

FOCUS GROUP REPORT

**SOME QUALITATIVE PERSPECTIVES OF
THE BIZ DEVELOPMENT SERVICE
AMONG MAORI PEOPLE**

PREPARED FOR

MINISTRY OF ECONOMIC DEVELOPMENT

BY

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APPENDIX I: RECRUITMENT SCREENER

A. INTRODUCTION AND BACKGROUND

The government currently runs an assistance programme for small business. The programme endeavours to deliver assistance of an informational, training and mentoring nature. It has been in place some 14 months.

Briefly, the programme consists of two components:

- a. **BIZinfo:** Providing an information and referral service. This is delivered via an 0800 number, as well as from individually listed numbers for most provincial centres. The service is also accessible by personal visit at the 'shop fronts', and for some purposes, via an internet site.
- b. **BIZ:** This aspect of the programme delivers free assessments, training, mentoring, and networking services through appointed contractors who have expertise in a variety of fields.

This report covers a small part of a wider evaluation of the assistance programme to small business. Readers may wish to consider it in context with the other four market components of the evaluation, being a survey of awareness among small firms, a survey of usage and satisfaction among users, a mystery shop of the BIZinfo service, and a series of interviews among providers of business education and other services funded through the programme.

The purpose of this particular component was to complement the information from the structured market studies mentioned above with more qualitative, free-ranging information. Its role was to provide an avenue for learning whether there were variations in the BIZ service that might produce greater reach to, and fit for Maori men and women. A parallel separate exercise was undertaken among Pacific Island people, and is reported separately.

B. OBJECTIVES

The broad objective of this research was to enable more free-ranging feedback of the way Maori men and women in small firms experienced the BIZ training services. It allowed for identifying any changes in the programme which would improve its awareness, reach and delivery to Maori, as expressed by people who had used the service and might therefore be in a position to contrast their actual experience with a preferred experience.

The researchers put forward a number of aspects during the discussion which could be expected to relate to BIZ service delivery. These were:

1. The route by which people came to the service, and whether there were other ways that would help spread awareness and use.
2. Whether people were conscious of an assessment of their needs being made, as is required under the Ministry's guidelines for providers.
3. The preferred form of service. The BIZ programme offers mentoring, networking, seminars, and courses. The research sought to clarify whether any of these forms attracted a greater affinity with Maori or were felt to be of greater value.
4. Whether the time, place, or manner of delivery of the services could be advantageously changed, from their point of view.
5. Whether a perspective was held in relation to generic training in business as against "own-business" help.
6. Attitude to paying fees for the BIZ services, and likely impact on usage.
7. Whether qualification or certificates were desired, as an aspect of the BIZ courses.
8. What obstacles they felt were greatest in their development and growth of their own business.
9. Whether there were cultural "ways of thinking" or "ways of doing" that they felt needed to be considered in getting more people like them to succeed in business.

C. RESEARCH METHOD

The method engaged was qualitative, and its implementation was on a relatively small scale. This is in keeping with this component being complementary to the larger survey of people who had attended BIZ courses.

Implementation of the research was as follows:

1. Lists of names of participants from courses provided by approved Palmerston North and Auckland BIZ, business education providers were obtained.
2. A recruitment screening pattern was developed by which to check the eligibility of each person. This was to ensure the person identified as being Maori, was a key decision maker in a small business, and had received business training services under the BIZ programme. See Appendix I.
3. Those willing were invited to the venues in these two cities, where they participated in a discussion session lasting in the region of 1½ hours. These were held on weekday evenings in September 2000.
4. Four focus groups of 6-7 people each, two with men and two with women, were recruited and conducted in this way.
5. The discussions were moderated by two researchers who were familiar with the BIZ programme through involvement in the other parts of the evaluation.
6. The outcome of the discussions is summarised in the findings which follow. Being qualitative and based on a small scale study, they should be viewed as an impressionistic perspective, rather than as definitive.

D. EXECUTIVE SUMMARY

Four focus groups, two with women and two with men, were conducted among Maori in small business, who appeared on the lists of BIZ training providers as having received a BIZ service. These were intended to provide complementary information to an earlier survey among users, specifically of a more open-ended and qualitative kind. The information, by its nature, is designed to provide insights and impressions rather than definitive statements of fact.

1. It was evident from the group that BIZ providers had operated the eligibility criteria liberally since the groups included people ranging from those figuring out how to set up, to those setting up, to those firmly in small business in the classically understood sense.
2. The most common reaction among Maori to the experience of having done one course with BIZ, was the feeling that they would like to do more and generally needed to do more. With the exception of where a person had been essentially misplaced into a course they were too advanced for or not advanced enough for, people felt the courses had been good in their content and delivery.
3. Among those at entry level, the presence of a Maori person as trainer was valued, largely in giving confidence and, on occasion, inspiration. The more established the Maori business person, the less significant this consideration became.
4. Although it was uncommon for people to have much awareness of having been individually assessed for their needs, this did not reflect itself in any dissatisfaction with the courses people subsequently were placed in. With some exceptions, small business people in these groups felt the courses they attended filled a need for them.
5. Where the Maori business person was already relatively established in business, certificates for the courses were of low interest. Where the person was at entry level, the initial interest expressed was higher, but faded upon closer consideration. Certificates were not seen to be the route of the owner-operator, nor were they commercial currency.
6. Fees for BIZ courses were resisted largely on the grounds that cash was tight for the entry level person and the value of a course not easily judged in advance of payment. At the same time, it was acknowledged that people like themselves may not value something that was given free and that a charge would ensure more diligent attendance. While the BIZ courses are establishing their value position, it may be practical to begin with smaller "registration and resources" style fees.
7. For those at early or entry level to small business, the seminars and courses were appealing as the form of delivery. The more established the business, the greater the appeal of the mentor approach for the very specific and actionable understanding and advice that could be obtained.

8. These Maori small business people raised some ways of thinking which they felt stood in the way of them, and Maori people generally, advancing more rapidly in business. These included being less commercially aggressive in things like market pricing, often having backgrounds in community work where work was for aroha rather than money and where payment by koha blurred the true economic value of the services given. Lower market acceptance through having shorter track records, and the possibility of people being reluctant or over-cautious when doing business with Maori due to media highlighting instances of under-performance, were also raised.
9. These Maori business people reflected an expanding awareness of business paradigms and a sense of needing to go further in developing the savvy that was required to make a business succeed. BIZ was seen as a useful source for accomplishing this.
10. Finance, or what some called "funding", and the difficulty of obtaining it, was spoken of as the largest obstacle to developing their small business. They expressed some frustration at not being able to inspire lenders, or obtain business credit. BIZ could usefully include a module to lift the level of thinking and dialogue about raising capital, in order that Maori people in small business then approach lenders with the kind of balanced understanding that will attract the lender's confidence.
11. Although an equal number of women and men were involved as participants in the focus groups, the moderator could not detect systematic differences between the two. This may be a factor of the small scale nature of the research, or may reflect a genuine similarity of approach to BIZ training in the two genders.

E. FINDINGS

1. WHO IS USING BIZ SERVICES?

- These focus groups do not purport to profile the Maori users of BIZ services in any cross-sectional way. What they do is to give some perspectives of the nature of people who have attended in relation to small business on the one hand, and to the operation of eligibility criteria by the providers on the other hand.
- It was evident from the groups that BIZ providers had operated the eligibility criteria relatively liberally, in admitting people to their courses. While some presented as firmly established in operating enterprises, others were "in business" largely in the sense that they saw themselves as putting in place necessary elements of a business they had chosen to be in, and seeking finance, expertise, etc. Still others were at a more pre-business stage where they were working through the thinking of being self employed and sketching out pathways for how this could become a reality.
- Two useful points emerge in relation to how the eligibility criteria are applied:
 - * Firstly, it could not have been easy for providers to apply the criterion of being "in business" or even an "established" business. The impression is gained that in their eagerness to attend courses, people tended to self-classify as being "in business", blurring any more precise definition.
 - * Secondly, when the tighter definition is put to these people, they respond with the view that excluding those on either side of the threshold of entering business would limit the opportunity for more Maori to take up small business and self employment.
- In each group, but more particularly among Maori women, participants working from a base of trusts, charitable organisation or marae based initiatives described approaching BIZ courses from one or both of two viewpoints:
 - * Recognising that non-profit organisations had to be viewed in a business perspective and run in a businesslike manner if they were to survive and fulfil their purpose. The competence to raise funds, win delivery contracts, and to demonstrate outputs was, for example, cited as a driver.
 - * That the experience of working in trusts and community based organisations had given them some confidence in their business or management ability and, from that, the thought that they could equally run a for-profit business under their own ownership.
- The groups gave the impression that Maori in small business, much like small business people at large, are often springboarding from the base of an individual skill or trade, i.e. they have developed a personal skill or trade in building, design, computing, entertainment, cabinet making, and so on, and are now seeking to become initially self-employed, with their own client base, and then, all going well, employing others also. There were also those in the groups who had passed this point and were established employers in firms that were trading competitively.

2. EXPERIENCE OF BIZ SERVICE DELIVERY

- Those participating in the groups recalled a range of topics they had received courses for, e.g. forecasting, marketing, cashflow management, taxation, and so on. Little conscious distinction was made between shorter seminar and longer multi-week courses, and little spontaneous comment was offered on the perceived efficacy of these. The impression was obtained that Maori users of BIZ, no doubt with the guidance of the providers, were finding their way into courses of a relatively good fit as to length and topic.
- The most common reaction to the experience of having done one BIZ course for Maori participants was to be left feeling that they would like to do more, and often enough a self appraisal which said they needed to do more for their own business advancement. With only occasional exceptions, people felt the courses had been good in their content and delivery. The exceptions were instances where the person had come into a course too advanced for what they were ready for, or had not got onto a good footing with their mentor. There was also the situation where a person found themselves on a course insufficiently advanced for what they were ready for. This tended to express itself as frustration with the "generic" or "superficial" nature of the material they had been delivered.

The overall impression emerging from the discussion groups among Maori was that where there had been no misfit in the sense of matching the person's readiness to the level of the course, there was satisfaction with the course content and delivery.

- While it did not get put forward as a predominant theme in the Maori groups, some participants expressed taking confidence from the fact that they knew their course was for Maori. To the extent that an impression can be formed from small scale work, this attracted affirmation from others in the groups in direct relation to their level of establishment in their business. The more established and the greater the longevity of their business to date, the less significant this consideration appeared to be to them.
- Where the group moderator sought opinions on improvements in the BIZ courses or services, the response was sometimes in terms of BIZ providing mentors or tutors who had (still) more experience in business on the one hand, and/or were more inspirational in delivery style on the other. Aside from BIZ providers growing their staff's consciousness of teaching skills and values, this is an aspiration common to many teacher-student formats.

3. THE EXPERIENCE OF ASSESSMENT OR DIAGNOSIS

- One requirement of providers in the BIZ programme is that they assess or diagnose the nature of each business person's need, before assigning them to a service that responds to that need. The purpose of this is to minimise the extent to which providers may set up a range of modules that they feel competent to supply profitably, and then simply fit business people into these.
- Probing people's recollection of the experience of being assessed produced variable responses. In some cases the recollection was clear and unequivocal. This tended to be among relatively more established business people who had a topic preference and ensured the assessment dealt with it. For the balance of respondents, there was less likely to be a recollection of a specific nature, except perhaps for a sense of being streamed to a particular topic, or a course suited to how advanced they were. With the exceptions described above, this assessment, or lack of it, was not of great significance to Maori business people in the groups. This appears to be accounted for by the fact that many were at entry level in terms of their own business, or not far from it. As such, they had business training needs, as they saw it, across a range of topics, none of which needed to be sequenced as priorities.
- It would also be fair to give some credit to the providers in this regard, who appear to have put up a menu of options that attract a good fit from many Maori small business people.
- Greatest recollection of, and esteem for, the diagnosis step among Maori business people was in relation to the use of mentors. As is inherent in the one-to-one framework, a very specific understanding of what the business person most needs to know for their next step emerges in this interaction.

4. WHETHER CERTIFICATES ARE DESIRED

- The question of whether the gaining of certificates at or through BIZ courses would add to the appeal or the value of these courses to them as Maori people in business, was raised by the moderator.
- Initial reaction among the less established business operators was to welcome the idea. Initial reaction among the operators of more established businesses was to dismiss the idea.
- Among more established business people, there was a feeling that certificates were a side issue. They were attending BIZ courses to sort something out, do something quicker or better, or do something that they had to pay someone else to do at present. If anything, the more established Maori small business person is likely to be turned off BIZ courses if they sense that their purpose is qualifications of certificate oriented - viz. a learning-related experience rather than an earning-related experience.
- The initial positive reaction to the idea of certificates by Maori business people at entry or threshold level related to the thought that they would have something to show at the end of the course - proof of having coverage of a topic.
- However, as those who initially liked the idea of certificates discussed the idea further, they progressively whittled away at its appeal. Points that finally tipped the scales toward a negative conclusion for them included:
 - * that certificates took their minds back to their earlier days of study, rather than connecting with their newer focus on operating a business,
 - * that certificates were connected with getting a job from someone or some company, they weren't connected to being your own boss,
 - * that certificates couldn't usefully be taken to a bank manager - as an illustration that qualifications as such were not the currency of commerce.
- Readers of this section may wish to keep a distinction between "certificates of learning", whether exam based or attendance based, and "certification of competence". The latter were not discussed, as they are a different concept. It would be reasonable to expect competence certification to appeal to business people on the grounds that they could market this to their client base, viz. a trading benefit.

5. ACCEPTABILITY OF PAYING FOR BIZ SERVICES

- The group moderator raised for the group's consideration, the acceptability of paying a fee, unspecified as to amount, for obtaining training or mentoring through BIZ.
- In their reflections on this idea, Maori business people raised points both in favour and against. In favour of the idea were the following aspects:
 - * A perception that things that were free or very cheap were often not valued highly, whether by the users (business people) or the providers (trainers). This took the inflexion that either side of the training could be taken more lightly when there was no fee.
 - * Once the courses had established a "good value" positioning, business people would see the necessity and buy into the courses, just like other important inputs to the business.
 - * Where people had paid to attend, they would more likely attend all sessions and be more likely to try to pull value out of it for their business.
- Opposing the introduction of fees were the following points:
 - * Those being trained could not tell what they would be getting for the money with any confidence, in advance.
 - * Cash was normally tight in small business, and even more so among those on the threshold of entry to self employment. Only modest sums could be contemplated to prevent raising resistance, or discouraging some would-be participants.
 - * The knowledge that if it came to paying for training, then there were many forms of training out in the open market that were fee based - the inference being that these had not attracted people like themselves to participate in training.
- A reasonable resolution of these considerations may be to:
 - * Charge no fee for entry level courses or those services that are currently being favoured by pre-business people permeating through the eligibility criteria.
 - * Begin with something like a "registration-resources-refreshment" flat fee for those courses more readily identified as being utilised by stable and operating small business firms. Once the value positioning of the courses is secure, find a fee level that maximises (quality) attendance rather than one that seeks a substantially self funding position.

6. PREFERRED FORM OF SERVICE

- BIZ training services cover essentially four ways of strengthening the skill base of small firms. These are seminars, courses of various length, networking between small business, and mentoring.
- The appeal to Maori men and women who participated in the focus groups once again related to how far along the process of setting up a business they were, and if established, what the trading longevity of the business had been.
- For those at entry level or either side of the threshold of being their own employer, "form" was much less in their minds than content or topic. They tended to recognise that there were a considerable number of topics they needed a grasp of, in order to endure and succeed in a business. These were often deliverable by any of the training forms, and often a generic presentation rather than a customised one was up to the task of delivering it to them. For example, business planning, marketing and advertising basics, wages and PAYE, and so on.
- For those who were more securely established and operating, they tended to have a "next most necessary" kind of thinking on the one hand, and a greater desire for own-firm relevance on the other. This mainly drove them to be more topic selective, but it also raised time pressures for how long and how frequently they could be away from work. Unlike those in the formative stages, daytime courses were less easily fitted in, early pre-work and evening post-work options were more feasible.
- Mentoring, given that the mentor had the necessary skills and experience, was seen as most appealing. This stemmed from the very specific knowledge that the business person could obtain about running their business. Information of immediate commercial value or operational value could be obtained, mistakes could be avoided.

Morale and personal encouragement was also raised in relation to mentors, though there was also mention of inspirational course leaders in relation to training courses.

7. CULTURAL ASPECTS OF DELIVERY OF BIZ SERVICES

- The focus group moderators raised with Maori business men and women attending the groups, the question of whether they saw any cultural considerations being usefully brought to bear within the BIZ services to help more Maori establish and endure in small business.
- The discussion in response to this probe raised some thoughts from participants about what might be holding Maori back in this regard. These included:
 - * That for those Maori with backgrounds in the marae way of doing things, meaning mutual help, contributions according to ability, the relatively smaller role of accounting for things in dollar terms, and working for "aroha" rather than money, the business approach of the mainstream market took adjusting to.
 - * That what they referred to as "our thinking" or, in contemporary jargon, their mindset in the business arena, needed to be more commercially aggressive - for example, charging market prices for goods or services, rather than what they may think something is intrinsically worth.
 - * That non-Maori had been in business mode for a very long time, while Maori were only now coming on board - viz. a short history of recent experience to go on.
 - * That the concept of "koha" was not advantageous background thinking in business because it did not reflect true economic value.
 - * That loyalty to whanau in choosing a person to employ could be counterproductive, and that Maori could usefully select employees solely on the skills they have.
 - * That Maori acceptance in the marketplace might be lower than that for non-Maori - for instance, possible reservation in using a Maori contractor or supplier because he or she may be assumed to have less of a track record in the service or product, whereas the non-Maori may be given the benefit of the doubt.
 - * That stereotypes of Maori based on media reported instances of non-performance would make business connections like bank managers or customers or suppliers reluctant or overly cautious in dealings with them.
- The Maori businessmen and women in the groups were conscious of the paradigms that business worked on, and aware that they needed to have a good grasp of them to succeed.
- While some did raise the view that Maori trainers/tutors were a plus in the sense of rapport and motivation, and in one or two cases inspiration, this was not put forward as a specific requirement of business training. Here again, the newer the person was to small business set-up, the greater appeared to be the appreciation of having a Maori person in the trainer role. The more advanced the business, the greater the self reliance and the greater the emphasis on content and application.

8. PERCEIVED OBSTACLES TO SUCCESS

- Since BIZ training is designed to help small business people upskill and overcome the obstacles to business survival, the moderator asked the participants what they saw these to be.
- General to each group was the feeling that skill levels in the sense of knowing how to carry out each of the essential small business tasks, were not widely in place among Maori and needed to be built up. BIZ services appeared to be addressing these, but it would take time for a given business person or firm to cover all the bases.
- Mindsets that were business savvy, as described in a previous section, was another. More Maori were thought to need to acquire this and more often at a fuller level.
- Most overtly raised in this regard was the notion of finance - or, as some tended to call it, "funding". It was common to hear frustration expressed at each group about the lack of funding or the unwillingness of say a bank or other loan source to provide finance.
- While there were some in the groups who had been through borrowing and repaying cycles, a common approach was to feel that lenders were unfathomable in their reluctance to provide loans on what, for the business person, was seen as a good prospect. Participants appeared miffed by their inability to inspire credit, and daunted by the "paperwork" that lenders tended to ask for.
- Participants showed a lack of perspective in regard to raising finance, which in itself is likely to create unease in prospective lenders. There was little consciousness expressed of the repayment and interest servicing needs of the lender, and whether or how the risk should be factored. This essentially pre-business thinking in relation to finance is one that BIZ could usefully address among all small business people, since it is unlikely to be confined to the Maori business people in these particular focus groups. A more sophisticated understanding of the lender-borrower relationship would put current frustrations aside and release attention for other issues, while very likely making better impressions among lenders for small business people.

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