

**AN INVESTIGATION INTO THE FACTORS THAT LIMIT SME's ACCESS TO
BUSINESS ADVISORY SERVICES: A CASE STUDY OF THE WINDHOEK
INCUBATOR CENTRE**

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ABSTRACT

Despite the existence of many SMEs, there are several factors that limit SMEs from accessing business advisory services. In Namibia, the problem facing SMEs in accessing advisory services is not different from other countries. This study sought to investigate the factors affecting SMEs' access to business advisory services at the Windhoek Incubator Centre. A mixed research method was used for this study. Using Slovene's formula, a sample of 38 businesses was drawn from the population of 43 SMEs in the Windhoek Incubator Centre. The sample for the study was drawn using stratified random sampling. Data was collected through questionnaires administered to get information from SMEs as well as interviews with the consultants that provide advisory services. The findings indicated that 50% of the respondents chose advisory services as a catalyst for business growth. On the other hand, 29% of the respondents considered finance as an important mentorship programme for SMEs as it can assist one to cover costs for the operation and maintenance of the customer base. Marketing and Trade Fair participation also accounted for 13% and 8% respectively. The SMEs in the Windhoek incubator Centre need support from the City of Windhoek, government and private institutions with regards to Rental Fees, Financing, advisory services and technical advice. This study recommends that sophisticated SME owners who are aware of the benefits of compensating for their own inadequate knowledge or skills should utilise a Business advisory Services provider and the owners of the Consultancies should lower the cost of services, so as to increase SMEs' access to these services.

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Finally, I would like to thank the Small to Medium Enterprises (SMEs) who participated in the survey and the City of Windhoek, Department of Community Development for their insight and support.

DEDICATION

I dedicate this thesis to my Son, Frans Inane Nghishekwa for being born during my academic career. I would also like to dedicate this thesis to those who have started businesses and are working hard to grow them.

DECLARATION

I Tomas Nghishekwa hereby declares that this study is a true reflection of my own research and that this work or part thereof has not been submitted for a degree at any other institution of higher learning. Wherever contributions of others are involved, their contributions are acknowledged with due reference.

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LIST OF ACRONYMS

SMEs - Small and Medium Enterprises

MSME - Micro Small and Medium Enterprises

MITSD - Ministry of Industrialisation, Trade and SMEs Development

NAMBIC - Namibian Business and Investment Climate Survey

COW - City of Windhoek

LED - Local Economic Development

NCCI - Namibia Chamber of Commerce and Industry

WIC - Windhoek Incubator Center

CPA - Certified Public Accountants

WSS - Windhoek Show Society

NDC - Namibia Development Corporation

NDP - Namibia Development Plan

SBCGT - Small Business Credit Guarantee Trust

AGRIBANK - Agricultural Bank of Namibia

ANOVA - Analysis of variance

BON - Bank of Namibia

NAMFISA - Namibia Financial Institutions Supervisory Authority

CHAPTER ONE

1. INTRODUCTION

1.1 Orientation of the Study

According to the Ministry of Industrialisation, Trade and SME Development, SME policy and programme on small business development, Namibian small businesses are particularly disadvantaged. Most Small to Medium Enterprises (SMEs), are in the informal sectors and they are relatively new and are exposed to factors that limit access to advisory services (Ministry of Industrialisation, Trade and SME Development SMEs Policy, 2016). However, the situation is still prevailing as SMEs are still struggling to survive and have no access to advisory services, lack skills and finance (Republic of Namibia, 2011).

Namibia has witnessed a phenomenal growth in the number of business start-ups during the past two decades or so. This is, especially true, when it comes to the operations of small and medium enterprises. Indeed, almost 40,000 SMEs are currently registered in Namibia. SMEs in Namibia do contribute to the national economy of Namibia in various ways: employment creation and generations, adding value to the gross domestic product of the country, helping towards the realization of the national agenda just to mention a few of them. Concomitantly, it has also been observed that a majority of these businesses do crash land during the first twenty four months of their existence and in most cases before fully taking-off. Indeed, available data indicates that approximately 75% of the small-scale businesses belong to this failure group.

It is equally pertinent to note that consistently this increased failure rate is substantially greater than the increase in the rate of new business creations. This problem appears to be more prevalent among the small-scale businesses that operate in Namibia in relation to the medium enterprises that operate in its economy.

In a competitive business environment, small enterprises find it difficult to access business advisory services compared to larger enterprises (Berry & Sweating, 2006; Butker & Durkin, 1998). Business advisory services for SMEs have been used by various governments and regulatory entities to promote Local Economic Development (LED). This study will adopt the term ‘business advice’ to mean those professional services, provided by the local authority or an independent consultant, that assist or advise clients on multi-dimensional, strategic and operational aspects of business and financial management. This may involve: acquisitions; wealth management and investment; corporate finance; cash-flow planning; succession; review of systems; human resource issues; and payroll.

In the SME environment, external professional services may be used to gain specialist knowledge, fill a role not provided by internal staff or management expertise, both for specific and once-off tasks, and to develop new internal procedures and processes (Robson and Bennett 2000; Bennett and Robson 2005).

1.2 Key Literature

The United Kingdom Government’s Annual Small Business Survey found that Cities are the key source of information and advice in relation to both regulation and non-regulation issues (BERR, 2009). The results suggest that cities tend to be approached slightly more often in relation to regulatory rather than non-regulatory issues.

A majority of private sector enterprises in the United Kingdom are SMEs (Bayati & Taghavi, 2007; ILO, 2003). Conversely, in the UK, Worrall argues that the association between the utilisation of the professional advisory services and SME performance have produced inconclusive results. The UK Government's Annual Small Business Survey (2009, p.24) explain that "we take cognizance that, these studies have been carried out in the developed and mature economies. We argue therefore, that emerging economies provide unique settings to broaden the theoretical and empirical understanding of SME behavior".

However, most SMEs fail due to a lack of marketing knowledge and managerial skills or capabilities and technical expertise (Dyer & Ross, 2008). Indeed, "SMEs are more vulnerable now for many reasons: not only has the traditional challenge of accessing finance continued to apply, but new, particularly supply-side, factors limiting access to advisory services are currently apparent" (OECD, 2009: 6).

Furthermore, the new competitive environment is more complex (Espino-Rodríguez & Padrón-Robaina, 2004; Garcia-Teruel & Martinez-Solano, 2010), and SMEs cannot control the markets in which they operate (Bennett, 2008). Therefore, in this globalised era, as competitive pressures intensify, smaller firms are forced to reduce their costs and seize new opportunities through optimised utilisation of external resources (Mahmood Zadeh, Jalalinia & Yazdi, 2009). There is a need to scrutinise ways of empowering SMEs (Samujh & Devi, 2008).

SMEs have limited access to advisory and support services because of lack of skills and their vulnerability to market imperfections. Following this, a transformation in professional advisory services to their small business clients is critical (Blackburn & Jarvis, 2010).

For instance, professional advisory services can assist SMEs operating in a competitive environment to integrate operational considerations within long-term plans to enhance their sustainability.

The Resource-Based View (RBV) posits that given the limited resources or knowledge of smaller firms, it is essential for them to obtain resources to access advisory services from external sources (Hadjimanolis, 2000). By relying on external sources, SMEs harness the capabilities and knowledge they require from external service providers (Gilley, Greer & Rasheed, 2004). Consequently, to conduct the important activities for which the SMEs lack the necessary resources or knowledge internally, services can be obtained from external service providers (McIvor, 2009). Hence, the RBV further encourages the sourcing of SME resources, thereby, linking external sources (outsourcing) with performance (McIvor, 2009). In effect, the RBV lends support to the argument that SME owners/managers use professional advisory service providers as a source of professional services principally as a result of a gap in their internal resource base (Doving & Gooderham, 2008; Gooderham, Tobiassen, Doving & Nordhaug, 2004; Blackburn & Jarvis, 2010). A major concern of the RBV is how a firm's resources or knowledge develop and affect its performance (McIvor, 2009). The RBV suggests that SME performance can be improved through receiving information and advice (Bennett & Robson, 2004).

1.3 Statement of the problem

The dynamic nature of the business environment has created great challenges to micro-sized SMEs. Being micro in size, they are operating with inadequate capital and

less skilled human resources, thus leaving the entrepreneur to run their business in an inefficient manner. As a matter of fact, SMEs greatly need external support to fully exploit their potential (NamBIC, 2013).

In 2012 the Ministry of Industrialisation, Trade and SME Development found that regular contact with government support resulted in favourable influences on the growth of the micro-sized business. Although studies which considered the informal sector of SMEs in Windhoek, have been conducted in Namibia, for example, Ogbokor & Ngeendepi (2012), these findings could not be generalised to every SME sector. This study concentrates on SMEs within the Windhoek Incubator Centre, considering the four sectors of manufacturing, trade, tourism, and other services. These sectors have been chosen for this study because they are regarded as a backbone of SMEs in Windhoek, and that a combined outcome of this study would help address the factors that limit SMEs' access to advisory services.

The contribution, which small businesses can make to national economy and wealth creation need to be recognized by the government from the beginning and be considered as part and parcel of the economic development process. Small businesses, which can be defined as small firms with less than 500 employees are integral part of any national economy (Edmiston, 2007).

It is the aim of this study to investigate factors that limit SMEs' access to business advisory services in the Windhoek Incubator Centre. Thereafter, appropriate measures can be put in place to try and overcome these factors.

1.4 Objective of the Study

The main objective of this research is to identify major factors that limit SMEs' access to business advisory services in the Windhoek Incubator Centre. The specific objectives of the study are:

1. To identify key limiting factors affecting SMEs' access to business advisory services in manufacturing, trade, tourism and other service sectors at the Windhoek Incubator Centre.
2. To investigate SMEs' responses to these limiting factors of accessing business advisory services at the Windhoek Incubator Centre;
3. To examine the impact of access to information through business advisory services towards SME growth at the Windhoek Incubator Centre and
4. To provide policy recommendations based on the results of the study.

1.5 Research Questions

Here are the research questions for this study.

1. What are the key performance limiting factors affecting SMEs access to business advisory services in manufacturing, trade, tourism and other service sectors at the Windhoek Incubator Centre?
2. What are the responses of SMEs to the limiting factors of performance in accessing business advisory services at the Windhoek Incubator Centre?
3. How does access to information impact business advisory services for SMEs performance at the Windhoek Incubator Centre?

4. How are could the existing and future limiting performance factors of SMEs accessing business advisory services be addressed at the Windhoek Incubator Centre?

1.6 Significance of the study

SMEs are the main providers of employment in the economy, and it is paramount that they grow and graduate to bigger enterprises to offer more employment, pay taxation to government and change the living standards of communities in which they are operating. The study investigated the factors affecting SMEs' access to Business Advisory Services at the Windhoek Incubator Centre. Mentorship and training were recognised as a catalyst for business success. In addition, mentoring and training relationships have been cited as important in SME advancement and as a productivity tool. Thus, the significance of this study comes under a number of perspectives. Firstly, this study contributes to the existing literature and fills the gap of carrying out a dyadic study that analyses the factors limiting SMEs' access to business advisory services in the Manufacturing, Trade, Tourism and Services sectors.

Secondly, the findings will also be used by service providers to develop suitable programmes to increase the level of awareness and knowledge of the targeted groups.

Thirdly, by further expanding the programmes, the study will set out the path for future research, since there is a need of dyadic studies in Namibia regarding access to business advisory services.

1.7 Limitation of the study

This study only covered the SMEs operating in the Windhoek Incubator Centre. This study was limited to a sample of thirty-eight (38) SMEs that were randomly selected from a population of forty-three (43) SMEs which were operational at the centre during the time of the research.

It however, took long to get the targeted respondents because of the inclusion criteria of the study. The criteria included: being in business for more than one year and not over fifteen years; business being headed by owner manager or employed manager; and business being registered with the Ministry of Industrialisation, Trade and SME Development (MITSD) or the City of Windhoek. These pre-requirements forced the researcher to physically visit each individual business to make appointments.

In addition, this location was chosen due to cost and time considerations, and also because most SMEs were concentrated in this area of the regional capital. Other limitations included the reluctance of some of the SME owners to release information that would have strengthened the study by enhancing its validity and reliability.

1.8 Delimitations of the study

Although the Khomas region is delimited to 33 suburbs, the study was only limited to the Northern part of Windhoek. However, although the Northern part of Windhoek has 8 suburbs, the study was only limited to SMEs that operated from the Windhoek Incubator centre and stakeholders in the SME sector. The study was also limited to factors affecting SMEs' access to Business Advisory Services.

1.9 Definition of terms

According to Yesseleva (2013), in a broader sense, *Business Advisory Services*: refers to a range of consulting services provided by Certified Public Accountants (CPA) and other financial advisors to businesses and high net worth individuals who require specialised advice on capital formation, cash flow and wealth management. Advisory clients pay fees, based on services provided or as a percent of assets under management.

Entrepreneur: is a person with the ability to see and evaluate business opportunities, gather the necessary resources to take advantage of those opportunities, and initiate action to ensure business success. He / She mobilises resources and combines them into a viable business undertaking depending on his or her educational level and training received both outside and inside the formal educational system (Abdel and Haan 2003/2004: 9).

Small to Medium Enterprise (SME): is understood to be an independent business undertaking where operational and administrative management are in the hands of one or two persons, usually the owner / manager who are responsible for making major decisions of the enterprise (Abdelkarim, and Haan, 2004: 37). Thus, whether an enterprise will be considered small or medium depends on the structure and size distribution of enterprises in the sector and in the country concerned.

CHAPTER TWO

2. LITERATURE REVIEW

2.1 Introduction

There is a tremendous amount of research on the importance of external business advice. Bennett (2003, p.797) explains that people need skills to enhance the ever-increasing number of new products and services in the market. This process of learning has created an opportunity for business advisory service providers. The learning process could benefit the Windhoek Incubator Centre, which also has business consultants that offer this type of Business Advisory Service to SMEs.

According to Hooi (2006), the challenges facing many SMEs today is that many consultants are more interested in short training rather than business consultancy. This has prevented many SMEs from growing as they are not practically involved in the real business world or working hand in hand with a mentor to guide and direct them to the right channels so as to succeed. However, Gold (2008), encourages SMEs to continue acquiring skills relevant to their business as it is a continuous learning process.

One of the benefits of a mentoring relationship is the learning which ensues from the discussions with the mentor, where cognitive and affective learning prevail. On the other hand, Jean (2011) explains that business knowledge has a greater impact than technical knowledge. More specifically, Abdelkarim and Haan (2004:8) have shown that knowledge regarding clients and their problems, enhances the chances of identification of entrepreneurial opportunities. SMEs must possess a minimal amount of knowledge,

thereby enabling them to decipher new information at hand and consequently affording them the capacity to recognise these new opportunities.

2.2 Overview of the Namibian Situation

The Ministry of Industrialisation, Trade and SME Development and the Namibia Chamber of Commerce and Industry (NCCI), offer professional advisory business services to SMEs and their members for free. However, the small businesses are not willing to make use of these services. This might be due to the fact that SMEs are not really aware of the positive results that can come from such services. A research study conducted by Yesseleva (2013, p.24) explains that, “there is a correlation between the provision of Business Advisory Services and SMEs’ ability to get access to bank finance”.

2.3 Accessing Business Advisory Services

The resource-based approach is the most commonly used framework to explain the source of demand of business advice (Carey & Tanewski, 2009). This approach focuses on the source of a firm’s competitive advantage as the basis for business success and how the firm can maximise its value by combining and using all available resources to it (Barney, 1991, 2001).

Furthermore, smaller firms may have a greater need for advice because they often lack significant skills such as knowledge of financial controls (Deakins, 2001). They also have difficulty obtaining and retaining competent staff and are generally not able to offer competitive salaries and benefits (Jennings and Beaver 1997). The age of the firm will influence the likelihood that an SME will source business advice.

Accounting services are an important source of advice during the early stage of business development as the owner navigates through the unfamiliar regulatory and operational challenges (Deakins, 2002; Johnson, 2007). An SME is particularly vulnerable to failure in its early years of operation (Peacock 1986; Perry and Pendleton 1983; BIS, 2009).

SME businesses that contract advisory consultants are more likely to succeed than those that run their business on their own. SMEs are likely to face challenges regarding their internal resources and the knowledge base of the SME firm, most obviously in relation to the managerial skills and capacities of the owner-manager (Johnson *et al.*, 2007; Kitching and Blackburn, 2002; Blackburn *et al.*, 2006; Gooderham *et al.*, 2004).

2.4 Defining SMEs

There is no accepted worldwide definition of SMEs (Hooi, 2006). According to OECD (2006), the most frequent upper limit designating an SME is 250 employees, as in European Union. However, some countries set the limit at 200, while the United States considers SMEs to include firms with fewer than 500 employees.

The various definitions proposed and used are generally based on the number of employees, turn-over levels, capital base, fixed asset values and degree of “formalisation”. For example, as a criterion for providing funding, the government of Zimbabwe defines a small enterprise as a business enterprise with 100 or less employees, a capital base of less than Z\$2 million, and fixed assets valued at less than Z\$3 million. Similarly, small business support institutions, such as the Small Enterprises Development Corporation (SEDCO), define a small business as “an enterprise with 50 or less employees, and annual capital credit requirements of less than Z\$10 000” (Kapil, 1997: 4-5).

According to Abdelkarim and Haan (2004) a small to medium enterprise is an independent business undertaking, where operational and administrative management is in the hands of one or two persons, usually the owner (manager) who is responsible for making decisions for the enterprise. In Namibia, the Ministry of Industrialisation, Trade and SME Development recognised the need for a review of the current Policy and Programme on Small Business Development to take these structural changes and needs into account. This new National Policy on Micro, Small to Medium Enterprises in Namibia is aligned to the national objectives as expressed in Vision 2030 and the National Development Plans, as well as to other national policies and strategies - such as Namibia’s Industrial Policy (2012) and its recently adopted implementation framework and strategy (‘Growth at Home’) and the Namibia Financial Sector Strategy: 2011 - 2021.

The National Policy on Micro, Small and Medium Enterprises in Namibia defines Micro, Small to Medium Enterprises (MSMEs) as shown in the table below:

Table 2.1. Definition of Micro, Small to Medium Enterprises (MSME)

Category	No. of full-time employees	And/or	Annual turnover (N\$)
Micro-enterprise	1 to 10	And/or	0 to 300,000
Small enterprise	11 to 30	And/or	300,001 to 3,000,000
Medium enterprise	31 to 100	And/or	3,000,001 to 10,000,000

Source: Ministry of Industrialisation, Trade and SME Development, 2016

From the above table, a Micro, Small to Medium Enterprise, is defined as an Enterprise that generates an annual turnover of less than N\$10,000,000, while other factors include the number of employees and various categories as illustrated in table 1.

Business advisory services for SMEs have been a point of discussion in the literature for some time now. The European Commission (2011) explains that SMEs find it difficult in accessing professional information, often called demand side characterisation of the problem, and issues in consultancy practices, called supply side characterisation. Understanding SMEs' problem of access to business advisory services involves describing the various limitations in both the demand side and supply side. The supply side constraints focus on the source of finance, i.e. if appropriate sources of finance are not available on terms and conditions suitable to SMEs (European Commission, 2001). Whereas, the demand side constraints explain if entrepreneurs or firms do or do not make use of existing consultancy opportunities due to shortage of good projects.

Due to the sensitive and competitive nature of the SME sector, where obtaining information on the practices may break business confidentiality, supply side studies, especially on consultants compared to studies into other forms of SME performance are relatively rare (Deakins *et al.*, 2008). Since advisory service providers are not able to control all actions of SMEs due to imperfect and costly information, they formulate the terms of contracts in such a way as to reduce the risks associated with financing. In the absence of sufficient information especially in developing countries like Namibia, where there are no formal markets, consultants generally rely on government contracts (Nott, 2003).

According to this argument, it is clear that consultants try to mitigate the service risks through a capital gearing approach instead of focusing on the future income potential of SMEs. Consequently, consulting services to SMEs in Africa are less significant and are more short-term than in other developing countries (Martinez Peria, 2009). Small to Medium Enterprises in Africa are less likely to take advisory services from consulting institutions than in any other developing regions; but firm and country level covariates explaining access to business advisory services remains the same inside and outside Africa (Beck and Cull, 2014).

The demand side studies suggest that, whilst overall, the majority of SMEs appear not to have difficulties obtaining business advisory services from family and friends, there is evidence to indicate that a number of groups and sectors, do face distinct challenges in accessing these services (Deakins *et al.*, 2008). The fundamental reasons behind SMEs' service demands can be found in their peculiar characteristics. Issues that involve factors such as inadequate flow of information, business and entrepreneurial factors and legal status of the firms are often stated as major demand side constraints.

The existence of information asymmetry issues between consultants and the potential SMEs, has severe implications in the advisory services methodologies used by consultants. For example, Johnsen and McMahon (2005) stated that consulting firms with more clients tend to advise less, compared with firms with less clients. Alternatively, a good Consultant-SME relationship is acknowledged as a way to overcome asymmetry of information and inadequacy of issues (Ghimire and Abo, 2013).

When there is imperfect information, which is recurrent in most SMEs' cases, particularly in developing countries, a consultant-SME relationship becomes the main source of information and vital for knowledge advancement. Mills *et al.*, (2006) show a positive correlation between a good consultant-SME relationship and the skills acquired. Preferences will be given to firms which have established a strong and durable relationship with their consultants and abide by all previous contractual arrangements. Petersen and Rajan (1994), Berger and Udell (1995), and Miller (1995) discuss the importance of SMEs history in business. Being in the business for many years suggests that firms are competitive and have accumulated sufficient skills to meet the market requirements of that sector.

Owner and manager's characteristics affect an SME's ability to access advisory services, especially from the formal market. The entrepreneur's behavior has profound consequences on how the business is run. Schmitz (1982) highlighted that the small-scale producers in developing countries fail to expand, primarily because they lack managerial ability. For this reason, entrepreneur related factors take a priority position in all training assessments by the consultants. Kumar and Francisco (2005), found a strong education effect in explaining access to advisory services in Brazil. In a study conducted on UK SMEs, Irwin and Scott (2009) observed that graduate entrepreneurs had the least difficulties in utilizing the acquired skills. Similarly, using data from SSA, Aterido, *et al.*, (2013) found that the level of education of the owner is positively related with access to formal advisory services. SMEs with higher education are more likely to use and have access to formal business advisory services.

In addition, Johnsen and McMahon (2005) state that firm level characteristics such as age, size, location, industry, and organizational structure are key determinants in accessing business advisory services. In terms of size, consultants tend to issue more services to large firms as compared to smaller firms. Aryeetey *et al.*, (1994) in Ghana observed that large firms were more favoured by consultants than small and medium-scale firms in terms of training.

Additionally, young ventures at start-up level may not have the level of expertise and success history required. Klapper *et al.*, (2010) found that young firms (less than four years) rely more on internal knowledge than consultancy services. Similarly, Woldie, *et al.*, (2012) in Tanzania observed that firms at start-up level and less than five years old depended more on informal sources. Using data from African countries, Beck and Cull (2014) showed that older firms are more likely to have a formal information than their younger counterparts. It is generally expensive and difficult for new firms to acquire skills, mainly due to the information asymmetry problem and lack of capacity (Ngoc *et al.*, 2009).

The industry or sector in which the company operates, may also impact the level of advisory services offered. Myers (1984) argued that the industry may not determine the capital structure of SMEs but can indirectly influence the firm's structures. Abor and Biekpe (2007) found that the Ghanaian firms involved in the agricultural or manufacturing sectors have higher capital and managerial structures than those operating in the wholesale and retail sectors. On the other hand, in South Africa, in Section 1 of the National Small Business Act of 1996 as amended by the National Small Business Amendment Acts of 2003 and 2004 (NSB Act) a small business is officially defined as:

“... a separate and distinct business entity, including co-operative enterprises and nongovernmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub sector of the economy mentioned in Column I of the Schedule14...”. The NSB Act further categories small businesses in SA into distinct groups, namely: survivalist, micro, very small, small and medium, hence the use of the terms “SMME” and “SME” interchangeably in South Africa.

2.4 The Asian Economies Experience

As in any country, Omar, *et al.*, (2009) stressed that SMEs play a vital role in the development of the Malaysian economy and their contributions brought big impacts to the economy as a whole. SMEs are also important traders and service providers to primary industries. According to Omar, *et al.*, (2009), a large number of SMEs are also producers of finished goods and services. They also mentioned that SMEs offer employment opportunities, initiate improvement, accelerate competition and support big companies. Evidence shows that SMEs contribute up to 32 per cent to gross domestic product, 56.4 per cent to employment opportunities and 19 per cent to exports of the Malaysian economy (SMIDEC, 2008).

Malaysia Limited (CGC) was set up to assist SMEs to secure loans from financial institutions in Malaysia and provide Business Advisory Services to the SMEs. The performance of CGC directly reflects the availability of services to SMEs. In 2006, CGC showed commendable progress in providing wider business enhancement products,

advisory services on financial and business development and credit information services besides being the provider of credit guarantees.

Collateral also may be used to lessen some of the moral hazards related with monitoring issues in business advisory services. As displayed by (Boot, Thakor & Udell, 1991), even after accounting for the cost of repossessions, banks may use collateral to reduce moral hazard problems when lenders are able to take unobservable ex post actions that affect project payoffs. Very often SMEs lack the administrative knowledge and do not have proper financial reporting to reflect their financial position. In expanding the business further, SMEs need assistance to facilitate the business requirements.

Business advisory service providers, like donors and other agencies are having problems in providing loans to SMEs. Banks are reluctant to lend to SMEs as quite a substantial amount of risk is involved in SME lending. The (Malaysia) Limited (CGC) noted that, the provision of management forecasts, along with the reasonableness of the underlying assumptions, also affected bank loan officers' probabilities of granting a loan.

Since the 1970s, the Philippine government has devoted considerable effort to supporting and promoting SME development through a variety of schemes and agencies, covering numerous programs and policies on market improvement, business advisory services, technology transfer, and entrepreneurship. During the seventies, which were characterized by government protectionist policies, SMEs did not grow substantially due to two major factors:

- i. Very few SMEs made use of the incentives and services available to them; and

- ii. Formal lending bodies had very little involvement in SMEs, because of the perceived risks and high costs associated with processing and supervising their projects.

With the government's trade liberalisation policies in the eighties, SMEs started to face a more competitive business environment. During this period, the government of Philippine adopted market improvement strategies to increase market access and expand the domestic market for SMEs. To achieve this, the Philippine government focused on the creation of subcontracting linkages, provision of financing and guarantees to exporters as well as common market facilities, market intelligence and information access, and the identification of local market centers and rural transport facilities.

In the nineties, the Philippine government's SME policy focused on market access, export expansion, identification of specialization, entrepreneurship and management, technology and quality systems and domestic linkages. The most important piece of SME legislation, the Magna Carta for Small Enterprises, was passed in January 1991.

Representing landmark legislation, the Magna Carta (RA 6977) aimed to consolidate all government programs for the promotion and development of SMEs into a unified institutional framework. The Magna Carta had the following provisions as highlights:

- i) creation of the Small and Medium Enterprise Development (SMED) Council to consolidate incentives available for SMEs;
- ii) creation of the Small Business Guarantee and Finance Corporation (SBGFC) to address SME financing needs; and

- iii) allocation of credit resources to SMEs by mandating all lending institutions to set aside 8% of their total loan portfolio to SMEs (6% for small and 2% for medium enterprises).

The Department of Trade and Industry (DTI) is the main government agency responsible for the development and regulation of Philippine SMEs, including micro and large enterprises. The SMED Council formulates SME promotion policies and provides guidance and direction on implementing SME programs.

It is important to note that, despite the government's programs and mandatory credit allocation to small and medium enterprises, access to finance has remained a major constraint to SME growth and development, as the volume of funds for SME lending has been inadequate for their needs. The success of government programs has been limited because much of the funds from these lending programs are directed not to real SMEs but more towards livelihood and microenterprise projects, many of which fail to grow. The government's Small Business Corporation has very limited coverage in terms of areas reached, and complaints abound on the long time it takes to evaluate proposals. Additionally, Government programs do not provide funds for start-up companies but rather provide advisory services.

Nangia and Vaillancourt, (2007) state that access to business advisory services has remained one of the most critical factors affecting the competitiveness of MSMEs. Many are unable to qualify for bank loans because they lack the necessary skills. Moreover, most do not have the expertise to manage a healthy business flow. The lack of information has deterred SMEs from providing quality products.

Other factors that have constrained SMEs from succeeding, include a lack of business environment, an inability to deal with sub-standard products, the absence of business plans, the high cost of collecting information, and limited management capabilities. In other words, SMEs believe that training entails higher risk and larger transaction costs. The cost of training to SMEs has also been affected by prudential norms and beliefs, especially advisory services and mentorship.

SME business advisory services, are to a large extent driven by government policy, covering targeted interventions through government institutions using private consultants as conduits, direct lending by government agencies and corporations, however, despite these programs and policies, the volume of SMEs has remained inadequate for their needs.

An important rationale for supporting these smaller firms is the assumption that these have more growth potential and are more constrained by access to advisory services than are larger firms. The macro-economic literature in this field shows mixed evidence on the role of the SME sector in economic development. Ayyagari *et al.*, (2011) suggested that in most low-and-middle-income-countries, small and mature firms are the largest contributors to employment creation, whereas large firms contribute most to productivity growth. Page and Söderbom (2012) show that small and large firms in Ethiopia have similar employment effects, while Sandefur (2010) demonstrates that in the period 1987-2003, small firms in Ghana created more jobs than larger firms.

Moreover, the micro-economic literature, which focuses on the factors that limit access to business advisory services on SME-level rather than on macro-level, provides mixed evidence on which types of firms benefit most from advisory services.

Economic theory suggests that subsidised advisory services should be provided to firms that are constrained in their growth through lack of such support, reasons for this constraint being that advisory services are either not available or not affordable. It was, however, noted by McKenzie and Woodruff (2014) that there is little evidence to date to say who such firms are, especially among the smallest firms.

McKenzie and Woodruff (2014), state that it is difficult to achieve the effectiveness of advisory services for small and medium enterprises. However, the interventions, types of SMEs, study context and impact indicators used in the studies are very diverse. This heterogeneity is one of the main reasons why it is difficult to provide conclusive evidence on the critical factors determining the access to the advisory services. For example, there are variations in the length of the interventions studied in the literature, ranging from two-day training sessions to consulting tracks lasting several months.

Moreover, as this variation in intervention-length coincides with a great diversity in intervention focus, SME types and a range of other contextual factors, no clear conclusions about the relationship between the length of the intervention and the impact on business practices can be drawn. However, recent literature on the impact of consulting services on individual companies (Bloom 2013, Bruhn 2012) shows substantial impact on business practices and outcomes, which raises the question on whether intensive training and advice trajectories are a more effective way to support SMEs than shorter interventions.

It is often assumed that SMEs are not capable of paying market prices for business advisory services. McKenzie and Woodruff (2014), summarized these key arguments.

Firstly, it might be that entrepreneurs do not adequately understand the potential value of business advisory services and are hence not willing to pay market prices. Moreover, the entrepreneurs might be unwilling to take the risk that the advice ‘does not pay off’, especially when they are not familiar with the potential benefits of such services. Secondly, SMEs may not have the cash to pay for these services because banks are reluctant to provide them with loans. Thirdly, the limited number of locally and privately supplied business advisory services have limited experience on the subject matter.

In addition, whereas the supported SMEs might indeed benefit from business advisory services, the relevant question from a macro-economic perspective is whether the gains for the supported firms outweigh the potential losses for the non-supported firms.

2.5 The western Economies Experience

In most Western economies, not only do SMEs constitute the largest category of businesses numerically, but they also make the largest contribution to GNP and employ a high proportion of the labour force. For example, in the European Union in 2008, companies having 250 or less employees were responsible for 66% of all jobs and 58% of total business turnover (European Commission 2009). Their contribution to job creation has been emphasised and they are seen as having particular advantages in their flexibility and capacity to adapt to rapidly changing markets.

The contribution, which small businesses can make to national economy and wealth creation need to be recognized by the government from the beginning and be considered as part and parcel of the economic development process. Small businesses,

which can be defined as small firms with less than 500 employees are integral part of any national economy (Edmiston, 2007).

They employ more than half the workforce in the private sector , generate about $\frac{3}{4}$ of net new jobs each year and produce more than half of the private sector's output. SMEs, defined as businesses with fewer than twenty employees in New Zealand, accounted for 39% of total value added output in 2004, upwards of 2% points from the previous year. SMEs accounts for 96% of all enterprises

Notwithstanding the importance assigned to the role of SMEs as a major source of ideas and employment, there exists concern on the high rate of failure of SMEs, whether they are achieving their full potential and their often less than satisfactory levels of productivity (Birkett 2000; Mole et al. 2004; Faerns *et al.* 2005).

In this context the role of provider of external business support and business advisory services for SMEs has assumed some importance. The effective growth of SMEs has been related to their effective use of advisory services (Berry 2006). This use has grown in part as a response to the increasing burden of regulation faced by SMEs (Blackburn *et al.* 2006).

Research on the use by SMEs of business advisory services has identified a number of difficulties. SME owners tend not to be well informed about support services available and make relatively little use of them. In addition, there is substantial evidence to suggest that SMEs are often reluctant advice seekers. Blackburn and Hart (2002) argue that this is because of the opportunity costs of searching for advice, the concern that going outside the firm may be perceived as a sign of weakness,

so much so that some have called this a ‘fortress mentality’ (Curran and Blackburn 1994). Gibb (2000) and Curran (2000) point to the limitations of ‘official’ advice, arguing that the advice services tend to be continued because of a paternalistic view that SMEs need them and that most top-down small business advice is based on large-firm practices. Bacon and Hoque (2005) question the effectiveness of the voluntary model of small business advice and argue that small firms are unlikely to take business advisory services without coercion. For example, the need to comply with legislation or the demands of dominant customers. Skinner *et al.* (2003) stress the importance to SME owners of their own personal communication network as a source of support: the peers and professionals with whom they develop and sustain relationships that are often based on interdependence and maintained on an informal basis.

On the other hand, the sources of advice made available, the least used by SMEs tends to be those specifically established in the public sector. A more important support role would seem to be played by consultants.

2.6 Intervening factors influencing the purchase of business advisory services

In this section we look at several theories that influence the provision of business advisory services.

2.6.1 The agency perspective

Agency theory is identified as the dominant theoretical paradigm in the market for traditional business advisory services (Baiman 1990; Lambert 2001). Even so, hypotheses related to agency costs are tested with relative scarcity in the SME literature. Carey and

Tanewski (2009) argue that this might be because SME firms do not experience adverse selection, moral hazard and holdout problems to the same degree as large private and publicly listed firms. They argue that the relationship between the SMEs owner and the advisor will allow for a reduction in information asymmetry and uncertainty in the contractual arrangement between them regarding business advice, which promotes greater relational interaction in the production of higher-quality business advice.

2.6.2 The relational marketing perspective

Carey and Tanewski (2009) argue that complementing agency theory with the relationship marketing literature provides further insight into the demand and supply side of business advice. The term relationship marketing was first introduced by Berry (1983; 2002).

Indeed Berry (1995) also comments that Relationship marketing is built on the foundation of trust. It recognises that existing customer relationships are assets, and that knowledge of the client combined with social rapport is central to successful relationship marketing (Ryals and Payne 2001).

Business advice is largely an intangible product and clients will be uncertain as to the benefit of a service (Jones *et al.*, 1998). Carey and Tanewski (2009) argue that through an active relationship, while simultaneously providing traditional business advisory services to the SME client, the external advice is able to demonstrate its ability and competence, build a deeper understanding of the client's needs, and through this process develop trust. Thus, the relational competence of the external advice is important in explaining its prominence in providing business advisory services (Gooderham *et al.* 2004).

Bennett and Robson (1999) describe both advisors and lawyers as high trust institutional providers who work within government-backed self-regulatory frameworks of training, providing qualifications and codes of conduct. While the advisory profession has a reputation for competence, an SME is unlikely to rely on external services for business advice unless it perceives it to be a competent and trustworthy source of advice. In Namibia, the list of advisory service providers with the Ministry of Industrialisation, Trade and SME Development and that of the City of Windhoek is not widely used according to the mayor's annual progress report of 2015.

It has also been argued that an SME's competitive advantage can derive from the professional relationship that the SMEs builds up with its external advisor (Gooderham *et al.* 2004). It is precisely through such relational capital that the SMEs can tap into the external advisory's expertise and knowledge of business processes, to provide strategic support to add to the valuable resources at the owner-managers' disposal. For example, the City of Windhoek (CoW), proposes that a close relationship is more likely after a longer tenure, but does not find tenure associated with reliance on the external services as a business adviser.

2.6.3 The resource-based approach

Numerous theoretical models have been developed in the strategic management literature to explain how firms achieve and sustain competitive advantage. One of these, the resource-based approach, is probably the most popular framework used to examine the SME-external business advice relationship (Gooderham *et al.*, 2004; Johnson *et al.*, 2007).

The resource-based approach focuses on the source of a firm's competitive advantage as the basis for business success, and how the firm can maximise its value by combining and using all available resources (Barney 1991; 2001). The strategic management literature (Wernerfelt 1984) suggests that a firm's resources, particularly non-imitable resources, are fundamental drivers of both performance and competitive advantage.

External advice can encapsulate a range of competencies that support the SME's intangible resources, providing a potential source of competitive advantage (Gooderham *et al.*, 2004). The external advisor might support the competitive advantage of a firm by providing advice on market positioning or in gaming with competitors; though it is in the areas of financial management and with systems and processes that the external advisor has long-standing expertise.

A firm might engage its external service to provide advice which directly assists performance or advice that has an indirect impact on performance, such as advice directed at improving management control, finance structure or financial planning. With their long-standing expertise in systems and matters of finance, the external advisor might help an SME client to achieve competitive advantage.

The above discussion suggests that SMEs might rely on business advice to augment their limited resources. The resource-based approach is the most commonly used framework to examine the SME–external business advice relationship.

2.7 Factors that limit SMEs from accessing business advisory services

A number of limited factors have been identified in the literature as drivers of demand for business advice (Bennett and Robson 1999; Gooderham *et al.*, 2004; Johnson *et al.*, 2007;

Carey and Tanewski, 2009). We now turn to a discussion of the empirical literature that has tested the impact of these limiting factors on SME's demand for business advice. These factors include the following:

2.7.1 Size of firm

The first limiting factor is the size of the firm. Larger organisations are more likely to have the resources to identify core competencies in-house, and they are also more likely to afford to buy advice from external sources, compared with smaller firms. Size therefore allows larger firms to command a competitive advantage in securing resources (Gooderham *et al.*, 2004; Johnson *et al.*, 2007).

In addition, the larger the firm the more likely it is to meet specific thresholds, for example, those of training and mentorship, as well as health and safety and employment regulations. This contradicts the often-held assumption that smaller firms may have a greater need for failing because they may lack important skills such as knowledge of financial controls (Deakins *et al.*, 2001), And have difficulty obtaining and retaining competent staff because of their inability to offer competitive salaries and benefits (Jennings and Beaver 1997). Therefore, larger firms with greater capacity are more likely to command advice from their external services.

Results from surveys of small businesses on advice take-up provide mixed support for the above argument. For example, Gooderham *et al.*, (2004) and Bennett and Robson (1999) find no association between the variables of firm size and source of business advice from external services, although Bennett and Robson (1999) suggest that demand for advice

show highest for medium-sized firms and lowest for small and large firms. The size of the firm also determines the maturity of the firm.

2.7.2 Age of firm

The age of the SME firm will influence its demand for advice. Studies examining the evolution of SMEs (Deakins *et al.*, 2002) find that the relationship between SMEs and their external adviser(s) is important during the earlier stages of the business. The reasons given are that SMEs require development of effective financial management practices during the earlier stages of the business's evolution, as well as to reduce the isolation and self-dependency of the owner-manager.

External services are an important source of advice during the early stages of business development as the owner navigates the unfamiliar regulatory and operational challenges (Deakins *et al.*, 2002). An SME is particularly vulnerable to failure in the early years (Perry and Pendleton 1983; Peacock 1986; Office for National Statistics 2009). This vulnerability creates incentives for the management of an SME to seek advice from their external services to navigate the business through the difficult early years. Nonetheless, according to the Namibia SMEs Policy (2016), neither size nor age of the firm per se is associated with the use of external business advice. Unfortunately, the SMEs policy study does not provide details on who is supplying the advice, and the role of the external advisor is not sufficiently demarcated to allow us to draw reliable detailed conclusions.

2.7.3 Financial condition of firm

The financial condition of the firm is critical in overcoming the financial difficulties. Holmes *et al.*, (1991) conjecture that small firms seek external support only when a crisis point is reached. Proxies measuring financial risk include gearing and a history of loss making. The proportion of debt to total assets is a direct measure of the firm's financial risk because firms with high gearing are more vulnerable to financial crisis (Firth 1997; Whisenant *et al.* 2003). Faced with heightened financial risk, management has incentives to seek professional external advice to develop a strategy to minimise the risk. Also, in assisting the SME to secure long-term viability, business advice from external services will serve to protect the interests of the lender.

A more highly geared firm might therefore be subject to pressure from its lenders to seek advice to ensure the firm's continued viability. According to the Namibia SME Bank, another measure of financial risk is when the SME firm reports a financial loss. Poorly performing SMEs have an incentive to seek advice from their external services to find resources that will assist in achieving sustained profitability.

2.7.4 Prospect of growth

Businesses that intend to grow are more likely to need external advice or support. This is because growth and its associated organisational changes are likely to provide a challenge to the internal resources and knowledge base of the SME firm, most obviously in relation to the managerial skills and capacities of the owner-manager (Kitching and Blackburn 2002; Blackburn *et al.*, 2006; Johnson *et al.*, 2007).

Gooderham *et al.*, (2004) suggest that the firm must have the ambition to grow or develop before looking for advice, but with such an intention the external services is a likely source of business advice. Chell and Baines (2000) provide evidence to support the contention that small businesses that are focused primarily on creating wealth and accumulating assets are more likely to use external sources of advice. Johnson *et al.*, (2007) also demonstrated that firms with growth orientation are predisposed to using external support. Similarly, Cassar and Ittner (2009) found that professional services are retained when there are expectations of future growth. For example, the Trustco Group Namibia has been reliant on the external services at the beginning to develop its legal department and today it has fully developed its internal capacity to run its own affairs.

2.7.5 Restructuring

A business that plans to restructure is more likely to source externally provided consultancies (Firth 1997). The financial expertise of an external services makes them a likely source of advice. Houghton and Ikin (2001) specify that the likely role of an external services when a company restructures is not only that of providing input during the initial strategic planning of a restructure, but also during implementation to post-implementation monitoring and compliance to business principles.

2.7.6 Competition

In a more competitive business environment there is heightened risk that an SME will not survive. Gooderham *et al.* (2004) argue that with heightened competition a small business is less likely to survive because its narrow resource base does not allow it to adapt its

products or services. The external advisor is a potential source of critical competencies for survival and development. Nonetheless, Gooderham *et al.*, (2004) do not find that degree of competition was associated with respondents' reliance on their external services as a business adviser.

2.7.7 In-house expertise

Similarly, if an SME employs a qualified expertise in-house it will have less need to source advice from an external service, especially if the in-house expertise is a full-time employee. Qualified personnel, whether employed by an SME or by a firm of external service provider, undergo similar academic and professional training to achieve their professional membership. They will have completed an accredited undergraduate qualification and passed the same professional examinations. Where the SME employs qualified personnel, it is less likely to engage the services of an external service provider as a business adviser because the expertise is available in-house.

2.7.8 Industrial sector

Different industry sectors may exhibit variation in the need for business advice. Bennett and Robson (1999) identify a greater SME demand for business advice in general in the manufacturing sector. This might be explained by the fact that manufacturing is a mature and highly competitive industry where business viability is constantly under threat from international rivals.

2.8 Summary

Research has it that, there is a correlation between the provision of Business Advisory Services and an SME's ability to get access to bank finance. It further says that, the age of the firm will influence the likelihood that an SME will source business advice. Accounting services are an important source of advice during the early stages of the business development as the owner navigates through the unfamiliar regulatory and operational challenges. A firm might engage its external service provider to provide advice which directly assists performance or advice that has an indirect impact on performance, such as advice directed at improving management control, finance structure or financial planning. With their long-standing expertise in systems and matters of finance, the external advisor might help an SME client to achieve competitive advantage.

The above discussion suggests that SMEs might rely on business advice to augment their limited resources. The resource-based approach is the most commonly used framework to examine the SME-external business advice relationship. The next chapter will look at the technical part of the document, as it will highlight issues related to study design, sampling approach data analysis and instruments.

CHAPTER THREE

3. RESEARCH METHODS

3.1 Introduction

This chapter provides a framework of the study design, population, sampling approach, study instruments, data collection procedures, data analysis and ethical considerations.

3.2 Research Design

The mixed method was used to collect data from respondents in the study site with the aid of a questionnaire which was pre-tested prior to its use in the field. The advantage of this method of data collection was that the enumerator could clarify any questions which might not be clear to the respondent during the course of the interview. Answers to questions asked were written down in the spaces provided in the questionnaire during the interview.

The completed copies of the questionnaire were coded and entered into the computer using the Statistical Package for the Social Sciences (SPSS) software. SPSS was also used to conduct a descriptive analysis of the data. Most of the analysis focused on the generation of relevant frequencies to help categorise the responses in the form of percentages. Regression analysis was also conducted on factors perceived to contribute to the limitation of access to business advisory services. In addition, the researcher also conducted interviews to examine the intervening role of business advisory to SMEs as it would assist in collecting in-depth information on the study.

3.3 Population

The Centre in its current form has a total units of 172 , mostly occupied by small businesses offering services such as tailoring and knitting, tourism and travel, joinery, manufacturing of cleaning materials, manufacturing of jukeboxes, solar equipment and installation, events management, water bottling, design and printing, and electronic repairs. The study targeted the 172 SMEs, which constituted the population.

3.4 Sample

This study adopted stratified random sampling because it reduces sampling error (Bell & Water 2014). In this thesis, the researcher studied the Windhoek Incubator Centre. The strata were different sectors of the SMEs in the Windhoek Incubator Centre. In this sampling technique, the researcher identified the relevant strata, namely, Manufacturing, Trade, Tourism and Other services. In addition, random sampling with replacement was used to select a sufficient number of participants from each stratum, which was a reflection of the entire population of the Windhoek Incubator Centre.

Furthermore, through stratified random sampling, the sample was divided into proportionate and disproportionate stratification. The formula is that the sample size of each stratum was proportionate to the population of the stratum. It implied that each stratum had the same sampling fraction. This provided more precision than simple random samples of the same size (Dawson 2009). Gains in precision are even greater when studying the same phenomenon, in this case the Windhoek Incubator Centre. In disproportionate stratification, the sampling fraction may vary from one stratum to another (Pfeffermann, 1993).

With this method, the researcher tended to maximise precision for a single important survey measure. Nevertheless, the gain in the precision might not accrue to other survey measures. The researcher adopted the proportionate stratification technique in order for the sample to reflect the entire opinion of the Windhoek Incubator Centre.

With proportionate stratification, the sample size of each stratum is proportionate to the population size of the stratum. Strata sample sizes are determined by the following equation:

$$nh = (Nh / N) \times n$$

nh is the sample size for stratum h , Nh is the population size for stratum h , N is the total population size, and n is the total sample size. In this study, the appropriate sample size with a margin error of 5% identified by the creative sample calculator was 43. The outcome is presented in table 3.1 below.

Table 3.1: Sampling for Windhoek Incubator Centre

Sampling for Windhoek Incubator Centre		
Sectors	Registered SMEs	Proportionate sample
Manufacturing	80	20
Trade	39	9
Tourism	31	8
Other Services	22	6
Total	172	43

Windhoek Incubator Centre, 2017

The qualitative and quantitative information was gathered through interviews and questionnaires. The respondents were stratified on the basis of their sectors.

3.5 Research Instruments

The data collection was conducted using two research approaches, namely the interview and questionnaire. The researcher piloted the questionnaires before the main data collection among the four sectors to check the effectiveness and efficiency of the questionnaire. The pilot study was done in June 2017, followed by fine-tuning of the questionnaire according to feedback received from the SMEs expert participants. The SMEs expert participants in the pilot survey provided their input and recommendations for necessary improvement to the questionnaire and also to determine the validity and reliability test. The data for the main study was collected between July 2017 and November 2017.

3.6 Procedure

Participants were given questionnaires to complete at a time convenient to them. This allowed candidates to have enough time to complete the research questionnaires. However, the researcher collected the questionnaires from respondents after four (4) months. The researcher also conducted the interviews at the same time as the issuing of the questionnaires. On the sampling, with the stratified random sampling, each element in each stratum had an equal chance of being selected to be part of the sample.

3.7 Data Analysis

After collection, the data had to be prepared for data entry. The coding of all the information on the questionnaire was done by assigning numbers to the answers indicated in all sections of the questionnaire. After the responses on the questionnaire were coded,

the researcher captured them in Microsoft Excel and Statistical Package for the Social Science (SPSS) for analysis. Before the analysis of data started, the checking of the dataset for mistakes and errors was done to avoid the distortion of the results of statistical analysis. Errors were crosschecked by the inspection of the frequencies for each of the variables. The corrections of errors in the data file were done by going back to the questionnaires and checking what value should have been entered. A thorough attempt was made to start the analysis process with a clean, error-free data set. Pallant (2001) argues that the success of research depends on this process. The descriptive statistics, including tallying of frequencies in the calculation of percentages, and central tendency summaries were used for data analysis.

Data was analysed using descriptive measures such as percentages, means and standard deviation to test for differences in mean and logistic regression. Graphical and tabulation representations helped to further illustrate the results obtained. This captured both qualitative and quantitative questions. The information provided was also tested to determine Factors that limit SMEs in Accessing Business Advisory Services at the Windhoek Incubator Centre.

Content analysis was also used to translate the recorded interviews into similar content as the mixed method was used. Data collected from interview discussions was organised as per the questionnaires designed and is included in the results discussion and interpretation part of the study.

The relation between an SME's degree of leverage and its growth is weak (all estimated coefficients of variable are marginally significant at 10 per cent and positive), which result

is almost consistent with our hypothesis that SMEs in incubator Centre use predominantly external services to support their growth. When we analyse the effect of limiting factors of SMEs to access advisory service the results suggest that SMEs with external advisory service provider will choose to maintain lower cost in order to support their current growth.

This result provides further evidence in support of the hypothesis that business advisory service has strong influence on SME growth, particularly SMEs, which are more financially constrained. If it is true, more funds and support are required for advisory services. Finally, Empirical findings are provided, interpreted, and discussed below.

3.8 Research Ethics

The population under study had a right to privacy, implying the researcher had to accept refusal from respondents, who had no interest to take part in the research. The researcher ensured that embarrassing and prying questions were avoided for respondents to be comfortable. The researcher adhered to the informed consent of the respondents. All respondents' identity was treated with confidentiality and the information that was provided was only used for the purpose of the study.

Furthermore, respondents were informed about the objectives of the research, the duration of the research interview, why the research was being conducted and how the results would be distributed. During the data collection, objectivity was maintained, thus, making sure that the data was collected accurately. During data analysis, ethical considerations were followed by the researcher in reporting all the findings of the research. The confidentiality and anonymity of the respondents was being strictly adhered to in order to

protect the rights to privacy of the SME owners. The data collected is being kept in a locked cabinet for a period of five years, accessible only to the researcher, and will be destroyed by shredding and burning thereafter.

3.9 Summary

This section delivered a thorough description of the research methodology of the study, selected data collection methods, research instruments utilised, the target population, the selected sample, the processes followed, data collection processes and analysis of the data collected for the study. The next chapter will focus on the interpretation of the results and their discussion.

CHAPTER FOUR

4. RESULTS AND DISCUSSION

4.1 Introduction

This chapter discusses the results of the study. It also presents the basic demographic characteristics of the respondents and thereafter the respondents' views.

The literature review indicate that, the resource-based approach, Mentorship programmes, Gender and years in business are the most commonly used framework to explain the source of demand of business advice (Carey & Tanewski, 2009). This approaches emphasises on the source of a firm's competitive advantage as the basis for business success and how the firm can capitalize on its value by combining and using all available resources to it (Barney, 1991, 2001).

Furthermore, smaller firms may have a greater need for advice because they often lack significant skills such as knowledge of financial controls (Deakins, 2001). They also have difficulty obtaining and retaining competent staff and are generally not able to offer competitive salaries and benefits (Jennings and Beaver 1997). This approaches will impact the performance and growth of the enterprises.

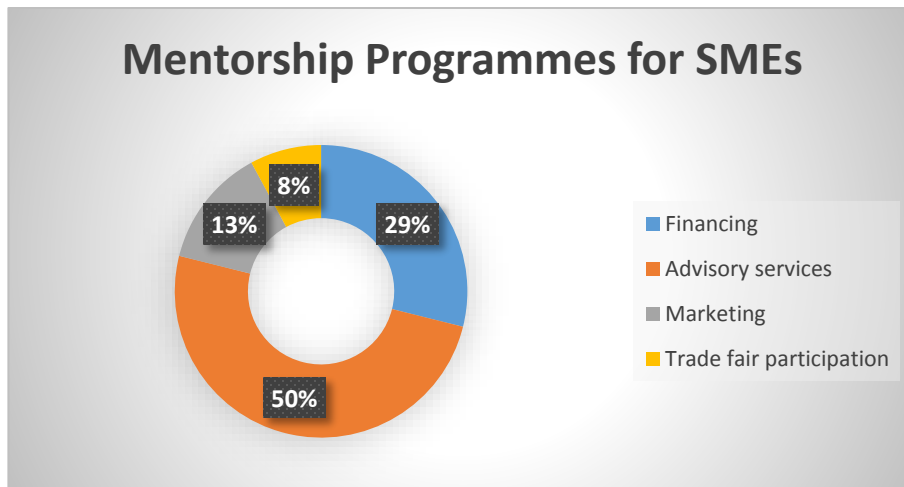
4.2 Mentorship Programmes for SMEs

As illustrated in **figure 4.1** below, 50% of the respondents chose advisory services as the catalyst for business growth. On the other hand, 29% of the respondents considered

finance as an important mentorship programme for SMEs as it can assist one to cover for the operation and maintenance of the customer base. Marketing and Trade Fair participation also accounts for 13% and 8% respectively. These results clearly mean that, although most of the SMEs support the use of advisory services as a catalyst for development of their enterprises, it remains a challenge for them to acquire special industry experts to mentor them, due to financing and the lack of experience. Respondents continued saying that, the marketing of the services was essential for them. The advisory services also provided advisory related services, which included, facilitation of Business registration (Company registration, Social Security fitness registration and Good standing certificates) as compared to the actual industrial or production training. The use of Social media, bill boards and other media for marketing should be provided by the consultant by charging annual or monthly fees rather than a once off consultation fee.

Trade Fair Participation remains a platform for SMEs to display their products, however they complain that, they compete with foreign businesses that have the same products with high quality and low price. Therefore, they need consultants that can mentor them on Costing and pricing, product quality and help them to sell at a competitive price.

Figure 4.1: Mentorship Programmes for SMEs

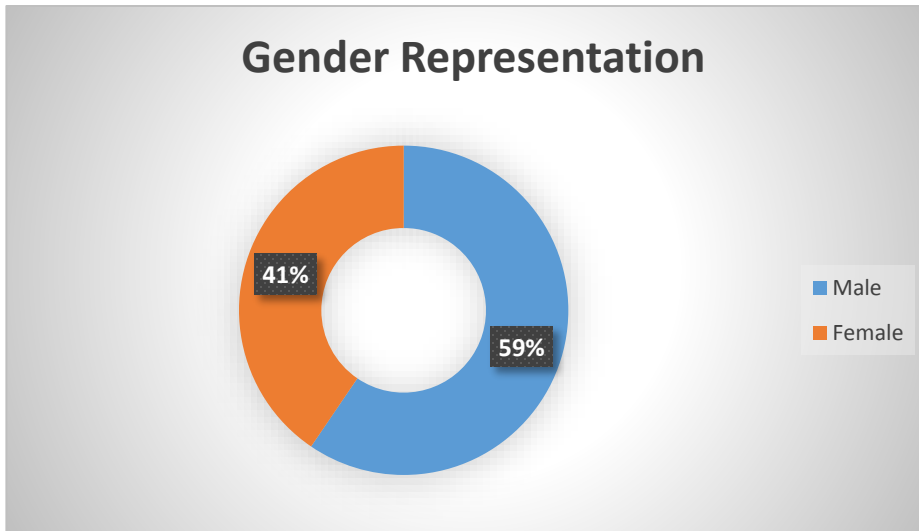


Windhoek Incubator Centre, 2017

4.3 Gender Representation

The figure below depicts the gender representation within the Windhoek Incubator Centre, 59% of the SMEs were Male and 41% were female. The research findings revealed there was gender disparity as there were more males than females, which would be normal since generally more men are into business ventures than women. It was also disclosed that the majority of the respondents were trained in marketing. The majority of the respondents indicated that they had worked from 5 – 10 years. On the aspect of educational level of the respondents, it was found that the majority were Skilful in their operations.

Figure 4.2: Gender Representation



Windhoek Incubator Centre, 2017

4.4 Working Experience vs. Number of years

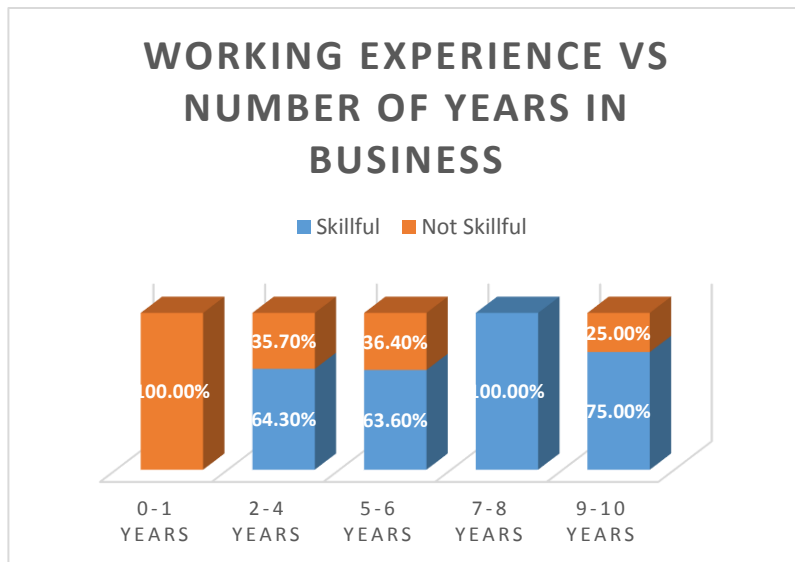
Figure 4.1 below, shows that there was a connection between the number of years in business and the working experience of the employees. The chi-square test results showed that Pearson chi-square is 0.309, likelihood ratio 0.171 and the linear-by-linear association is 0.161. as indicated in the table below:

Table 4.1: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.399 ^a	16	.309
Likelihood Ratio	15.658	16	.171
Linear-by-Linear Association	1.769	1	.161
N of Valid Cases	43		

Windhoek Incubator Centre, 2017

Figure 4.3: Working Experience vs. Number of years



4.5 Summary of SMEs interviewed

Results from the research showed that, there are a combination of small to medium-sized firms. While SMEs often found it difficult to distinguish business advice clearly from statutory compliance services, the overwhelming majority acknowledged that business advisory was an emerging and important segment of the service market. A common technique used by advisors for communicating their broader expertise to clients was through the use of networks or forums for SMEs. For example, SMEs indicated that major network events were, Windhoek Agricultural Show, Ongwediva Trade fair, Made in Namibia Expo and other locally organised trade fairs. The majority of SMEs interviewed, indicated that it was through these networks that they became familiar with the services that they provide. In some cases, these additional services were provided within a context of wider environmental changes. Many SMEs do not have the time to scan the environment beyond the immediate confines of their business. As such, the role of membership organisations, such as the Namibia chamber of commerce and Industry

(NCCI), and professional bodies, like the “SME Compete” were often instrumental in brokering communication. For example, where there were government changes to legislation such as City of Windhoek low rental fees, Equipment Aid scheme for the Ministry of Industrialisation, various SMEs indicated that they responded to these changes by participating in forums and information sharing meetings to learn of the changes, and in so doing were able to display their competence which may lead to enterprise growth.

As one SME said, “We participate in seminars to show that we can grow our enterprise”. The same SME went on to say “we also maximise our profits at these forums and exhibitions”.

SMEs were invariably members of the Namibia Chamber of Commerce and Industry (NCCI) or relevant professional and sector business groups, for example, Team Namibia and SME Compete which acted as a vehicle for both the dissemination of their services and the ability to glean new information regarding their market. One SME, for example, made their presence known in the local newspapers.

4.6 Analysis of data

The researcher employed the Statistical Package for Social Sciences (SPSS) for analysing the quantitative data. SPSS was used for computing the Pearson Correlation Coefficient and the Chi-Square test. Microsoft Excel was used for graphical presentation and data capturing of statistics from respondents. The first quantitative analysis to be accomplished was Pearson Correlation Coefficient to assess the limiting factors to advisory services. The results below showed that 81.6% of the respondents had no personal business advisor in comparison to only 15.80% who had access to the services and 2.6% missing data.

On the other hand, 97.4% of the respondents that did not have personal business advisors were interested in acquiring such significant services. Based on the results of the Chi-Square Analysis, the researcher found that all of the variables were reliable, for example, 80% of those that had operated from 5-10 years and 10-15 years consulted with the City of Windhoek on a monthly basis as compared to the new tenants that had less than 5 years. Table 4.2 below shows the Pearson Correlation Coefficient results.

Table 4.2: Pearson Correlation Coefficient

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	6	15.8	15.8	15.8
No	36	81.6	81.6	97.4
4	1	2.6	2.6	100.0
Total	43	100.0	100.0	

Windhoek Incubator Centre, 2017

4.6.1 Research Objective 1: To identify key limiting factors affecting SMEs access to business advisory services in manufacturing, trade, tourism and other services sectors at the Windhoek Incubator Centre.

From the findings, respondents moderately agreed that there was difficulty in accessing advisory services because of costs involved in providing these services, as shown by the Pearson chi-square score of 0.724.

Respondents disagreed that an SME will be less likely to access new services when its initial set-up cost is high as shown by the likelihood ratio score of 0.688.

Respondents strongly disagreed that SMEs lack financial resources to adopt advisory services as shown by the linear association score of 0.335.

On the extent to which entrepreneur skills affect the access to business advisory services in the SME environment, the majority of the respondents strongly agreed that for an enterprise to grow, they need to obtain expert knowledge from external service providers and then embed the knowledge into their firms, respondents agreed that there is unavailability of sufficient evidence of the benefits of such services, Respondents also moderately agreed that SMEs are unable to carry out the accounting, stocktaking and basic costing and pricing function in-house due to inadequate knowledge and unqualified employees as shown in figure 4.2, year 0-5. Respondents moderately agreed that SME owners are unaware of their own weaknesses to ask for support and advice and also, disagreed that SME owners are frequently not aware of the range of support services and advice available to them as consultants are hardly available for this service.

Regression model

There is a significant positive relationship between the factors that limit SMEs' access to advisory services and enterprise growth. For the researcher to test this relationship, a regression equation was established as a statistical tool for this study to provide accurate results. This result was consistent across all four sectors (Manufacturing, Tourism, Trade and other services).

The established regression equation was:

$$Y = 0.116 + 0.577X1 + 0.157X2 + 0.052X3 + 0.008X4$$

Coefficient Results

The above regression model shows that by holding the cost of Business Advisory Services, entrepreneur skills, in-house experts, competitive intensity constant, at zero (constant), the access to Advisory Services would be at 0.116; it established that a unit increase in the cost of Business advisory services would cause an increase in accessing Advisory Services by a factor of 0.577 while a unit increase in In-house experts' hindrances would cause an increase in accessing Advisory Services by a factor of 0.052. However, an increase in entrepreneurial skills would lead to an increase in accessing business Advisory Services by a factor of 0.157 while an increase in competitive intensity would lead to an increase in accessing business Advisory Services by a factor of 0.038.

The study showed a significant relationship between Accessing Business Advisory Services and the four factors, as shown by the p values; Cost of Business Advisory Services ($p= 0.000<0.05$), Entrepreneur skills ($P= 0.000<0.05$), In-house Experts ($p = 0.038<0.05$) and competitive intensity ($p= 0.000<0.05$).

Table 4.3 below shows the correlation coefficients and their corresponding significance level.

Table 4.3: Coefficients Results

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	Sig.	
(Constant)	0.116	.186	0.535		
			.623		
Cost of Business Advisory Services	0.577	.068	0.559	8.478	0.000
Entrepreneur skills	0.157	.043	0.257	3.676	0.000
In-house experts	0.052	.024	-0.139	-2.115	0.038
Competitive intensity	0.043	.001	0.505	7.097	0.0

Dependent Variable: Accessing business Advisory Services

Windhoek Incubator Centre, 2017

Research Objective 2: To investigate SMEs’ responses to the limiting factors of accessing business advisory services at the Windhoek Incubator Centre

The results confirm that SMEs tend to purchase additional non-compliance business services from their advisors. On the supply side, advisors sell other services off the back of traditional statutory or compliance services. The existing relationship, based on the purchase of compliance services, appears to provide a foundation from which the external

service provider might also sell business advisory services. Advisors were conscious of needing to find the right balance between raising awareness that they sell additional business services and not marketing these too aggressively. In fact, most advisors agreed that they tend not to sell advisory services actively to their SME clients. From the advisors' perspective the provision of advice tends to occur following interactions through compliance work.

Both SMEs and external service providers agreed that additional advice was frequently taken up in the early years of the business as the SMEs faced many new challenges and had not yet developed the necessary business expertise. SMEs agreed that they were seeking a confidante to provide advice over and above compliance services. Being a business owner is often a lonely and isolated life, but the confidante may or may not be the advisors.

SMEs expressed mixed views on whether external service providers are capable of providing useful business advice, yet all external advisors perceived themselves as having the necessary skills to provide business advice. While competence and business acumen were found to be critical before an SME would rely on their external service providers for business advice, trust and an established relationship are necessary to facilitate the exchange. In particular, Advisory emphasised the importance of ensuring that their SME clients had faith in their expertise, and that they themselves had empathy and their clients' best interests at heart.

The results also suggest that an expectation gap exists between what the SME needs and what the external service provider is able to supply. All SME owners used multiple

advisors and not all SMEs would use external personnel for other services. The market for business advice is highly competitive and while external advisors are well placed to acquire this work, they need to convince clients they have the necessary business expertise in order to close the current expectation gap.

Most external advisors indicated they have an existing relationship with the SME that is built on competence, empathy and trust. Hence, advisors appear to be in a good position to supply other services to their SME clients.

Referrals imply competence and competence is a given, while trust is earned over time. Most external advisors suggested that business advice is not sought proactively but emerges primarily from interactions through compliance work. Relationship building leads to provision of services. Such services might be associated with succession, family conflict, changes to regulation, and so on, but advisors are generally not found to be good at communicating the business advisory services they can potentially offer. As a result, many of the other services are captured by other professional advisors.

A major factor that influences demand for advice is the personality of the SMEs. The researcher identified and proposed two distinct types of personalities among SMEs. The first personality type was described as the self-directed individual, who is confident of their own judgement, and who is less likely, therefore, to buy advice, believing that they already possess the necessary business expertise. These individuals tend to buy advice only following a milestone event such as changes in regulation, purchase or sale of the business or business segments.

The second distinct personality group the researcher labelled as validators, who like to affirm decisions by seeking confirmatory advice. This group develops their confidence in a decision path over time and thus they tend to make more considered decisions. This group is also more likely to seek regular advice. An important dimension of business advisory services is the view that external advisors are trusted partners, providing a personal relationship, and are a confidante to the SMEs.

Fieldwork results highlighted a number of elements required for the development of trust. Trust is typically built by means of a relationship between the advisor and the SME client through the provision of compliance services and is developed over time.

With the City of Windhoek being the custodian of the Windhoek Incubator Centre, 42.1% of SMEs rated the service as acceptable and only 34.2% and 21.1% rated good and poor respectively. While there needs to be an element of shared values for social rapport, in most cases socialising outside the business relationship is not necessary for social rapport to be effective. Table 4.4, below shows the responds on the business advisory services at the Windhoek Incubator Centre.

Table 4.4: Services delivery at the Windhoek Incubator Centre

Service	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Poor	9	21.1	21.1	21.1
Acceptable	17	42.1	42.1	63.2
Good	15	34.2	34.2	97.4
Excellent	1	2.6	2.6	100.0
Total	43	100.0	100.0	

Windhoek Incubator Centre, 2017

In addition, SMEs emphasised the critical importance of empathy to the development of a successful relationship and the provision of business advisory services. Empathy involves understanding and genuinely caring for the client's interests and requires the advisor to take time to acquire genuine understanding of the client's business and personal needs. These results demonstrate that SME owners exhibit affective rather than calculative trust behaviours; that is, the relationship with the advisor is principally based on emotional inputs, and these arise from the repeated interactions and information acquired over time.

4.6.3 Research Objective 3: To examine the impact of access to information from business advisory services to the growth of SMEs at the Windhoek Incubator Centre:

There was a consensus among interviewees that advisors do not market the services accessible to prospective clients. In contrast to many of their competitors for business services, external advisors are neither particularly gregarious characters nor charismatic in selling their services. Instead, most new work is derived from referrals, either from internal partners or from the SME network of contacts or is derived demand from compliance work.

An important factor which determines whether the advisor is perceived to be competent to provide access to information for SMEs, is the manner in which information is disseminated. The majority of the SMEs indicated that, mentorship is the appropriate way of acquiring information with 63.6%, and Job attachment to larger firms count for 27.3%, and final 9.1% for on job training as not an effective way of accessing information. There were mixed views among SMEs on whether the advisor had to possess specific industry experience for them to be able to provide the correct information. Where there is a demand

for business advice emanating from a need to enhance competitive advantage, the type of adviser sought by an SME needs to have highly specialised industry knowledge. Most of the SME respondents indicated that they purchase Business Advisory Services packages, like Business Pro and other software rather than using external advisors. The market for business advice is highly competitive and while external advisors are well placed to acquire this work, they need to convince clients that they have the necessary information that can assist the SMEs to improve their enterprises. Table 4.5 below depicts the effective way of accessing information for an SME's growth.

Table 4.5: Effective way of Accessing Information for an SME's growth

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	On the job training	2	2.6	9.1	9.1
	Mentorship	8	18.4	63.6	72.7
	Job attachment	4	7.9	27.3	100.0
	Total	12	28.9	100.0	
Missing	99	27	71.1		
Total		43	100.0		

Windhoek Incubator Centre, 2017

While the literature has considered the limiting factors in accessing information between larger organisations, evidence of the importance of factors that limit access to information within the SME context in relation to information provided by external advisors is not explored. We demonstrate that SME clients will tend to access information only after they have nurtured a relationship with their business adviser(s) to minimise uncertainty, while simultaneously recognising that an SME's competitive advantage can lie in the

professional relationship. It is precisely through such a relationship where information becomes available to SMEs.

4.7 Summary

The study revealed that for SMEs to access Business Advisory Services, they need to build trust with Consultants and this would enable them to explore new services. It also further indicated that SMEs in the Windhoek Incubator Centre should hire external advisors rather than depending on the City of Windhoek for these services. The market for business advice is highly competitive and external advisors have the necessary business expertise in order to close the current expectation gap. The main study limitations include, Shortage of time, Costs and non-responses from respondents.

CHAPTER FIVE

5. CONCLUSIONS AND RECOMMENDATIONS.

5.1 Research Conclusion

The conclusions based on the research study data and objectives are:

- The study concluded that the main limiting factors include Age of the firm, Size, location and organisational structure which hinder access to Business Advisory Services.
- The study also concluded that SMEs need to get latest information on new services when initial set-up costs are high, and that perceived cost is another variable that plays an important role for SMEs to access of any information to make informed decision in their business.
- The study further concluded that if firms are to grow, they need to obtain expert knowledge from external service providers and then embed the knowledge into their firms.
- It also concluded that the SME owners are frequently not aware of the range of support services and advice available to them.
- SMEs operators relationships with their respective Advisory service provider is 50% of the participants responded that they would like to have a relationship with their respective advisor, while 29% of the participants rated financing as also critical. The responses created a very positive picture of the relationships between

SMEs operators and their advisors. This result links in perfectly with the findings that are recorded in figure 4.1 above.

5.2 Research Recommendations

Considering the findings of this study, the researcher came up with the following recommendations:

- There is a need to identify and develop appropriate advisory services models for SMEs at the Windhoek Incubator Centre. In this regard, the City of Windhoek needs to establish friendly business Consulting services and this should include low interest rate charges to ensure continuity of the businesses.
- Management training and capacity building activities should be a continuous process for the SMEs.
- There is a need for the establishment of an SME information centre specifically to provide information to the SMEs on developments relating to market trends, latest developments and assist in linking SME operators to the service providers at affordable rates.
- Government can support the SME sector by making sure that a substantial percentage of government procurement is towards local small enterprises to increase revenue rather than supporting foreign businesses as it has been in the past.

- Government participation in the sector is of utmost importance, as it will boost the support for the SMEs. With the right support the informal enterprises could be nurtured into formal businesses.
- The initial business set-up costs are high for most SMEs. SMEs should seek business advisory services and also recommend for the reduction in rental fees as the Incubator centre is becoming unaffordable.
- On the other hand, the study also recommended that those SMEs that are unable to carry out the accounting function or any other critical services in-house due to inadequate knowledge and unqualified employees should seek help from a Business Advisory Service provider.

5.3 Areas for further research

The results and analysis provide an excellent platform for further research. In particular, the findings would benefit from further validation through a quantitative study. This study concluded that if firms are to grow, they need to obtain expert knowledge from external service providers and then embed the knowledge into their firms. SME owners are frequently not aware of the range of support services and advice available to them, and the most critical factor that affects SMEs' access to Business Advisory Services is financing.

Consequently, further research should be conducted to determine the impact of performance to the financing of Business Advisory Services for SMEs.

5.4 Summary

This study had a worthwhile cause since it had a meaningful contribution to SMEs in the Windhoek Incubator Centre and policy makers. The study provides a basis of guidelines to the SME owners and managers and helps businesses in accessing Business Advisory Services as a catalyst for business growth and makes them meet their business objectives. Accounting services are an important source of advice during the early stages of the business development as the owner navigates through the unfamiliar regulatory and operational challenges. A firm might engage its external services to provide advice which directly assists performance or advice that has an indirect impact on performance, such as advice directed at improving management control, finance structure or financial planning. With their long-standing expertise in systems and matters of finance, the external advisor might help an SME client to achieve competitive advantage. Overall, the study revealed that for SMEs to access Business Advisory Services, they need to build trust with Consultants and this would enable them to explore new services. It also further indicated that SMEs in the Windhoek Incubator Centre should hire external advisors rather than depending on the City of Windhoek for these services. The market for business advice is highly competitive and while external advisors are well placed to acquire this work, they need to convince clients that they have the necessary business expertise in order to close the current expectation gap.

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APPENDICES

Appendix 1: Questionnaire

Topic: “AN INVESTIGATION OF FACTORS THAT LIMIT SMEs’ ACCESS TO BUSINESS ADVISORY SERVICES: A CASE STUDY OF THE WINDHOEK INCUBATOR CENTRE”

Introduction

I would like to thank you for taking the time to participate in this study. This study is part of my master’s research programme which I am completing with the University of Namibia. This survey will approximately take you 15 minutes to complete.

Purpose of this study: To determine different types of limiting factors affecting SMEs to access Business Advisory Services at the Windhoek Incubator Centre;

Confidentiality: Be assured that your responses will not be distributed to third parties and no names will be used in the report.

Deadline: 30 October 2017

Section A (Demographic)

1. For how long have you been in Business?
 - (a) 0-5 year
 - (b) 5-10 years
 - (c) 10-15 years
 - (d) Over 15 years

2. In which of the following sector are you operating in?

(a) Manufacturing

(b) Trade

(c) Tourism

(d) Other Services

3. What is your gender?

(a) Male

(b)Female

4. How many employees do you have?

(a) 0-4 employees

(b) 4-8 employees

(c) 8-12 employees

(d) Over 12 employees

5. Whom do you consider your customers?

(a) Young people

(b) Working class

(c) Travelers

(d) Business owners

(e) Other, if other please specify

Section B (Research questions)

1. Have you ever been trained in the following area of business in the last two years? Please indicate with a tick.

- (a) Bookkeeping
- (b) Marketing
- (c) Customer care
- (d) Product development
- (e) Other, if other please specify

2. Do you have a personal business advisor?

- (a) Yes
- (b) No

3. If No, for no.2 would you consider hiring one?

- (a) Yes
- (b) No

4. How often do you get assistance from the City of Windhoek?

- (a) Monthly
- (b) Quarterly
- (c) Bi-annually
- (d) Annually
- (e) Other, if other, please specify

5. How will you rate the services of the City of Windhoek?
- (a) Very happy
 - (b) Somewhat happy
 - (c) Neutral

 - (d) Not very happy
 - (e) Not at all happy,
6. Would you consider your working force skilful?
- (a) Yes
 - (b) No
7. If No, for no.6 how would you improve their situation?
- (a) On-Job training
 - (b) Mentorship programme
 - (c) Job attachment
 - (d) Other, if other please specify
8. Do you have access to the current City of Windhoek advisory services?
- (a) Yes
 - (b) No
9. Would you consider the current City of Windhoek advisory services effective?
- (a) Strongly Agree
 - (b) Agree
 - (c) Neither agree or disagree
 - (d) Strongly disagree

10. What would you consider the best business services to Small and Medium Enterprise (SMEs)?

- (a) Financing
- (b) Advisory services
- (c) Marketing
- (d) Trade fair participation
- (e) Other, if other Please specify.....

11. What are the key limiting factors affecting SMEs access to business advisory services in manufacturing, trade, tourism and other services sectors at the Windhoek Incubator Centre?

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12. What are the SMEs' responses to those limiting factors of accessing business advisory services at the Windhoek Incubator Centre?

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13. How does access to information impact business advisory services for SMEs at the Windhoek Incubator Centre?

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14. How are the existing and future limiting factors of SMEs accessing business advisory services could be addressed at the Windhoek Incubator Centre?

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15. How are the current advisory services assisting your business?

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16. What will be your recommendation for the best function of the Windhoek incubator centre, particularly on advisory services?

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Thank you for your time

Appendix 2: LANGUAGE & COPY-EDITING CERTIFICATE



The Rev. Dr. Greenfield Mwakipesile

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CONTACT

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LANGUAGE & COPY-EDITING CERTIFICATE

27th January 2017

RE: LANGUAGE, COPYEDITING AND PROOFREADING OF TOMAS NGHINAUNDISHI NGHISHEKWA'S THESIS FOR THE MASTER OF BUSINESS ADMINISTRATION DEGREE OF THE UNIVERSITY OF NAMIBIA

This letter serves to confirm that I copyedited and proofread **TOMAS NGHINAUNDISHI NGHISHEKWA'S** Thesis for the degree of **MASTER OF BUSINESS ADMINISTRATION** entitled: **AN INVESTIGATION OF THE FACTORS THAT LIMIT SMES' ACCESS TO BUSINESS ADVISORY SERVICES: A CASE STUDY OF THE WINDHOEK INCUBATOR CENTRE**

I declare that I professionally copyedited and proofread the thesis and removed mistakes and errors in spelling, grammar and punctuation. In some cases, I improved sentence construction without changing the content provided by the student. I also removed some typographical errors from the thesis and formatted the thesis so that it complies with UNAM's guidelines.

I am a trained language and copy editor and have edited many Postgraduate Diploma, Masters' Thesis, Dissertations and Doctoral Dissertations for students studying with universities in Namibia, Zimbabwe, Swaziland and South Africa.

Please feel free to contact me should the need arise.

Yours Sincerely,

The Rev. Dr. Greenfield Mwakipesile



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[Dr. Greenfield Mwakipesile](#)

Appendix 3: Summary of Stalls interviewed

No	Sector/Industry
1	Manufacturing
2	Manufacturing
3	Other Services
4	Manufacturing
5	Other Services
6	Manufacturing
7	Tourism
8	Manufacturing
9	Trade
10	Trade
11	Tailoring Services
12	Tourism
13	Other Services
14	Manufacturing
15	Other Services
16	Manufacturing
17	Other Services
18	Manufacturing
19	Trade
20	Tourism
21	Other Services
22	Manufacturing
23	Other Services
24	Manufacturing
25	Manufacturing
26	Tourism

27	Manufacturing
28	Other Services
29	Manufacturing
30	Other Services
31	Manufacturing
32	Trade
33	Manufacturing
34	Trade
35	Manufacturing
36	Trade
37	Tourism
38	Other Services