



A model small business management curriculum for two-year post-secondary institutions in Montana
by James Laurence McCabe

A thesis submitted in partial fulfillment of the requirements for the degree of MASTER OF SCIENCE
in Business Education

Montana State University

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Abstract:

The initial inquiry for this study was made when this researcher became aware that 80 per cent of small businesses cease doing business within five years. There was a high correlation between small business success and business educational training and technical business assistance.

The primary problem of this study was to determine whether or not any significant differences existed between small business managers who had business educational training and technical business assistance and those who did not have training or assistance.

The secondary problem of this study was to compare two-year post-secondary business education curriculums in Montana with two-year post-secondary small business management curriculums from institutions in other states. Upon completion of this comparison, a model small business management curriculum was designed for two-year postsecondary institutions in Montana.

The review of literature supported the statement of the problem that there was a need to develop a model small business management curriculum. Business education training and technical business assistance were identified as important criteria in determining the success of small business managers. Components for a small business management curriculum were also identified. The findings of the review of literature were used to construct a survey of small business managers in Montana.

The Small Business Management curriculum prepared students for mid-management or manager/owner of a small business. The curriculum was two years in length. Training included personnel management, planning, and operating a business, business credit, decision making, human relations, marketing, and other business skills.

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A MODEL SMALL BUSINESS MANAGEMENT CURRICULUM FOR
TWO-YEAR POST-SECONDARY INSTITUTIONS IN MONTANA

by

JAMES LAURENCE McCABE

A thesis submitted in partial fulfillment
of the requirements for the degree

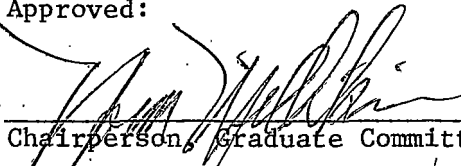
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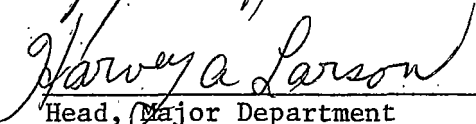
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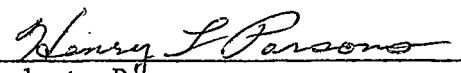
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ABSTRACT

The initial inquiry for this study was made when this researcher became aware that 80 per cent of small businesses cease doing business within five years. There was a high correlation between small business success and business educational training and technical business assistance.

The primary problem of this study was to determine whether or not any significant differences existed between small business managers who had business educational training and technical business assistance and those who did not have training or assistance.

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Chapter 1

INTRODUCTION

There is a significant number of small business managers who are failing. In 1960 Theodore Johnson (1960:1) stated, ". . . of these new businesses, about one-third are sold or liquidated in the first year; roughly another 15 to 20 percent in the second year; and as high as 70% by the end of five years." That is an alarmingly high failure rate. Worthington (1973:VI-1) stated, "For every successful entrepreneur in 1973, there are four who will fail." Four out of five failures is 80 per cent. The failure rate of small business has not been reduced in thirteen years but has increased by 10 per cent.

The two-year post-secondary institutions have provided inadequate educational training to specifically aid in the development of successful small business managers. "From all that we know of successful enterprise development, there has in the last thirty years been a high correlation between business success and educational background (Worthington, 1973:VI-1)." This is the basis for this master study. Knowing that this high correlation of business success and education does exist, this study is necessary to develop a curriculum in the two-year post-secondary institutions in Montana to aid in the success of small business managers.

A survey of Barron's Guide to the Two-Year Colleges (Graham, 1972) revealed that there are only 44 out of 1,230 two-year colleges in

the United States that are offering a small business management curriculum. None of these institutions exist in Montana. There is a definite need to develop a small business management curriculum in Montana.

In addition to business educational training, technical business assistance is also desperately needed. According to the SBA Economic Review (1972:3-4):

. . . the primary requirement for entry and survival in business in the years ahead will be the acquisition of technical and managerial skills needed to cope with rapid change. Accordingly, agency programs to protect and strengthen the competitive position of the small business community should be so shaped as to satisfy this paramount need.

The reasons for small business management failures are attributable primarily to poor management and business skills. The current business curriculums are not meeting the needs of the small business managers as evidenced by the high failure rate.

Managerial competence in small firms is often seriously diluted by uncritical adherence to the belief that the principles of management are applicable in companies of every size. When this belief extends beyond managerial generalizations of the broadest scope, serious problems often arise (Cohn, 1972:1).

STATEMENT OF THE PROBLEM

Small business in the United States, as well as in Montana, represents a major portion of our economy.

Over the years government statistics have shown that 80% of all businesses cease doing business within five years. An article in Federal Times (August 5, 1970) indicated that of the nearly 390,000 businesses begun each year, 320,000 fail in their first year of operation (Worthington, 1973:Notes VI).

There is a definite need to develop a model small business management curriculum to improve the survival rate of small businesses in Montana.

It was necessary to determine the educational training and technical assistance needs of the small business managers. Null hypotheses to the .05 level of confidence were used to determine the answers to the existing problems in this study.

Null hypothesis number one. There is no significant difference in the success of small business managers who need business educational training and the success of small business managers who do not need educational training.

Null hypothesis number two. There is no significant difference in the success of small business managers using business educational training and the success of small business managers who are not using business educational training.

Null hypothesis number three. There is no significant difference in the success of small business managers who need technical business assistance and the success of small business managers who do not need technical business assistance.

Null hypothesis number four. There is no significant difference in the success of small business managers using technical business assistance and the success of small business managers who are not using technical business assistance.

Null hypothesis number five. There is no significant difference

between small business managers who need business educational training and small business managers who use business educational training.

Null hypothesis number six. There is no significant difference between small business managers who need technical business assistance and small business managers who use technical business assistance.

NEED FOR AND BENEFIT OF THE STUDY

Eighty per cent of the small businesses are failing within five years. This is an alarmingly high rate of failure. There is a definite need to help small business managers from failing. Leading authorities have identified two major areas of failure by small business managers: poor management skills and the lack of technical assistance.

This study is necessary to determine which small business managers need educational training to improve their management skills. This study is necessary to determine which small business managers need technical assistance. This study is necessary to determine which two-year post-secondary institutions in Montana can provide educational training to small business managers. This study is necessary to identify which governmental agencies and private agencies can provide technical assistance to small business managers.

There are benefits which can be of value to small business managers in Montana from this study. Small business managers can use criteria from this study to determine if their small business is

successful or needs managerial training or technical assistance. A model small business management curriculum will be developed for small business managers which can be used in two-year post-secondary institutions in Montana.

LIMITATIONS

This study is limited to two-year post-secondary institutions in Montana.

This study has been specifically limited to aid small business managers in Montana.

This study has been limited to the development of a model small business management curriculum for two-year post-secondary institutions in Montana.

DEFINITION OF TERMS

Definition of terms is needed to clarify the meaning in which these words are to be interpreted in this study.

Small business. Small business is divided into three categories: manufacturing, wholesale, and retail trades and services. The Small Business Administration defines small manufacturing as a business that employs 500 or fewer people. A small wholesaler is defined as having annual sales or receipts of less than \$5,000,000. Small retail trades and services have sales or receipts of less than \$1,000,000

(Parris, 1968:7).

Two-year post-secondary institutions. This definition includes the following two-year post-secondary public schools in Montana: Dawson Community College, Flathead Valley Community College, and the Vocational Technical Centers at Butte, Helena, Great Falls, Billings, and Missoula.

Small business managers. Small business managers: For purpose of this study, managers of business firms which have only one major level of management. The study focuses on the manager who has the highest line authority in each of the small businesses surveyed (that he might also own the business would have no effect on the definition) (Pickle:1964b:4).

Business educational training. This includes but not limited to these areas: personnel, planning, financial control, decision making, growth potential, community relations, marketing, and business credit.

Technical business assistance. Such assistance includes:

- (1) management consulting teams; (2) Small Business Administration;
- (3) trade associations; (4) trade journals; (5) professional accounting help; (6) supplies; (7) Chamber of Commerce; (8) Service Corps of Retired Executives; (9) Small Business Investment Companies;
- (10) Active Corps of Retired Executives; and (11) suppliers.

Successful small business manager. A person who uses business educational training and uses technical business assistance.

Small business failure. A business that is sold or liquidated. The causes of failure include but not limited to lack of technical business assistance and business educational training by small business managers, competition, economic or social changes, government regulations, inadequate sales, and/or financial difficulties.

Manufacturers. The primary function of the business is to produce material into goods which are sold to other businesses or consumers.

Wholesaler. The primary function of the business is buying goods from manufacturers and reselling goods and/or services to other businesses.

Retailer. The primary function of the business is buying produced goods and/or services from manufacturers/wholesalers and selling these goods and/or services to consumers.

Services. The primary function of the business is providing intangible (non-good) activities, benefits, or satisfactions and selling these services to other businesses or consumers.

Chapter 2

REVIEW OF LITERATURE

Some existing dissertations which were related to small business management curriculums were found to be beneficial to this study.

Diligence was used in the review of literature to identify important material which directly related to this study. This review of literature was divided into several important sections.

IDENTIFYING SMALL BUSINESS

Small business has been defined by many authors and government organizations. The Small Business Administration, which was begun in 1953, defined small business several different ways to encompass inflation and economic growth. The definition used in Chapter 1 of this study which was quoted from Small Business Administration represented most of the review of literature. This definition stated that small business manufacturing had less than 500 employees, small business wholesaling had less than \$5,000,000 gross sales or receipts, and small business retail trades and services had less than \$1,000,000 gross sales or receipts. This definition comprised ". . . 95% of all private business firms in the United States, which account for 51 percent of the nation's business employment, and which furnish over 43 percent of the privately-produced Gross National Product (Carson, 1973:XVI)." Yet, over the years government statistics have shown that 80 per cent of all

businesses cease doing business within five years (Worthington, 1973: Notes VI).

Small business managers were the highest line authority in each small business that had only one major level of management. This person may or may not have been the owner of the business (Pickle, 1964b:4).

Identifying Success Among
Small Business Managers

Hal Pickle (1964a:1633) stated that an analysis of the personal characteristics of managers was necessary to identify success characteristics in business managers. These personal characteristics included thinking ability, human relations ability, drive, communication ability, and technical knowledge.

Some of the elements needed for a small business manager to become successful were technical knowledge, ability to handle people, motivation, and personal financial resources (Dible, 1971:42). Decision making by the small business managers was vital. A successful small business had a manager who delegated authority to his staff. Small business managers gave staff responsibility and the freedom to complete their assigned tasks. The manager of a small business did not pretend to know everything and delegated authority. Included in decision making were elements of planning and organization. Successful small business managers were persons who used business education training and technical business assistance.

Identifying Management Problems
Among Small Business Managers

There were internal and external reasons for business problems. Internal considerations were the management practices with the business, while the external factors were changes that affected the business, such as competition, government regulations, and economic or social changes in the community (Worthington, 1973:X-38).

Most of the small business failures were related to the internal profitability of the business. In The Report of the President's Task Force on Improving the Prospects of Small Business (1970:28), Dun and Bradstreet was used to determine the apparent causes of small business failure. It was stated that 40 per cent of the failures were due to inadequate sales, 14.2 per cent were caused by heavy operating expenses, 8.7 per cent were due to difficulties with receivables, 4.4 per cent were caused by excessive fixed assets, 3.3 per cent were because of a poor choice of location, and 21.9 per cent was because of competitive weakness.

Wayne (1972:170-171) suggested ways which small business managers could have avoided failure. First, they need to recognize the danger signs of bankruptcy. When a small business could not pay its creditors because of an unforeseeable financial business crisis, then it was necessary for the small business manager to contact his creditor and ask for help. Overhead costs were extremely dangerous to the success of a small business.

If overhead runs rampant, the company must act fast to stay alive. Within two weeks, each overhead item from personnel down to the company yacht should be analyzed for its total cost. After analysis, cuts should be made instantaneously. Fast and definite action will leave a highly efficient and motivated company (Wayne, 1973:32).

The lack of managerial competence was often seriously impaired by small business managers who used large business management principles to operate their small businesses. Cohn (1972:1) established that small businesses by their competitive nature had to use different management techniques than large businesses in order to survive.

External factors were identified with small business problems. A decline in the business market was due primarily to product obsolescence or aggressive competition. To overcome these problems, the small business manager had to increase sales, methods of distribution, or new product innovation.

Other external factors were cited for failure in small business. A deterioration of the business population, change in the economic business conditions, and social and cultural influences were important in defining small business failures (Samli, 1962:129).

Binford (1957:436) concluded that there were several problems that small business managers had. These deficiencies included inadequate managerial training, managers were hampered by physical limitation, the managers lacked adequate technical assistance, managers were not keeping informed, and managers did little problem solving. That study was completed twenty years ago and is just as relevant today as it was then.

The lack of management training and technical assistance were the main reasons cited for the failure of small businesses. However, this knowledge has not been used by small business managers as evidenced by the high failure rate. Eighty per cent of the small businesses fail within five years. A possible conclusion was that small business managers were unaware of the educational training and technical assistance available to them.

THREE DEVELOPMENTAL STAGES FOR SMALL BUSINESS MANAGEMENT

Various sources of literature related to different developmental stages in business, i.e., Worthington (1973:VIII-11) stated, "In practical terms it becomes possible to differentiate between the types of assistance and training needed in terms of a short run (1-3 years), intermediate (3-5 years), and long run (6 years and beyond) problems." These three stages were then identified for purposes of this study as: (1) starting a business (0-2 years); (2) growth stage (3-5 years); and (3) maturity stage (6 or more years).

Starting a Business (0-2 Years)

Three basic steps were identified as necessary for a small business manager to start a business. The first step was for the small business manager to recognize what he wanted to accomplish. Next, the manager had to secure the financial resources to start the business.

Finally, the small business manager had to prepare the business for operation (Dible, 1971:XXIII).

To survive the initial start of the business, the business manager had to have a thorough technical knowledge and managerial training. Without those two key elements, business managers often failed. Financial assistance for new small business managers was unique to their needs. One of the characteristics of successful managers was their use of personal financial resources. In addition to these resources were personal loans and short-term loans from commercial lending institutions. Management and organization of the business was also important in starting a business. The review of literature indicated that most small business managers did not have the technical training to organize and operate a business.

"From all that we know of successful enterprise development, there has in the last thirty years been a high correlation between business success and educational background (Worthington, 1973:VII)." This is true because well-educated people were more likely to seek help if needed. Pride was also a factor in seeking management training when starting a business. Even with the understanding that managerial training and technical assistance was needed, pride had prevented some small business managers from succeeding.

Small business had two major advantages over large businesses. Small businesses were more flexible and were capable of allowing the

manager to make quick decisions. Small businesses were more efficient and were capable of specializing and catering to their customers (Cohn, 1972:2-3).

Growth Stage (3-5 Years)

"If a company is to grow, it will come face to face with the problem of change. The future of the company will depend on how management handles this problem. Management must ask, How much change is needed to get a particular result (Wayne, 1972:155)?"

Change in a small business was essential for survival. If a small business manager had become stagnant, competition would drive him out of the market place. If growth was too rapid, then insufficient capital, poor decisions, insufficient data, or loss of managerial control could cause failure.

The small business managers who experienced growth had to have technical assistance which would meet their needs. Growth was never constant within the small businesses. Business decisions were of a technical nature and were of major importance to the small business managers within the intermediate growth stage.

Historically, technical skills such as engineering, physics, and chemistry have played a key role in most of our higher growth business development. In fact, the only documented areas of higher growth small business success have required skills in one or more of these technical areas (Worthington, 1973:VIII-16).

Financial assistance was an important criteria for growth of small businesses. Rich (1964:5644) concluded that "the managers

encountered difficulties that pertained to all aspects of their accounting records." Most small business managers were unaware of the most basic key business ratios which were necessary for business management. There was numerous related literature that was available for small business managers to use ratio analysis. Dun and Bradstreet had several sources available: (1) Key Business Ratios in 125 Lines, (2) Dun's Review and Modern Industry, and (3) Cost of Doing Business.

Small business management has needed to plan for growth. Most small businesses lacked even the most casual amount of planning. Growth rates needed to be identified by small businesses in terms of profitability, capital, sales, employment, and skill development. Planned growth developed a successful business. Profits were spent wisely for continued growth and expansion of the small business. One of the ironic results of growth was usually that the small business manager lost control or sold the interest in the small business to a larger firm when merging took place. Most profitable small businesses were usually absorbed by larger businesses.

Maturity Stage (6 or More Years)

Technical problems were different from those of the short run and intermediate stages of technical assistance. Internally, some of the influences on profitability were (1) the allocation of overhead items in setting selling prices; (2) policies and practices in granting credit; (3) inventory control in relation both to sales and operating

capital; (4) balancing of assets; (5) management of both current and long-term liabilities; and (6) apportionment of earnings to current liabilities and future growth (Sanzo, 1970:3).

Small Business Investment Companies were used as a means of supplying equity capital or venture capital to the small businesses in the maturity stage.

"Equity Capital" means funds received by a small concern from a licensee as consideration for the issuance of the small firms equity securities, which may be certificates of stock or debt instruments providing potential ownership rights or privileges. "Venture Capital" means SBIC financing through purchase of common or preferred stock, any right to purchase such stock, or debentures or loans (whether or not convertible or having stock-purchase rights) which are subordinated to all borrowings of the small concern from other institutional lenders and have no part amortized during the first three years (Carson, 1973:69).

Those definitions of equity capital and venture capital have had a significant impact on small businesses. When a small business reached the long-run maturity stage of development, they needed equity or venture capital to expand. The preceding quote stated that small businesses literally gave up legal rights to their own companies by making investments with Small Business Investment Companies. The result was that some small business managers lost control of their businesses because contracted obligation could not be met.

Small business managers have different problems within each of the three developmental stages. When starting a business, a small business manager is concerned with how to start, what financial resources are available, and how to prepare the business for operation. During

the growth stage, the small business manager was concerned with capital for expansion, decision making, and more technical knowledge and data for business expansion. There was also a definite need for financial analysis. The maturity stage had problems with equity capital and venture capital. Also, the maturity stage had problems with pricing and inventory control.

TECHNICAL BUSINESS ASSISTANCE

Small business managers who were starting a business needed technical business assistance. Starting a business included determining what the small business manager wanted to do, what financial resources were available, and how to start the business operations. Technical business assistance for these problems was provided by government organizations, trade associations, civic, and professional organizations. Seeking advice was necessary for small business managers to determine what were their business goals. Pride of the new small business manager prevented some from seeking advice. The lack of sound planning was a major problem.

A source of technical assistance which was of value to small business managers was technical consultants such as certified public accountants. Also, trade associations and professional groups provided good technical and management assistance. Dobson (1962:2729) stated that the:

A source of technical assistance which was of value to small business managers was technical consultants such as certified public accountants. Also, trade associations and professional groups provided good technical and management assistance. Dobson (1962:2729) stated that the:

. . . reasons given for the employment of outside aid in general terms include (a) the felt need for outside objectivity, (b) the lack of familiarity with certain problem areas, (c) the lack of staff to do the work, (d) the inability to solve problems internally, and (e) changing economic conditions.

Ratio Analysis for Small Business by Richard Sanzo had an excellent summary of sources of ratio studies. Sanzo had listed government sources, trade association sources, and other private sources for ratio studies.

Broadly speaking, there are three kinds of ratios. The first are balance sheet ratios which refer to relationships between various balance sheet items. The second are the operating ratios which show the relationships of expense accounts to income. The third group is made up of ratios which show the relationship between an item in the profit-and-loss statement and one on the balance sheet (Sanzo, 1970:5).

Technical assistance was needed for these small business managers who were in the growth stage of development. Available technical assistance was found in the review of literature. A good government source was the Small Business Administration (SBA). Within the SBA were technical programs such as SCORE (Service Corps of Retired Executives) and ACE (Active Corps of Executives). Technical assistance was also provided by local community colleges offering management training.

Some small business managers in the growth stage of business management were able to hire consultants. Other small business managers used their trade associations and attended conferences and seminars to learn about their technical problems.

Small business managers who had become successful used many sources of technical business assistance. The review of literature on technical business included (1) management consulting teams, (2) government consultants, (3) technical trade assistance, (4) professional accounting help, and (5) suppliers.

BUSINESS EDUCATIONAL TRAINING

Personnel

Small business managers were not using good personnel practices. For the majority of the small businesses, personnel were hired for the least amount of pay and technical skills were of low priority. Cohn (1972:2-3) stated that personnel hiring should be of a high priority and especially top management personnel. The top management personnel should be hired to complement the small business manager's weaknesses. Small business management should recruit top management personnel from four-year colleges. The result would be a higher competitive advantage. Other areas in personnel included a need for personnel training programs. These could be on-the-job training programs or consist of sending employees to two-year post-secondary institutions for technical training.

Planning

Planning was a major problem with small business managers. As was previously stated, small business managers lacked technical knowledge. Planning was identified as setting goals or objectives, formulating sound business ideas, establishing small business policies, and planning budgets.

Marketing

Marketing was important to the success of small business managers. Marketing trends and the product market-mix was reviewed. Location for technical assistance was explored including the use of both private and public management marketing consultants. Trade association journals were mentioned as a source of marketing information.

Financial Control

A large volume of literature was reviewed on small business financial control. Small business managers needed to learn about ratio analysis, budgeting, where to locate financial assistance, and how to organize a financial management team.

Business Credit

Most small business managers did not know where to find credit for their business. Managers needed to learn what types of credit were available. Equity capital and venture capital were found to be of importance to small business managers. A good source of information

for financial assistance was the Small Business Administration; the SBA 1974 Annual Report (1974:173-174) listed 195 small business firms in Montana which had secured loans from SBA. Many small business managers were unaware of SBA and the educational assistance it can provide.

Most of the owners in the sample were utterly unaware of the existence of the Small Business Administration and of the voluminous guidance literature distributed by it free of charge. Moreover, even if these owners had had the knowledge of and access to this literature, it would have availed them little because of the technical character of a number of the publications. Similarly, formal courses and business clinics conducted at universities and colleges under the sponsorship of the Small Business Administration bypass these owners. The owners are unaware of the existence of these courses, and the courses themselves are not oriented to the educational level or to the needs of the owners of very small firms (Mayer, 1961:159).

Decision Making

Cohn (1972:1) stated that small business managers should not rely on the managerial decision making techniques used by large businesses. There were definite decision making differences. One of the major advantages small businesses had was maneuverability which required quick decision making. Another advantage was simplicity which required a high degree of efficient decision making. Pride was a factor that caused small business managers not to seek needed educational training or professional advice.

Growth Potential

The lack of product innovation was a problem in small business management. Growth was not usually planned in small business. Failure of a small business sometimes resulted in not foreseeing the hidden expenses involved in growth. Produce obsolescence prevented growth. Educational training was needed to learn how to effectively introduce change into the small business.

Community Relations

A small business manager needed to be involved in the community so as to judge the market, local economy, social needs, and know where to seek out information. Educational training was considered necessary to keep up with the current local trends of the business.

The review of literature revealed that certain fundamental areas of business organization and management were essential for a successful small business management curriculum. The major areas of importance were summarized into personnel, planning, marketing, financial control, business credit, decision making, growth potential, and community relations.

COMPONENTS FOR SMALL BUSINESS MANAGEMENT CURRICULUM

There was a high correlation between business success and educational training. A method of presenting relevant material to small business managers was needed. A review was conducted of

existing small business management curriculums for two-year colleges by using the 1972 Barron's Guide to Two-Year Colleges by R. William Graham. There were 1,230 two-year institutions listed. Only forty-four of these colleges had small business management curriculums. None of the eight two-year post-secondary institutions in Montana which were identified in Chapter 1 of this study had small business management curriculums.

One community college and/or vocational technical center was chosen from each state that had a small business management curriculum. Eighteen institutions were contacted by mail, seven returned college catalogs, three responded that they were out of stock, and one did not offer a small business management curriculum.

American River College. American River College in Sacramento, California, had several vocational management training programs. These programs were two years in length and were offered on an academic semester system.

The management program prepared students for entry into management positions in business, government, industry, or organizational logistics, and in-service education for personnel presently in management positions.

The Retail Management program prepared students for a variety of retailing occupation careers. These included retail organization, location, buying and merchandising, credit, accounting, personnel

management, promotion, and related topics.

The Small Business Operation program trained students for the field of management, either as owner or manager of a business. Training included financing and operating a business, as well as basic training in sales promotion, law, accounting practice, and business skills.

The two-year Small Business Operation was the program that provided the best curriculum information for a small business management program. The following is a list of the business courses.

18A	Business Law	(3)
20	Introduction to Business	(3)
60	Business Mathematics	(3)
70	Consumer Law	(3)
71	Small Business Management	(3)
60	Marketing	(3)
61	Salesmanship	(3)
73	Advertising	(3)
1A	Principles of Accounting	(4)
70	Payroll Taxes	(1)
51	Management Communication	(3)
60	Psychology of Human Relations Management	(3)

Figure 1

Small Business Operation Courses
American River College

Cowley County Community College. Cowley County Community College and Vocational Technical School is located in Arkansas City, Kansas. This institution had a two-year Business Management program that trained students for entry into mid-management and/or sales positions with retail and other distribution businesses.

There was also a Business Management program for vocational business education which is a one-year program. Vocational business education consists of intensive post-secondary level training in a chosen skill only. Other general education and auxiliary courses were not required. Upon completion, the graduate received the Vocational Credential from the State Board of Education and a Vocational Certificate from the College.

The following is a list of courses offered on a semester basis for the two-year Business Management program. Asterisks indicate that the course is also used for the Vocational Business Education Management program.

*2981	Human Relations for Business	(3)
*2982	Introduction to Business	(2)
*2983	Field Work Experience I	(5)
*2984	Marketing	(2)
*2986	Field Work Experience II	(5)
*2987	Salesmanship	(3)
*0903	Fundamental Accounting I	(3)
*0904	Fundamental Accounting II	(3)
*2988	Visual Merchandising and Advertising	(2)
*2990	Principles of Management	(3)
*2991	Principles of Retailing	(3)
*2993	Business Mathematics	(3)
0914	Business Communications	(3)
0923	Business Law	(3)
1101	Introduction to Data Processing	(3)
2994	Personnel Management	(3)

Figure 2

Business Management Courses
Cowley County Community College

Indiana Vocational Technical College. Indiana Vocational Technical College had thirteen regional institutions. Each of the thirteen college institutions offered the same curriculums. There were three management curriculums. Each of the management curriculums had their separate courses of instruction by separate rubrics.

The Hotel-Motel Management Technology curriculum was designed specifically for that occupational cluster. This curriculum prepared students for management-level positions and included training in finance, food and beverage management, public relations, advertising, housekeeping, and personnel management.

The Industrial Management Technology curriculum was designed specifically for that occupational cluster. This curriculum prepared students for employment in industrial training, safety and first aid, worker simplification, quality control, technical report writing, cost control, production supervision, and other related areas.

The Business Management Technology curriculum prepared students for a mid-management entry-level position. The list in Figure 3 on page 27 shows the business courses offered on the quarter system for the curriculum.

Piedmont Technical College. Piedmont Technical College is located in Greenwood, South Carolina. The college offered a two-year

0310	Accounting I	(4)
0311	Mathematics of Finance	(5)
0312	Typewriting I	(3)
0313	Office Calculating Machines	(3)
0320	Accounting II	(4)
0321	Business Law I	(3)
0322	Small Business Finance	(3)
0323	Business Principles and Organization	(3)
0324	Technical Communications	(3)
0330	Cost Accounting I	(4)
0331	Income Tax I	(4)
0332	Introduction to Management	(3)
0333	Business Communications	(3)
0334	Principles of Insurance	(4)
0335	Field Project and/or Case Study	(4)
0340	Accounting III	(4)
0341	Cost Accounting II	(4)
0342	Oral Communications	(3)
0343	Human Relations	(3)
0344	Office Management and Procedures	(3)
0350	Accounting IV	(4)
0351	Business Law II	(3)
0352	Purchasing and Inventory Control	(4)
0353	Budgeting	(3)
0354	Money and Banking	(3)
0360	Personnel Supervision	(4)
0361	Marketing I	(4)
0362	Labor-Management Relations	(4)
0363	Field Project and/or Case Study	(6)

Figure 3

Business Management Technology Courses
Indiana Vocational Technical College

Associate in Business Technology major in Marketing. The courses listed in Figure 4, page 28, were business courses based on the academic quarter system.

ACC 101	Principles of Accounting I	(4.5)
ACC 102	Principles of Accounting II	(4.5)
ACC 121	Tax Procedures I	(4.5)
BUS 122	Business Law I	(4.5)
BUS 180	Financial Management	(4.5)
DAT 112	Data Processing Fundamentals	(4.5)
MAT 165	Business Statistics	(4.5)
MGT 101	Principles of Management	(4.5)
MGT 201	Personnel Management	(4.5)
MKT 118	Retailing I	(4.5)
MKT 133	Salesmanship	(4.5)
MKT 214	Advertising	(4.5)

Figure 4

Associate in Business Technology Major
in Marketing
Piedmont Technical College

Three Rivers Community College. Three Rivers Community College is located in Poplar Bluff, Missouri. Listed under the Occupation Division of instruction was the Business Mid-Management Department. The purpose of the Business Mid-Management Department was to provide a program of occupational instruction which prepared people for mid-management positions in the field of marketing and distribution. The program provided training for advanced specialization and for supervisory and managerial responsibilities. The curriculum was based upon an academic semester. The program for each student included an internship in the area for which the student wanted training and provided the student with realistic work experience. Within the Business Mid-Management Department was a curriculum for the Fashion Merchandising field. Students who wanted received an Associate Applied Science

degree and had to take, in addition to the business courses listed below, American History I and II, Topical American History, and a General Education elective. The courses with an asterisk were specifically for Fashion Merchandising and courses with an @ were specifically for the regular Business Mid-Management curriculum.

TB 114	Retailing	(4)
* TB 121	Modeling	(1)
TB 132	Research and Development of Marketing Occupations	(2)
@ TB 143	Marketing	(3)
TB 151	Business Mid-Management Seminar I	(1)
TB 164	Salesmanship	(4)
TB 173	Human Relations	(3)
TB 184	Advertising	(4)
TB 192	Business Mid-Management Seminar II	(3)
* TB 1.13	Principles of Fashion Merchandising I	(3)
* TB 1.23	Textiles	(3)
TB 1.32	Business Mathematics	(2)
@ TB 1.43	Merchandising	(3)
TB 1.53	Principles of Fashion Merchandising II	(3)
@ TB 213	Business Law	(3)
@ TB 223	Organizational Behavior	(3)
@ TB 234	Business Accounting	(4)
TB 243	Supervisory Development	(3)
TB 258	Internship	(8)
TB 262	Business Mid-Management Seminar III	(2)
TB 283	Personnel Problems	(3)
TB 292	Business Mid-Management Seminar IV	(2)
* TB 2.23	Fashion Buying and Coordination	(3)

Figure 5

Business Mid-Management Department
Three Rivers Community College

Milwaukee Area Technical College. Milwaukee Area Technical

College was located in Milwaukee, Wisconsin. The Business Division had an extensive Marketing curriculum. So complete was the Marketing curriculum that the following quoted description summarizes the program.

There is an increasing demand today for professionally trained men and women to fill mid-management marketing positions. The Marketing Department provides the required educational programs to satisfy these demands. The degree of Associate in Applied Science is given to candidates who successfully complete the program in Marketing Management, Retail Management, Transportation and Distribution Management, or Fashion Merchandising.

These programs, offered either day or evening, prepare students for a variety of management careers. In Marketing Management, students will prepare for opportunities in wholesale and industrial sales, purchasing, marketing management, and self-employment. The Retail Management program prepares students for careers in buying, merchandising, store management, or wholesaling; while the Transportation and Distribution Management program provides training for such positions as dispatcher, physical distribution manager, transportation sales representative, and export traffic manager. The Fashion Merchandising program, with a heavy emphasis on apparel and home furnishing, prepares students for careers in merchandising, fashion coordination, and sales promotion.

Students who major in the Associate Degree day program in Marketing Management, Fashion Merchandising, or Retail Management are required to take one year of internship. Internship is a cooperative training program that allows students under the sponsorship of both the school and a Milwaukee area business firm to perform the duties of a regular employee of the firm. The objective is to provide the widest range of practical experiences. The goal of internship is the training of people for positions of responsibility for the mutual benefit of both students and business. It provides the student with the opportunity to apply the principles, facts, ideas, and attitudes which he is learning in the classroom to a real business situation.

In addition to the Associate Degree program, the Marketing Department offers a wide variety of separate adult courses in the fields of retailing, wholesaling, industrial sales, and transportation. These courses may be taken separately to serve the individual student's needs, without following an organized program.

Qualified adults are encouraged to complete one of the nine-week certificate programs in Retail Store Training or Service Marketing. Emphasis is on practical training since the objectives of the courses are to prepare the student for employment in a marketing-related job. Beginning positions include retail sales, salesman-driver, and service salesman (Milwaukee Area Technical College, 1975-1977 Bulletin:72).

The Retail Management program offered the best example of the business courses offered for a Small Business Management curriculum.

Mktg 102	Principles of Marketing	(3)
Mktg 104	Principles of Salesmanship	(3)
B Adm 102	Mathematics of Business	(3)
B Adm 181	Business Orientation	(0)
Mktg 106	Retail Organization and Management	(3)
Mktg 119	Visual Merchandising	(2)
Mktg 121	Product Information	(2)
Acctg 111	Accounting 1	(4)
Mktg 123	Retail Buying	(2)
Mktg 126	Retail Advertising and Sales Promotion	(3)
Mktg 128	Merchandise Planning & Inventory Cont.	(3)
Mktg 177	Retail Internship 1	(1)
B Adm 160	Business Law 1	(3)
B Adm 170	Credit Management Procedures	(2)
B Data P 102	Principles of Data Processing	(3)
Mktg 124	Fashion Merchandising Trends	(3)
Mktg 136	Current Problems and Concepts in Retailing	(2)
Mktg 173	Marketing Research	(3)
Mktg 178	Retail Internship 2	(1)
B Adm 111	Business Correspondence and Report- Writing	(3)

Figure 6

Retail Management Program
Milwaukee Area Technical College

In addition to the four mid-management programs were adult vocational programs in Retail Store Training, Food Service Marketing,

and Cashier-Checker Training.

There were six community colleges and vocational technical centers which were reviewed for their small business management curriculum content. These institutions represented six states, with large and small community colleges and vocational technical centers. A comparison was made between the colleges and a summary was prepared to illustrate common curriculums and common course offerings.

There were several kinds of small business management curriculums. Marketing-Management curriculums prepared students in wholesale and retail sales, purchasing, and marketing for large businesses, government, and industry. Retail-Management curriculums prepared students for a variety of retailing occupational careers. These occupations included retail organization, buying, merchandising, credit, accounting, personnel management, promotion, and related topics. There were also specific occupational programs which included Fashion Merchandising, Hotel-Motel Management, Checker-Cashier Training, and Food Service Marketing.

The Small Business Management curriculum prepared students for mid-management or manager/owner of a small business. The curriculums were two years in length. Training included personnel management, planning, financing and operating a business, business credit, decision making, human relations, marketing, and other business skills.

The following list is a composite of business courses which were most common to the curriculums which were reviewed.

Introduction to Business	Salesmanship
Business Mathematics	Management
Business Law	Retailing
Advertising	Business Communication
Marketing	Introduction to Data Processing
Accounting	Personnel Management
Human Relations	Financial Management
Field Work Experience	

These courses were offered by one or more institutions and should also be considered in the development of a Small Business Management curriculum.

Consumer Law	Purchasing and Inventory Control
Small Business Management	Budgeting
Payroll Taxes and Income Tax	Money and Banking
Management Communication	Research and Development of Marketing Occupations
Visual Merchandising	Credit Management Procedures
Office Calculating Machines	Current Problems and Concepts in Retailing
Principles of Insurance	

The Directory of Montana Post-Secondary Vocational-Technical Education by the State of Montana, Office of the Superintendent of

Public Instruction was used to determine the occupational clusters of the two-year post-secondary institutions in Montana. All two-year post-secondary institutions had one or more occupational clusters that could be used to develop a model small business management curriculum. These occupational clusters were Agri-Business, Accounting Assistant, Bookkeeper-Accountant, Bookkeeper-Assistant, Business Data Processing, Business Management, Marketing Management, and Mid-Management.

Marketing and Distribution occupational clusters would be the best area for the development of a model small business management curriculum. Five of the eight two-year post-secondary institutions were represented in the Marketing and Distribution occupational clusters. The other three institutions were best represented in the Business and Office occupational clusters. These occupational clusters had course content which was adaptable to Small Business Management curriculums.

Flathead Valley Community College. Flathead Valley Community College is located in Kalispell, Montana. The Business Management curriculum is a two-year program offered on the academic quarter system. This program was not recognized by Barron's Guide to Two-Year Colleges as a Small Business Management curriculum. However, the intent of the program was to train students for mid-management level positions. Listed below were business courses for the program.

- Principles of Marketing
- Salesmanship
- Principles of Supervision
- Principles of Accounting
- Business Economics
- Business Law
- Data Processing
- Principles of Management
- Introduction to Business
- Advertising
- Principles of Finance
- Human Relations
- Business Policy

Missoula Technical Center. Missoula Technical Center is located in Missoula, Montana. The Marketing-Management curriculum was a nine-to-eighteen months program depending upon the selected option and the students' ability. The student trained to become an employee who would apply principles of salesmanship, supervision, accounting, and management to a variety of business situations. Listed below were the business courses for the Marketing-Management curriculum and were offered during the academic quarter system.

- Typing
- Accounting
- Business Law
- Office Machines
- Written and Oral Communications
- Human Relations
- Consumer Economics
- Introduction to Automated Data Processing
- Sales Promotion and Visual Merchandising
- Management Seminar
- Mid-Management Practicum
- Principles of Business
- Principles of Marketing
- Merchandising Math
- Retail Store Operation and Management

Principles of Advertising
Principles of Management
Directed Study (Mid-Management)
Credit and Collections
Retail Buying
Cooperative Work Experience

Billings Vocational-Technical Center. Billings Vocational-Technical Center is located in Billings, Montana. The Mid-Management program trained students in areas such as salesmanship, supervision, economics, and management. The following was a list of business courses which were offered on an academic quarter system. The length of the program was nine to eighteen months.

Merchandising Techniques
Display
Marketing
Personnel Management
Advertising
Basic Sales
Fashion Merchandising
Basic Insurance
Retail Buying
Consumer Economics

Dawson Community College. Dawson Community College is located in Glendive, Montana. The Mid-Management program trained students in distributive occupations which were primarily retailing, wholesaling, and service businesses. The career goal of those engaged in the two-year college distributive education program was either sales or mid-management. The course content was offered on an academic quarter system. Listed below were business courses for the Mid-Management program.

Salesmanship
 Retailing
 Advertising
 Marketing
 Management
 Personnel Management
 Work Experience
 Business Experience with Individualized Studies and Projects
 Introduction to Business
 Business Mathematics
 Accounting I
 Accounting II
 Office Machines
 Retail Security

Miles Community College. Miles Community College is located in Miles City, Montana. The Mid-Management program offered principles of salesmanship, supervision, and management. The program trained students in mid-management entry level positions. The program was two years in length, and courses were offered on an academic quarter system. Listed below were the business courses for the Mid-Management program.

Salesmanship
 Advertising
 Retailing
 Marketing
 Management
 Risk and Insurance
 Personnel Management and Supervision
 Individual Problems
 Business Mathematics
 Co-operative Work Experience
 Accounting
 Economics
 Business Law
 Composition and Communications

Butte Vocational-Technical Center. Butte Vocational-Technical Center is located in Butte, Montana. The Center offered a Bookkeeper-Accountant program which was a two-year course for students without previous training. The graduate of the program was qualified to collect, analyze, and post data. The program was for five academic quarters. The following was a list of business courses.

- Accounting
- Business Machines and Math
- General Business
- Typing
- Business English
- Office Simulation
- Office Procedures
- Filing
- Record Keeping
- Data Processing
- Keypunch

Helena Vocational-Technical Center. Helena Vocational-Technical Center is located in Helena, Montana. Within the Business and Office Occupational cluster was the Accounting Assistant program. The student trained to work under an accountant completing different financial statements and payroll records. Listed below were business courses which were offered for five academic quarters.

- Accounting I
- Accounting II
- Accounting III
- Personal Income Tax Preparation
- Introduction to Data Processing
- Computer Systems Fundamentals
- Auditing
- COBOL Programming
- Cost Accounting

Typing
Mathematics
Business Law
Business Machines
Government Accounting
Business Communications

Great Falls Vocational-Technical Center. Great Falls Vocational-Technical Center is located in Great Falls, Montana. Within the Office Occupations cluster was the Bookkeeper-Accounting program. The program was four academic quarters. The student trained to work for any business which keeps a set of records. Listed below were the business courses which were offered.

Accounting I
Business Math
Interpersonal Communications
Business Machines I
Typing I
Accounting II
General Business
Business Law
Introduction to Data Processing
Filing/Indexing
Accounting III
Personal/Federal Income Tax
Business Organization and Management
Business English
Cost Accounting
Economics
Business Marketing
Insurance

Components for a Small Business
Management Curriculum

A review of many business programs was made and a list of successful curriculum components was compiled. This list included the

following:

1. A relatively low student/teacher ratio (under 25:1)
2. Teachers who were committed to the program
3. Utilization of successful small business managers as resource persons
4. A curriculum which was adapted to the community
5. The availability of both day and evening instruction
6. Care in selection of course materials and content
7. The establishment of an ongoing relationship between small business, community, government agencies, two-year post-secondary institutions and others
8. An extensive "outreach" effort to identify and encourage the participation of small business managers
9. Convenient classroom location and time
10. Certification upon completion of the curriculum
11. Case-type approach dealing with the small business managers' current problems (Worthington, 1973:X-23-24)

A relatively low student/teacher ratio (under 25:1) was advantageous because the small business managers had more contact with the instructor to help solve problems. Competent instructors should be provided by the two-year post-secondary institution and successful small business managers from the community should be utilized as resource persons. The materials selected for the curriculum should be adapted to the needs of the small business managers and the community they serve. The classroom time would be sequenced to provide the maximum educational training to as many interested small business managers as possible. An outreach classroom would be conveniently located in selected communities within the geographical area of the two-year post-secondary institution. The two-year post-secondary institution, the small business managers, the community, and the governmental agencies should work with each other to better small

business enterprise.

SUMMARY OF THE FINDINGS

The review of literature supported the statement of the problem that there was a need to develop a model small business management curriculum. The small business failure rate was 80 per cent. The two major identified causes of failure was the lack of technical assistance and managerial training.

Small businesses were identified for manufacturing, wholesaling, retailing, and services. Small business managers were identified. Success elements for small business managers were identified. This was a person who uses business educational training and uses technical business assistance.

Three developmental stages for small business management were (1) starting a business (0-2 years), (2) growth stage (3-5 years), and (3) maturity stage (6 or more years). Small business managers had different problems within each of the three developmental stages.

Use of technical business assistance was one of the reasons for a successful small business manager. The review of literature on technical business assistance included (1) management consulting teams, (2) government consultants, (3) technical trade assistance, and (4) professional accounting help.

Business educational training was identified as the other

major element for successful small business management. The major areas of importance were summarized into personnel, planning, marketing, financial control, business credit, decision making, growth potential, and community relations.

Curriculum titles and business courses for a Small Business Management curriculum were summarized from reviewing some existing Small Business Management curriculums from other states. Several kinds of business management curriculums were being used. The two-year Small Business Management curriculum was identified as preparing students for mid-management or manager/owner of a small business. Training included personnel management, planning, financing and operating, business credit, decision making, human relations, marketing, and other related business skills.

The eight two-year post-secondary institutions in Montana were identified and the occupational clusters within the Marketing and Distribution and Business and Office options were adaptable to Small Business Management curriculums. Components for a Small Business Management curriculum were also compiled.

The findings of the review of literature were used to construct a survey for small business managers in Montana. The survey was used to determine if the small business managers were successful, if they were using educational business experience, and if they were using technical business assistance. A model small business management

curriculum was then developed from results of the survey.

Chapter 3

METHODS AND PROCEDURES

The statement of the problem was presented in Chapter 1 with a series of null hypotheses.

Null hypothesis number one. There is no significant difference in the success of small business managers who need business educational training and the success of small business managers who do not need educational training.

Null hypothesis number two. There is no significant difference in the success of small business managers using business educational training and the success of small business managers who are not using business educational training.

Null hypothesis number three. There is no significant difference in the success of small business managers who need technical business assistance and the success of small business managers who do not need technical business assistance.

Null hypothesis number four. There is no significant difference in the success of small business managers using technical business assistance and the success of small business managers who are not using technical business assistance.

Null hypothesis number five. There is no significant difference between small business managers who need business educational training and small business managers who use business educational training.

Null hypothesis number six. There is no significant difference between small business managers who need technical business assistance and small business managers who use technical business assistance.

Chapter 2 showed that the problems stated in the null hypotheses did exist. The research showed that small business management had a failure rate of 80 per cent. The identified causes of this failure were the lack of managerial training and technical assistance.

The survey of small business managers in Montana was needed to identify successful small business managers and non-successful small business managers. The results of the survey were used to construct a model small business management curriculum for two-year post-secondary institutions in Montana.

POPULATION SURVEY

The study was limited to Montana. The two-year post-secondary institutions in Montana were chosen for several reasons. These institutions were chosen because they were designed to meet the terminal educational needs of the community. These schools served the majority of the Montana population. The county population served by each of the two-year post-secondary institutions was used as the statistical population from which randomly selected small business managers were surveyed.

There were three other classifications of schools which were

not selected. Private secondary and post-secondary schools were not chosen, because they could not geographically serve most of the small business managers in Montana. Secondary public schools were not chosen because their educational curriculum would not meet the specific managerial training needs of small business managers. Four-year public schools were not selected because their curriculums were not designed for two-year terminal managerial education.

Small business managers whose businesses were located within the counties of the two-year post-secondary institutions were randomly selected. The random selection was made from the classified telephone directories of each county.

SOURCES OF DATA

The 1975-1976 Montana two-year post-secondary institution bulletins were used to determine the geographical area they served. The counties where each institution was located best represented the geographical area served by the two-year post-secondary institutions. The eight counties served by the institutions were classified by a group number, as shown on page 47.

The classified telephone directory for each of the counties was used to randomly select businesses from each county by using a statistical table of random numbers. A number from one through nine was randomly selected for each classified telephone directory. This

number was used to count down from the top of randomly selected pages to a business address. A three-digit number was used to identify

Table 1

Eight Counties Served by Institutions

Group	County	Institution
1	Lewis and Clark	Helena Vocational Technical Center
2	Cascade	Great Falls Vocational Technical Center
3	Dawson	Dawson Community College
4	Custer	Miles City Community College
5	Flathead	Flathead Valley Community College
6	Missoula	Missoula Vocational Center
7	Silver Bow	Butte Vocational Technical Center
8	Yellowstone	Billings Vocational Technical Center

classified telephone directory page numbers. A random three-digit starting position was arbitrarily chosen from the statistical book of random numbers. The three-digit numbers were identified by reading the sort columns from top to bottom. The three-digit number had to be less than or equal to the last identified page number in the classified telephone directory. Randomly selected classified telephone directory pages having government offices or private institutions were not used. Pages that did not have enough numbers for counting down to

the randomly selected business were not used. Repeated telephone business numbers from previous pages were not chosen a second time. Businesses which were outside the county being surveyed were not used.

Table 2
Method for Random Selection

Group	Last Directory Page	Number from Top of Page	Randomly Selected Starting Position
1	181	5	4th number in A sort
2	521	2	4th number in C sort
3	190	1	6th number in A sort
4	190	2	4th number in E sort
5	146	2	2nd number in D sort
6	365	4	2nd number in A sort
7	241	6	6th number in C sort
8	576	3	3rd number in A sort

POPULATION SIZES

The county area served by each of the eight two-year post-secondary institutions in Montana was used. Thirty-six businesses were randomly selected from each of the eight counties. A total of 288 businesses were randomly selected from classified telephone directories from each county. Carson (1973:XVI) determined that

nationally 95 per cent of all businesses were small. The estimated 5 per cent of large businesses randomly selected within the survey was not considered significant in the random selection process.

SURVEY INSTRUMENT

The survey instrument used was compiled from the Review of Literature in Chapter 2 (see Appendix A for survey instrument, page 143). Eight major areas were identified as being important to the success of small business managers. These areas included: (1) personnel, (2) planning, (3) marketing, (4) financial control, (5) business credit, (6) decision making, (7) growth potential, and (8) community relations.

Small businesses were identified by type, years in business, number of employees, gross sales, and classification. Educational information was also important to determine the small business manager's educational level, business capability, interest, and pursuit of formal business education.

The questions were composed and sequenced with the stated null hypotheses in this study.

ADMINISTRATION OF SURVEY INSTRUMENT

Because of the sensitivity of the survey, the survey instrument was pre-tested in Gallatin County, Montana. Twelve businesses were

selected from the classified telephone directory in Gallatin County. Ten businesses were successfully contacted by telephone. Nine businesses agreed to participate in the pre-survey. The pre-surveys were hand carried to the businesses along with an evaluation to complete after doing the pre-survey (see Appendix B for Pre-Test Evaluation Form, page 151). The pre-survey was beneficial and constructive comments were incorporated into the final draft of the survey instrument.

Next, a letter was written to each of the community college presidents and directors of the vocational technical centers explaining the purpose and intent of the survey (see Appendix C for Letter of Intent, page 153). The survey instrument was blind coded and administered to the randomly selected business managers on February 9, 1977. Because of the sensitivity of the survey, the committee chairman agreed that a minimum total of 50 per cent response was needed. Ninety-one surveys had been returned after fourteen days. Sixty-nine were usable, six were returned undeliverable, and sixteen were not defined as small businesses. A follow-up letter was mailed fourteen days after the first mailing (see Appendix D for follow-up letter, page 154). March 9 was the established cut off date. As of the cut off date, there were 104 usable returns, 33 returns that were outside of the defined small business population, and 14 were returned as undeliverable.

The 14 undeliverable returns were removed from the total 288

possible surveys. The adjusted total population was 274. From this number, 137 surveys were returned which was 50 per cent. One-hundred-four of those returns were usable, which was 38 per cent of the adjusted total population. The responses were equally distributed from each of the eight population areas. The mean average return from the eight population areas was 18.8. The median average return response from the eight population areas was 17.0. The mode return response from the eight population areas was 17.0.

ANALYSIS OF DATA

A chi square (χ^2) test of significance was computed (to the .05 level of confidence) for each of the six null hypotheses and for additional data which were cross-tabulated to test for significant levels of difference.

The chi square formula:

$$\chi^2 = \sum \frac{(f_o - f_e)^2}{f_e}$$

where;

f_o is an observed frequency

f_e is an expected or theoretical frequency

The characteristics of the distribution are completely defined by the number of degrees of freedom:

$$(r-1) (c-1) = d.f.$$

where;

r equals rows

c equals columns

d.f. equals degrees of freedom (Clark, 1969:424)

The significance of the chi-square (at the .05 level of confidence) was determined from "Table K Chi-Square Probability Distribution" (Clark, 1969:160--Table K).

The X^2 table was read by entering the row with the correct number of degrees of freedom and the column for the .05 percent level of confidence. The observed value for X^2 had to be equal to or greater than the tabled value in order to reject the null hypothesis. If the calculated value for X^2 was less than the tabled value, then the null hypothesis was accepted (Hertz, 1972: 44).

Statistically stated, this statement reads: reject H_1 , (accept H_2) if $X^2 >$ tabled value; accept H_1 , if $X^2 \leq$ tabled value. H_1 equals the null hypothesis, H_2 equals the alternative hypothesis. All of the null hypotheses had one degree of freedom. Additional cross tabulated data had one or more degrees of freedom.

A model was used to test the null hypotheses by comparing one index of information to another index of information. The model on page 53 was used to test the null hypotheses.

The count equals the raw data totals which were computed from the index information and these count totals were placed into the model where they agreed with both indexes by computer analysis.

The row per cent equals the per cent of count in each horizontal

quadrangle.

← Index →		
Count		
Row per cent		Total
Column per cent		Row
Total per cent		
Index		
Total		
Column		

Figure 7

Model to Test Null Hypotheses

The column per cent equals the per cent of count in each vertical quadrangle.

The total per cent equals the per cent of count in each quadrangle.

The indexes were made from questions which represented data from the review of literature. The data from the review of literature were summarized on page 22 into eight categories: personnel, planning, marketing, financial control, decision making, growth potential, and community relations.

Five indexes were made for the chi-square tests of significance. Each index had several variables which were questions from the survey instrument which represented the summarized data from the review of

literature. Each index had a scale from zero to two.

Data obtained from the questionnaires were recorded on punch cards to facilitate analysis by using the statistical package for Social Sciences (SPSS) which provided frequency distributions and chi-square tests of significance for the null hypotheses to the .05 per cent level of confidence with one degree of freedom.

Index One was used to distinguish between the more successful small business managers and the less successful small business managers. The index was made from fourteen variables (see Appendix E, page 155, Variables for Index One). A value of less than one or equal to zero meant the small business managers were less successful. A value equal to or greater than one, but less than or equal to two, meant the small business managers were more successful.

Index Two was used to distinguish between small business managers who need or do not need business education training. The index was made from eleven variables (see Appendix F, page 157, Variables for Index Two). A value of less than one or equal to zero meant a small business manager needed business education training. A value equal to or greater than one but less than or equal to two meant small business managers did not need business education training.

Index Three was used to distinguish between small business managers who use or do not use business education training. The index was made from seven variables (see Appendix G, page 159, Variables for

Index Three). A value less than one or equal to zero meant small business managers did not use business education training. A value equal to or greater than one but less than or equal to two meant small business managers were using business education training.

Index Four was used to distinguish between small business managers who need or do not need technical business assistance. The index was made from four variables (see Appendix H, page 160, Variables for Index Four). A value of less than one or equal to zero meant small business managers needed technical business assistance. A value equal to or greater than one but less than or equal to two meant small business managers did not need technical business assistance.

Index Five was used to distinguish between small business managers who use or do not use technical business assistance. The index was made from nine variables (see Appendix I, page 161, Variables for Index Five). A value of less than one or equal to zero meant small business managers were not using technical business assistance. A value equal to or greater than one but less than or equal to two meant small business managers were using technical business assistance.

ADDITIONAL CROSS TABULATIONS

Additional cross tabulations were made to determine if there was any significant information to support the original six stated null hypotheses. During the investigation of the stated problem of this

thesis, additional information was discovered when a matrix was made of the five indexes (see page 95). This information was statistically tested using the chi-square tests for significance to the .05 level of confidence.

EDUCATIONAL INFORMATION

There were questions in the survey instrument which were used to support the criteria for developing a model small business management curriculum. Questions six through thirteen of the survey instrument were tabulated into per cent answers for comparisons with other related data. These questions related to the review of literature section entitled Components for Small Business Management Curriculum.

DELIMITATIONS OF SURVEY DATA

The 50 per cent total returned survey instruments delimits the findings of data to the population within the survey.

The study was also delimited by the respondents' subjective interpretation to the answers to the questions of the survey instrument.

Chapter 4

PRESENTATION OF SURVEY DATA

The presentation of the data included first presenting each of the five indexes. Each index had a scale from zero to two. The indexes were then compared with one another to form the chi-squares for testing the six stated null hypotheses to the .05 level of confidence. By making a matrix for the five indexes, four additional null hypotheses were discovered and additional cross tabulations were made to test the significance of these findings to the .05 level of confidence. The questions in the Educational Information section of the survey instrument were used to support the criteria for developing a small business management curriculum. Questions six through thirteen were tabulated into per cents for comparisons with other related data.

INDEX ONE

Index One was used to distinguish between the more successful small business managers and the less successful small business managers. The index was made from fourteen variables. A value of less than one or equal to zero meant less successful. A value equal to or greater than one but less than or equal to two meant more successful.

Question 13 was the first variable for Index One. The more successful or less successful small business managers were determined by the areas in which the respondents were most capable. The following

answers were identified as the key indicators in the success of small business managers: d, personnel; i, decision making; k, financial control; m, securing credit; n, product planning; q, planning business growth; r, community relations; and bb, merchandising.

Table 3

Question 13: Check Those Areas in Which You
Are Most Capable

Correct Responses	Number of Respondents	Per cent	Cumulative Per cent
0	38	36.5	36.5
1	20	19.2	55.8
2	15	14.4	70.2
3	17	16.3	86.5
4	9	8.7	95.2
5	3	2.9	98.1
6	1	1.0	99.0
7	0	0.0	99.0
8	1	1.0	100.0
Totals	104	100.0	100.0

If a respondent selected three or fewer of these key indicators, then the respondent was less successful. If the respondent selected four or more of these key indicators, then the respondent was more successful. Ninety of the one-hundred-four respondents, or 86.5 per cent, had three or fewer responses and were less successful. Fourteen respondents, or 13.5 per cent, had four or more correct responses and were more successful and were the most capable in personnel, decision

