledge which was valuable to her and so she developed a relationship with him. This demonstrates that even where the relational threshold can be ignored where the business owner values the resources which the individual possesses and is ready to relate with the individual irrespective of personal characteristics of attitudes.

In taking this stance, Julia also demonstrates that relationships are 'built' over time by investing time, effort and other resources into building the relationship. Both Alexander and

Rita make similar points. This means that relationships will be at different stages at any point in time with some being stronger than others because they relationships have had more resources invested in them and have spanned over a longer period of time. The strength of the relationship will drive the level of knowledge of the other and will in turn be driven by this.

Table 6.15 also demonstrates that personal relationships are linked with trust. Rita emphasises that her choice of advisor is based on 'rapport' with the individual which she and 'trust' which has developed for the individual. She shows that trust and personal relationship are linked but does not throw light on how they are linked. Keith does the same. Boris and Julia on the other hand show trust and personal relationships developing *pari-passu*. This means that one does not necessarily cause the other to exist but that they develop side by side, each aiding the development of the other. While a causal relationship does not exist, it is clear that personal relationship and trust are inextricably linked with each other.

The view that both trust and relationships have an impact on the choice and use of advisors is highlighted in literature such as Blackburn et al (2014, 2010). This study seeks to extend the view presented in Blackburn et al (2014, 2010) by proposing that trust and personal relationships are so closely linked that these factors will act together or have a joint impact on the advice seeking practice of business owners. Thus exploring their joint impact might provide a better explanation of the business owners practice than trying to explore the individual impacts of each these factors.

Consequent on these, there will be no discussion on the individual effects of personal relationships and trust on the advice seeking practice of business owners. The next section on trust (Section 6.12) will focus on the nature of trust and the section after that (Section 6.13) will focus on the impact of personal relationships and trust on the business owners advice seeking practice.

6.12 TRUST

Trust refers to the business owner's reliance on or faith in their advisor. The initial analysis of the data had identified trust as a threshold theme which holds might shed some light on the business owner's advice seeking practice. Section 6.11 showed that personal relationships and trust are linked. As a result of this linkage in the themes, their joint impact on the business owners practice of valuing advice will be discussed in a subsequent section. Subject to this limitation, trust is explored through the data highlighted in Table 6.16 below.

Table 6.16 Representative Data on Trust

Edward (S)	<p><i>'.... I struggle, I don't know whether it's an Aberdeen thing, but I struggle in Aberdeen to trust businesses, a little bit, because I think they're greedy, and I think money in Aberdeen is probably too easily made for some people, and they don't really, because oil and gas, I think they don't really have to work hard to make it successful if they come up with the right idea. But I haven't found anybody yet that I would say, they're the person for me. Have I looked hard enough? I would probably have to turn to myself and say no. And that's maybe a trust thing I've got more than anything else....'</i></p> <p><i>'I don't tell anybody I wouldn't trust explicitly about my business.'</i></p>
Keith (S)	<p><i>'I have known all of them over 10 years; I think it is fair to say; all of them over 10 years, one of them almost 20 years....I really think you need to know somebody that length time in order to do that but for people that I do not know that well, I might still trust them because I get a good sense from the time we have spent together and they have got some kind of track record or they have got a referral from somebody that I do know pretty well., credibility comes in different forms.'</i></p>
Boris (M)	<p><i>'I had met him through networking with my previous business and he came recommended as well. So I kind of felt I was getting to know him...So developed a relationship through networking and at least one very strong recommendation.....it's got closer and I would definitely</i></p>

	<i>consider him a friend and I would hope that would be vice versa.'</i>
Clare (M)	<p><i>'...Over time the relationship did break down there at the worst point, when I realized they'd been miscalculating my vat returns at the time for 18 months and I ended up owing the vat man a significant amount of money, because they'd been under calculating it, so the trust had gone, completely.'</i></p> <p><i>'I wouldn't have trusted the previous accountant to do that for a number of reasons but based on the fact that when I got my stuff back from them as well there was other businesses' financial documents in with mine, and I thought that was a very bad sign, because I knew the business in question as well but I didn't tell them that that had happened, I contacted the accountant and said 'I think perhaps you want to collect these documents which are not mine and belong to somebody else.' I won't say any more about it but, that's bad. So I felt very much, I didn't trust the previous accountant ...'</i></p>
Rita (ST)	<i>'Yes, I am beginning to, but it took me a while to feel that I knew them enough to trust them, so it is again how often you interact with these people and observe them, see the consistency and then step out and begin those conversations. But yes there are people that I do speak to but not straightaway, and I think we are all a bit like that, we want to spy and watch and learn and see.'</i>
Juliet (M)	<i>'...So I think it is your own gut feeling and if for instance I think with this particular person, the fact that he is taking time out of his very busy schedule running... and I don't even know what size of businesses he is running, but I know they are large. And therefore I think for him to take time out of his busy schedule to sit and have a cup of coffee with me to ask, 'how are things going, what do you run past me this week' then I just go well, of course I can trust him...'</i>
Kate (ST)	<i>'I also know the other thing that makes me trust and respect him is he left a big accountancy firm to set up on his own, so he's been through what I've been through. When he's talking to me he knows, whereas the accountant I used in the big firm... these people have been trained to advise business owners, but they've never stayed awake at night</i>

	<p><i>because they have their own business to worry about....'</i></p> <p><i>'... if you feel that you trust somebody, the longer you're with them and the longer they reinforce that feeling of trust, then obviously that's getting stronger all the time. But I could have stayed with the first firm of accountants for a long time and I would still not have trusted them..... So my accountant initially had as much knowledge as my accountant now, the difference is I trust my accountant now as a human being. I think that's what it comes down to. I knew very quickly that I could trust this person.'</i></p>
Sandra (M)	<p><i>'I believe people come into your life for reasons right, so I have faith a lot in my interactions with people. So some people for instance have come into my life and I don't know them that much but I know of them and I know that they're savvy and they're clever you know, so I kinda feel like this part of what I need to know is with this person you know....maybe you don't know them for a long time but when you meet, there's a learning gonna go on between both of you. So yeah. You have to trust but you have to be careful like what you divulge.'</i></p>

Table 6.16 shows that business owners have varying reasons for trusting individuals or firms and that these varying reasons give rise to different types of trust.

Keith indicates that trust could arise from three sources – the owner's perception of the individual's personal attributes, an individual's reputation and through a referral. The individual's personal attributes are shown by Rita, Juliet, Kate and Edward to lead to the development of trust. Rita spends time watching the individual to build up knowledge about the individual which enables her make a judgement as to the trustworthiness of the individual. Juliet trusts her mentor because of the concern and interest which he shows in her business. Kate trusts her new accountant as 'a person' because he has had similar experiences as she has and can empathise with her situation and Edward shows that he is concerned with the individual's values, beliefs and work ethic. In each of these cases trust

attaches to the individual as a result of his personal characteristics or attributes. I will call this type of trust personal trust.

Keith explains that in addition to personal trust, trust can arise from an individual's reputation or from a referral. In the case of trust arising from reputation, which I label reputational trust, it is based on information about the individual which is in the public domain and which forms the individual's reputation. Sandra is illustrative of this as it is her knowledge 'about' the individual that allows her to place trust in the individual. She also points at her recognition of the knowledge which the individual possesses as valuable and her being able to tap into this knowledge or 'learn' from the individual as being key in taking advice from the individual in spite of the very low levels of trust. In this sense trust is based on second hand knowledge of the individual and this does affect the strength of the trust.

Trust arising from a referral is also based on second-hand knowledge of the individual. The knowledge in this case comes from someone who the business owner knows and trusts. As such I argue that this trust is imputed to the individual as a result of the trust the business owner has for the person who made the referral. I call this type of trust imputed trust. Like reputational trust, the strength of this type of trust might be affected by the fact that the business owner does not have direct knowledge of the individual in question.

Clare shows trust for her accountant being linked to her perception of his competence as an accountant. Where she perceives him as not being competent then trust does not develop or if other forms of trust existed, they are eroded. This form of trust I refer to as competence based trust. Clare also links trust in her accountant to his professional or ethical conduct in carrying out his duties as an accountant. This indicates that expectations of conduct attach to the accountant's status as a practitioner in a regulated profession. Where these expectations are not met, then there will be no trust. This type of trust is referred to as institutional trust in the literature and I will adopt this label.

While the bonds of trust spring from different sources and vary in strength, these bonds need to exist in some form for in order for advice seeking to take place as illustrated by Edward. This means that like personal relationships, a threshold level of trust, no matter how weak, must exist before advice seeking can occur.

Table 6.16 hints at trust developing over time. Boris sheds some light on how this happens. He explains that his trust for his accountant started out as imputed trust arising from a referral. There were also elements of weak personal trust from limited personal contact with him and institutional trust as he belonged to the accounting profession. However, with time, a friendship developed and these other forms of trust have been replaced or overshadowed by a very strong personal trust. It shows personal trust developing and strengthening in the context of a personal relationship. It also shows that as the personal trust strengthens, it replaces or dominates the other forms of trust.

The discussions on trust are summarised in Table 6.17 below.

Table 6.17 Summary of Discussion on Trust

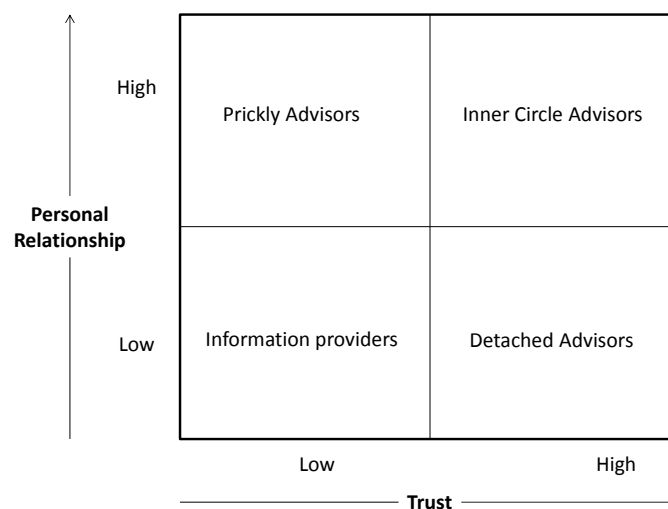
Type of Trust	Source	Level	Cognitive or Affective focus
Personal Trust	Personal knowledge of personal characteristics and attributes which derives from having a personal relationship with the advisor.	Varies from weak to strong depending on how well the business owner/manager knows the individual in question.	Affective
Imputed trust	Referrals and recommendations from third parties who the business owner knows and trusts.	Weak as it is based on second-hand knowledge of the individual in question	Cognitive
Reputational trust	Individuals reputation	Weak as it is based on second-hand knowledge of the individual in question	Cognitive
Competence based trust	A professionals competence in carrying out their normal duties.	Varies from weak to strong depending on how often the business owner interacts with the professionals work	Cognitive
Institutional trust	Tied to structural elements of a profession or society	Weak as it is not based on knowledge of the individual	Cognitive

Literature on small business advice (Blackburn et al. 2014, 2010; Burke and Jarratt 2004; Gooderham et al. 2004; Bennett and Robson 1999a) identify trust as a factor which influences the choice of advisor and use of advice. Table 3.4 in Section 3.5.5 summarised the different types of trust identified in the small business advice literature. This study extends knowledge in this area by identifying two additional types of trust which influence the choice of advisor and use of advice i.e. reputational trust and imputed trust. This study also highlights how knowledge of the other interacts with trust as higher levels of knowledge of the other are shown to be associated with stronger levels of trust while weak knowledge of the other is associated with weak trust.

6.13 THE ROLE OF PERSONAL RELATIONSHIPS AND TRUST IN THE BUSINESS OWNER'S PRACTICE OF ADVICE SEEKING

The discussion so far has shown that personal relationship and trust are linked and have a joint effect on the business owners practice of advice seeking. It has also shown that there are varying levels of both personal relationship and trust. Consequently, I categorize advisors based on the levels of trust and personal relationship which exist between them and the business owners using the matrix below which shows plots the level of personal on the Y axis against the level of trust on the X axis as shown below in Fig 6.1.

Figure 6.1 Categories of Advisors



I theorise that when the business owner has a weak relationship with an individual and at the same time has weak trust in the individual, the business owner will be reluctant to take advice from such an individual where taking advice involves providing sensitive information about their business to the individual. Thus, the business owner will only be willing to take advice from such people if the advice taken does not involve the individual knowing about the business owners' business. Such advice will usually be quite general and consist of providing information about the business environment and things within the individual's knowledge or experience. I have thus labelled this category of advisors as information providers.

In some instances, a business owner has a strong personal relationship with an individual but paradoxically has weak trust in the individual. While, I expect these situations to be few and far between, they will occur from time to time. Several reasons could cause such a dynamic to exist. However, the data analysis highlights this dynamic to exist where business owners who are friends run the same type of business and so compete against each other. In such a situation, the business owner would like to take advice from their peer and friend, and indeed the advice from such an individual should be very useful. However, because there is weak trust, the business owner is reluctant to reveal sensitive information about their business to the advisor. As such, I conceptualize this category of advisors as being desirable but with the potential to inflict injury just like a thorny rose is beautiful and yet the thorns can be prickly, uncomfortable to touch and indeed injurious. I label this category of advisors as prickly advisors.

Advisors in whom the business owner has a high level of trust but a weak personal relationship I label as detached advisors. I theorize that these advisors will be people who have high levels of institutional trust as opposed to personal trust as there is only a weak personal relationship. This means that they will be mostly professionals like accountants

who have high levels of institutional trust as a result of their professional training and the regulation of their profession. As a result of not having a personal relationship with the business owners, this category of advisor is more likely to take a detached and objective stance in evaluating information and giving advice thus the label of detached advisor.

I expect that when a business owner has high levels of trust in an individual and a strong personal relationship with the individual at the same time, the business owner is more likely to be willing to speak about sensitive issues affecting their business with the individual and thus will rely heavily on such individuals for advice. I expect that any particular business owner will have only a few of such individuals and so I label such advisors as inner circle advisors.

I will now explore the data as it relates to each of these categories of advisor.

6.13.1 Low Personal Relationship and Low Trust - Information Providers

Table 6.18 below highlights data relating to advisors who do not have close personal relationships with the business owners and whom the business owners do not have high levels of trust in.

Table 6.18 Representative Data on Information Providers

<p>Nick (S)</p>	<p><i>'And I suppose it depends on the context of what the issue is or decision is, but if I think of the Manchester office, I spoke to lots of people about it and we made no secret of the fact that we were thinking of opening an office in Manchester, so anyone who had ever been to Manchester, anyone who could spell Manchester, I was happy to have a chat and go what do you think, what's your opinion, what's your take on it as a city, anyone who's got a business anywhere involved in the area I was more than happy to have a chat.....So if you talk to 10 people, 10 people say the same thing, it's a reasonably safe bet. If you talk to 10 people and they all say something different, or the 10th one says something you haven't thought of, that's the value in it'</i></p>
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Benedict (S)	<i>'So there was definitely a lot more discussion and advice taken on that but in terms of buying in or using any other professional advice, absolutely not. The advice was very much informal. I spoke with just about every company we deal with to find out what they thought where we were opening, the type of market we'd meet, our competitors in the area, that's what we're likely to face when we're down there.'</i>
Frank (M)	<i>'...certainly because it is quite a unique project, it has been interesting to get a view from all different sorts of people So there is a huge spectrum of people we are going to and taking advice from. And that's just the nature of this particular project ... it is wide ranging.'</i>

The responses in Table 6.18 all emphasise the scale and uniqueness of the project. For each of the three respondents, the decision to be made was of great import and related to the undertaking of a large scale project which would have significant impact on the survival and growth of their business. In Nick's case, the opening of a new office in Manchester, for Benedict the opening of a new showroom in London and for Frank the acquisition of a historic site for redevelopment as a tourist attraction. The projects therefore entailed significant risks and advice seeking was seen as a means of risk mitigation. It was not the relationship with or trust in the individual but rather the knowledge which the individual possessed which was of importance as this is what allowed the business owners to make judgements on risk.

Here taking information and advice from a wide range of people irrespective of the lack of a personal relationship or trust in the individual allowed the business owner to gain different views and perspectives on the issues they were concerned with and so plan more effectively for potential risks. Trust and personal relationships did not need to be at high levels as very little information needed to be divulged to the advisors as the knowledge and information sought from the advisors related to general market conditions and was not specialist or requiring them to have knowledge of the business.

Together, these show that individuals with low trust and personal relationships are used as advisors were the business owner is primarily seeking knowledge and information which will allow him form a more detailed picture of his environment and enable him to mitigate risks more effectively. In this circumstance, the knowledge and information which the advisor possesses is more important than trust for the advisor or having a personal relationship with the advisor. This is so because the information and knowledge being obtained are either factual or the opinions of the individuals concerned and are easily corroborated or disproved by speaking with other people. This makes each individual piece of information worth little unless it shows a view or perspective not already encountered. This means that value is placed on advice from this category of advisors if the advice is significantly different from that already obtained from others.

6.13.2 High Personal Relationship and Low Trust – Prickly Advisors

Data relating to advisors who have high levels of personal relationships with the business owners but are not trusted highly is shown in Table 6.19 below.

Table 6.19 Representative Data on Prickly Advisors

<p>Boris (M)</p>	<p><i>'I have known Henry a few years, he is a friend, client, delegate and I go to most GBN (networking group run by Henry) events as a delegate, I meet up Henry every few months and we have a conversation.....I wouldn't hesitate to , again because the relationship is strong, to say to Henry something like we are getting too many call offs at the last minute for the last event, how will you do that.....'</i></p> <p><i>'.....I think probably to an extent I would but probably I wouldn't take it all away because I am still aware he is an owner manager so someone like that I would hold back a little bit, not much but a little bit, but the good thing is that off line I believe that there is more opportunity for collaboration, cooperation, so I am happy to have very good relationship with Henry'</i></p>
<p>Alexander (ST)</p>	<p><i>'There are probably about three people locally who I use and they are also business owners with complimentary services. so we find that if we kind of</i></p>

	<p><i>each talk about where are we with our businesses this quarter, where are we going; that actually helps because they are able to kind of challenge in a positive manner but also suggest and just to be there to kind of listen to you as well, and similarly you can do the same with them. So there are three people who are kind of probably not as entirely in terms of disclosure, I would not say it is to the same extent that I have got with my coaching supervisor but it is certainly useful at least with them...'</i></p>
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The responses shown in Table 6.19 all indicate that while these individuals with close friendships are used as advisors, because they operate businesses which are very similar to or in direct competition with the business owner's business, limits are placed on the issues on which advices is sought. Thus, with this set of individuals, the personal relationship and trust qualify them as advisors but the low levels of trust limit the issues on which they can advise on and indeed the value which is placed on the advice which they give.

While operating businesses which are complementary or in competition with the business owner's business weakens the trust levels it imbues the advisors with the similar experiences, knowledge and information which are valuable to the business owner. It is this experience, knowledge and information combined with the personal relationship which allows these individuals to listen, challenge and advice and so makes these individuals desirable as advisors even though their uses is limited by the very things which make them valuable.

Thus, this category of advisors is valued for their industry level knowledge and experience. However, their use is limited because there is some doubt about their using this knowledge and experience to the benefit of the business owner as opposed to for their own benefit. This doubt makes the business owner unwilling to be open about their business to this category of advisors. This lack of openness in turn limits the advisors ability to gain specific

knowledge of the business in question and so he advisor is unable to tailor the advice he gives to the specific needs of the business.

This means that the advice given by this class of advisors is usually generic and will most likely relate to the environmental context in which the business operates. Both Boris and Alexander hint at the advice received being valued because it shows them a different way of doing things. So, much like the information providers, it is only when the suggestions made or advice given by this category of advisors is non-redundant that it is valuable.

6.13.3 Low Personal Relationship and High Trust – Detached Advisors

Table 6.20 highlights data relating to advisors in whom the business owners have high levels of trust but with whom they have weak personal relationships.

Table 6.20 Representative Data on Detached Advisors

<p>Emilia (M)</p>	<p><i>'I sought the advice of a sort-of industry leader if you like... so she delivers virtual assistant services but she's also got another facet to her business where she provides training for other virtual assistants, and I subscribe to some of the packages that she offers through that, and as part of that she offers a 15 minute Skype mentorship call once a month, and I rarely take her up on it apart from twice.... Last January of 2013 I asked her about how to start outsourcing and developing a team.... I guess I feel like other people won't understand that because it's so specific.'</i></p> <p><i>.... I speak very frankly to her about things, I don't say I have any concerns about talking about the business or anything like that....because she has to actively go through her guidelines as a volunteer for the Princess Trust, her role as a mentor is defined by those parameters She has a lot of experience, she's very accomplished in terms of her business background, but I just wish she was a bit more ready with practical help, strategic advice would be most helpful, which she does do from time to time, from the point that she's probably giving me advice that she shouldn't have done in her role as a Princess Trust mentor....'</i></p>
<p>Julia (M)</p>	<p><i>'We are on a what they call a small business accreditation package which means everything is done remotely. I have never met my consultant. He is</i></p>

	<i>based in Coventry. But he gets in touch three times during the year and then the fourth time is actually the renewal of the accreditation. So, I basically have the opportunity to take up and advice session which we do by a Skype call and what it means is I didn't take advantage of this last one..... Hugo does this detailed audit on us every year so I feel like he understands the business well and as I say I like his approach and I like the advice I get from him. I don't always think it's totally tuned into where we are but if I got the reason why I think it's of kilter then he is very good on taking that on board. So, there is a good trust there.'</i>
Mary (M)	<i>'We contacted the Chamber because we knew they had a mentor. They offered mentoring advice so they simply matched us.....I expect him we have a confidentiality agreement but we would expect anyway that that information was confidential...he doesn't work in the recruitment sector which we're in you know. Trust is huge but you have to lay your soul bare to be somebody, you know.'</i>

The responses highlighted in Table 6.20 indicate that this category of advisors have either their high levels of technical knowledge or high levels of business and industry level knowledge. This is illustrated by Emilia's industry mentor being an 'industry leader' and her Princes Trust mentor having vast business experience and the other advisors highlighted having similar levels of knowledge and experience. It is this specific technical knowledge of more general business knowledge and experience which makes them desirable as advisors.

However, for the advice from this category of advisors to be valuable, it needs to be shaped by the context of the specific business in question and as a result of the weak personal relationship with the business owner; the advisor does not have the requisite knowledge of the particular business or the business owner. This is compensated for by the business owner's willingness to be open with the advisor.

Table 6.20 also shows that the business owners are open and honest with this category of advisors. They are willing to speak 'frankly' with these advisors unlike the prickly advisors who they are reluctant to be open with. This openness is attributed to the higher levels of

trust for these advisors. However, trust in each of the cases highlighted derives from contracts or institutional arrangements which exist between the advisor and the business owner. It is these contracts or institutional arrangements that enable the business owner's to divulge information with confidence that it is safe to do so and also allow the advisors to demand for the information required.

Thus, for this category of advisors, it is the technical and/or business knowledge which they possess that makes them and their advice valuable. However, for the advice to be valued it needs to be shaped by knowledge of the specific business and business owner which has to be obtained from the business owner. Trust guaranteed by some form of institutional mechanism has to be in place to facilitate the flow of knowledge from the business owner to the advisor.

6.13.4 High Personal Relationship and High Trust – Inner Circle Advisors

Table 6.21 below highlights data relating to advisors who have close personal relationships with the business owners and in whom the business owners have high levels of trust.

Table 6.21 Representative Data on Inner Circle Advisors

Rita (ST)	<i>'So you tend to keep your big visionary stuff within your circle, your inner circle. You have an inner circle of support your accountant, your key people that keep driving you as you perhaps drive them.'</i>
Boris (M)	<i>'...very few, it's kind of a smaller group again, some of our key clients that have become friends again because I hope they would be positive and would be really honest as well.... It's probably only the bigger things, getting into the strategy, the future planning where that hard core gets smaller and it would include people like Ted, Clare and Fred and him(mentor)'</i>
Lucy (ST)	<i>'...I guess a safe place to ask stupid questions'</i>

Both Boris and Rita emphasise that this category of advisors is usually a small group of individuals who the business owners rely on for advice on important issues which they would not discuss with the other categories of advisors. This signals this group of advisors as being more important than the other categories of advisors. It also signals a different and special type of relational dynamic with this group of advisors. It is this dynamic which I will seek to explore.

The key to understanding the dynamic which exists with this category of advisors is in Lucy's response where she describes the relationship with the advisor as a 'safe place'. This denotes the relationship between the advisor and the business owner as a space where interaction takes place. Following Schatzki's site ontology, we can describe this as the site in which advice seeking takes place.

Describing the relationship as a 'safe place' leads to questions like: What are the characteristics of this place? Why is it described as safe? It is to these questions that are explored through the data highlighted in Table 6.22 below

Table 6.22 Representative Data on Advisor Relationship as a Safe Place

Rita (ST)	<i>'I now have built a sense of trust in her that tells me that she will listen.'</i>
Lucy (ST)	<p><i>'...I trust that they know I'm good at my job, so that doesn't matter, that's done and dusted, they accept that if they want HR work to be done, I'll be fine, but I'm alright to be human as well as an HR person, so I can kind of forget about the professional image and go to them and go, 'things are crap, the kids are sick, I didn't get that contract finished on time,' and real life can come into our discussions.'</i></p> <p><i>'Oh yeah, because I knew he was my pal and I could ask him stupid questions..... And I guess I suppose, it's because I knew I wouldn't feel like an idiot if I asked those questions, whereas the guy from Business Gateway made me feel like I should have known an awful lot more than I did.'</i></p> <p><i>'... I felt he would give me good advice because he wouldn't want to see me</i></p>

	<i>make a fool of myself... if he thought it was a really awful idea or I was somebody who couldn't manage it, he would have just said, and there was a level of honesty that I thought, he's not going to pussyfoot around'</i>
Alexander (ST)	<i>'I felt that I had reached a point with him where we had a level of trust and he knew enough about me as an individual as well as my business and my team to be able to challenge me positively and I felt I could open up to him and share personal fears or business fears as well business opportunities and personal opportunities.</i>
Clare (M)	<i>'...he'll present options. It's usually clear from talking to him which he thinks is the best one to do, but he's very much of the mind that I've given Clare the options and I'll trust Clare to make the decisions for her, and if she doesn't she'll be able to fix it or I'll help her. He doesn't try to wrangle me into what he thinks is best, or what's best for him, it's always what's best for me.'</i> <i>'I also completely trust that something confidential I say to Steven doesn't go anywhere else, and vice versa, and I think that's quite important because sometimes you can be faced with a problem you think actually potentially this is quite serious and quite bad and I don't want this to get out because I know I can fix it but at the moment in the face of it, it looks like a really big challenge...'</i>
Juliet (M)	<i>'Yes, I think that I do not hesitate now if I have got a problem that I want to discuss so I think even just having that confidence to be able to do that or that relationship, that I can trust him to send something to him that probably is a very private matter....'</i>
Frank (M)	<i>'Certainly it is easier once you have a long standing relationship to go talk to someone about something, whether it is a personal issue or whether it is a business proposition or something. If you have a long standing relationship with someone it makes the door open a little easier.'</i>
Helen (M)	<i>'Definitely trust. And they'll tell me honest opinion, they're not scared of saying to me, 'it's so stupid,' so you'll accept it from people you trust'</i>

Carmen (S)	<i>'...she is a very good friend of mine, she lives in Romania, she travels the world, she has a lot of experience having been based overseas so she is a good confidante. She challenges and I challenge her and she challenges me, we do not always agree and that can sometimes cause conflict, but you can sometimes agree to differ'</i>
Boris (M)	<i>'Fred is very old school in terms of if you are a supporter of his he is an extremely loyal supporter. I trust him completely, obviously off the record, there will come a day, not too far away, you know, when I will be looking at the sale of my business, I have no intention of changing accountants or dealing with anyone apart from Fred. I believe he will fight a very kind of fair fight to look after me.'</i>

Table 6.22 shows that trust for these group of advisors is personal trust as opposed to other forms of trust. It is this personal trust which allows for the creation of the 'safe' space of the advisor-business owner relationship is characterised by the willingness of the business owner to put herself in a vulnerable position. The Table highlights three aspects or areas of vulnerability. The first is vulnerability in respect to personal issues and challenges. This is illustrated by Lucy who talks about dropping the professional façade allowing personal – 'real life' – issues enter her discussions with her inner circle advisors and Alexander who talks about sharing personal fears and opportunities with his inner circle advisors.

The second is vulnerability in respect of personal inadequacies. This is illustrated by Lucy when she explains that she is willing to ask questions which show her advisor that she is ignorant in certain areas of business in which she is expected to be knowledgeable.

The third is vulnerability in respect to business issues which in many cases are sensitive and can have significant consequences for the business owner and her business. Clare demonstrates this when she discusses her willingness to discuss sensitive issues with her inner circle advisor and vice versa knowing that he will keep her confidence. Alexander

shows a similar vulnerability when he explains that he is willing to discuss business fears and opportunities with his advisor.

The 'safe' space is thus portrayed as a space where the business owner achieves the highest degree of openness with their advisors and advisors are in turn open with the business owners. It is in this space that the owner reveals a part of herself and her business which is not shown to other advisors and the advisors in return show the owners something of themselves. This level of vulnerability is captured by Edward when he says:

'...you're sharing, you're going to open up your, it's like having a baby, you're showing your baby to somebody, if you didn't trust them you wouldn't do it, and that's exactly what it's like.'

In opening up in this way to each other, they are able to develop a level of knowledge of each other and her business which other categories of advisors cannot. It is this knowledge which when brought to bear in shaping their advice makes their advice most valuable. The trust which allows this to happen is trust in the individual in question. This means that the trust for this category of advisors is personal trust as opposed to institutional, reputational, competence based, or imputed trust which occurred in the other categories.

The 'safe' space is also characterised by the empathy from the advisor. This is shown by Rita being sure that her advisor will listen to her, Juliet being confident enough to approach her advisor in the knowledge that she would find a willing advisor irrespective of the nature of the issue and Frank explaining that it is easier to approach this category of advisors on personal and business issues. This empathy makes it easier for the business owner to seek advice knowing that she will not be turned away.

Beyond advisor empathy is the advisors confidence in the abilities of the business owner to run their business effectively which includes how the advice given is used or not used as illustrated by Clare. This advisor confidence enhances the business owners self-esteem

and emphasises the freedom the business owner has in this space to use or not use advice given without damaging relationships.

Also characterising this 'safe' space is the business owner's knowledge that the advisor is loyal to her personally and will in the business owner's best interest. As illustrated by Boris, Helen and Lucy, this implies that the advisor will give honest opinions and advice irrespective of how difficult the issue at hand is or how negative it may seem. It also implies that the advisors do not bring their own agendas to the table but act in the best interest of the business owner and allow the business owner the independence and freedom to act on the advice as they choose.

Alexander and Carmen show the 'safe' space to be a place where the advisor and business owner are free to challenge themselves – their ideas and opinions. This has two implications. The first which is indicated by Carmen who explains that conflicts arise as a result of the adversarial approach taken but these conflicts are resolved within this space without damaging the relationship. The second is that an iterative process of challenging and reshaping ideas and opinions occurs within this space. Thus advice is offered, shaped and reshaped in this space. In this iterative process of shaping advice an ideas strategy is to an extent co-created in this space.

The business owner's engagement in the iterations which shape and reshape the advice which is offered in this space makes the advice more practical, easier to operationalize and thus more appropriate. Hence the advice which is produced in this space is regarded as being very valuable by the business owner

6.13.5 Relational Dynamics

A closer look at the data relating to the four categories of advisors highlighted in this section shows that there is movement of advisors caused by changes in the levels of trust and personal relationships. This relational dynamic is explored through the data highlighted in Table 6.23 below.

Table 6.23 Representative Data on Relational Dynamics

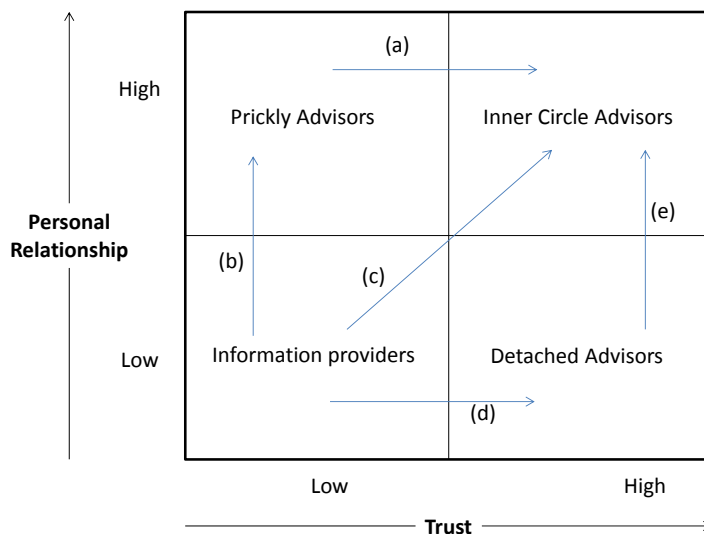
<p>James (S)</p>	<p><i>'Two things there. One, exactly right for how I chose them, and secondly, I let one of them go because I didn't trust them anymore. Not that they weren't able to do it, I just didn't trust them.... didn't do the trust thing effectively so I started having doubts, and when you have doubts you can always find fault.'</i></p>
<p>Nick (S)</p>	<p><i>'I suppose because my brother was very actively involved in the business and came out, it's less easy to speak to him about it because we still get on very well, but it's a different relationship. We talked about everything when we were in the business but there's a point where it's not his business, I don't mean it's none of his business, literally it's not his business anymore, so it's easier just keeping at arm's length.'</i></p>
<p>Julia (M)</p>	<p><i>'This is going way back as well. Sometime when I was working from home say around 2004-2005. It was an I-net advisor that suggested him. I think she thought he might be interested in investing in a system I was developing and she put us in touch with each other.....I didn't like him when I first met him but I could hear that he had this completely different business head of what I gave and therefore I thought I probably should be listening to him because I am not a natural business person. I am still a techie and...So I just made myself keep in touch with them and so on and the relationship grew and that was me deliberately tapping into someone who was different to me. It was a conscious decision on my part and the trust grew actually it was really good.'</i></p>
<p>Boris (M)</p>	<p><i>'... I had met him (Fred) through networking with my previous business and he came recommended as well... So developed a relationship through networking and at least one very strong recommendation.... It's got closer and I would definitely consider him a friend and I would hope that would be vice versa... It's become a friendship as well but also it's a full level of trust...'</i></p> <p><i>'I have known Henry a few years, he is a friend, client, delegate and I go to most GBN events as a delegate, I meet up Henry every few months and we have a conversation..... because the relationship is strong.....I think</i></p>

	<p><i>probably to an extent I would but probably I wouldn't take it all away because I am still aware he is an owner manager so someone like that I would hold back a little bit, not much but a little bit, but the good thing is that off line I believe that there is more opportunity for collaboration, cooperation, so I am happy to have very good relationship with Henry'</i></p>
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Table 6.23 shows the effects of reductions in levels of trust and/or closeness of personal relationships on the use of individuals as advisors. James indicates that when trust is eroded he starts to have doubts as to the quality of advice he is getting from the individual and stops using the individual as an advisor while Nick indicates that when his personal relationship with an advisor is weakened he distances himself from the advisor and so stops seeking advice from the advisor. These imply that a reduction in levels of trust and/or closeness of personal relationships does not lead to a change of category in which the advisor is located but rather leads to the business advisor no longer using the individual as an advisor.

A further implication of this is that the movement of advisors between the four categories can only be as a result of increasing levels of trust and/or increasing closeness of personal relationships. The possible movements between categories are shown by vectors (a) – (e) in Fig 6.2 below.

Figure 6.2 Movements of Advisors Between Categories



The data gathered shows evidence of the movements indicated by vectors (b), (c) and (e) occurring. Julia shows that with her mentor she initially had a very weak personal relationship. Trust was also low as it was imputed trust arising from a referral from a person with who she did not have a strong relationship. However, over time trust in the advisor as a person developed as did a personal relationship. Thus she illustrates the movement denoted by vector (c). Boris on the other hand shows that his trust in his accountant, Fred, was initially based on institutional trust, reputational trust and imputed trust from a referral. These together are indicative of a high level of trust. However, there was a weak personal relationship. With time, the personal relationship developed as did personal trust.

Common to both of these movements is trust transforming from other types of trust to personal trust. As discussed in the previous section, this is necessary for the creation of the 'safe space' in which advice seeking takes place. This transformation of trust to personal trust takes place in the context of an increasingly closer personal relationship and heightened knowledge of the other.

The dynamic between Boris and his advisor Henry is illustrative of the movement indicated by vector (b). Initially, there is low trust and low personal relationship. With time, a personal relationship builds up but trust does not as they are in competing businesses. While a movement in categories occurs, there is little difference in the type of advice obtained from the advisor as both of these categories of advisors give information and knowledge on the environmental context which is easily obtained from other sources. In both cases, it is also not necessary to reveal much of the business owner's business in order to obtain the information and knowledge.

The data does not show any evidence of the movements indicated by vectors (a) and (d) occurring. It is conceivable that the movement indicated by vector (a) can occur if the factors inhibiting the development of trust are removed, for example if the individual retires and no longer operates a competing business. The movement indicated by vector (d) is also

conceivable but less likely. For such a movement to occur, the individual will need to acquire a non-personal form of trust like institutional or imputed trust. It is more likely that the individual will either have this or not have it at their initial contact with the business owner and so would have entered the low personal relationship high trust category at the initial meeting as opposed to moving into the category over time. If personal trust were to develop, it is unlikely that this would develop without a personal relationship developing at the same time.

Thus, the data shows two principle movements of advisors. The first is a movement away from being an advisor as a result of a weakening of the personal relationship and/or an erosion of trust. The second is a movement from other categories towards being an inner-circle advisor. This is characterised primarily by the development of personal trust and a strengthening of the personal relationship.

6.14 SUMMARY

In the previous chapter, I identified eleven emergent themes which could be useful in developing an explanation of small business owners' advice seeking practice. In this chapter, I explored the data relating to these emergent themes.

In respect of cost, I found that irrespective of the size of their business, small business owners have an affective response to paying for advice and that the nature of the relationship is different between paid and unpaid advisors. I also found that the small business owners have differing expectations from paid and unpaid advisors. Taken together, these findings show that cost affects small business owners' advice seeking practice in that it makes them more likely to choose people who they do not have to pay as advisors. They also point at linkages between the themes of cost, personal relationships and appropriateness of advice. This means that while these emergent themes have individual effects on the small business owners' advice seeking practice, they also act collectively to influence the small business owners' advice seeking practice.

Advisors having technical skills, knowledge and experience is shown to engender trust in small business owners and thus the choice of advisors. This finding agrees with the small business advice literature (Blackburn et al. 2010, 2014; Gooderham et al., 2004). It builds on this literature by showing that the particular technical skills, knowledge and experience which the small business owners demand that their advisors have will differ based on the nature of their business and the particular issues which they face. Size is shown to affect this as the larger the business the more complex the issues it faces and the more expert in those areas the business owners expect their advisors to be. Thus, I theorize that larger businesses will choose more expert advisors who are more likely to be professional and thus detached advisors. Again, the fact that the themes act jointly and severally in affecting the small business owners' advice seeking practice is highlighted.

Business ties are shown to be the underlying influence in choosing clients, customers and suppliers as business advisors. I also find that business ties allow the advisors develop knowledge of the business owner and vice versa. They also allow the advisor develop knowledge of the business owners' business. This knowledge then makes the advice by this set of advisors more valuable as it enables the advisors refine their advice to make it more appropriate to the business owner and the issues which he faces. Business ties are shown to act together with knowledge of the other and knowledge of the business owner's business and its context.

While the literature identifies geographic location as a factor which influences the small business owners' choice and use of advisor (Bennett et al. 2000) it does explain how this happens. Exploring this, I found that proximity enables the advisor to have local knowledge and that it enables the business owner monitor and control the advisor more effectively, build personal relationships and trust with the advisor, develop knowledge of the other and gives the business owner ease of access to the advisor. However, I also find that the use of technology such as phones can mitigate the effect of distance on ease of access. Proximity is thus shown to act together with trust, personal relationships, knowledge of the other and

knowledge of the business owner's context to influence the business owners' advice seeking practice.

Exploring the emergent theme of appropriateness of advice, I found that appropriateness of advice is determined by the advisors knowledge of the business owner as well as his knowledge of the business in question. It is this knowledge that enables him to shape his advice and make it practical and relevant to the business owner. I also find that appropriateness of advice determines the continued use of an individual as an advisor. Thus, if inappropriate advice is received from an advisor, the small business owner stops seeking advice from that advisor. Again the linkages between the themes are highlighted by these findings.

Similarity of goals and interests is found to influence the choice of advisor as the business owner makes an assessment of how aligned an individual's goals and interests are to his and chooses whether or not to use the individual as an advisor based on this assessment. I also find that the business owner's assessment of similarity of goals is based on their knowledge of the individuals. I also show that in the choice of advisor, similarity of goals is sometimes traded off with personal relationships. This is significant in that the relationship shown between the themes so far has been of the themes acting together to reinforce each other but in this instance it shows the themes acting in opposition to each other.

In relation to business savvy as a factor influencing small business owner advice seeking practice, I find that business savvy is seen as important by business owners as the business owners are interested in acquiring or using the business knowledge and expertise of the advisor and that as the business owners gain this knowledge their use of the advisor diminishes or they change advisors to other individuals who have other knowledge that is now desired. I also find that as with technical skills, knowledge and experience, the possession of business savvy by an individual engenders trust in the business owner. Thus,

these findings highlight the links between trust and business savvy in influencing small business owner advice seeking practice.

Knowledge of the business and its context is shown to be linked with business ties, personal relationships and proximity as this form of knowledge can be gained by operating in the same environment as the business in question or having personal or business ties with the business. I also show that this form of knowledge is valued because it is used to shape advice thus making the advice appropriate to the business owner.

In respect to knowledge of the other, I found that this type of knowledge can be acquired in various ways but that deeper knowledge is gained if acquired as a result of a strong personal relationship between the business owner and advisor. I also found that this type of knowledge is valued as it helps shape the advice given to make it appropriate to the business owner and thus more useful and implementable. This form of knowledge is also shown to enable business owners make judgements about the advisors skills, knowledge, characteristics and trustworthiness.

In relation to trust, I identify different types of trust which influence the advice seeking practice of small business owners to include personal trust, imputed trust, reputational trust, competence based trust and institutional trust. Existing literature identifies personal, competence based and institutional trust as playing a role in small business advice (Blackburn et al. 2010, 2014; Bennett and Robson, 1999a, 1999b, 2005). However, this is the first time that reputational trust and imputed trust are shown to affect small business owners advice seeking practice.

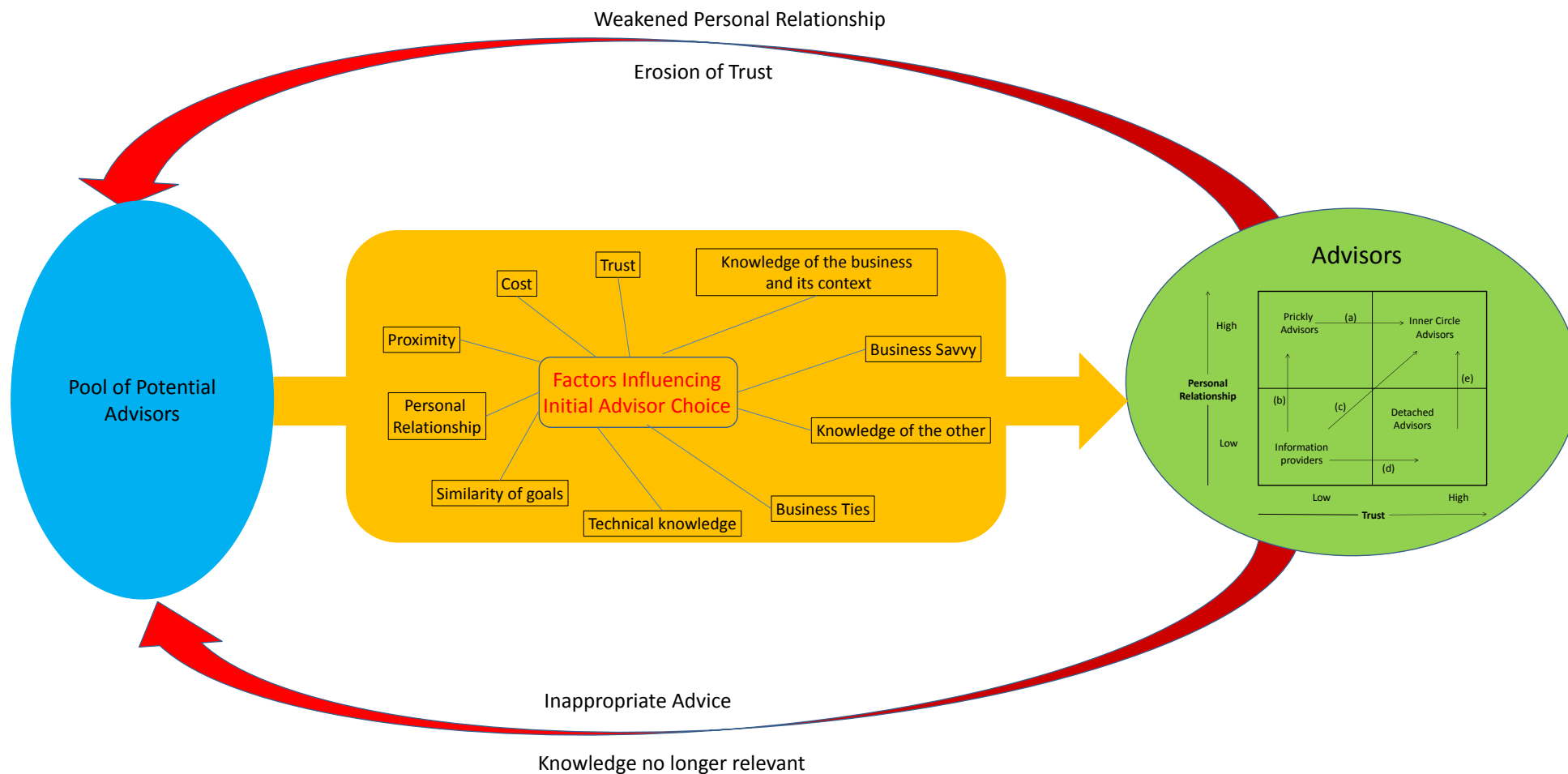
Personal relationships are shown to develop over time and to sometimes involve a specific intent on the business owners' part to develop a relationship irrespective of initial dislike for the individual advisor. Personal relationships are also shown to be very strongly linked with trust and thus are explored jointly with trust.

This joint exploration of trust and personal relationships enabled me develop four categories of advisors based on the levels of personal relationships and trust namely: information providers (low personal relationship and low trust), prickly advisors (high personal relationship and low trust), detached advisors (low personal relationship and high trust) and inner circle advisors (high personal relationship and high trust). I also show the dynamic nature of this model as increases in levels of trust and/or personal relationships lead to re-classification of the advisor into another category while decreases in levels of trust and/or personal relationships lead to a stoppage in the use of the individual as an advisor.

Inner circle advisors are shown to be the most relied upon as the high levels of trust and personal relationship create a safe space for the business owner to be vulnerable and share sensitive business and personal information with the advisor. I also show that given the nature of this space and the ability and willingness for advisor and business owner to challenge, be critical and yet get along with each other, it is a place where advice is co-created by both the business owner and advisor and thus advice of this nature is most valued by the business owner.

Fig 6.3 below illustrates the findings discussed above and represents a framework for understanding the cognitive ordering of small business owners' advice seeking practice.

Figure 6.3 Business Owners Practice of Advice Seeking



This framework highlights the different factors which influence the business owners' choice of advisor and shows that they act jointly and severally in the mind of the business owner to order his actions in choosing individuals as advisors. Given this fact and that the ordering of this practice is cognitive Fig 6.3 is used to show linkages between factors and does not attempt to represent the ordering of these factors in objective time and space.

Once the choice is made to use an individual as an advisor, it is trust and personal relationships which primarily influence how the individual is used and what value is placed on the advice received. Advisors are thus categorised based on levels of trust and personal relationship with the business owner as: information providers, prickly advisors, detached advisors and inner-circle advisors. Different types of advice are sought from each category of advisors and advice given by each category of advisor is valued differently.

There is mobility within the categories resulting from increased levels of trust and/or personal relationships. However, decreased levels of trust and/or personal relationships leads to the individual no longer being used as an advisor. The business owners also discontinue using individuals as advisors if the knowledge which they possess is no longer suitable to provide them with advice which is appropriate to their business needs. Also advisors who give inappropriate advice for other reasons are no longer used as advisors.

Thus, while the individuals chosen as advisors vary from one small business owner to another and the business owners change their advisors from time to time, there seems to be some common ground in their advice seeking practice which is captured in Fig 6.3.

See through the lens of Schatzki's (2012, 2005) theory of practice, the model developed in Fig 6.3 describes advice seeking and the use of advice as a social practice which involves an interconnected series of actions. While the focus is not on the actual 'doings' and 'sayings' which constitute the practice, the model shows that these actions are ordered in a teleological manner with the initial actions aimed at choosing advisors from a pool and subsequent actions aimed at valuing the advice given. These actions all pursue the

overriding goal of making a positive contribution to the small business owners' strategizing. The actions of choosing advisors and valuing advice are also shown to be determined by the small business owners' understandings and rules which although not specifically defined can be seen in the criteria used in selecting advisors and the role personal relationships and trust play in the use of advisors. These illustrate Schatzki's (2001b) concept of practical intelligibility at work.

CHAPTER SEVEN

DISCUSSION AND CONCLUSION

*“We shall not cease from exploration
and the end of all our exploring
will be to arrive where we started
and know the place for the first time.”
(T. S. Elliot, 1943)*

7.1 INTRODUCTION

This thesis aims to develop an understanding of the relationship between advice and strategizing from a practice perspective and also to develop an understanding of the advice seeking practice of small business owners. In the previous two chapters, I presented the findings from my analysis of the data collected through in-depth interviews of 33 small business owners in the Aberdeen area. The findings presented in those chapters have shed some light on the nature of strategizing in small businesses and the advice seeking practice of small business owners. In this chapter, I set out to answer the question ‘*what does this study contribute to knowledge?*’ To do this, I will reflect on the research approach taken, highlight the main contributions which the study makes to theory and practice; and discuss these contributions as they relate to existing research.

7.2 REFLECTION ON RESEARCH APPROACH

The adoption of the practice approach which underlies this thesis implies a willingness to treat strategizing and advice seeking as human activity carried out and experienced by a variety of small business owners. This allowed for the focus of the study being set at the micro level. This meant that the focus of the study was on the individual and not the organisation and that the individual’s account of his strategizing and advice seeking practice was regarded as ontologically and epistemologically primary. This allowed for a more varied

chorus of voices to be heard about strategizing and advice seeking practice of small business owners.

The focus on the micro level which the practice approach enables has allowed me to shift the focus of the study away from the traditional approach taken of investigating how practices are implicated in the social structure of society to a more in-depth look at the internal structuring of practices. This has enabled me focus on the cognitive ordering of a particular practice.

In addition, the adoption of a Schatzki's (2005) site ontology in framing the study enabled me to remain alive to the impact of the small business context on the strategizing and advice seeking practices of small business owners. This ability to take context into account has facilitated the production of a richer and more nuanced picture of the nature of small business owner strategizing and advice seeking. It is this picture which I seek to present in the next section.

7.3 MAIN CONTRIBUTIONS OF THE RESEARCH

The research question which the thesis sought to answer is:

'How do small business owners seek advice while strategizing?'

The question was couched in these broad terms so that an answer to it would enable me achieve the aims of developing an understanding of the relationship between advice and strategizing and also developing an understanding of the small business owners' advice seeking practice. The main contributions of this study in these two areas can be summarized as follows:

- i) *Strategizing in small businesses is a complex social practice which is multifaceted and complex. It is predominantly informal although it sometimes takes a planned and more formal approach. It is best conceived of as occurring*

in the flow of everyday activity as small business owners seek to cope with their environment. It is thus not usually deliberately goal oriented but rather is an internalized disposition to act in a manner consistent with past actions and experiences with strategic intent being immanent in those actions. While strategizing, the small business owners recognize a gap in their knowledge which they seek to fill by taking advice. Thus, advice is seen as a knowledge resource which enables them to strategize better and reduces risk in strategizing, while advice seeking is a practice which the business owners engage in within the broader practice of strategizing in order to obtain this knowledge resource. Thus, advice and advice seeking are seen as integral elements of the small business owners strategizing practice.

- ii) Advisors are chosen based on the business owners perception of: their technical, business and contextual knowledge; alignment of goals and interests with the individual; compatibility with the individual; personal relationship with the individual; trustworthiness of the individual and cost of the advice. Following from this, advisors are categorized into four broad groups based on the levels of trust and closeness of personal relationships. Different types of advice are sought from each of these categories and advice received is valued based on the category in which the advisor falls.*

Trust and personal relationship define the advisory space or context in which this advice seeking and advising occur, with higher levels of trust and personal relationship allowing for increased openness, vulnerability, easier conflict resolution and business owner participation in shaping ideas, opinions and advice. Thus, with higher levels of trust and personal relationships, the advisor is able to gain knowledge of the business owner and his business which is used in shaping the advice given and making the advice received from these advisors

the most valued. Where an individual's knowledge becomes irrelevant or trust is eroded or personal relationships weakened, the business owner stops using that individual as an advisor.

This answer to the research question is captured in the model shown as Fig 6.3 and the categorization of advisors shown as Fig 6.1. The value of these models in enhancing the understanding of small business owners' advice seeking practice is that they recognize that advice seeking is a social practice which is inextricably linked to the context in which it occurs. They therefore take into account the differences in individual situations and characteristics and other social variables in providing an explanation of the business owners' advice seeking practice.

7.4 LINKING CONTRIBUTION WITH EXISTING RESEARCH

In this section, links are highlighted with existing research. As is inevitable with a study such as this, both the data and the analytical constructs can be linked to literature in several fields. However, I will limit the scope of the discussion in this section to the main contributions of the study in terms of their relevance to existing research.

7.4.1 Understanding the relationship between advice seeking and strategizing – Links with the Literature

Strategy is viewed from the practice perspective as strategizing or the doing of strategy work (Whittington 2006). In exploring the doing of strategy work in small businesses, this study finds that the principle actor is the small business owner. This corroborates existing literature (Rasmussen, 2009) which shows that small business strategizing involves several stakeholders but the principle actor is the small business owner. I also find that in strategizing, the small business owner interacts with other actors whom he takes advice from. Thus, I show that advice seeking is a practice subsumed in the wider practice of strategizing. These findings corroborate existing literature which hint at advice seeking as

being subsumed in strategizing (Burke and Jarratt 2004; Thorpe et al 2007; Jones et al 2010). However, it goes a little further by showing that in fact advice seeking is a well embedded practice within the broader practice of strategizing. In doing this, it deepens our understanding of the strategy space process concept developed by Jones et al (2010) and Thorpe et al (2007) by peeling away the layers of the strategy space process to give an explanation of the advice seeking practice which occurs in that space as shown in Fig 6.3.

In line with expectations and with existing literature which emphasises resource poverty as one of the defining characteristics of the small business (D'Amboise and Muldowney, 1988; Eden et al., 1997; Welsh and White, 1981), this study finds that advice is sought while strategizing to fill gaps in resources or abilities of the small business owner. However, this study extends the knowledge in this area by showing that in addition to filling gaps in resources and abilities, advice is sought while strategizing plays a number of roles which include option and idea generation, evaluation of options and ideas, focusing attention on areas of the business which need better control and aiding scenario planning. I also show that in addition to advice playing a role in developing strategy content, advice is also useful in teaching the small business owner how to strategize i.e. strategy process.

The exploration of how advice is used in strategizing showed that advice is generally not acted upon immediately by the business owner. Instead it passes through several iterations to confirm it from other sources or to refine it as it interfaces with additional research or input from other advisors. These iterations involve seeking advice, reflecting on the advice, doing additional research and/or seeking additional advice and reflecting on these to modify the initial advice. The iterations continue until the business owner is ready to implement the reshaped advice. These findings are illustrative of Wilson and Jarzabkowski (2004) conception of strategizing as an interplay between thinking and acting strategically. Small business strategizing research shows strategizing to be emergent and informal (Beaver and Price, 2004; Rasmussen, 2009; Gunther and Menzel, 2012). This study finds that is predominantly the case with strategizing emerging from the everyday actions and decisions

of the small business owner in trying to cope with his environment. I found that it is in this flow of everyday actions and decisions that advice is sought. While such advice seeking and the actions and decisions which they support might not have been deliberately aimed at developing strategy, they usually had impact on strategy and with hindsight the business owners could see strategic intent immanent in their actions and decisions. This view of strategizing presented by this study is illustrative of Chia and Holt's (2006) description of strategizing as 'wayfinding' as opposed to 'navigation'.

While I find that the predominant mode of strategizing in small businesses is informal, I do find evidence to show that some small businesses take a more formal and planned approach to strategizing. This contradicts the finding of Gunther and Menzel (2012) who find that only informal strategizing takes place in small businesses. This difference in findings can be attributed to the wider sample used in this study as the Gunther and Menzel (2012) study was a single two-year case study. This broader view of strategizing in small businesses extends our understanding of how strategizing is done in small businesses.

This study also extends knowledge of strategizing in small firms in that it finds that size is implicated in the mode of strategizing used by small firms with the larger firms being more likely to adopt a more planned and formal approach while the smaller firms are more likely to adopt a more informal approach to strategizing. While previous research has implicated size in the small business owners decision to seek advice (Mole et al. 2013), it has not previously been shown to affect the approach taken to strategizing in small businesses.

The view of strategizing presented by this study is one of strategizing being a social practice with the principle actor being the small business owner but involving other actors like advisors. This social practice of strategizing is shown to be multifaceted and complex, a view which is taken by the small business strategizing literature (Nilsson et al., 2012; Gunther and Menzel, 2012)

7.4.2 Understanding small business owner advice seeking practice – Links with the Literature

The investigation into the advice seeking practice of small business owners started out trying to answer the question ‘who do small business owners take advice from and why?’ In respect to who small business owners take advice from, I found that they take advice from a range of advisors which include: accountants, family, friends, peers, business network groups, government agencies and charities, mentors, non-executive directors, customers and consultants. This findings agree with literature in this area (Bennett and Robson, 1999a; Jay and Schaper, 2003; Dyer and Ross, 2008).

In respect to why the business owners took advice from particular individuals this study finds that in deciding who to take advice from and how to use the advice taken, the small business owner is influenced by a number of cognitive factors which act jointly and severally in the mind of the small business owner in making his decision on who to seek advice from and how to use this advice. These factors include cost, proximity, similarity of goals and interests, technical skills and knowledge, business savvy, business ties, appropriateness of advice, knowledge of the business and its context, knowledge of the other, personal relationships and trust.

Viewing these 11 influencing factors through the lens Schatzki’s (2001b, 2002, 2005,2012) theory of practice, I can describe them as the things which organize or order the business owner’s actions in seeking advice. Thus, they are an expression of what Schatzki (2001a) refers to as practical intelligibility. They express teleology, affectivity, the business owner’s orientation towards ends and his understanding of how things matter. It is these that determine his actions in choosing advisors and using advice. While the actions which will constitute advice seeking for each business owner will differ, it is these factors which form the ‘tangle of sameness and similarities’ among the activities which constitute each business owners’ advice seeking practice.

Existing literature on cost and advice shows that people are more likely to value advice and use advice if they have paid for it (Gino 2008). This study extends knowledge in this area in that it presents a more nuanced view of how costs affects not just the use and valuing of advice but also the choice to seek advice from a particular individual. In this respect, this study finds that cost affects the expectations the small business owner has as to the quality of advice which he will receive from the advisor. In addition, cost is shown to affect the nature of relationship with the advisor as small business owners, irrespective of the size of their business, have a negative affective response to paying for advice. This affective response to paying for advice illustrates Schatzki's (2012) conception of teleoaffectivity in the organisation of practices. Here, the small business owner's actions are conditioned by the affective response to paying for advice. They also illustrate the fact that the site or context in which the actions which constitute the practice take place, conditions the actions. In this case, the context of the small business and its characteristic of resource poverty provoke the affective response to paying for advice.

Blackburn et al. (2010, 2014) and Gooderham et al. (2004) link technical competence of accountants to the formation of trust between the accountant and small business owner and thus to the use of the accountant as an advisor. This study makes similar findings. However, it also extends knowledge on the role technical skills and knowledge play in the small business owners' advice seeking practice by showing that the particular technical skills, knowledge and experience which the small business owners' demand that their advisors have will differ based on the nature of their business and the particular issues which they face. Size is shown to affect this as the larger the business, the more complex the issues it faces and the more expert in those areas the business owners expect their advisors to be. Individuals with this sort of technical expertise are more likely to be professionally trained individuals. Thus, my findings indicate that the larger the business the more likely it is that the business owner will choose a professional advisor. This finding extends those of Dyer and Ross (2008) who linked use of advisors to the businesses stage

in its lifecycle through their findings that new businesses tend to use informal advisor more than formal advice but as the business matures it will tend more towards formal and impersonal sources of advice. My findings show that it is not the newness or maturity of the business that is implicated in the choice of advisor but the size. While it is expected that new businesses will be small and grow over time, this is not always the case. Thus, my findings present a more nuanced view of advisor choice.

These findings in relation to technical skills and competence when viewed through the lens of Schatzki's theory of practice provide are illustrative of the way in which what Schatzki (2012) describes as 'general understandings' influence the organisation of practices. In this case, the small business owners have an abstract sense or innate understanding of the value of their advisors possessing technical skills and knowledge. It is this understanding that enables them place a higher value on advice from individuals with technical skills and competence. As with cost, Schatzki's conception of context influencing action is illustrated by size of the firm being implicated in the level of technical skills and competence demanded from the advisors.

Burke and Jarratt (2004) found that advice from customers is usually heeded because the business owner wants to strengthen and retain relationships with customers who are seen as a valuable source of advice. This study looks in a bit more depth at the dynamics of this advice relationship between business owner and customers and finds that the business ties which underlie these relationships allow the advisors develop knowledge of the business owner and vice versa. They also allow the advisor develop knowledge of the business owners' business. This knowledge then makes the advice by this set of advisors more valuable as it enables the advisors refine their advice to make it more appropriate to the business owner and the issues which he faces. The view of business ties presented here is illustrative of Schatzki's (2010) conception of practices being temporally dispersed. In this case, the business ties (past and present) imbue the advisor with knowledge of the business (present) and this knowledge influences the business owner's choice of advisor

(present) and will shape the advice which the business owner expects from the advisor (future) and the value which he places on the advice (future). Thus past, present and future are all present in the decision to use an individual as an advisor although they are dispersed in objective time.

Prior research into the influence of distance on business advice showed that over 60% of advisors are located within 10km of their clients and over 81% of advisors are located within 25km of their clients. It also showed that this link between geographic proximity and use of advice resulted from business owners treating advice as a commodity and factoring cost of access into their decision (Bennett et al. 2000). The findings from this study contribute to knowledge in this area by presenting a more nuanced view of the effect of proximity on use of advice. I show that in addition to allowing for ease of access to the advisor, geographic proximity endows the advisor with knowledge of the local business environment in which the small business owner operates; enables the business owner monitor and control the advisor more effectively; facilitates the development of personal relationships and trust with the advisor and enables the development of knowledge of the other. I also find that the use of technology such as phones can mitigate the effect of distance on ease of access. When viewed through the lens of Schatzki's theory, proximity as a factor influencing business owner advice seeking practice is illustrative of Schatzki's (2012) description of general understandings in the organisation of practices. Here, the business owner has an innate understanding of how the lack of proximity restricts access to the advisor and stunts the development of personal relationships and trust on which the advisory relationship depends. It is this innate understanding that makes him value proximity in his advisors. The small business advice literature highlights the fact that small business owners value and use advice which they perceive as practical and likely to impact on the profitability of their business (Ramsden and Bennett, 2005; Burke and Jarratt, 2004). This means that advice which is appropriate is valued and used. The findings from this study corroborate this view. They also extend this view by showing that appropriateness of advice is determined by the

advisors knowledge of the business owner as well as his knowledge of the business in question. It is this knowledge that enables him to shape his advice and make it practical and relevant to the business owner. In addition, I find that appropriateness of advice determines the continued use of an individual as an advisor. Thus, if inappropriate advice is received from an advisor, the small business owner stops seeking advice from that advisor. As with business ties, when viewed through the lens of Schatzki's theory, appropriateness of advice as a factor influencing small business owner advice seeking is illustrative of the temporal nature of practices. Here, knowledge of the business owner and the business (past and present), influence the appropriateness of advice given (present) and the appropriateness of advice influences the future use of the individual as an advisor (future). Thus, past, present and future are all immanently present in valuing appropriate advice and the decision to use a particular individual as an advisor. Prior research into advice highlights that individuals place lower value on advice from advisors who are perceived to be self-interested than on advice from advisors perceived to be neutral or detached (Kuang et al. 2007; Jodlbauer and Jones, 2011). This study contributes to knowledge in this area as it frames the findings from prior research in the context of small business. It shows that in the context of the small business, it is not the business owner's perception of the advisors self-interest which determines the choice of advisor or value placed on advice received, rather, it is the business owner's assessment of how aligned the advisors goals and interests are with his goals and interests that influences the business owner's advice seeking practice. In assessing the similarity of goals and interests with the advisor, the business owner relies on his knowledge of the individuals. These findings on similarity of goals are illustrative of Schatzki's (2001a, 2010) conception of the individuals' actions being oriented towards ends or put differently, the teleological nature of the individual's actions. In this case, the business owner understands the goals which he seeks for his business and chooses advisors who share his goals and interests for his business and thus will aid him in achieving those goals. Thus, while the immediate end is to contribute to strategizing, the ultimate end is to achieve the business owners' goals for the business.

Business savvy is found by this study to be important to business owners as it is underpinned by the advisors knowledge and experience of business usually gained from the advisor having run a business. It is this knowledge that the business owners wish to acquire through advice seeking. This corroborates existing literature which shows that business owners value advice from advisors who are perceived to have practical experience of engaging in business (Burke and Jarratt, 2004) and that advice seeking is a means of acquiring external knowledge (Thorpe et al., 2007; Jones et al. 2010). This study shows that much like technical skills and knowledge, the possession of business savvy by an advisor engenders the development of the business owners' trust for the advisor. Thus, in some way, the possession of business savvy legitimizes the individual as an advisor. In exploring the influence of business savvy on the advice seeking practice of small business owners, the study found that as the business owners gain this knowledge from using advisors with business savvy, their use of advisors diminishes or they change individual advisors to meet their new knowledge requirements. The findings on business savvy are illustrative of Schatzki's (2010, 2012) conception of a practice being teleological and organized by general understandings. The goal of knowledge acquisition and the change of advisors based on their knowledge base is illustrative of the teleological nature of practices while the valuing of business expertise and knowledge and the dynamic of changing advisors when their knowledge is no longer relevant illustrates the business owner understanding the value of this business knowledge and experience and the fact that this value changes as his context changes. The findings are also illustrative of the context affecting the business owners' actions as the changing complexity of the business and the owner's knowledge levels determine the type of knowledge needed and thus who is chosen as an advisor.

Existing small business literature hints at the business owner's perception of the advisors knowledge of the business and its context as being important in deciding how much value to place on the advice received (Burke and Jarratt, 2004). This study expands on this by showing that knowledge of the business and its context can be acquired in a number of

ways including operating in the same market, industry or geographic location, having business ties with the business in question and having a personal relationship with the business owner. I show that for knowledge to be relevant it must be current and that this knowledge is valued because when it is used to shape advice, it has the potential to make the advice more appropriate to the business. Knowledge of the business is thus illustrative of Schatzki's (2010, 2012) conception of practices being ordered through general understandings. Here, the business owner has an innate understanding of how knowledge of the business and its context could shape advice to make it more appropriate to him and thus places value on his advisors possessing this type of knowledge.

The literature on small business advice does not link knowledge of the other to choice of advisor or use of advice. However, this study finds that such a link does indeed exist as knowledge of the other is shown to enable business owners make judgements about the advisors skills, knowledge, characteristics and trustworthiness. It is these judgements that influence the business owner's choice of advisor and use of advice. I found that this type of knowledge can be acquired in various ways but that deeper knowledge of the other is acquired if acquired as a result of a strong personal relationship between the business owner and advisor. The advisors knowledge of the business owner and his characteristics is also shown to be valued as the business owner has an expectation that this knowledge will be brought to bear in shaping the advice given to make it more appropriate to his circumstances. As with knowledge of the business and its context, knowledge of the other also illustrates general understandings influencing the ordering of the small business owners' advice seeking practice. Existing small business research on trust conceptualizes trust as deriving from ability, integrity, empathy (Blackburn, Carey and Tanewski 2010, 2014); personal relationships and institutional structures (Fanimokun, Castrogiovanni and Peterson 2012, Gooderham et al. 2004, Bennett and Robson 1999a, 1999b, 2004); competence and goodwill (Bennett and Robson 2004). This study introduces two other types of trust to this area of research – reputation based trust and referral based or imputed

trust. It shows that these types of trust sometimes form the basis on which advice is sought from particular individuals. It then goes on to show how each of the trust types identified can be classified as either affective or cognitive.

This study also presents a more nuanced view of trust in that it shows trust – cognitive and affective – to be based on knowledge. Cognitive trust is based on knowledge of the individuals reputation, knowledge gained from referees, knowledge of the individuals skills and abilities, knowledge of the institutional framework under which the individual operates and knowledge of the quality previous work done by the individual while affective trust is based on knowledge of the individual as a person and the individuals personal attributes. Thus, the level of trust will vary depending on the business owner's knowledge.

Personal relationships are shown to develop over time and to sometimes involve a specific intent on the business owner's part to develop a relationship irrespective of initial dislike for the individual advisor. Similar to existing literature (Blackburn et al. 2010, 2014), I show that personal relationships influence the small business owner's choice of advisor. Also, in line with Blackburn et al. (2010, 2014), personal relationships is found to be very strongly linked with trust in influencing the choice of advisor and use of advice. As a result of this strong linkage, I explored the joint effect of personal relationships and trust on the business owners' use of advice.

When viewed through Schatzki's (2010) conception of practice, we see that knowledge of the business and its context, knowledge of the other, trust and personal relationships are all intertwined in a wave of temporality. Knowledge of the other and knowledge of the business and its context stem from trust and personal relationships. However, knowledge of the other also strengthens trust and personal relationships. All these elements are also implicated in choosing who the business owner takes advice from and what value he places on the advice. They also affect the shaping of the advice and the manner in which the advice is

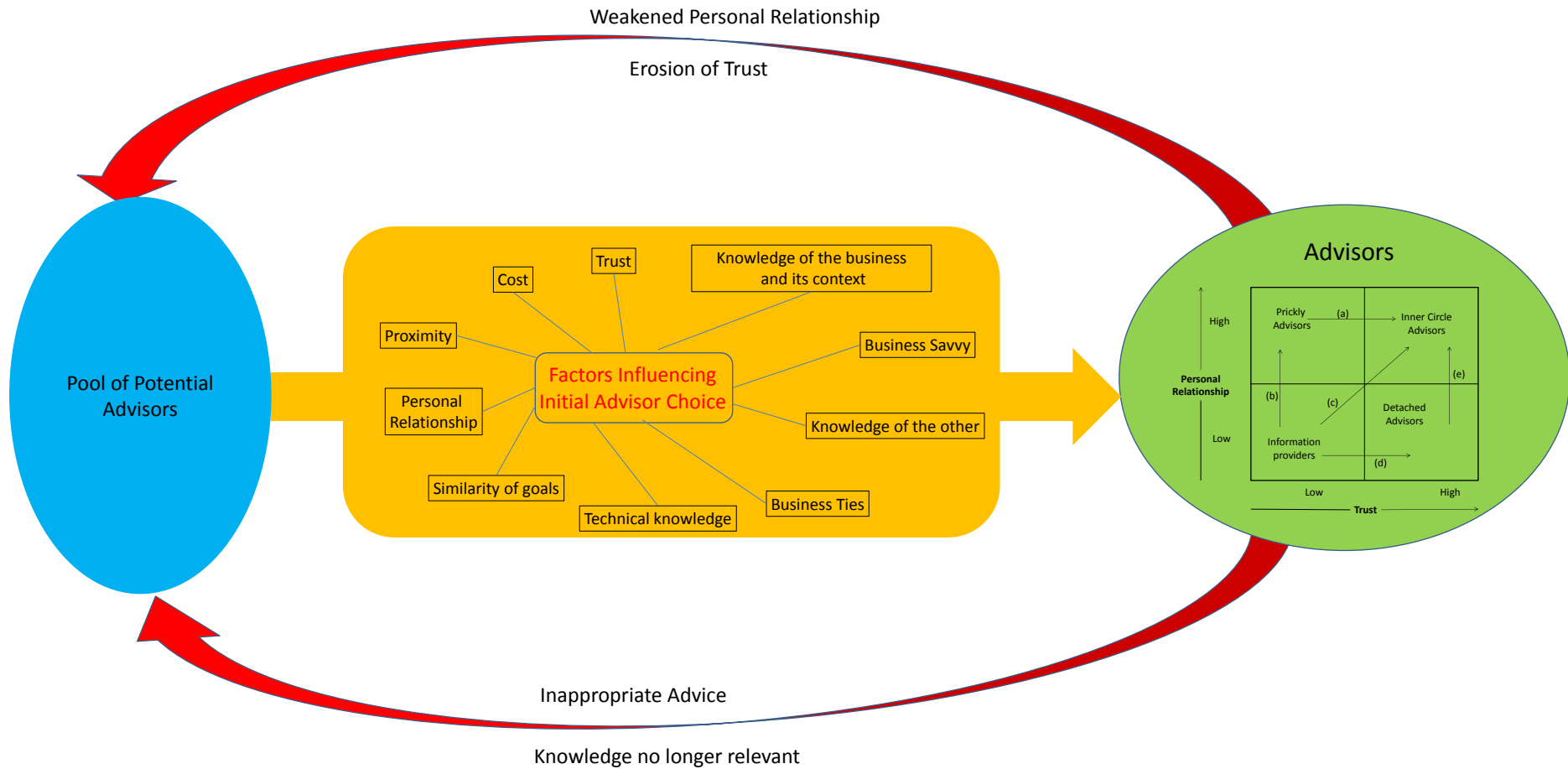
delivered. Thus, in the seeking and receiving of advice, past, present and future are all immanently present.

Exploring trust and personal relationships jointly lead to the development of four categories of advisors based on the levels of personal relationships and trust namely: information providers (low personal relationship and low trust), prickly advisors (high personal relationship and low trust), detached advisors (low personal relationship and high trust) and inner circle advisors (high personal relationship and high trust). This categorization is captured in the model labelled as Fig 6.1. I also show the dynamic nature of this model as increases in levels of trust and/or personal relationships lead to reclassification of the advisor into another category while decreases in levels of trust and/or personal relationships lead to a stoppage in the use of the individual as an advisor.

Inner circle advisors are shown to be the most relied upon as the high levels of trust and personal relationship create a safe space for the business owner to be vulnerable and share sensitive business and personal information with the advisor. I also show that given the nature of this space and the ability and willingness for advisor and business owner to challenge, be critical and yet get along with each other, it is a place where advice is co-created by both the business owner and advisor and thus advice of this nature is most valued by the business owner. This conception of an advisory space where advice is given by the advisor, shaped by both the advisor and small business owner and received by the small business owner is illustrative of what Schatzki (2010) describes as the spatial nature of practices as it shows advice seeking occurring in a place which I have labelled an advisory space. This is irrespective of the fact that this space is not a physical, three-dimensional space.

These findings enable me develop a framework which describes the small business owners' advice seeking practice. This framework is illustrated in Fig. 6.3 and reproduced below.

Figure 6.3 Business Owners Practice of Advice Seeking (Reproduced)



The framework shows the small business owner's choice of advisor being influenced by the eleven factors discussed above. These factors act individually and collectively to influence the business owners advice seeking practice. Once an advisor is chosen, the advisor falls into one of the four categories as determined by the level of personal relationship with the business owner and the level of trust which the business owner has for the advisor. In cases where an advisor gives advice which is inappropriate or no longer possesses knowledge which the business owner considers as relevant, the business owner stops using that individual as an advisor. Similarly, if the personal relationship with the advisor is weakened or the business owner no longer trusts the advisor, then the business owner stops using the advisor. In these cases, it is not a reduction of use of the advisor but an outright stoppage of use which occurs.

Viewing the descriptive representation of the small business owner's advice seeking practice through the lens of Schatzki's theory, we can describe the small business owners' advice seeking practice as being an organized, open-ended spatial-temporal manifold of actions. By describing it as an open-ended manifold of actions, I mean that for every business owner, a variety of different activities will constitute his advice seeking practice. These activities are not rigidly set and will vary amongst business owners and also over time. While the individual activities which constitute small business owners' advice seeking practice will not be uniform, in those activities lie a tangle of sameness which bind them together as a practice. In this tangle of sameness lies the organisation or cognitive ordering of the practice. The small business owners' advice seeking practice is organized in the sense that the actions which constitute the business owners practice are cognitively conditioned by their understandings of how things matter, teleoaffectivity and orientation towards ends as they relate to costs, proximity, technical skills and knowledge, business savvy, business ties, appropriateness of advice, similarity of goals and interests, knowledge of the business and its context, knowledge of the other, trust and personal relationships. It is

spatial in the sense that advice seeking occurs in an advisory space which is characterised by trust and personal relationships. It is temporal in the sense that past experiences, knowledge and relationships affect the choice of advisor and use of advice, they also affect the way advice is shaped and the future use of individuals as advisors. Thus, Schatzki's (2001b, 2002, 2005,2012) theory of practice provides us with a useful lens through which to understand the advice seeking practice of the small business owner.

7.5 IMPLICATIONS OF THE RESEARCH

This study has highlighted a number of points which have implications for theory and practice.

7.5.1 Implications for Theory

From a theoretical perspective, the model developed by this study (Fig 6.3) shows a picture of advice seeking which is peculiar to small business owners. However, this model can be adapted for use more generally in investigating advice seeking in closely related areas like the area of family business. For example, the model can be used as a reference for understanding the different factors which influence the family businesses choice of advisor and use of advice. It could also be used as a reference for understanding the role personal relationships and trust play in the family businesses use of advisors.

Indeed, while the model is specific to the small business owners' advice seeking practice, it can be adapted to serve as a more general reference point for investigations into the practice of advice givers and advice seekers in any field of study.

The model and its conceptualization of the small business owner's practice of advice seeking as being an open-ended manifold of actions which are cognitively ordered and spatially-temporally dispersed are an outcome of the adoption of practice theory as the theoretical frame for the study and the methodology adopted which sought explanations at the level of the business owner. While the data supports the explanations given and theory

developed, it does also point at possible processual explanations or descriptions of small business owners advice seeking. This means that the theoretic framing and the level of analysis tend to bracket the scope of analysis which is done on the data and inevitably lead to the suppression of some variables or themes which might provide a richer explanation of the phenomena being studied. This needs to be taken into account in studies of this nature.

7.5.2 Implications for Practice

The findings from this study have practical implications for small business owners, their advisors and the government and its agencies which support small businesses.

The model developed (Fig 6.3) can assist small business owners think in a more structured way about who their advisors are and why they use different individuals as advisors. This can lead to a more comprehensive assessment of their needs in terms of knowledge, experience and technical expertise; who the best people to obtain these resources from are in terms of possession of the knowledge, skills and expertise, personal relationships, trust, cost and proximity. It should also lead to better management of the advising process between advisor and small business owner and can ultimately lead to better input into strategizing and enhanced business performance.

The use of the model developed in this study by professional advisors to small business can lead to an examination of their knowledge base to see that it is relevant to the types of businesses they seek to advice. It should also lead them to re-examine the ways in which they seek to engage with the small business owners to build up personal relationships and trust which are shown as essential to becoming the most valued advisors the business owners have.

For governmental agencies which focus on supporting small businesses, this study provides rich insight into the factors which the small business owner considers important in choosing his advisors and valuing advice received. This means that government agencies which support small businesses by providing advisor support can re-examine the ways they

engage with small business owners with a view to developing new methods of engagement which will make them attractive to small business owners as advisors.

The study also gives policy makers an insight into what the small business owner considers important in choosing advisors and valuing advice and how the needs of the small businesses differ based on the size of the business. This should enable policy makers target policy more effectively at businesses based on their size.

7.6 LIMITATIONS OF THE STUDY

As is the case with most social science research, this study carries along with it limitations which need to be set alongside the findings so as to present a balanced view of the findings.

The first of the limitations has already been hinted at in Section 8.4.1 and relates to the theoretical framing of the study. The adoption of a theoretical frame automatically makes some phenomena more pertinent than others thus illuminating some data and leaving others un-explored. The theoretical frame adopted by this study was Schatzki's conception of practice. This automatically oriented the study towards investigating the cognitive ordering of the actions of small business owners in seeking advice.

The second limitation arose from the research design. Data was gathered through the use of interviews which were mostly one-off with the exception of a few business owners who were interviewed multiple times over a one and half year period. While the interviews did enable me to build a picture of the evolution of business owners advice seeking practice, a richer and more nuanced picture could have been painted by conducting a longitudinal study focused on a few cases.

The third limitation arose from focusing on the small business owner's practice. While this allows for the development of a picture of the advisory practice, it does not allow for the

development of the full picture. A concurrent or subsequent focus on the advisor should enable the picture developed to be fleshed out more fully.

7.7 SUGGESTIONS FOR FUTURE RESERACH

This study indicates two broad areas in which this research can be further developed on. The first is a deepening of the findings from this study to give it more empirical support. This can be done by undertaking a quantitative study. A statistical study of small businesses in the UK can be conducted to investigate what types of knowledge small business owners require their advisors to have, how trust is related to choice of advisor and indeed how trust and personal relationships act to influence both the choice of advisor and appropriateness of advice received. Such a study could also shed light on how firm size impacts on all of these issues as the businesses investigated in this study were all very small businesses.

The second way in which this study could be built on is by widening the scope of the study to include issues which were raised by the study but were not pursued in much detail. A few of these issues have been alluded to in Section 8.5 and include the advisors involvement in advisor choice and giving advice, change in business owner's advice seeking practice over time, how personal relationships and trust are developed and how advice is used or enacted by the business owner.

While the business owner's practice of choosing advisors and valuing advice is described by this study, I am left with questions on how does the advisor decide to give advice to a particular business owner and how does he seek to position himself as a valued advisor. This is a fascinating aspect of the advice giving and receiving which is not investigated by this study as data was not gathered from advisors.

As indicated in Section 8.5, a longitudinal case study approach could have shed more light on how business owners change their advice seeking practices over time. It could also

illuminate the changing knowledge requirements of the business owner over the firm's life cycle and how these knowledge needs relate to owner characteristics.

A case study approach could also show how business owners and advisors develop personal relationships over time and how trust is transformed into personal trust. This study highlights that personal relationships are developed over time and that with time, other forms of trust are transformed into personal trust. However, how they happens is not investigated in this study. An investigation of the 'how' could provide interesting and valuable insight into the business owner – advisor relational dynamic.

The data in this study points at the advice received being put to some use or enacted while strategizing. Intriguing as this is, it is not explained in this study. Investigating this, might allow for the development of a more nuanced view of strategizing in small businesses.

7.8 CONCLUDING REFLECTIONS

This thesis describes a long voyage into the wild unknown that is the small business owner's world as he seeks advice while strategizing. The voyage while long and trying as it sailed through mostly uncharted waters has been rewarding in that it has achieved its aim of developing a better and richer understanding of the way in which small business owners seek advice while strategizing.

The picture created shows strategizing in small businesses to be mostly informal and occurring in the flow of everyday activities as business owners seek to cope with the environment in which they operate. It shows advice seeking to occur as an integral part of strategizing with the business owners choosing their advisors based on several criteria which include cost, technical skills and knowledge, business ties, proximity, business savvy, knowledge of the business and its context, similarity of goals and interests, appropriateness of advice, knowledge of the other, personal relationships and trust. Advisors are categorized as information providers, prickly advisors, detached advisors and inner circle advisors

based on the levels of trust and personal relationship with the business owner. High levels of both trust and personal relationships are shown to lead to the creation of an advisory space in which the business owner is willing to be vulnerable and open with his advisor, thus allowing the advisor to gain knowledge which shapes the advice given and makes it more appropriate to the business owner.

It is hoped that this understanding small business strategizing, the relationship between advice seeking and strategizing and the cognitive ordering of small business owners' advice seeking practice will be a light to other distant voyagers and indeed a starting point for future expeditions by myself and others.

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APPENDIX 1

INTERVIEW SCHEDULE

1. Tell me about your business. How it started, your major challenges and achievements and where you see the business going.
2. Who did you consult when you faced the challenges you mentioned or when you were working on the things which lead to your achievements?
 - a. Why did you consult these particular people?
3. How do you plan to move your business to where you see it in the future? Who have you talked these plans over with?
 - a. Who has helped you develop these plans – formally and informally?
 - b. Why have you gone to these people for help?
4. Who do you take business advice from?
 - a. Why do you take business advice from these people?
 - b. Why do you trust particular advisors?
 - c. Do you feel that their advice is more relevant?
 - d. Do you feel that they have a better understanding of your business?
5. Do you use your accountant as a business advisor? If so, why?

APPENDIX 2

INTERVIEW TRANSCRIPT – LUCY MAY

A: So maybe to start out, just a sense of what it is you do and how you went into your own business.

L: Okay. I do human resources, primarily it's assistance for other small to medium sized companies that either don't have HR at all, or who have got very limited HR resource and need that to be augmented from time to time. I've been in business on my own for 8 years now, first 7 of them I was in a partnership with a previous colleague, we decided to go into our business simply because we had the opportunity to take voluntary severance, so we knew we would have a little bit of money behind us, we'd worked in a public sector environment where we had done everything, where HR was very much seen to be the driver. We did everything you'd expect a management team to do, and none of it was particularly nice, it was during a period of change, so there was a lot of cost cutting, a lot of redundancies, a lot of, think of all the bad things you can do in an HR department, we did all of them. Then we brought in a new management team who were able to do all of those bad things all by themselves and we stepped aside and brought in an HR team to do a nice softly softly approach, and thought we've now become unmanageable, because we haven't had any management input in such a long time, we're used to pleasing ourselves, going our own way, and let's give it a go and see if we can actually put that into practice. So she was based in Glasgow and I was based up here, and I think we probably fuffed about for a year, writing spreadsheets of contacts and people we would get in touch with, talking to people like Business Gateway about developing business plans, and then we realized that we were very good at doing HR, and we had no idea about how to run a business, how to start a business, how to find clients, how to tell people we were here, none of that. So I joined DTI because I thought, I'd been to a networking event, I was invited to it by a current member of DTI, went along and thought this could be how I work out to sell the business, because

when you've been there yourself, you have to stand up and say, in 60 seconds, here's what I do, so I have to actually work out what it is and try to sell it to people. And also I thought it was a great environment for, I guess a safe place to ask stupid questions, if that makes sense, so you could go along and say, I run my own business, I want you to refer clients to me, because I'm great at HR but you look like you're really clever at doing your marketing, how do you do it, what kind of things do you say, so initially that's where I took a lot of my... how to run a business, I learned it from other people who were running businesses, just by asking questions. And we ended up, we survived, so we probably did some things right, and then the tail end of last year we just decided, Jasmine was based in Glasgow, I was based in Aberdeen, we had very different client base, and although we kind of worked together a wee bit but we didn't do a lot of crossing over, and our personal styles are quite different as well, so we thought we'd go our separate ways, because we're essentially different businesses, we're two businesses just operating under one name, so I started up RED HR in Aberdeen and she kept Mars in Glasgow. Human resources is anything you'd expect from an HR department, so I help people with hiring and firing, mostly the difficult things you don't want to do, so how to have difficult conversations with people, putting in pay structures, doing job descriptions, the whole range of things, that's essentially what I do.

A: At that time when you were starting up and you went to the Gateway, what kind of support did you get?

L: I didn't find it particularly useful, but I wouldn't blame them entirely for that. I think we had an advisor who was used to dealing with much larger businesses, and he'd come across, basically, two lasses we were saying, we want to do HR but we're not quite sure how to do it. They gave us templates for writing business plans, and when I look back on the things we wrote, they're pretty laughable to be honest, like a kid at school writing something. It looks good but it has no bearing on anything in reality. They didn't really give us any clear support in terms of the real world, I felt they were asking us to do a lot of theory stuff, but I'm not good at those sit and think about it and plan it, work out your 5 year business plan. I

thought, I just really want to get doing some work for somebody and get paid for it within the next couple of months, that's my priority now, and it seemed to be very theoretical and not very appreciative of the fact that I kind of knew how to do HR, what I needed was help in how to find a client, and rather than answer that question they would say, 'well what kind of client would you like, what sectors would you like to work in?' I said, 'any.' They said, 'well you need to think about your niches,' and I said 'no I just want to find a job,' so I kind of found that bit difficult, but I think it was because I wasn't sure what I wanted to do, so I wasn't giving very great answers and they weren't asking the right questions in that way.

A: Informally, outside the Gateway, were you talking with any other, say, friends?

L: Yes, the best advice I got was from friends who had run business or who were involved in family businesses, where they had the benefit of seeing how parents had had started it, and it was really a case of saying, 'how do we tell people we're here. I do HR, I'm quite good at it, but how does anybody else know?' And they said, 'you need to go to networking events,' and you think how do you choose which ones? Well just any, but make sure you speak to lots of people, don't bother doing things like marketing leaflets and flyers and all the things I felt Business Gateway were trying to push me into, like nice sales letters to companies you've got no contact with, cold calling, whereas the people I spoke to who were actually already involved in business were focused on, it's about building a relationship with somebody and getting them to know who you are, and then they say, that's Lucy 'I'll get her to do my HR.'

A: Any particular friends you would go to more often?

L: Early on I guess a friend Richard, who's family, they do real wooden floors, on quite a large scale, shopping centres and things like that, and he was quite good at telling me, his dad never marketed, they never advertised, they didn't do things, but he did a lot of joining commerce groups and being active in his community and local community initiatives and being on the board of trusts and all these types of things, and that was how he created a

network of people who would then go, 'oh it's Bobby, he does floors,' so they would go to him rather than him having to go out and try to sell his product, people knew who he was and would ask him about his product, and he seemed to think that was a much better way forward. Other than that I was kind of lost, my mom and dad worked in the public sector, my dad's a teacher, so it was kind of, I was the first person in our family to go and do a business, and really the starting point for me about being clear what I needed to do was through DTI, and that was having one-to-one meetings where people would say, 'how did you start your business, what have you been doing,' and they would ask all sorts of questions, and I was able to say at that point, 'I'm not really sure,' and they would say 'what kind of HR do you want to do, this kind or this kind,' and I asked 'what kind would you find most useful?' And that's when I started to do market research about what people actually wanted rather than what I might want to offer them, because they were entirely different things, and get a real sense of what the need was for services I could provide, so I could then start to say to people, I can do those things, and they would look interested rather than saying things I was interested in and they would go, 'okay.'

A: Your friend Richard, apart from the fact that he was involved in his own business, why would you go to him instead of another friend?

L: Because I didn't really know anybody who was involved in businesses, very few of the people that I know had small businesses at that point, most of us were all university graduates so we spent years of education then got into work, and working for other people. One of my other friends, he started his own tiling business, but that was through, his uncle was a tiler so he knew how to tile, and he got a couple of contracts with a building company and he was very good at what he did, and he started his own business on the back of people just asked him to work, and I asked him how he got on and he said, 'I don't know how you run a business because essentially I just do tiling and people pay me for it, but I've never done the business side of it, so it's just a job except I'm not employed by anybody.'

So Richard was the only person I knew who was actively involved in running a small company.

A: Did trust have anything to do with it?

L: Oh yeah, because I knew he was my pal and I could ask him stupid questions, like how does your dad actually get anybody in, when he first started the business, how did he get the money to buy wooden floors before he sold them? Is it alright to say to people that you work from home or do they think you need to have an office? And I guess I suppose, it's because I knew I wouldn't feel like an idiot if I asked those questions, whereas the guy from Business Gateway made me feel like I should have known an awful lot more than I did. And I didn't feel a great level of, that he trusted me that I would actually do anything with it at all. I felt like he was dismissive, because I didn't know what I was doing, and probably quite rightly. So he had no trust in my ability to make something happen which made me not trust the advice he was giving me because he didn't think I would do anything with it.

A: So there's the element of your trust in Richard and feeling vulnerable, because you knew him for a while, but there's also the element of his confidence in you?

L: I guess that's part of it, that you need, he had no experience of me doing the work but he said, 'you'll manage, it's not difficult, if you can go to work and do the job, and survive horrible bosses, negotiate your way around the politics of an organization you can do it on your own, it's just a case of working out what to do, and then just do it,' and he would always say to me, 'you're a yap anyway, go to a network event, it's not like you can stand in a corner not speaking to people for more than five minutes so do those things, speak to people, and the more you have to do it, the more you'll work out what it is you have to do. So don't worry if you say rubbish to some people because they're not going to remember it. So that kind of made me think, 'I'll just try that.' So yeah, I guess trust is a big part of it. And also, because I felt he would give me good advice because he wouldn't want to see me make a fool of myself, so if I said to him, I'm going to start going into business, this is what I

think I'm likely to do, if he thought it was a really awful idea or I was somebody who couldn't manage it, he would have just said, and there was a level of honesty that I thought, he's not going to pussyfoot around me and say, 'oh yeah you'll be great at that,' he would just be like, 'no you'll never survive,' so that was good.

A: And did you get that from DTI also

F: Yeah. I remember going along on my very first day and having my 60 seconds, practiced, I had read it out to myself 40 times so I'm timing it to make sure I didn't go a second over, and during the breakfast afterwards and speaking to somebody at that time, and I thought people would have really wanted from an HR consultancy company was to help them be legally compliant because that's the bit people stumbled on, so they would want to have contracts in place, they'd want to have disciplinary process and procedures, so those would be the kinds of things I could easily sell to people, and it's when we were having breakfast, just folk at the table started asking questions and I remember leaving that room the first time saying, 'they don't want what I think they want, they're not really caring if they've got contracts, because they've been running the company for 12 years and never issued employment contracts, so they have no consequence to them now. What they care about is the fact that Johnny won't turn up to work on time, he's always got a different excuse, how do they make him just turn up?' So I kind of started to think, I need to sell myself in a different way, and it was really nice because as I was sitting at the table, people were treating me like I was an expert in my own subject without me having to demonstrate in any way that I knew anything about it at all. And I was able to say how did you start and what did you do, and then not long after I'd been in and started to have one-on-one meetings with people and then I just started asking everybody for advice all the time, so to the accountant I'd go, 'how do you do your money, what would you think would be a fair fee, do you know any other HR companies, what do they charge,' just trying to get as much information from them as possible. And they were already good at sharing what other people were good at, so go to Dan, he's brilliant at marketing, really good at knowing his way around things, and

his processes are, like he's Mr. Pernickety, so I find out from him how he does that kind of stuff, or speak to Mary because her clients think she's lovely, but she's very professional, so you should find out from her how to get that kind of balance, so I basically just pulled all the information I possibly could out of them, and the way that they encourage you to have one-to-one discussions is very much, find out about the person, their background, how they started off, what they want to do, what kind of clients they're looking for, how you can help them find those clients and so on, so sometimes I didn't have the answer to questions until I'd been asked the question, and then I'd suddenly think, 'oh that's what it is' and I hadn't even thought of it myself, so yeah, I certainly think without having joined DTI I don't think I'd be in business on my own for long, because I wouldn't have worked out how to find a client.

A: Now those contacts from DTI, they became friends.

L: And I'm still in contact with them all even though I'm not there.

A: And you still go to them for advice?

L: Yeah. The accountant who was in DTI at the time, Alice from M & Co, she and I are good friends now, when I was looking to split from Jasmine and start my own business, I went to her straight away and went, 'how do I do it, what can I do, can you sort out setting up the new company, can you help me with a name because I'm really rubbish with things like that, strap lines, all those kinds of things,' they do all of my accounts and payroll, so I can get as much money out of the business as I possibly can. So yeah, Dan from X Ltd, I still go to him all the time for, I guess strategy advice, because he's very good at having a very clear idea of where he's going and what he's doing. And sometimes I just faff about a bit and I just do stuff from day to day without really thinking, 'this is where I want to get to in six months' or a years' time,' and part of that is just, I've got 3 kids under five, it's kind of complicated even doing work sometimes let alone thinking about what you're going to do, so he's quite good at pulling me back down to thinking about the business rather than just working. And there's a few others, Jane, all the stuff she sends I always read it and think,

'she's just so driven and focused,' and I think that's brilliant to be very clear in your ideas in how you do things, and even though she's been in business far less time than me, I think she knows a lot more than me about how to run a business. And there's a few, Mary does all my legal stuff, so you end up using these people in their professional capacity as well as for general chats.

A: Who else would you go to bounce ideas off in terms of the business side of things, where you want to go?

L: At the moment now it's all my business contacts. I would speak to my husband about it, he just kind of looks at me and says, 'everything you want to do is good.' So while he's very supportive, he's not critical. So I guess the people I would go to now would be business contacts I've known for a long time that I trust, and I trust that they know I'm good at my job, so that doesn't matter, that's done and dusted, they accept that if they want HR work to be done, I'll be fine, but I'm alright to be human as well as an HR person, so I can kind of forget about the professional image and go to them and go, 'things are crap, the kids are sick, I didn't get that contract finished on time,' and real life can come into our discussions. And if I'm looking for advice on how to do stuff then I guess, Alice from M & Co, I go to for, how on earth do you have manage when you've got kids when you're trying to run a business, how do you actually physically work out your time so you have enough time during the working day but you don't spend all your time working in order to pay child care costs, because I know she does it, and she does it very successfully, and she's got a much bigger business than I have, so how do you do it, and just practical advice on how you do it. I would speak to, in terms of how I work out specific HR problems rather than how I run my business problems, then I've got an employment lawyer contact again somebody I met through networking not DTI, but another networking years ago, her and I pass a lot of business to each other, and she's an employment lawyer, so we kind of complement each other, we can work together on some things without stepping on each other's toes and stealing work with each other, but we're along similar enough lines that if I've got a professional thing I'm not

quite sure about, I can discuss it with her and I know she'll keep it confidential, and again, you don't want somebody who will make you feel stupid because you don't know the answer, she never will, even if sometimes I'm phoning her up with like, this is a really daft question, I'm thinking the answer is this, but I just want somebody to say yes that's right or don't be daft, it's something completely different. And likewise she'll phone me up and say right, I can't do holidays, you know I can't work out holidays, if this person works this many days and does xyz, can you just do the numbers for me and I'll sort things like that. So, I guess it is very much like what you said about allowing yourself to be vulnerable in front of people that are, your clients you're always professional and regardless of what's happening in your own life or what's happening behind the scenes, everything is very calm and it's all doable and all marvellous, and then you can go and speak to one of your business contacts and go, oh my god I've just said yes to all these things and I can't do it, I'm up until 4am in the morning trying to get stuff done, and you can get that kind of, 'don't worry I've been there,' which is quite a nice balance.

A: In terms of your, if we look at your decision to speak about the business, who do you speak with before you make the decision?

L: I spoke with Alice and my accountant, because we had, when Jasmine and I were still together, Jasmine and I had a strategy meetings to discuss what we were going to do with the company, we were VAT registered, and Alice would always say to me, when companies get to be VAT registered, that's where big changes happen, because that's when you become big enough, you're paying VAT, you should be starting to think about your business, whereas before, all you're trying do is to bring in money, and now you're bringing in money, so that bit's covered, so you should be thinking about the business. And she's absolutely right, so it was at that point that we realized we were quite different, so we had had a strategy meeting with Alice which I think had totally consolidated for both of us, for Jasmine and I, that we operated quite different businesses, although we were under the same heading, we were separate. But because we'd been such good friends and we

worked together starting a business together, I don't think I was that keen to go, we should just split up shouldn't we. So we held on to the idea that for wee bit longer, and so yeah, I spoke to Alice about it, and I also knew that she'd done it previously, she had been in a partnership and split up from that and taken, and gone her own way, so I wanted to find out from her how she had done that, because I knew it was the right thing to do I just wasn't quite sure how I was going to go about it. And I got advice from her in terms of the financial aspects of it, so let's say help with how to set up the new business, but also a bit of moral support in terms of, you're not being really horrible to your business partner by saying I think we need to go separate ways, you're not being a bad or nasty person, so I got quite a lot of moral support from her. I also spoke with, it was while I was still in DTI, so it would have been some of the people still in DTI, so people that I used there, I spoke with Dan Nicholson about it because I kind of trusted him in terms of the strategy side of things, and I thought, if I say I'm going on my own and talk through things and ideas, the difficulties of being on my own rather than the comfort of having somebody else, he's quite good at not being very judgmental but asking questions that make you come to your own conclusions, where you wouldn't be able to come to conclusions just thinking about it yourself. So I spoke to him. Who else did I speak to about it. Linda who is CEO of a charity, again, I've known her through networking, I've done a lot of work with befriending a child, I do all the HR kind of pro bono for them, she's just a pal, and I can chat through with her just what kind of impact it would have, and did she think that I had a realistic idea of what I was going to be doing. Because I was just about to have a baby, I was saying I was going to set up with my own business, so 8 days after that baby was born I was now on my own, so it was like, well I now don't have maternity leave, I've got no coverage if I got on holiday, and it was practically how do I manage that because strategically it makes sense to be on my own, but really it was quite nice having Linda being able to deal with some stuff for me, so I spoke to her about those things. So it's quite a small group, I think I keep going around to the same people in a small group.

A: So maybe you would talk with a broader group but your key advice from that small group. You mentioned your clients who have become friends, are there any other clients like that who you would speak to?

L: Yeah, because Dan is a client of mine. So I do all his HR for him, Alice is my client, and I'm her client, so I think there's quite a lot of that, especially with people in DTI where you've got this obligation to pass referrals and pass work to build up a sense of loyalty to the group, and even when you're not in that, the relationships are still there, so yeah, Linda I knew for a long time in DTI and various other places and we were just pally, and then she needed some HR help and I said oh I'll just give you some stuff, and then that developed into me doing quite a lot of work for them, but still I would say, people would say what's your relationship with her, and I would say I her charity at the bottom of all my emails and I do, but she's my friend, so.

A: And when you did speak with them, when you take advice from them, what do you do with it, would you speak with others about it, or would you just think about it yourself? Would there be others, say, family or a friend?

L: I don't tend to speak about my work so much with family because they're just very supportive, so whatever I'm doing, that's great, and that's not really what you need, you need people who will challenge you and say that's not a very good idea, and I guess the business people I speak to are good at saying, 'really, you want to do that? Why?' And, or, I think such and such might be better, and just being a bit more honest, I think. So I don't tend to go back to family because it does tend to be work people, and it's funny because with things like, I've got a bank advisor, I've got an advisor with my bank account, small business advisor, I've never spoken to them. I'm sure they've got lots of good things that could probably help me, but I feel I've got such a simple business, it's just me doing work, there's not anything complicated about my money. And if it's to do with strategy or what

money I've taken out or if payments have dividend or if I want to do something, Alice will tell me what's best. And changes that I make to the business and things like that I tend to look at people who have done it already and then ask them, so Alice, Dan, are people I would go to first to say, in terms of strategy or how I'm going to do the next bit of the business, they would be the people I admire because they've done it, but they're also realistic enough people they're not so far out of my league, they'd be able to take something real from.

A: Have you had a mentor?

L: No, not really. Various different people probably have been my mentor at different stages but there's not been on consistent one. Again, when I was splitting up from Jasmine, I would say Alice was the person I was leaning on in terms of helping me, because I was having difficulty getting the financial information out of her previous accountant, I wasn't happy with the way the accounts worked out, stuff like that, so because it was kind of leaning towards her area anyway, but also because I think emotionally I knew she had been through a very difficult split up from her business partner, so she knew that this was difficult, and there were moments where it was very tetchy, she could understand where I was coming from on that.

A: With your partner, you had a different accountant.

L: Yeah. I didn't take any business advice from him because I didn't like him, and I felt he was very patronizing. He talked a good talk about how, he made this much money and blah blah blah, but if you asked him for advice on what to do in terms of, we're making money but right at the initial period, when money came in we took what we could out of it, and then it got to the point where, we should be paying PAYE because we're taking a salary essentially, and then I said something like, I pay child care should I not be getting child care vouchers as part of my salary because that would offset some of the tax we would pay, well we could do that, well you should be telling me these things, I shouldn't have to ask, oh you can do whatever you want. You can take that dividends if you want. I said, if we could have

done that and saved ourselves money why did you not come to us and promote that to me because that's what I see as being your job, but he was very much, he did the bare minimum, because he felt we weren't taking in enough money to warrant doing anything clever with it, but then my view was, we were taking in such a small amount of money that we wanted to get as much to ourselves as humanly possible, so I didn't really have any great respect for him, I don't think. And I think, there was a couple times he got things quite badly wrong with our issued accounts, the companies act he quoted was 20 years out of date because he hadn't updated accounts, just little things. And because I'd pointed it out, he didn't like it, because I asked questions of it he didn't like it, whereas Jasmine was very accepting of everything he said and just, oh Bill will sort it out, so it was always a bit of conflict in terms of our financial advice. Which, probably contributed to the fact that we eventually split up. Because I just felt that, once we got to the point where we were getting a bit bigger, he was going to hinder us rather than assist us.

A: So again in a sense there's an element of trust there.

L: And I think just a huge clash of personalities, I would much rather, I assume that when I'm going to work with a client, and they're asking me for HR advice, that's what they're paying for so I should give it, and if I see something happening that they maybe didn't ask my advice on but I see from an HR point of view there's something wrong or there's a better way to do it, it's my job to point that out whether they've asked for it or not. Now they can choose to ignore my advice entirely but I should at least be giving it, and I felt, if I'm paying you to be my accountant I expect you to be proactively looking at my accounts and not just doing what I've asked you to do, because I don't know the right things to ask, because I'm not an accountant, that's why I have you. So I think there was a bit of a difficulty in that sense, and I think when you're a small business you very much need to be able to rely on somebody else's expertise because I don't have the time or the knowledge to know how best to deal with money that comes in, I don't know how PAYE works, I don't know how I'm supposed to report stuff back to HMRC, so if somebody's not doing it for me properly that

makes me very nervous, because I only find out about it after the event, or because somebody's said something and I think oh I'm not doing that. So you kind of need to have a complete, I can just hand it over and not think about it. And the way that she likes that Jane does, you can say to Jane, come with me to a very confidential meeting, I want you write the minutes, and I know she'll do a really good job, she's very professional all through the meeting, and the minutes will be done when she says they'll be done, and she charges me what she says she's going to charge me. I just need that complete, it's all easy, so, whereas in a bigger company you've got a bit more slack to, if things don't always go quite to plan or things go over budget and all the rest of it, that's acceptable, it's kind of not when you're operating under tight restraints.

A: In terms of the business now, do you have a sense of where you want it to go?

L: Yes, but whether it will go that way or not, I don't know, because I look back on the business plans I wrote five years ago and we're not doing any of it, not working in sectors, and a lot of things I thought I should have answers for I don't, so I don't have any particular sector preference, my clients come from oil and gas companies, I've got printers, accountants, estate agents, just really anybody, I deal with normal employees as well as companies, so I do the other side of it sometimes as well. What I'm tending to find, and it's partly where I am, for my family life and so on, I don't have time to do things like going to networking and stuff that I did before, so the first 3-4 years of Venus I did DTI, I used to go to BN meetings sometimes, Business Network, I did some of the best of Aberdeen stuff, I was quite out there in terms of getting my face known and meeting people. I can't do it, physically do my work, come home and feed the kids, so I don't have time to do that anymore, so what I rely on more is making smaller numbers of contacts with people who will then refer me work with other people. So, like this morning I met with a recruitment agency, well an executive research person, I met with her because one of my clients are looking to recruit into executive level positions, so I've never recruited at a hundred thousand salary position and they're looking to headhunt which is not my area of expertise, so I've found

through Hilda, who's an employment lawyer I do work with, I asked her, do you know who does execute search, she asked somebody who she works with, so eventually I got put in touch with this woman who said, oh actually I think I might have an HR opportunity, how do you work, can you do a few days a month for a client? I said that's exactly how I do tend to operate, so she's potentially got three clients I could go work on a regular basis for a set number of days, and that would suit me. What I did previously was I worked pay as you go, so if a client needed me then I did the work and then I invoiced them for it, and then they might not ever need me again, or they might need me next week or next month or next year, so I had no regularity of income at all, and I always felt that was quite an honest way to work, so instead of tying people into these retainers, which I always felt was a bit, how would you pay me for that, you don't pay your plumber every month in case your boiler breaks, you only pay him when he comes to do stuff, and I thought that's how I was working, but realistically it means your cash flow goes like this, which is quite difficult when you've got to pay your mortgage in your child care and all this stuff, so my model was moving more towards getting people to pass me more regular work, 2-3 days a month, I can plan it, I know that I've got child care for those days and I'm getting paid for that end of the month. So my plan at the moment is to build up the number of days I do that until such a point, until I've stretched the absolute max, the point I'm stretched the absolute max, I want to employ somebody to do those days for me, so I'll pay them a salary but I'll take the contract, so that's, whether that happens or not we'll see, but that would be my idea.

A: In terms of what the business is, and the image of the business, you put that out on the website. Apart from the website, do you communicate that to the clients or do you want to communicate some sort of vision?

L: At the moment, because I haven't done very much with it to be honest, I guess most of the clients I've got now are clients I've had since the previous business, so they're not really looking for me to promote any part of it, they don't care what my business vision or image is, they just want me to do the job, they know I'm going to do it and we've got a good

relationship now that, no matter which company I go to or how I present myself, they would just be saying, come and do x. I guess part of it is clients that I work with, I guess, are clients that are comfortable with me and I'm comfortable with them, so I don't have, I'm not overly professional, I never wear a suit or come in with files, I'm not that kind of... so I don't attract clients that are like that, because they kind of look at me and go, you're not very HR, so I guess I project some of what my business is essentially, so they know that, I don't pretend to flower stuff up too much, and I guess I tend to have, if I get a new client, I have an initial meeting with them and we chat about what they want, and I suppose at that point that's when I'm really promoting what we do and what I do as a business, they'll say we want you to write a company handbook and I'll say why do you need it, what are you going to use it for, because that's a lovely bit of work for me, I can sit and play with policies and procedures and charge a fortune for it but unless you're actually going to use it, or you've got a particular reason you have to have one, then I wouldn't bother, and they look like, I've just offered to give you work and you're saying no to it, it's like well, because I don't want to do things for people and then they go, that's was great, that stuff that Lucy did has been sitting in the drawer for a year, because that's not how I would get work from them, I would rather speak to them about real issues and what their problem areas are and then how we can actually deal with those specific things. So I guess that's the point where they realize I'm not going to be like a lot of the HR companies in Aberdeen who are, you sign up, you have to take on all our contracts and employment work, here's the employee manual and the health and safety manual, if you just make sure you work to this, and here's your template documents, phone us if you have any problems and that will be 300 pounds a month, thank you very much, I don't do it, and I think I'm also not scared to tell them when they're doing things incorrectly, because I've had people come to me and say we want to do this, and I've said I don't think that's the best idea. And sometimes it's my clients, sometimes it is my put off that's what I want to do regardless of fine but I don't want to be part of it. So I guess, at the moment the website is just a front page, it will be developed further, but I think how I want to develop it is have, I can't name clients because a lot of the

stuff would be too confidential, but putting out case study type things, so people can see what's really done rather than, here's a bunch of things I could do.

A: Do you get feedback from your clients?

L: Yeah, I have regular reviews with them, so the clients that I have that are purely pay as you go, some of them I've had for 7 years and I've maybe worked with them 3 times, a lot of the time they have very little need, every year I get together with them, schedule a meeting with them, and go through whether there's any updates needed to any of their staff, and at that point ask them if there's anything else I can help with, what they need, and so on. If I did project work or big pieces of work for them I always ask for feedback along the way at every stage that I'm submitting something for them. It's useful in some ways, but in some ways I think asking clients for feedback or looking for feedback is a bit like, you go no training courses and get your happy sheet at the end of it, but people will never actually say to you, I wasn't really happy with this, they just won't use you again. So I tend to find the most useful feedback is to get second-hand from somebody saying, oh so-and-so, or if one of my clients refers me to somebody else, then I'm happy that they're happy with what I'm doing. But yeah, I'm not, I do have I suppose a formal system of asking for it but I never, I don't know why to do it because nobody's ever said something bad, nobody's ever suggested something to be done differently, everyone is just very happy with everything.

A: And do you use social media to communicate?

L: Not yet, no. It's something I will do but it's something that I would get Jane to do for me, because I think it's a very good thing to do but I think I would start it, like start a blog, and then write two things on it and forget about it for a year. And I think it's something you have to do quite consistently and I don't do it. I also struggle slightly with the idea of, it's easier, if you work in a company and you do HR you're always outside of them, nobody trusts you because you know too much, nobody really wants you to come to the works night out, you're very much segregated, and you get quite used to that, and you either don't mind it or

you do and you leave HR, and I've never really minded it, but it means that it's quite difficult, the line between dealing with people issues, disciplining people, sacking, all those kind of quite serious things and then being a human, normal person that does stuff. So there are some businesses where it's really easy to do lots of blogging stuff and social networking things and come across quite nicely, I can't really talk about what my clients have done, I can't really mention my work, I can do employment law updates but they're really boring even for me, I just need to know them so I need to do it. I struggle to see how I would do interesting things that somebody would want to know about without either breaching confidentiality or coming across as being quite flippant about serious issues, there will be a way to do it, I just need to find it, and until I do I do nothing.

A: Last set of questions. Do you use management type accounts or maybe weekly or monthly?

L: Do I? I don't personally do them but M & Co do them for me, I get management accounts every month, yeah.

A: How useful are they when you think about where you want to take the business? Do they play a part?

L: They do, and I've only had them since I've been with this business, we just had end of year accounts, purely compliance with the previous accountant, which is one of my issues with him is we never had any information on how we were doing in terms until the year past, so yeah I use an online accountant software, Zero, all my stuff goes into there, I get management accounts produced, then the management accountant phones me to have a chat about where things are, so it's useful for me seeing where I get my regular business from, and where there's been big peaks or troughs, how those have happened, and there's been months where there's tons of money coming in, well what did you do to get that, how could I possibly go and do that again, was it just a fluke or did I do something to influence that, so it's useful from that point of view, it's useful from the point of view of knowing where

my base line is in terms of, I don't have a lot of overheads and costs so I've got phone money, internet, and I work from home, and I've got my electric, but I don't have office space or staff, but just knowing what I am spending my money on, the amount I'm spending. And I guess by the time I get to the end of this year it will be quite interesting to maybe look back and say, despite the fact that technically speaking I was on maternity leave at home two weeks ago, how much have I done in that period, and then, x number of days available to me, and hours I can work in a week, and what should I then be able to do next year now that I've got this amount of time, and I always try to work it out as I've got two children who need to be in child care, so for every morning I work, that's 80 pounds it costs me, so I need to make 80 pounds plus my expenses plus some extra, otherwise I may as well not work, so it's good that I can sit down with my child care stuff and look at where I've earned money and how I've done it. They're quite good at putting it together in an easy way to understand, accounting is not my strong point, I did it in school but that was just to get it done.

A: So when you think about the business and where you want it to go, so you take advice from people, would that advice go back to look at the accounts or would it play a significant role in decision making?

L: it does, I mean the accountants that I use, M & Co, I do this monthly thing, but I also have 6 monthly strategy meetings with Alice, Alice is my pal and I'm doing this stuff with her, she's very good at doing that like, take yourself out of doing the work, now you're a company owner, think about it in a different way, what is the business doing and asking questions and sitting down and looking at what you're actually trying to do with the business, where you want the business to come from, what, and she's quite good at the whole aligning your personal goals, not just chasing money but what did you go into business yourself for, it's supposed to be about, you know, to get a better workplace balance and having more control over things, and actually going into business yourself you don't have any of those things, so why do you still do it? And she's quite good at bringing

you back to the basis of thinking about what you're doing right and why you're doing it and bits do you like and not like and how can you get more of the stuff you enjoy, looking back over the accounts and saying you did x number of big projects and you've got this number of regular people, what is it you're looking to expand on, is it the day to day management of stuff or is it the exciting projects, which is best or how can you get a mixture, and she's quite good at relating that all back to, oh January was a boom month, Why, what were you doing and figuring it out that way, and also looking at if you've got plans to do stuff, like I would like to take somebody on, how much then do I need to think about targeting in terms of an income to build up enough money before I get to that point, so starting to think about, not just bringing it in and spending it but where you're at if you're trying to grow, how do you get from here to there.

A: For the previous business you said you didn't have any management accounts with that, did you take that up with the accountant?

L: I did, and basically what he said was we were not turning over a high enough amount in order to make that worthwhile, I think he just couldn't be bothered, and at that point we were turning over 90 thousand a year, which I thought was a reasonable given 2 folk working, I was working part time and we had no overheads, that was not bad, that was worthy of doing something at least so we would know what we were doing with our money, I found it really difficult, that was the one thing I really struggled with, was our year end was up on the 31st of September, but our company accounts wouldn't be produced until the 30th of June the following year, and that's kind of next to useless, and the numbers never made any sense, I couldn't work out where they came from. Because there was nothing, there was no real interaction beyond, here's your, it could have been anybody's accounts, and I always felt when I was asking questions about it that, I shouldn't really be bothering my head about things like that, it's all done in order, and then it's my money in my accounts.

A: So they would be more useful to you, you just weren't getting it?

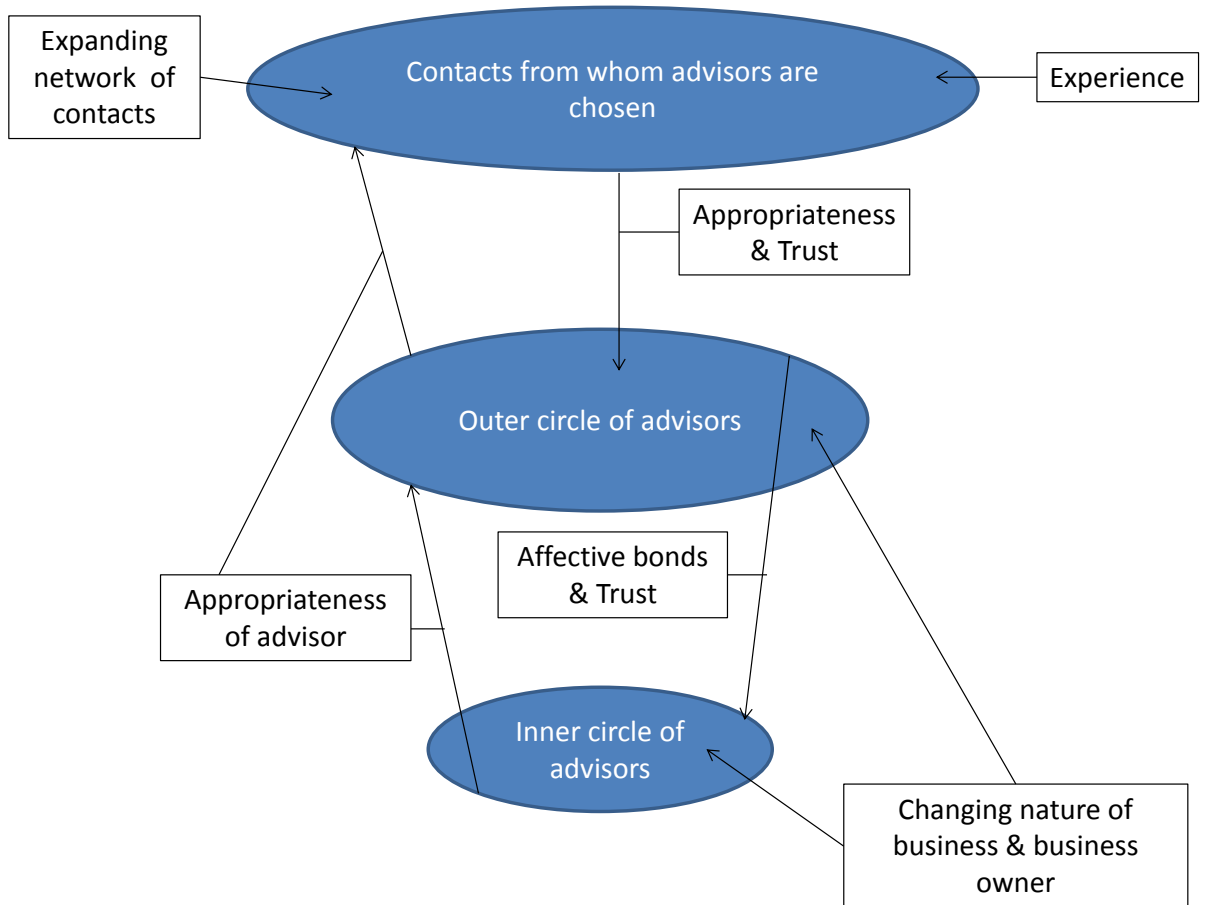
L: Yeah I just wasn't getting it. And I think it's important whether you have an interest and understanding of it, just to know where you are month by month so that you can keep track of things, things like for me, we had a point where we had suddenly gone from living hand to mouth to just being able to give ourselves 800 pounds in pay for the month, to suddenly going, 'oh we've got to pay corporation tax,' and it would be all of a sudden one June, you've got to pay 5 thousand pounds per person, and that's wiping out our bank account, we hadn't planned for it, we hadn't budgeted for it, it was just a sudden, well your accounts are in and here's what you got to pay, whereas at the moment I know every month that this is what profit I've got, this is what my projected tax bills going to be, so I've got money sitting, so when my corporation tax is due I don't have to think about where that money is coming from, because I know, I've already got it, it's every month I put that money away. Or I don't put any away, it just sits there, but I know that's what it's for, we didn't have any of that so there was no ability to kind of....., there would be times I'd look at our bank account and go, we've got 40 thousand pounds, why am I sitting with an overdraft when the business accounts got 40 thousand pounds, but then by the time we worked out all that we had to pay, the corporation tax and you've got to pay PAYE, and we have got to pay this and got to pay that, then you go, that's taken like 12 - 13 thousand pounds off that, so we don't really have 40 thousand pounds, so the bank account was the only real thing I could check on all the time, was giving me a very misleading picture of what money was really there that we could do anything with, which drove me mad because that was my only means of working it out, that's how I do my own finances, how much money I've got in the bank, how much standing orders and we work it out that way, and management accounts, there's not going to be any real surprises anymore, even though I'm not really doing anything, I order to get those figures, I am just put them into the computer but I did that anyway, we used a system called Cash flow previously which is the same online system, had all our information in it, and I would sometimes do quotes but I didn't really know what I

was doing so and because some of the things like taxes and all that kind of stuff that accountants do for you was the only system. I should have been warned when we first went to his office and we saw piles of paperwork and that was accounts, all these spreadsheets.

A: I think that's about all my questions.

APPENDIX 3

INITIAL MODEL OF SMALL BUSINESS OWNERS ADVICE SEEKING PRACTICE



APPENDIX 4

PROFILE OF INTERVIEW PARTICIPANTS

Assumed Name	Description of Business	Age	Number of Employees	Ownership
Emilia Smith	Virtual Assistant - Provides businesses with support in the areas of administration, marketing and research. Most of the work is carried out virtually.	7 months at time of first interview, 13 months at time of second interview, 18 months at time of third interview	2	1 Director
Boris James	Small Business Networking Service - Runs the BCN online forum and networking events. Also runs networking training events.	14 years at time of first interview, 15 years at time of second interview	1	1 Director
Linda Taylor	Occupational Health Company - Independent provider of occupational health services primarily to the oil and gas sector.	15 years	47	2 Directors. However, Linda has full operational control of the business as the other director is retired and plays more of an advisory role

Clare MacKay	Property Management Agency - Provides sales, letting and property management services	6 years at the time of first interview. 6 year and 7 months at the time of second interview.	5	1 Director
Edward Salmond	Coffee Trader - Supplies coffee machines and branded coffee to catering outlets. Also runs a branded coffee shop. The coffee shop was being set up at the time of the interview. It is now up and running.	5 years	11	1 Director
John Brown	Insurance Broker and Management Consulting - John runs two businesses. The first is a management consulting outfit through which he gives advice to businesses in distress and the second is as an medical insurance broker for a national franchise.	9 years as an insurance broker and 11 years as a management consultant	0	1 Director
Julia Douglas	Computer Training - Provides computer skills training to corporate clients.	13 years	4	1 Director
Rita MacDonald	Coaching - Coaches corporate executives. She also runs coaching sessions for teens.	4 years	0	1 Director
Jenny Sewart	Art Gallery / Restaurant - The business comprises of an arts and crafts gallery and a restaurant beside it.	12 years running the art and craft gallery and 6 years running the restaurant	6	2 Directors. Jenny is the in charge of the finances and developing strategy.

Alexandar Ross	Business Consulting - Provides business leadership coaching and business development services to corporate clients	1 year	0	1 Director
Rodney Williams	Engineering Training / Consulting - Provides Health, Safety, Environment and Quality consultancy, coaching and training primarily to oil and gas firms.	3 years	18	4 Directors. Rodney was Managing Director and in charge of strategy formation.
Oliver Stone	Photography - Runs a professional photography studio	3 years	0	1 Director
James Livingstone	Engineering Consulting - The firm is an independent engineering consultancy that offers Oil and Gas Operators and Engineers the opportunity to optimise design, increase production, maximise profit and defer abandonment.	2 years 9 months	27	1 Director
Juliet Duncan	Events Management - Organizes events and maintains a database of venues, services and suppliers that are to do with the event industry	6 years.	4	1 Director
Mary Scott	Recruitment Consulting	1 year and 9 months	6	2 Directors. Mary is charged with running the business and developing strategy

Robert Falcon	Forensic Consulting - The firm provides Corporate Governance Consultancy focusing on Contract Compliance, Joint Venture Auditing, and Internal Control.	8 years	0 While the firm does not have any employees, it uses a network of professional subcontractors to undertake its work.	2 Directors. Robert is charged with business development and strategy definition. The other director is in charge of operations.
William Stevenson	Auto Sales - Car sales and service	11 years 3 months	10	1 Director
Greg Bernard	Diving School / Holiday Agent - Runs a diver training school and also runs dive holidays.	2 years 1 month	3	1 Director
Malcolm Cleppinton	IT Consulting - providing services which enable businesses to align business processes using Microsoft technologies .	3 months	0	1 Director
Neil MacNeil	Sale of Cash Registers - The firm specialises in point of sale solutions for the retail and hospitality industry in Scotland	12 years	12	4 Directors. Neil is the only director actively involved in running the business. All the other directors are silent partners providing funding

Frank Armstrong	Tourism - Preservation and regeneration and tourist use of historic site in Aberdeen.	4 years	0	2 Directors. Frank is charged with operations and strategy development
Helen Fraser	Procurement Broker - procurement services for Facilities, Insurance and Risk Management.	3 years 5 months	2	1 Director
Keith Collin	IT Consulting - The firm is an independent IT systems integrator and services company to the oil and gas industry.	7 years 1 month	45	1 Director
Kate MacDonland	HR Consulting - The firm specializes in employment law and employment relations consulting.	5years 4 months	0	1 Director
Brian Jones	Design - The firm provides services in the area of Branding, Brand Development, Advertising, Graphic Design, Marketing Materials, Creative Advice and Direction, Concepts for TV and Radio Advertising, Websites and digital media	5years 11 months	0	1 Director
Benedict Day	Kitchen Sales - The firm specializes in providing high quality branded kitchens and bathrooms and a complete installation service.	32 years	17	3 Directors. Benedict has full control of the business and the other directors act as advisors

Sandra Williams	Pole Dancing Studio - The firm operates a pole dancing studio where it provides group pole fitness, cardio core, aerial hoop, contortionist and open studio classes.	6 years 5 months	3	1 Director
Bethan Jones	Art Gallery - Art and Craft Gallery	3 years	2	1 Director
Carmen Lloyd	Recruitment Services in the Subsea, Drilling, Deepwater Sectors - The firm specializes in the provision of professional, highly qualified and experienced personnel for the global drilling and well engineering sectors	5 years 3 months	17 Employees and a team of 150 independent contractors.	2 Directors. Carmen is the Managing Director and is charged with directing operations and developing strategy
Samantha Tait	Salt Manufacturing - Producer of hand harvested gourmet sea salt.	4 years	10	1 Director
David Mill	Business Consulting - Provides business consulting services to companies to want to grow their businesses significantly within a short time frame.	25 years	12	1 Director
Nick Reid	Recruitment Consulting - The firm is an independent HR, Development and Recruitment consultancy	19 Years	14	1 Director

Lucy May	HR Consulting - The firm provides advisory and support services in the areas of: Contracts of Employment, Policies & Procedures, Performance Management, Absence Management, Recruitment & Selection, Organisational Structures, Job Design, Descriptions and Evaluations, Pay & Benefits	1 year 2 months	0	1 Director
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APPENDIX 5

INTERVIEW DETAILS AND BUSINESS CLASSIFICATION

Assumed Name	Number of Employees	Ownership	Number of Interviews	Length of Interviews	Classification of Business **	Number of Quotes Used
Emilia Smith	2	1 Director	3	63 mins, 66 mins, 52 mins	M	15
Boris James	1	1 Director	2	56 mins, 67 mins	M	16
Linda Taylor	50	2 Directors. However, linda has full operational control of the business as the other director is retired and plays more of an advisory role	1	58 mins	S	4
Clare MacKay	5	1 Director	2	55 mins, 61 mins	M	14
Edward Salmond	11	1 Director	1	65 mins	S	13
John Brown	0	1 Director	1	61 mins	ST	2
Julia Douglas	4	1 Director	1	58 mins	M	14
Rita MacDonald	0	1 Director	1	61 mins	ST	15

Jenny Sewart	6	2 Directors. Jenny is the in charge of the finances and developing strategy.	1	57 mins	M	6
Alexandar Ross	0	1 Director		65 mins	ST	14
Rodney Williams	18	4 Directors. Rodney was Managing Director and in charge of strategy formation.	1	54 mins	S	4
Oliver Stone	0	1 Director	1	61 mins	ST	4
James Livingstone	27	1 Director	1	60 mins	S	5
Juliet Duncan	4	1 Director	1	58 mins	M	5
Mary Scott	6	2 Directors. Mary is charged with running the business and developing strategy	1	59 mins	M	6

Robert Falcon	0 While the firm does not have any employees, it uses a network of professional subcontractors to undertake its work.	2 Directors. Robert is charged with business development and strategy definition. The other director is in charge of operations.	1	76 mins	M	2
William Stevenson	10	1 Director	1	60 mins	S	10
Greg Bernard	3	1 Director	1	52 mins	M	2
Malcolm Cleppinton	0	1 Director	1	55 mins	ST	2
Neil MacNeil	12	4 Directors. Neil is the only director actively involved in running the business. All the other directors are silent partners providing funding	1	56 mins	S	3
Frank Armstrong	0	2 Directors. Frank is charged with operations and strategy development	1	61 mins	M	6

Helen Fraser	2	1 Director	1	57 mins	M	14
Keith Collin	45	1 Director	1	63 mins	S	16
Kate MacDonland	0	1 Director	1	57 mins	ST	11
Brian Jones	0	1 Director	1	59 mins	ST	6
Benedict Day	17	3 Directors. Benedict has full control of the business and the other directors act as advisors	1	61 mins	S	10
Sandra Williams	3	1 Director	1	55 mins	M	10
Bethan Jones	2	1 Director	1	56 mins	M	2
Carmen Lloyd	17 Emmployees and a team of 150 independent contractors.	2 Directors. Carmen is the Managing Director and is charged with directing operations and developing strategy	1	64 mins	S	5
Samantha Tait	10	1 Director	1	57 mins	S	
David Mill	12	1 Director	1	65 mins	S	
Nick Reid	14	1 Director	1	74 mins	S	
Lucy May	0	1 Director	1	60 mins	ST	

** Business Classification:

Sole Trader (ST)	1 Director and No employees
Micro Business (M)	More than one Director or 1 Director and less than 10 Employees
Small Firm (S)	More than 10 Employees

APPENDIX SIX

ILLUSTRATIVE EXAMPLE OF HOW QUOTES WERE CHOSEN

Table 6.1 which shows representative data on paying for advice was extracted from the data below.

Table A6.1 Data on Paying for Advice

Name	Quote	Used (Y/N)	Note
Julia	<i>"I am conscious that the accountancy firms say that they can offer you financial planning and so on and I have always sort of looked to that thought. What would you need on that front? I am not clear what that would offer me that I am not doing already and in some ways I am curious about it but I cannot afford it. So, it doesn't really come into the equation."</i>	N	Julia's quote shows that if she is paying for advice it needs to be buying skills or knowledge that she does not have. It also shows that cost is an issue because of the businesses lack of resources.
Alexander	<i>"Some of the things I have done there is join one of the kind of focus networking groups which is ten people, each from complimentary areas of business and within that there is an accountant, a lawyer, a technology provider, a recruitment consultant, facilities management people, so it quite kind of a good spread of knowledge and that has been a very useful way actually to get advice from people without perhaps having to pay full market rate.....one of the things when you are starting up is just really keeping control of your costs and making sure you can get money coming in but the money you are spending is investment rather than just spend for spend sake. So you are very focused in the bottom line and when you are in a big company it is someone else's problem typically. But when it is your money, it is a totally different ballgame."</i>	N	Alexander's quote shows that he is reluctant to pay the full market price for advice. It shows cost to be an issue which is linked with the lack of resources of the small business.
Juliet	<i>"I had a previous accountant, a large corporation accountant and then I met this lady at a small business networking even, and I moved to her because cost was a huge saving. And I guess she has grown her business from a small business so she has grown up. So I still get, I suppose, a good service from her for a fraction of the price of</i>	N	Juliet's quote shows that cost is an important factor in choosing her advisor. Implied in this is her focus on cost cutting as a result of the limited resources she has to work with.

	<i>maybe some of the bigger accountant companies.”</i>		
Robert	<i>“...we had taken advantage of Enterprise North-East trust when they have come along with various things and we tried a couple of kind of marketing cum advice guys there when they were offering a subsidized or free service or something just to see how that went.”</i>	N	Robert’s quote shows that he is not willing to pay for advice but will take it if it is free.
Mary	<i>“...we’ve got our accountant and our solicitor but they come at a very expensive price, you know, two hundred pounds an hour or whatever makes it very difficult. So we are very careful when we use them so because we’re a small business we can’t afford not to be.”</i>	Y	Mary’s quote shows that cost is an issue in using advisors. She links this to the small businesses lack of resources.
Frank	<i>“...the actual cost of these high profile solicitors and accountants were quite hefty and we actually changed very quickly to a set of accountants a little bit further down the food chain whose costs were a bit more realistic to the size and the level of our business.”</i> <i>“.....he knew the business we were involved in and also the fee structure was a bit more affordable for our type of business.”</i>	N N	Both of Frank’s quotes link the cost of advice to the businesses ability to pay the advisor.
Benedict	<i>“...I tend now to avoid, I have done for many years, because any time I try to use other people’s advice it’s never worked, and it’s always been ridiculously expensive.”</i>	Y	Benedict’s quote links the cost of advice to an expectation of appropriateness. His use of words also conveys and emotional or affective dimension to paying for advice.
Sandra	<i>“I do have one lawyer friend that I touch base with every now and then but she gives me free advice and she’s a well-paid barrister so I don’t trouble her unless it’s something really strategic cause I know she’s willing to help but obviously don’t wanna dry up your help. No, that’s probably who.”</i>	Y	Sandra’s quote shows that where there is no monetary cost, there are other relational costs or considerations which not paying for advice brings to the fore and which condition the interactions with the advisor.
Carmen	<i>“Yes we make a decision based on somebody’s reputation in that and also cost is a big factor, we cannot afford the big four as accountancy firms but if we were going to</i>	N	Carmen’s quote links cost to the businesses ability to pay for advice.

	<i>say in the Middle East that is who we would go to because we knew the competency would be there unless we found a further recommendation from someone in that country”</i>		
David	<i>“I think certainly in the smaller businesses, because business is so tough for them to make ends meet basically, there is more of a reticence to pay for proper advice. People do not like paying fees.”</i>	Y	David's quote shows an unwillingness to pay for advice. It also indicates an dislike for paying for advice

In choosing quotes, I looked at each quote and made a note on what I understood the respondent to be saying. I then grouped these to indicate the different views expressed by the respondents. This grouping is shown by the different colour codes on my notes.

Quotes were then chosen so that at least one quote from each colour code was represented in the Table 6.1.

Where several quotes expressed the same view, I chose the one that best represented the view being expressed.

APPENDIX 7

REFLECTIONS ON MY RESEARCH VOYAGE

INTRODUCTION

In a qualitative study such as this, the researcher is a research instrument as it is he who gathers analyses and interprets the data. It is he also who reports the research process and findings. In doing this, personal history, biases and peculiarities can and do influence the research process and output. I therefore feel that I am duty bound to give a reflective account of my research journey in the hope that it will exposes some of my personal biases and peculiarities, thus helping you to assess my awareness of these while conducting this research and writing up this text.

To do this, I will reflect on my educational background, personal experiences of strategizing and advice seeking and the research methods and process.

REFLECTIONS ON EDUCATIONAL BACKGROUND

My educational background is varied. I hold a bachelor's degree in law and another in applied accounting. I also hold a master's degree in international strategy and economics. Each of these has influenced me in some way. My time studying law made three key effects. First, was an interest which I developed in jurisprudence. This led me in the direction of philosophy and social theory. It also taught me to look at the how and why of phenomena. My taking a practice approach in this work and delving into the how of small business owner advice seeking can ultimately find its roots here.

The second effect of my training in law has had on me derives from a first year module in logic and clear thought were I was taught how to construct an argument (either inductive or deductive) with the premises being facts and the conclusion deriving from the premises. This has stayed with me and influenced my writing style over the years. Its influence is

evident in this work as I attempt to show links from my data to the conclusions drawn from its analysis.

The third effect of my legal training is accentuated by my training and work experiences as an accountant. It relates to my writing style. Writing in both professions is careful and as non-committal as possible to protect the writer from liability. This writing style is not well suited to such a work as this and I have tried to adapt my writing style. However, in places, it might still come through.

My studies for the master's degree in international strategy and economics were heavily biased towards economics, game theory and quantitative analysis of strategy. This had the unintended effect of making me more interested in the more qualitative explanations of how strategy is developed and has influenced my move towards exploring strategy through the lens of social theory.

It is this background and movements between disciplines that has shaped the ontological and epistemological stance which I have taken in this study.

REFLECTIONS ON MY PERSONAL EXPERIENCE OF SMALL BUSINESS OWNER STRATEGIZING AND ADVICE SEEKING

Growing up, my father ran a small business and he would very often talk with the family about the business over dinner. I also remember overhearing him talk with my mother a lot about the business and where he wanted to take it. When I showed some a desire to study to become an accountant, he would take me to meetings with his accountant and I would sit through their discussions which sometimes used to turn towards strategy and where he wanted to take the business.

These interactions with my father and his business impressed very strongly on me the social nature of strategy formation in small business and how family and accountants played a vital part as advisors to the business owner.

When I qualified as a chartered accountant, my first job was as an accountant for a small firm which had operated for one year prior to employing me. I was brought in to set up an accounting system as the management accounts had previously been outsourced. In the year I spent with this business, the owner wanted to expand operations. I ran several scenario models and advised against expanding as rapidly as the owner wanted to. My models and advice were rejected in favour of advice from a friend of the owners. The business tried to expand and ultimately failed. However, this episode impressed on me the importance of sound financial advice from professionals in strategy formation. It also impressed on me the dangers of taking advice from non-professionals or people without expertise in an area.

I recognize that these episodes as well as my training as an accountant make me biased towards accountants, and professionals as more valuable sources of advice. They also make me sceptical about advice coming from friends. I have tried to ensure that these biases have not affected my data collection and analysis, and the reporting of the research. However, it is for the reader to decide how well I have done this.

REFLECTIONS ON PROCESS

While this thesis presents a linear account of the research process, it was indeed far from being linear. I started out with an initial literature review for the proposal which was expanded on for the research methods modules which I undertook as part of the doctoral training. However, my principal supervisor advised me to conduct a pilot study very early on in the process as this would help inform the literature review and my research design. The process then became one of iteration, Literature sensitised the pilot study which then

informed a return to the literature. This in turn sensitised some more data collection which then led back to the literature and so on.

This iteration between literature and data collection lead me in different directions, sometimes in the direction of terra firma and sometimes in the direction of dark and stormy waters. These drifts into stormy seas were useful as they helped me refine my research question and shaped the theoretic framing of the study. This is exemplified in the progressive shift away from Bourdieu's theory of practice as the sensitising theory for the study. At inception, I had sought to uses Bourdieu's theory of practice especially his conceptions of capital, field and habitus as the sensitising theory for the field work and analysis. However, as I analysed the data and engaged more with the practice literature, a shift towards Schatzki's theory of practice occurred.

The voyages on dark and stormy waters were also valuable in another sense as they enabled me define the boundaries of the study and bring renewed focus to the phenomena under study. This is evident in the very many unexplored paths this study opens up but which have been left to others to explore.

REFLECTIONS ON METHOD

Early on in my doctoral studies, I attended a presentation on using NVIVO at the Scottish Graduate School of Social Science research methods summer school. At this presentation, we were shown how NVIVO could be used to aid a literature review and data analysis. I thought this was a great idea as my legal and accounting training had instilled in me the need to bring structure and organisation to my work.

I decided to use NVIVO to code my literature. I was adrift for three months doing this. Given the iterative nature of the methodology employed and the shifts in literature that this entailed, it is no surprise that I did not achieve much in terms of coding the literature.

However, this attempt to code the literature made me engage with the literature at a level that I might not have otherwise engaged with it. Thus the attempt to code the literature, while not achieving the aim which it set out to do was quite valuable in that it gave me a better grasp of the literature than I would otherwise have had.

The main method of data collection was the depth-interview. I had no prior experience of conducting depth interviews and so the first set of interviews for the pilot study were fraught with interviewing errors some of which stemmed from inexperience and others from being nervous. I recorded these interviews and played them back repeatedly to enable me reflect on them and how I could improve my interview technique. Reflecting in this way enabled me adjust my technique at subsequent interviews and also enabled me build confidence.

CONCLUDING REMARKS

I have given a reflective account of my research journey in the hope that in doing so I have exposes some of my personal biases and peculiarities which while I have tried to be aware of and control might have impacted on this study. I leave it to you, the reader, to judge if this is the case as you accompany me on my voyage. It is time then to wish you **Bon Voyage!**