



Women in small business in Armidale – A regional case study

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Dr Alison Sheridan
New England Business School
University of New England
Armidale NSW 2351
Ph: 02 6773 2304
asherida@une.edu.au

Ms Lou Conway
New England Business School
University of New England
Armidale NSW 2351
Ph: 02 6773 3914
mconway@une.edu.au

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Executive Summary

- **299 women-owned businesses** in the Armidale/Dumaresq local government area were surveyed to explore what location may mean for women small business owners.
- The **response rate of 40%** was a fairly robust rate for small business surveys.
- 40% of respondents operated as **sole traders**.
- The women business owners in the Armidale region are **on average older** than their metropolitan counterparts.
- The women are **highly educated**, with 76% of respondents reporting some form of vocational or tertiary qualification, and with 22% having a post-graduate qualification.
- More than half of these women reported **growing up in a family owned small business** and having previously worked in the private sector.
- Over a third of respondents rely on the small business as the only source of income. While women's earnings have traditionally been the secondary source of income for families, for more than **57%** of respondents, the small business was the **primary source of income** for the family.
- The three industries most commonly represented in this survey were **retail trade** (25.2%), **farming and agriculture** (19.8%) and **education** (13.5%). While somewhat different to national findings that women are found predominantly in the service sector, the geographical location of this study – in a regional community with a University – helps explain this mixture of businesses.
- Only 30% of respondents had been in business for less than 3 years, with **almost half having been in business for more than 10 years**.
- Notably **women do not inherit their small business**. The majority of respondents (61%) indicated they had founded it, while a further 32% indicated they had purchased it.
- The **local market is clearly well served** by the businesses; with 75% noting their business is drawn from Armidale, with a significant number of respondents also noting the importance of markets outside the region. The marketing of the businesses is done largely through word of mouth and existing personal relationships.
- The most common source of professional advice is the **accountant and tax specialist**. In terms of the sources of advice beneficial to their business, over half (54%) identified the **need for marketing advice** while 40% identified the **need for strategy and business planning** in their business.
- **Family and friends** were undoubtedly the major source of support and advice for the small business owners (78%). As well, the **industry or professional associations provided support** for 63% of respondents. Very few of the women responding indicated they drew support from the local business groups.



Introduction

Although there has been an increasing interest in women-owned small business, little attention has been paid to women's experiences of small business ownership in regional locations in Australia. While there have been some studies in the US and the UK of women small business owners in regional locations (Lupinacci 1998; Merrett and Gruidl 2000), it is still the case that this area has generally received scant attention.

The purpose of this study was to explore the experiences of women small business owners in the Armidale/Dumaresq local government area (hereafter simply referred to as Armidale) to understand what location may mean for women small business owners. Building on previous studies of women's experiences of small business, this study explored:

- the women's preparation for their business
- how they have developed their business
- what networks they see as valuable to their business and themselves
- how they perceive the success of their business and
- the impact of their regional location.

As Lupinacci (1998) points out in her study of women entrepreneurs in Dallas County, Texas, women business owners experience the same problems and challenges as all small business owners. In this study, we were seeking to establish whether women small business owners in regional locations also face some unique experiences in their business roles.

Small business

The economic importance of small business in Australia has been well established at both the national level and regional levels (Australian Bureau of Statistics (ABS) 2001). There are over 100 000 private agricultural small businesses and 950 000 private non-agricultural small businesses in Australia which provide 50% of total private sector employment (ABS 2000). Employment growth in this sector has averaged about 3% annually since 1985, slightly higher than the growth rate for larger businesses (ABS 2001). As in the Australian workforce more generally, the gender composition of small business ownership is undergoing fundamental change. The number of women owner-managers of small businesses has been increasing at a faster rate than their male counterparts, with women now representing 33% of small business operators (ABS 2002). According to ABS statistics, over half a million women now own businesses. While women's businesses are generally clustered in the service, retail and hospitality industries, more women are starting businesses in non-traditional domains.

The general definition for small business used in Australia is those businesses employing less than 20 people (Australian Bureau of Statistics 2002a). Small business can be further broken down into non-employing businesses (sole proprietorships and partnerships without employees), businesses employing 1-4 people and businesses employing 5-19 people. Between 1983/84 and 1999/2000, the number of small businesses in Australia grew by 173% while in NSW over the same time period the number grew by 240%. Small business represents an important component of the Australian labour market with over 47% of the

private sector labour market employed in small business (Australian Bureau of Statistics 2002b).

Overall small business accounts for approximately 86% of all businesses in the agricultural industry and more than 96% of businesses in all the non-agricultural industries. The highest proportion of small businesses was recorded in the construction and personal and other services industries, with 99% of businesses in these industries being categorised as 'small' (Australian Bureau of Statistics 2000).

Of the 1 162 000 small businesses in Australia in June 2001, 55% were non-employing businesses, 34% employed 1-4 people and 11% employed 5-19 people (ABS, 2002a; 9). Of the 1 597 200 small business owners, 67% were male and 33% were female (ABS, 2002a; 7). Home based businesses represent a significant proportion of total small businesses in Australia. At June 2001, 67% of all small businesses were either operated from, or at, home (ABS, 2002a) with most (69%) being non-employing businesses.

Men continue to dominate the small business sector, with 54% of small businesses in Australia in 2001 being operated by a man or men. Another 28% of businesses were operated by equal numbers of males and females, with only 18% of businesses operated predominantly by women (ABS, 2002a). At the national level, the industries in which women-owned businesses tend to be found are education, health and community services, personal and other services, accommodation, cafes and restaurants and cultural and recreational services. Whether these patterns are consistent in regional communities is unclear. In a rural community, women may also be involved in farm and related businesses, but these businesses do not represent a significant site for women-owned businesses in the national statistics.

Women in small business

Without teasing out the geographical location of small business owners, Still (2002) reviewed the personal and business characteristics of women in small business in the 1980s and early 1990s and compared these to the most recent findings of women in small business in the early 2000s. According to Still (2002) the profile of women small business owners in the 1980s-early 1990s could be summarised as: they were aged between 30-50, were Australian born, married, with children, were tertiary educated with secretarial training, were an only child or the eldest child, had a single sex education, had a working mother and father in business and worked in their business full-time. In her later study, she profiled the average self-employed woman as being aged over 35 years who worked full-time in the business, was married, with children, Australian born, reasonably well educated, with the business providing the majority of support for the household (Still 2002).

With respect to the characteristics of the small businesses owned by women in the 1980s-1990s, Still (2002) profiled these as the business was located in rented premises, was predominantly service-oriented, while started with less than \$10 000 the women still had experienced difficulties in obtaining start-up finance and had been operating longer than 12 months. In the early 2000s, she summarised the characteristics of the women owned small businesses as employing few full-time and/or part-time staff, was predominantly service sector, been operating for more than 12 months and started with less than \$10 000 (Still 2002).

Armidale – a regional location

Armidale is located on one of the two main northern highways, the New England Highway, almost midway between Sydney and Brisbane. As a mid-sized regional community, it is relatively well serviced by air, rail and road transport services. It has a thrice daily air service to Sydney, but currently has no regular air service to Brisbane. As well, there is a daily train service to and from Sydney and daily coach services to Brisbane and Sydney. The Armidale/Dumaresq population is estimated to be 24 875 (Australian Bureau of Statistics 2002), with the median age being 31.8 years, somewhat younger than the state average of 35.9 years. Major industries include agriculture, education and wholesale and retail trades. The district includes both wool growing and cattle breeding ventures, as well as a range of other emerging agricultural enterprises. The University of New England is based in Armidale, as are three large boarding schools. The most recent ABS statistics on business numbers indicate there is a variety of businesses operating in Armidale, with the two largest groupings being agriculture and retail trade (see Table1).

Table 1: Number of business locations in Armidale/Dumaresq

	Number	%
Agriculture	380	24
Manufacturing	50	3
Retail trade	257	16
Other	905	57
Total	1592	100

Source: ABS Cat No 1362.1, 2001

In 2002 the Armidale Dumaresq Council initiated a committee made up of local business people with the general objective of supporting both new business and the growth of existing business in Armidale. Specifically, the Economic Development Committee aims to do this through:

- Supporting the growth of existing businesses
- Promoting existing strengths in livestock industries, education, arts and culture and retailing
- Building new business clusters in health, steel fabrication, information technology, environmental management, business services and agribusiness
- Promoting Armidale and its businesses into new markets and attracting new residents
- Informing businesses and the community on new developments and opportunities (<http://www.armidale.nsw.gov.au/planning/>, accessed 1/2/03)

There were no women appointed to the Economic Development Committee.

Methods: What did we do and why?

As this was an exploratory study, the project had two stages. The initial stage involved focus groups and interviews in which we were seeking to find out the kinds of issues respondents saw as important to their experiences (Curran and Blackburn 2001). In particular, the focus groups involved women from a cross-section of businesses in Armidale being invited to discuss, collectively, issues surrounding their:

- preparation for running a business

- access to resources required to set-up and operate a business
- networks
- measures for the success of their business
- views on the impact a regional location has on their business and the way it has developed

While good practice in focus group construction requires that focus group participants not be known to each other (Curran and Blackburn 2001), this was not feasible in conducting research in a regional community where most business people know of each other. Some of the participants did not know each other personally, but were generally aware of who the other participants were. Lack of time for small business people is often cited as a reason for their non-participation in research studies (Curran and Blackburn 2001) and this was the case with eight of the twenty women invited to participate in the focus groups (the other woman invited to participate did not give a reason for non-involvement). Ten women participated in the focus groups which were held on two consecutive evenings. This first stage also included interviews with four women who had not been able to attend the focus groups but who had indicated their interest in being involved in the study. These were conducted in the week before and the week after the focus groups.

The focus groups and interviews were taped and transcribed and this information was then used to shape the questionnaire which was mailed to the larger group of women business owners. Information gained from discussions with local business support agencies was also incorporated at this stage to ensure the questions were framed by the local vernacular. The objective of the second stage of the study was to establish how well supported by the broader population of women business owners were the discussions in the focus groups.

A perennial problem with small business research is accessing small businesses since there are no readily available lists of relevant small businesses from which to develop representative samples (Curran and Blackburn 2001). The Armidale region was no exception. There was no up-to-date list available of women-owned small businesses in Armidale, so we had to develop our own. Using the information kept by the local business support agencies – the Business Enterprise Centre, the NSW Department of State and Regional Development, the Chamber of Commerce, the Yellow Pages and local knowledge gained through the information provided by a women's network in Armidale, Connect – we were able to construct a general sample of what we believed were women-owned small businesses in the Armidale region. This gave us a preliminary list, but there was still some uncertainty about whether women owned the businesses, so we consolidated the list by telephoning those businesses we were unsure about and confirming the details. This also gave us the opportunity to speak with a number of business owners and alert them to the study as a means of increasing the response rate to the survey. There were 299 women-owned businesses in Armidale we identified through this process.

General demographic information was collected in the survey questionnaire to provide some contextual information about the respondents. Rather than assuming the group was homogenous, we wanted to tease out the differences between members of the group. A common criticism of many studies concerning women in small business is that they do not establish the legal status of women's ownership. Rather, they simply label women as owner-managers with the implication being that they are the sole owner-manager of the business (Roffey, Stanger et al. 1996). In this study, we wanted to avoid that problem so requested respondents clearly distinguish their ownership status – whether they were sole owners or

partners with men or women. This also allowed us to explore the dynamics of decision-making within partnerships as a means of establishing the women's roles in the businesses.

While most of the questions in the survey were close-ended, with the options available to respondents based on the information gained from the focus groups and the relevant extant literature (Newton, Gottschalk et al. 2001; Still 2002), the questions pertaining to regional location were open-ended. The discussions in the focus groups were not definitive, nor was there any detailed literature in small business which could guide us in the construction of the options for respondents to nominate as important in how they run their business in a regional location. As such, we asked respondents to 'please describe what you believe being located in a regional location means for your business' to allow them the scope to provide their own perceptions.

Response

In an effort to maximise the response rate, respondents were not required to identify themselves on the survey. As well, participation in a draw for \$100 to be spent at a small business of their choice in Armidale was offered to respondents. Of the 299 surveys mailed out, 16 were returned because of insufficient or outdated address details and 76 were returned within two weeks of the survey being posted. Following a reminder letter being sent, a further 38 responses were received, making a total of 113 responses. Two of the respondents reported employing more than 20 full time staff so did not conform to the definition of small business. As such, their responses were omitted from the analyses. The final response rate was 40%. In light of the very low response rates often reported for surveys of small business owners (Curran and Blackburn 2001) this was considered a reasonable rate.

Results

Personal details

As can be seen in Table 2, the women responding to the survey varied in age from less than 20 years of age to more than 70 years old, with the median age group being 41-50 years (36%). The next most common age group for respondents was the 51-60 years (26%). As such, the women business owners in the Armidale region would appear to be on average older than the profile developed by Still (Still 2002) and the average age for the region (Australian Bureau of Statistics 2002). Of the 111 respondents, 48 (43%) were living with a partner, while a further 39 (35%) were living with a partner and dependent children or other family. Thirteen respondents (12%) lived alone and a further 7 (6%) lived without a partner but with dependent children or other family.

The women surveyed reported a range of educational qualifications (see Table 2). The median response to the question concerning the highest educational qualification attained was a degree, with 34 respondents (31%) reporting this as their highest qualification. A further 25 respondents (23%) reported post-graduate qualifications.

A family background in small business has been cited as a common characteristic of small business owners and this appears to be the case for the respondents in this study. As can be seen in Table 2, 53 respondents (52%) reported that their parents had owned a small business.

Table 2: Characteristics of respondents

Age	Number	%
<20 years	1	0.9
21-30 years	3	2.7
31-40 years	23	20.7
41-50 years	40	36.0
51-60 years	29	26.1
61-70 years	10	9.0
>71 years	2	1.8
Domestic arrangements		
Live alone	13	11.7
Live with partner	48	43.2
Live with partner and dependent children or other family	39	35.1
Live without partner with dependent children or other family	7	6.3
Other	3	2.7
Highest educational achievement		
Primary school	1	0.9
School Certificate (year 10)	14	12.6
Higher School Certificate (year 12)	12	10.8
Certificate – TAFE College or University	14	12.6
Diploma – TAFE College or University	15	13.5
Degree – University or CAE	34	30.6
Postgraduate qualification	25	22.5
Previous work experience		
Operating another business	26	23.4
Employee in private sector	61	55.0
Employee in public sector	46	41.4
None	9	8.1
Parents' owned business	53	51.5

With respect to the hours worked per week in the business, the median working week was more than 40 hours. While 51 (46%) reported working more than 40 hours per week only 7 (6%) reported working less than 10 hours per week. The women reported a range of work experience prior to their current small business. Nearly one quarter (23%) of respondents had operated another business, 61 (55%) reported being employed in the private sector, while 46 (41%) noted previous employment in the public sector. Only 9 respondents (8%) reported no previous work experience.

Business details

As can be seen in Table 3, the respondents were drawn from a range of industries. The three most common industries represented in this survey were retail trade (27.2%), farming and agriculture (19.8%) and education (13.5%). While somewhat different to the finding by Still (2002) that women are found predominantly in the service sector, the geographical location of this study – in a regional community with a University – helps explain this mixture of businesses represented in the study.

As in the study by Still (2002), the small businesses employed few staff. While the range of employees was from 0 to 20, consistent with the ABS definition for small business, only 14 respondents indicated they employed 10 or more staff, most of whom were casual or part-time. There were 37 respondents indicating they did not employ any additional staff. As such, they fell into the ABS category of non-employing businesses. While non-employing businesses make up 55% of small businesses nationally (Australian Bureau of Statistics 2002a), they represented only 33% of the sample respondents.

Table 3: Characteristics of the business

Industry	Number	%
Manufacturing	3	2.7
Construction	3	2.7
Wholesale trade	1	0.9
Retail trade	28	25.2
Finance and insurance	1	0.9
Property and business services	6	5.4
Accommodation, cafes and restaurants	10	9.0
Education	15	13.5
Health and community services	10	9.0
Cultural and recreational services	4	3.6
Personal and other services	6	5.4
Farming and agriculture	22	19.8
Transport and storage	0	0.0
Other	14	12.6
Average number of employees		
Full-time		1.2
Part-time		1.0
Casual		1.6
Total		3.8
Business drawn from		
Armidale	75	72.8
Northern Tablelands	65	63.1
NSW	35	34.0
Eastern seaboard	23	22.3
Australia-wide	25	24.3
International	25	24.3
Annual value of turnover		
\$20 000 or less	16	15.5
\$20 001 – \$50 000	16	15.5
\$50 001 – \$100 000	21	20.4
\$100 001 – \$300 000	24	23.3
\$300 001 – \$500 000	15	14.6
more than \$500 001	13	12.6

The respondents draw their business from a range of markets. The local market is clearly well served by the businesses, with 75% noting their business is drawn from Armidale. As well, a significant number of respondents note the importance of external markets. The agricultural businesses, in particular, sell their products outside of the local region. Just as there was variation in the size of the businesses, so too was there variation in the value of turnover. While the median value of turnover was between \$100,000 and 300,000 (23%), 53

businesses (51%) reported annual turnover of less than \$100,000 and 28 businesses (27.2%) had annual turnover of \$300,000 or more.

In terms of acquiring the business, the majority of respondents (61%) indicated they had founded it, while a further 32% indicated they had purchased it. Only 2 respondents indicated they had inherited the business.

In Table 4 it can be seen that less than a third of respondents (30%) had been in business for less than 3 years, with almost half having been in business for more than 10 years.

Table 4: Ownership role

Acquisition of business	Number	%
Purchased	36	32.4
Founded	68	61.3
Inherited	2	1.8
Other	8	7.2
Length of tenure		
Less than 12 months	10	9.0
1-3 years	21	18.9
4-6 years	12	10.8
7-10 years	21	18.9
More than 10 years	49	44.1
Nature of ownership		
Sole trader	44	39.6
Partnership with woman	2	1.8
Partnership with man	30	27.0
Company	28	25.2
Trust	3	2.7
Partnership with spouse or defacto		
	38	34.2
Hours worked per week in the business		
< 10 hours	7	6.3
10-19 hours	10	9.0
20-29 hours	21	18.9
30-39 hours	19	17.1
> 40 hours	51	45.9
Business only source of income		
	41	36.9
Small business contributes to family income:		
<20%	12	10.8
21-50%	33	29.7
>50%	22	19.8

The most common form of ownership of the business was as a sole trader with nearly 40% of respondents indicating they operated as sole traders. Partnerships were the next most common category of ownership, with nearly 30% indicating this, of which only 2% were partnerships with women. The most common form of partnership was with a male spouse or

defacto. We also explored how the decisions were made within a partnership. The majority of the responses indicated that the businesses were truly partnerships, with decisions being made jointly following discussion between the two partners (See Appendix 1 for the women’s responses).

Still (2002) noted that many studies on women in business draw conclusions about women’s commitment to their business or how serious they are about their business, but fail to identify what proportion of the family income the business contributes. For nearly 37% of the respondents in this study, the small business was the only source of income. For the remaining 60% who responded to this question, 11% indicated the business contributed less than 20% of family income, 30% indicated it represented between 21-50% of family income and 20% indicated it represented more than 50% of family income. While women’s earnings have traditionally been the secondary source of income for families (Probert 1997), for more than 57% of respondents, the small business was the primary source of income for the family.

Preparation for running a business

The responses(see Table 5) to the question asking respondents to indicate the three sources of advice most crucial to the establishment of their business suggest that accountants represent an important resource for these women business owners. As well, family and friends and personal networks were also seen as important sources of advice when establishing their businesses. Only 10 respondents (9%) indicated they had found business support agencies to be crucial. It is not clear from their responses whether this reflects respondents’ lack of knowledge about the services such agencies offer or whether they had accessed the services and found them wanting.

Table 5: Most crucial source of advice when establishing the business

Source of advice	Number	%
Accountant	64	58
Family/friends	46	41
Personal networks	45	41
Bank or other financial institution	33	30
Solicitor	21	19
Industry or professional association	21	19
Mentor	15	14
Business support agencies	10	9
Financial planner	5	5
Marketing consultant	4	4
New England Incentive Scheme	3	3
Tax specialist	2	2
Management consultant	2	2
IT consultant	2	2
Franchisor	2	2

The discussions in the focus groups suggest that a lack of awareness about what the agencies offer could be a problem. For instance, one respondent noted that her experience had been positive,

‘A few years back when I first started (business name) they offered all sorts of courses like understanding advertising, money management, all sorts of things. I found they were really good’,

while another made it clear that she wasn't aware of what they offered.

'Who knows what they offer?'

When asked what they believed prepared them most for establishing their business, the most common response was their previous work experience with 61% of respondents indicating this (see Table 6). The next most common response was the women's own creativity with 35% indicating this. Education generally (22%), and tertiary education in particular (23%) was noted as good preparation, with TAFE and short courses being noted by 10% and 5% of respondents respectively. A family background in small business was noted by 10% of respondents.

Ten respondents responded to this in their own words, with one being very frank in her appraisal of her preparation for business when she wrote 'I think I was completely unprepared for going into the business'. This woman had been in business with her male partner for more than 7 years.

Another respondent highlighted her family responsibilities as the most important preparation for her business

'Determination. I was then a single mother with 2 dependent children. I had been made redundant in my job, I couldn't afford to fail' (Respondent 59).

With respect to their market research into the business, only 5 reported this prepared them well for their business, with 7 indicating they had explored their customer base and 4 reporting their preparation on their cost structure. In light of the important role market research can play in the long term success of a small business, the responses from these women in small business suggest there may be additional work that could be done in this area.

Table 6 Preparation for business

Best preparation for business		
Previous work experience	63	61.2
Education	22	21.4
Tertiary	24	23.3
TAFE	11	10.7
Short course	5	4.9
Informal contact with other business women	6	5.8
Informal contact with other business men	6	5.8
Family background in small business	11	10.7
Your market research	5	4.9
Customer base	7	6.8
Cost structures	4	3.9
Your own creativity	36	35.0
None of the above	5	4.9
Other	10	9.7

Access to resources

As can be seen in Table 7 almost all the respondents (93%) had accessed accounting services since their business had been established, with the next most common source of professional advice accessed being tax advice (64%). While the finances of the business clearly took precedence when it came to professional advice, other significant sources of advice included information technology (IT) (37%), marketing (35%), legal (33%) and general management (24%).

Table 7: Services accessed

Professional services accessed since its establishment		
Accounting	96	93.2
Marketing	36	35.0
Business support agencies like the BEC	18	17.5
Legal	34	33.0
Tax advice	66	64.1
Industrial	14	13.6
General management	25	24.3
Financial planning	19	18.4
Information technology (IT)	38	36.9

Sources of support

Clearly the most common sources of support for these business women were their family and friends (79%) and their industry or professional associations (63%). While there were some women tapping into local women's organisations (14%) and to business support agencies (11%) and State government departments (11%), these were not very commonly used as support mechanisms.

Not surprisingly given the predominance of family and friends and professional and industry associations as support mechanisms, the nature of this support was seen to be personal support (69%) and information (66%) (see Table 8). While between 44-46% of respondents indicated business contacts and referral of business were the benefits gained, 7% indicated they received no benefits from their networks.

When asked what support and advice would be beneficial to their business, 53% of respondents indicated marketing advice and 40% suggested strategy and business planning. As can be seen in Table 9, another 33% indicated IT and finance advice would be useful. Advice on government regulations (20%), employee relations and communications (18%) and succession planning (18%) were also nominated by respondents.

Only a small proportion of respondents reported their involvement in the local business groups – the Chamber of Commerce and the women only group Connect – or the service organisations. The focus group members had indicated an ambivalence about these groups, in light of their limited spare time. The following quote from one participant highlights the timing of these meetings as a problem

“I think also we need to start looking at the times they do a lot of these things. Like you said the Chamber of Commerce is something like 5.30. I don't close the doors until 5.30 which means I am lucky to be out by six, or the breakfast

ones don't finish until after it is time to open the shop. I joined the Chamber of Commerce thinking it would be a good network but the majority of people in it are not actually business people anyway, if they are, they're professional business people who don't open till 9.30 or can slip in and out of offices. But when you are a retailer there is no way you can just walk out of the door. It is something I have found difficult. There is also a predominance of men, and think it is the women like me who can't make it straight after work with dinner to cook or something else. There was no consideration for times, and as for a lunchtime meeting, it is crazy. It amazes me, the thinking, especially the Chamber of Commerce, I think we need a chamber of actual working type people who have their own business."

Table 8: Sources of support for business

Support for business		
Family and friends	81	78.6
Industry or professional associations	65	63.1
Local women's and/or service organisations	14	13.6
Zonta	7	6.8
Quota	2	1.9
Connect	8	7.8
Local men's and women's service organisations	3	2.9
Apex	0	0.0
Lions	0	0.0
Rotary	4	3.9
Rural Women's Network	3	2.9
NewLinc	1	1.0
Australian Businesswomen's Network	0	0.0
Local Chamber of Commerce	3	2.9
Business support agencies eg BEC	11	10.7
State Government offices eg DSDR	11	10.7
Other	27	26.2
Benefits from networks		
Information	68	66.0
Personal support	71	68.9
Business contacts	47	45.6
Referral of business	45	43.7
Other	3	2.9
Nil	7	6.8

Defining success

When asked which statements best describe what success means for your business, 'making a living' was seen as the best descriptor by 43 respondents (39%). 'Developing the business to on-sell (asset development)' was cited by 22 respondents (20%), with the next most frequently cited response 'being able to use your creative abilities' being cited by 10 respondents (9%). This focus on financial indicators is consistent with their earlier responses on the importance of the business to family finances.

Table 9: Needs for business advice

Business would benefit from availability of advice in:		
Business structures	25	24.3
Marketing	55	53.4
Strategy and business planning	41	39.8
Employee relations & communications	18	17.5
Finance	34	33.0
Government regulations	20	19.4
IT	34	33.0
Succession planning	18	17.5
Other	6	5.8

When asked what sort of planning they do for their business, the respondents noted a variety of planning processes. The most common planning activities involved product or service development (58%), financial planning (56%) and marketing (53%) (see Table 10). Nearly one fifth of respondents (18%) indicated they did no planning. With respect to the nature of the marketing they undertake for their business, word of mouth was overwhelmingly the most common form (80%) with the next most common form being the use of existing personal relationships (60%). Newspaper advertisements (35%) and fliers/brochures (28%) while used by fewer businesses were still quite common practices. The internet, incentives to current customers and exhibitions and trade shows were used by approximately 16% of respondents.

The marketing of the businesses is done largely through word of mouth and existing personal relationships. This is consistent with the earlier finding that respondents had not done a lot of market research in setting up their businesses. It seems the respondents are not being strategic in their overall approach to marketing.

Table 10: Planning and marketing for business

	Number	%
Planning for business		
Strategic	47	45.6
Marketing	55	53.4
Product or service development	60	58.3
Financial planning	58	56.3
Workforce planning	21	20.4
Succession planning	7	6.8
Nil	18	17.5
Other	4	3.9
Marketing for business		
Internet	17	16.5
Existing personal relationships	62	60.2
Fliers/brochures	29	28.2
Shopfront	24	23.3
Posters/noticeboards	14	13.6
Exhibitions and trade shows	16	15.5
Word of mouth	82	79.6
Newspaper advertisements	36	35.0
Incentives to current customers	17	16.5
Television	3	2.9
Other	1	1.0

Doing business in a regional location

In the survey we included an open-ended question ‘what does being located in a regional location mean for your business?’ because the literature is so sparse concerning regional locations we did not feel confident we could offer options for the respondents that were well grounded in previous studies. This open-ended question allowed respondents to express in their own words what a regional location may mean for their business. The range of responses we received highlighted the different experiences of our respondents. In seeking to make sense of them, we did a content analysis and drew them together under common themes. Both authors did this categorisation independently and then we compared the results. The very few responses that we had not coded identically were discussed and agreement reached on the category in which they should be placed. These themes, and the frequency with which they are mentioned are detailed in Table 11:

Table 11: Issues concerning business in a regional location

Theme	Number
agriculture/tourism (as the industries required the location);	24
building strong customer relations	24
lifestyle	22
freight costs and logistics	19
limited market	17
lower overheads for business	11
isolation	9
higher costs of regional location	8
no competition	7
access to education facilities	6
limited access to suppliers	5
shortage of skills	4
servicing broader area	3
conservative environment	3
intense competition	3
cross-section of people	2

Discussion

The women responding to our survey are operating in a range of industries. The characteristics of the women in small business in Armidale can be summarised as:

- median age 41-50 years
- well educated – 76% have vocational or tertiary qualifications; 22% have post-graduate qualifications;
- almost half have been in business for more than 10 years
- the median annual turnover of the businesses is between \$100 000 and \$300 000
- more than two thirds of the sample employ staff
- ‘making a living’ is the most common definition of success for the business
- 57% report that the business is the primary source of income for the family.

Given the local population is under 25 000, and Sydney and Brisbane are both more than 500 km from Armidale, these women have responded in a variety of ways to their location. Some respondents identified the advantages of the location for their business, others identified the disadvantages, others identified both advantages and disadvantages and there were some women who described their actions in response to the location. This form of categorisation of

the respondents' answers – advantages, disadvantages and responses to the location – helped us to make sense of the variety of responses and can be seen in Figure 1.

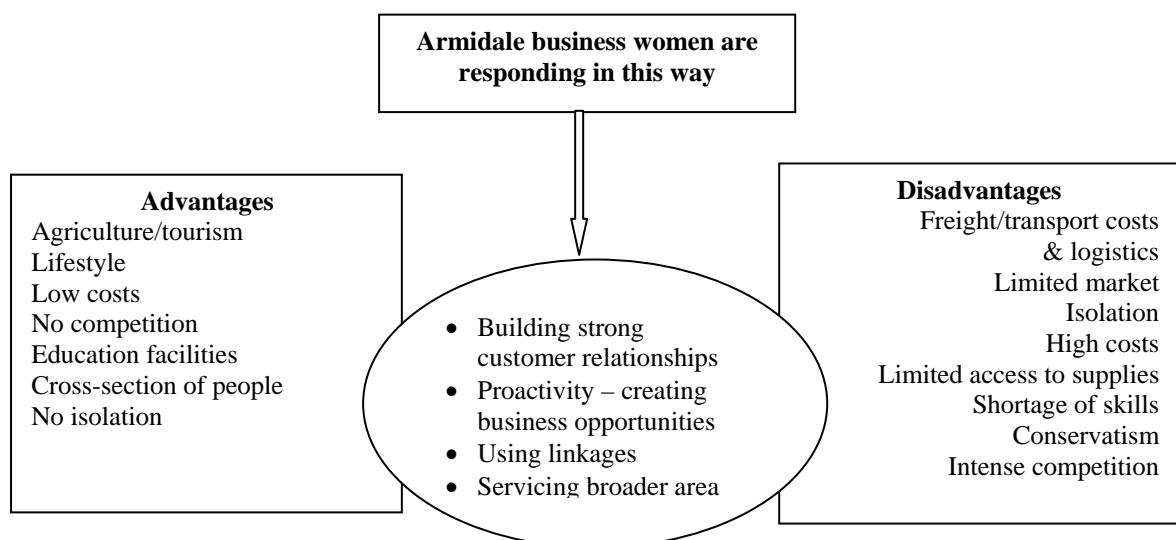
In terms of their responses, it seems that the women are identifying a number of important processes – building strong customer relationships, creating their own business opportunities, using linkages to other businesses and servicing the broader region – that reflect good marketing. While they have not accessed much professional marketing advice, and they don't appear to have done much market research in preparation for their business, these women are recognising the importance of maintaining their businesses in a regional location through good customer relations and strategic alliances. While they may not be using the marketing language, their descriptions of their responses indicate that is what they are doing. For instance,

“We need to be proactive in our business approach and stand above other competitors by offering superior service and value, adding by incorporating advice and information.”

“More flexibility able to be given to customers eg approval service which I believe makes more sales.”

“I think being known, having a reputation and a network of connections is very important in a regional business. It's the connections and word of mouth recommendations that develop a lot of business opportunities. I don't think you would get this in the city or even in larger regional areas.”

Figure 1: Doing business in a regional community



The variety of responses from these women suggests there is no single way of characterising what a regional location means for women-owned small businesses. While some women cited the low costs and limited competition that their location means for their businesses, others pointed to the high costs and intense competition they face in doing business in a regional location. Clearly the nature of the industry and the women's own business skills will affect their perceptions of the impact of their location. Some features of their responses can be seen to be directly related to their business being located in Armidale, for instance, their access to education facilities, while other responses could be seen to be more generally applicable to any regional location based in cattle and sheep producing country and near national parks, for instance the nature of their industry (agriculture or tourism). Recognising the particular features of a regional location is an important step in building up our understanding of the impact of location on small businesses.

Respondents to this survey used a range of formal and informal sources of support for their businesses. Friends and families provided local support while a significant proportion of respondents also reported accessing industry or professional associations. There appeared to be little support accessed through government and independent services, which is consistent with previous studies of women in small business (Tasmanian Women's Consultative Council 1996; Tasmanian 1996). While previous studies of women's networks have found them to be smaller, more homogenous and more family-oriented than men's (Brush 1992; Bird, Sapp et al. 2001) the combination of support from both friends and families and industry or professional associations suggests that these women are using both bonding and bridging strategies (Putnam 2000) in managing their businesses. They are drawing support from families and friends, but they are not confining themselves to these. The bonding strategies encompass the sorts of close community relationships that local friends and family can offer and can represent important social capital within a community. The bridging strategies include connections that span demographic and social differences and link into broader networks such as industry or professional associations. While not as prevalent as the internal links for the participants in this study, these bridging links may serve the business by making accessible more information sources and exposing the women to different approaches to business problems.

The question arises as to why these women are not accessing support from government and independent services. Given the women have noted that they would benefit from more advice in the marketing and strategic planning domain, issues about how they can access these services need to be considered. The first point to consider is whether those services are available locally. The cost of such services and their availability should also be canvassed and attention focused on how these can be made more accessible. Issues concerning the credibility of government and independent providers may need to be addressed as previous studies in small business suggest that owners may be fearful about receiving bad advice and they feel unsure about how to judge the quality of advice they may be given.

As well, why these women are not connecting to the local community economic groups, such as the Chamber of Commerce and Connect, warrants further consideration. While they seem to be bonding with their friends and families, the majority of women small business owners responding to the survey do not seem to be formally bonding with the local business community. One of the focus group participants explained her non-involvement in a recent meeting of a business group in terms of how she believed her business was valued.

“When I was there they only seemed to be interested in people that were actually selling outside of Armidale. So if your business concentrated into Armidale, in the area, then they weren’t really interested.”

Another participant indicated her experience at one of the Council meetings was enough to put them off such participation.

“I have gone to nothing. The Council was the first thing I had gone to in Armidale and thought - gosh I’m never doing that again”

Clearly consideration to the structures and processes of business consultations to ensure there is fair representation and participation of women business owners is an issue that should be pursued further.

Conclusion

From our survey, it seems that the experience of being a woman small business owner in a regional location is multifaceted. It impacts on the nature of the industry in which the business is likely to be operating. While nationally, women small business owners tend to be clustered in the service sector, in the case of Armidale they are most likely to be in retail trade, farming and agriculture and education. For these women there are both advantages and disadvantages of their location and individuals respond in a variety of ways to their context. It seems there are unique features of doing business in a regional location that may need to be considered from a policy perspective.

The discussions within the focus groups and the responses to the survey suggest that Armidale business women are using a relatively limited range of professional services, which although not attributed by many respondents to their location, should be explored further. It may be that the relatively small size of the Armidale community and the distance from capital cities may limit the accessibility of such services.

The majority of these women report that the business is their primary source of income and their most common definitions of success were ‘making a living’ and ‘developing the business to on-sell (asset development)’. Clearly these women are committed to the long-term success of their businesses. In this context, their absence from the formal business networks operating locally is an issue that deserves further attention. While they are linking into professional and industry associations and gaining information from these, their access to local business opportunities could be significantly limited by not participating in the formal local business networks. The enthusiasm we encountered from women involved in the study indicated their concern with the economic well-being of the local community and their role in it. Women small business owners in this regional location are actively contributing to this well-being. As one of the focus group participants noted:

“I don’t often think of myself as a woman in business, I think of myself as being in a business and making it work. I think of the people – my staff, the people I’m creating a livelihood for. I feel a great responsibility for their financial welfare at the point when they work for me.”

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Nature of decision making				
Woman makes decision	Joint decision making	Specialist decision making	Man makes decision	Staff together
Decisions discussed but final decision made by me	As a result of discussion	Each have our own area, ie I buy he pays	My husband manages the practical side of things. I manage the money. He gets his own way on most issues as he has more experience in the industry than I do	Discussion together; staff meeting; 2 * annual directors meetings
I manage the business, the partner does the bookwork	My mother and I sit and discuss all options together before agreeing on our decision	We make separate decisions in our own areas of expertise, and jointly all others	My husband makes on property decisions after discussions, we jointly make decisions on the overall business – I am employed off farm as well – on another two properties as bookkeeper.	By staff and myself
I run the shop. I make the decisions.	Discussion and then mutual agreement	By discussion and joint agreement, with (husband) taking the leadership role on finance and administration and me taking the leading role in consultancy management and implementation.		
Mostly by me. Some consultation	Whoever is available at the time – large decisions are always made jointly	An idea is run past the other partner before implement or not.		
All decisions made by myself	Jointly	We have clear delineation of responsibilities and authority. Decisions made either singularly or in consultation.		
I make all the decisions	Equally after discussion			
	In partnership and/or agreement			
	Equal input from both partners			

	Democratically, after discussions between ourselves and our staff			
	Joint consultation			
	Bigger decisions made together. Small – our own individual areas of control			
	Discussions and agreement on course of action			
	Discussions and then agreement with partner			
	We discuss with one another and then decide together.			
	Jointly			
	My partner is the office Manager. We make joint decisions on major matters – he makes decisions on minor matters			
	Jointly			
	Major decisions jointly made. Minor/day to day decisions made by women (manager/part owner)			
	Consensus by meeting			
	With consultation			
	We constantly discuss decisions to be made			
	Discussions and equal decision making power for both of us.			
	Open discussion with a conclusion both is happy with			